

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
August 6, 2008
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA
5. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF MAY 7, 2008 AND SPECIAL MEETING OF JUNE 23, 2008

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) AWARD A FIVE YEAR CONTRACT (TWO YEARS WITH THREE OPTION YEARS) TO WILLIS RISK AND INSURANCE SERVICES FOR CONSULTING SERVICES FOR BENEFITS AND AS THE DISTRICT'S BROKER OF RECORD IN THE AMOUNT OF \$35,000 PER YEAR FOR THE FIRST TWO YEARS AND UP TO THREE ADDITIONAL TERMS WITH COSTS INCREASES LIMITED TO A MAXIMUM OF 3% PER YEAR
 - b) AWARD A CONSTRUCTION CONTRACT TO FOX CONSTRUCTION FOR THE REGULATORY SITE STORAGE BINS AND EQUIPMENT COVER RELOCATION PROJECT IN AN AMOUNT NOT TO EXCEED \$225,000
 - c) ADOPT THE MITIGATED NEGATIVE DECLARATION FOR 1296-3 RESERVOIR CONSTRUCTION PROJECT

- d) ADOPT THE 2008 LEGISLATIVE PROGRAM
- e) ADOPT A "SUPPORT" POSITION ON SENATE BILL 1XX – PERATA RELATED TO FUNDING FOR WATER QUALITY, FLOOD CONTROL, WATER STORAGE AND WILDLIFE PRESERVATION PROJECTS

ACTION ITEMS

7. ENGINEERING AND WATER OPERATIONS

- a) ADOPT RESOLUTION NO. 4128 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT REQUESTING FORMAL TERMS AND CONDITIONS FROM THE SAN DIEGO COUNTY WATER AUTHORITY AND METROPOLITAN WATER DISTRICT FOR THE CONCURRENT ANNEXATION OF TERRITORY DESCRIBED AS "SYCUAN RESERVATION" TO THE OTAY WATER DISTRICT (CHARLES)
- b) ADOPT THE MITIGATED NEGATIVE DECLARATION FOR THE JAMACHA ROAD 36-INCH POTABLE WATER PIPELINE AND 12-INCH POTABLE WATER PIPELINE REPLACEMENT PROJECT (RIPPERGER/COBURN-BOYD)
- c) ADOPT RESOLUTION NO. 4129 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT WAIVING BOARD POLICY NO. 21 AND AWARDED A PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT TO LEE & RO, INC. FOR THE COMPLETION OF THE DESIGN OF THE 36-INCH PIPELINE, SDCWA OTAY FCF NO. 14 TO THE REGULATORY SITE PROJECT TO LEE & RO, INC. IN AN AMOUNT NOT TO EXCEED \$769,000 (RIPPERGER/GRUNOW)

8. GENERAL MANAGER

- a) ADOPT AN "OPPOSE UNLESS AMENDED" POSITION ON AB 2986 (LENO) RELATING TO WASTE DISCHARGE REQUIREMENTS (BUELNA)

9. BOARD

- a) DISCUSSION OF 2008 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS

10. THIS ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEM.

- a) UPDATE ON DROUGHT RESPONSE CONSERVATION PROGRAM (SARNO)

REPORTS

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

RECESS TO CLOSED SESSION

14. CLOSED SESSION
 - a) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION [GOVERNMENT CODE §54956.9(b)]

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

MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO RECENTLY CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-CTL; AND TWO NON-CONSOLIDATED CASES, NOS. 37-2008-83163-CU-PO-CTL AND 37-2008-00086689-CU-PO-CTL

1 CASE - AMERICAN PROTECTION INSURANCE V. OTAY WATER DISTRICT, DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA, #08-CV-0662-JM-POR

OTAY WATER DISTRICT V. NORTHROP GRUMMAN

RETURN TO OPEN SESSION

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

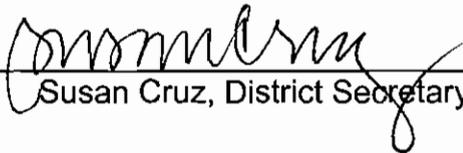
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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 August 1, 2008, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on August 1, 2008.



Susan Cruz, District Secretary

AGENDA ITEM 5

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT May 7, 2008

1. The meeting was called to order by President Croucher at 3:38 p.m.

2. ROLL CALL

Directors Present: Croucher, Breitfelder, Lopez and Robak

Directors Absent: Bonilla

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, General Counsel Aerobel Banuelos, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. APPROVAL OF AGENDA

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

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

to approve the agenda.

4. PLEDGE OF ALLEGIANCE

5. SPECIAL ORDERS OF THE DAY

- a) PRESENTATION TO WATER CONSERVATION POSTER CONTEST WINNER
- b) PRESENTATION TO WATER CONSERVATION PHOTOGRAPHY CONTEST WINNER
- c) PRESENTATION OF OTAY WATER DISTRICT'S SCHOLARSHIP AWARD

General Manager Watton presented Ms. Gianna Casanova from Olympic View Elementary the first place award for the Education Water Conservation Poster Contest. She thanked Otay for selecting her artwork and indicated that she will do her part to save water.

Mr. Watton presented Analucia Partida from Monte Vista High School as winner for the photography contest. He presented her with a certificate as well as \$1,000 check. Ms. Partida thanked the District for the scholarship opportunity and for assisting her with her future goals.

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

No one wished to be heard.

7. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF JANUARY 14, 2008

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

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

to approve the minutes of the regular board meeting of January 14, 2008.

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:

Director Robak requested that item 7a, AWARD A CONSTRUCTION CONTRACT FOR THE RALPH W. CHAPMAN WASTEWATER RECYCLING FACILITY (RWCWRF) OFFICE BUILDING AND METER SHOP REMODEL PROJECT TO TELLIARD CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$275,800, be pulled for discussion.

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

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

Absent: Director Bonilla

to approve the following consent calendar items:

- b) APPROVE AN AGREEMENT BETWEEN OTAY WATER DISTRICT (DISTRICT) AND CALIFORNIA AMERICAN WATER DISTRICT (CAL-AM) FOR MODIFICATIONS TO AND THE OPERATION AND MAINTENANCE OF AN EXISTING METERED INTERCONNECTION TO SUPPLY WATER TO THE DISTRICT AND CAL-AM IN THE EVENT OF AN EMERGENCY
- c) APPROVE AN AGREEMENT BETWEEN OTAY WATER DISTRICT (DISTRICT) AND HELIX WATER DISTRICT FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF A NEW METERED INTERCONNECTION TO SUPPLY WATER TO THE DISTRICT IN THE EVENT OF AN EMERGENCY
- d) APPROVAL OF CHANGE ORDER NO. 4 TO THE EXISTING CONTRACT WITH PACIFIC HYDROTECH CORPORATION FOR CONSTRUCTION OF THE 640-1 AND 640-2 RESERVOIRS PROJECTS IN THE AMOUNT OF <\$4,846>
- e) ADOPT RESOLUTION NO. 4122 AMENDING CODE OF ORDINANCES' POLICY NO. 7, CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT, AND POLICY 15, USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT
- f) DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT

President Croucher presented agenda item 7a for discussion:

- a) AWARD A CONSTRUCTION CONTRACT FOR THE RALPH W. CHAPMAN WASTEWATER RECYCLING FACILITY (RWCWRF) OFFICE BUILDING AND METER SHOP REMODEL PROJECT TO TELLIARD CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$275,800

Director Robak indicated that he is in support of a new office structure for staff at the wastewater treatment plant because staff has been housed in trailers for over 15 years. However, he indicated that he wanted to confirm that the remodel and new office building are part of the long-term plans for the treatment plant. There was a study of Otay's North District area regarding the need for recycled water and the future of the treatment plant. The study concluded that the treatment plant is an asset to the District and will provide recycled water to the Rancho San Diego area.

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

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

to approve the award of construction contract for the Ralph W. Chapman Wastewater Recycling Facility Office Building and meter shop remodel project to Telliard Construction in the amount of \$275,800.

ACTION ITEMS

9. BOARD

a) ESTABLISH NEW LEGAL, LEGISLATIVE AND CONSERVATION COMMITTEE

President Croucher indicated that he spoke with the General Manager, Chairs of Engineering, Operations and Water Resources Committee and the Finance, Administration and Communications Committee, and Director Bonilla regarding establishing a new Legal, Legislative and Conservation Committee. Director Bonilla agreed to chair this new committee and President Croucher will sit on the committee as well. The recommendation for formation of this committee came about as a result of concern regarding the amount of work and time it sometimes takes for the Finance, Administration and Communications Committee to address and review the items that comes before it.

Director Robak requested clarification regarding items that the committee would address. President Croucher indicated that the committee would review legislative items and the goal is to disseminate some of the work between the already established committees so that the meetings can be completed in a timely manner. He indicated that all items that go before this committee will also be presented to the full Board. There was discussion regarding the need for a legal committee. President Croucher indicated that there is currently an Ad Hoc Legal Committee. However, no Board members were assigned to that committee. It will be dissolved and the Legal, Legislative and Conservation Committee will hear issues that previously would have been heard by the Ad Hoc Legal Committee. He explained that the Ad Hoc Legal Committee addressed issues that arose between regularly-scheduled Board meetings that require immediate attention. This committee would then make recommendations to present to the full Board. The Fenton Business Center lawsuit is an example of a legal matter that is currently active that was addressed by the Ad Hoc Legal Committee.

There was discussion as to whether the matters concerning Conservation should be included with Legal and Legislative matters. It was suggested that conservation matters remain with the Administration and Finance Committee.

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

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

to establish the Legal and Legislative Committee with Director Bonilla as Chair and President Croucher as co-Chair. :

b) DISCUSSION OF 2008 BOARD MEETING CALENDAR

It was noted that the June Board meeting has been moved from June 4 to June 10, 2008. It was also noted that June 23, 2008 is reserved for a Board workshop if further discussion is needed regarding the Budget.

INFORMATIONAL ITEMS

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

- a) UPDATE ON THE DISTRICT'S SCHOOL EDUCATION PROGRAM
- b) RATE STRUCTURE ANALYSIS FOR POTABLE AND RECLAIMED WATER
- c) PROPOSED DELINQUENT ACCOUNT PROCESS

Director Breitfelder inquired if committee members recall any particular committee discussion regarding the above items that would be of interest to the full Board. President Croucher noted that no one wished to comment and indicated that there is also Attachment A which notes bullet points from the committee discussion which is attached to each staff report that may be referenced as well.

REPORTS

11. GENERAL MANAGER'S REPORT

- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that the second paragraph on page two of the General Manager's Report discusses that the Legislative Analyst Office (LAO) is still considering taking special districts property tax revenues within the confines of Proposition 1-A in order to supplement the state budget. Proposition 1-A has some restrictions that the special district taxes may only be taken two times within ten years and the State must pay back the first loan before it can borrow a second time.

He indicated that the San Diego County Water Authority (CWA) Board approved a drought response program. Otay staff will bring a model drought response ordinance before this Board in June and request that the Board take similar action.

The outreach events for the month of April included the Water Conservation Garden Festival. Attendance at the festival surpassed last year's attendance. He thanked District employees who assisted in manning the booths at events such as these.

On page five, under Finance, it was indicated that staff will be restructuring some meter routes to level the workload. The restructuring might impact some customers insofar as the due dates of their water bills might shift three to six days. Notices were mailed to these customers who might be impacted by the restructuring.

Staff will present the Fiscal Year 2009 Budget to the Board on June 10, 2008. There will possibly be rate increases due to increases from the Metropolitan Water District and CWA. Staff has not yet finalized its proposal, but will be working to accommodate the rate increases and still carry on the mission of the District.

Regarding the variable rate bonds, he indicated that there is a lot of information in the public about market and auction rate securities and how certain groups are being impacted, in particular, with the auction securities. He noted that the District did not have any auction securities. The District does, however, have about \$13 million in variable securities. He indicated that Chief Financial Officer Joe Beachem explains in the report how the District is protected and does not have exposure to the market as may be the case for others. Staff has been and will continue to be very conservative with District investments.

On page six, the first bullet under "Engineering," he indicated that Staff has been working on the Water Resources Master Plan with PBS&J and the City of Chula Vista to discuss the City's building projections and water needs through the year 2020. The District has taken a more conservative view as to the outlook of growth and water needs in the coming years.

He indicated that staff received a formal letter from Sycuan to annex 640 acres of reservation land to the District for water and sewer service. Sycuan is also

requesting annexation of some of the parcels that they own that are in the Padre Dam Municipal Water District to Otay for sewer service. Those parcels that are receiving water from Padre Dam will continue to receive water service from Padre Dam but will receive sewer service from Otay.

There was discussion regarding the amount of water the reservation would require. General Manager Watton indicated that not all of the reservation land to be annexed will be developed or inhabited. Most of the land will remain vacant. He indicated that the annexation will possibly take several years to complete.

He indicated that he attached to the General Manager's report a copy of CWA's Drought Management Plan Implementation Report that was presented to the Water Planning Committee at CWA, a Water Resources Report from CWA and a copy of the Drought Management Plan PowerPoint presentation which includes information from MET. He indicated that this presentation shows that the snowpack is declining due to warmer weather and evaporation. He pointed out that the comparison chart indicates snowpack reported on March 1, 2008 was 116% of normal but as of April 21, 2008, it was 78% of normal.

He further reviewed projections by MET that indicate the current water demand is 2.18 million acre feet. He explained that the chart illustrates that Water Supply Drought Management (WSDM) is the stored water that MET has to make up the water shortage. Currently, MET estimates there is a shortage of 665 thousand acre feet. If this trend continues, the storage levels in 2007, 2008 and 2009 will decrease every year. If the water storage supply continues to decrease, by the years 2010 and 2011, he predicts that growth will be halted.

a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

President Croucher indicated that CWA moved forward with the \$1.8 million media outreach ads for water conservation. There will also be ads from MWD and CWA.

He indicated that the San Vicente Dam water level was raised 112 to 113 feet. CWA will also be addressing issues regarding water rights and water quality for Lake Hodges which will involve the City of San Diego and a couple of other member agencies. General Manager Watton indicated that Olivenhain Municipal Water District will possibly initiate a lawsuit regarding the water quality issues against CWA and the City of San Diego with regard to Lake Hodges.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak inquired about the decision of Sycuan to annex with Otay instead of Padre Dam. He asked if there are any issues that will be different because Sycuan is a sovereign nation. General Manager Watton indicated that the reservations in San Diego County are not in a sphere of influence so LAFCO evaluates those annexations to determine which water district would be the most

practical for annexation purposes. Otay is considering Sycuan like it would any other property owner or developer who requests annexation to the district. They are required to perform Sub-Area Master Plan water studies, water and/or sewer studies, pay the same fees, etc. Additional information will be presented to the Board as the process continues.

Director Robak indicated that there was record attendance at the Spring Garden Festival. He indicated that he received a tri-fold brochure in the mail from Grossmont Healthcare District. The brochure highlighted Fred Hanson as one of the "heroes" of East County. Mr. Hanson was one of the founders of Otay Water District. He was also one of the first developers in the Mt. Helix area. Mr. Hanson also established the Fred J. Hanson Institute for World Peace at San Diego State University. Director Robak recommended that since Mr. Hanson has had a history with Otay and has contributed to the development of portions of the east county area of San Diego County, that the 640-1 and 640-2 Reservoirs be named after Mr. Hanson. President Croucher suggested that this item be placed on an agenda for future consideration by the Board.

Director Lopez commended staff for their work on the District's Strategic Plan. He indicated the document is admired by other agencies and he wished to note staffs' good work and that he felt that it is an exceptional document.

Director Breitfelder indicated that the Conservation Action Committee was still very much focused on the state ordinance. He reported that The Centre for Organization Effectiveness presented at the Council of Water Utilities meeting held on April 15, 2008. They discussed the Certified Public Manager Program. The Water Agencies Association hosted Senator Alex Padilla. He was well received and spoke about the benefits of establishing uniform standards for water use throughout the State.

13. PRESIDENT'S REPORT

President Croucher indicated that he and General Manager Watton met with General Managers and Board Presidents of Helix Water District, Padre Dam Water District, Sweetwater Authority Water District and Lakeside Water District to discuss agenda items for the September meeting of the Joint Agencies to be held at Helix Water District. Additional information will be provided at a later date.

He indicated that CSDA will be sponsoring a Legislative symposium on May 12 in Sacramento. He recommended that Director Breitfelder and other Board members who are interested attend.

He announced that the Ribbon's Around the Garden event is scheduled on May 17. He encouraged Board members attend this event. Also, there is a WaterReuse meeting scheduled on May 21. Board members should have received information regarding this meeting in their Board packet information.

He indicated that the naming of the 640-1 and 640-2 Reservoirs be placed on the next agenda.

RECESS TO CLOSED SESSION

14. CLOSED SESSION

The board recessed into closed session at 4:20 p.m. to discuss the following matters:

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (i) AMERICAN PROTECTION INSURANCE CO. v. OTAY WATER DISTRICT (CASE NO. 08-CV-0662-JM-POR)
 - (ii) OTAY WATER DISTRICT v. NORTHROP GRUMMAN (ORANGE COUNTY SUPPERIOR COURT, CASE NO. 07CC08916)

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

2 CASES

RETURN TO OPEN SESSION

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

The board reconvened at 6:00 p.m. General Counsel Aerobel Banuelos indicated that no reportable actions were taken in closed session.

16. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 6:00 p.m.

President

ATTEST:

District Secretary

AGENDA ITEM 5

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT AND June 23, 2008

1. The meeting was called to order by President Croucher at 3:40 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla Breitfelder, Lopez and Robak

Director Croucher participated via teleconference.

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

4. APPROVAL OF AGENDA

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 agenda.

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

No one wished to be heard.

WORKSHOP

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

Chief Financial Officer Joe Beachem indicated that following the presentation of the budget at the June 10, 2008 Board meeting, the Board requested additional information. Staff will be presenting three options for approval of the Operating Budget, a \$30.9 million CIP Budget, and associated fund transfers.

Finance Manager Rita Bell indicated that on June 10, 2008 San Diego County Water Authority (CWA) announced a 13.2% increase in water costs to its member agencies. She further explained that because of this decision to increase the water costs from CWA was announced on the same day of the Otay Water District Board meeting, June 10, 2008, staff did not calculate this higher cost in the rate model presented to this Board on June 10. Staff had estimated an increase from CWA of 6.4% to 10.3% in fiscal year 2009. The 2.9% higher water rate added an additional \$409,600 to the budget.

To respond to the Board's concerns regarding economic challenges, Staff developed three scenarios as follows:

- No Growth – Assumes that no meters will be sold in FY 2010 and 2011 and associated reduction by \$54 million over a six-year period in the CIP Budget
- State Property Tax Shift – This is a new law which allows the State to “borrow” property tax revenue from local entities. The most the State could take in one year is \$1,240,000. The State would have to repay the amount borrowed before it could borrow again.
- Combined No Growth and Tax Shift – This scenario combines the effect of the two individual scenarios above.

Staff presented three debt coverage ratio options which are expected to maintain the District's financial strength so that the AA- credit rating can also be maintained:

- Option 1 – 95% Debt Coverage Ratio proposes an Operating Budget of \$66.8 million, a rate increase of 11.4% and transfers of \$27 million.
- Option 2 - 100% Debt Coverage Ratio proposes an Operating Budget of \$67.1 million, a rate increase of 12.4% and transfers of \$27.3 million

- Option 3 – 125% Debt Coverage Ratio proposes an Operating Budget of \$68.2 million, a rate increase of 17.2% and transfers of \$28.4 million.

Staff indicated that these are “base” options.

Mr. Beachem introduced Suzanne Harrell from Harrell & Company Advisers. Ms. Harrell explained the debt coverage ratio options in greater detail emphasizing the long-term targets of the District. She also explained how the debt coverage ratio scenarios can protect the District’s assets in case of no growth. (See PowerPoint Presentation for charts and details.) She reiterated that the District has a very good credit rating and it would be difficult to improve that rating at this point.

Mr. Beachem indicated that the budget supports the District’s Strategic Plan objectives, 66 CIPs in Fiscal Year 2009 along with a high level of service to our customers and will assist in meeting reserve targets.

There was discussion regarding non-operating income. Staff indicated that the District has approximately 30 leases which generate income. There are 29 cell site leases. The contracts for these leases are renegotiated every five years to ascertain market value. There is one golf course lease. It is anticipated that six or seven new cellular agreement leases may be completed in the next six months.

In conclusion, Staff is requesting the Board approve one of the three options for the Operating Budget. These options are supported by rate options for potable and recycled water and a recommended sewer increase. The options and percentages of increases are:

- ✓ Option 1 – 11.4%
- ✓ Option 2 – 12.4%
- ✓ Option 3 – 17.2%
- ✓ Sewer Rate increase of 4.6%

Staff is also requesting Board approval for the CIP Budget of \$30.9 million.

Director Bonilla indicated that in selecting one of the three options, Board members should consider which option will give the best cash flow for the District. He indicated that since Otay is a non-profit organization, the Board should pick an option to keep the District financially strong. He feels Option 2 will be the best option for the best financial stability.

President Croucher commended staff for the work that was put into the PowerPoint presentation and options available for selection. He indicated that he supports Option 2 as the best choice for the District.

There was discussion regarding the decrease in sewer revenues. Mr. Beachem indicated the figure presented is winter-based averaging.

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

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

to adopt Resolution No. 4124 to approve the FY 2008-2009 Operating and Capital Budgets.: Director Robak abstained from voting because the information that was posted on-line for his review was the FY 2007-2008 budget. He indicated he did not have the proper information to make an informed vote.

ACTION ITEMS

7. CONSIDERATION TO PROVIDE A SPONSORSHIP OF \$500 TO THE OAK BROOK MIDDLE SCHOOL AND STEEL CANYON HIGH SCHOOL STUDENTS WHO WILL REPRESENT THE STATE OF CALIFORNIA IN THE NATIONAL HISTORY DAY COMPETITION IN MARYLAND WITH A PRESENTATION ON THE HISTORY OF CALIFORNIA WATER WARS

Staff indicated that they wanted to make the Board aware of this sponsorship. No motion was necessary.

8. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 4:40 p.m.

President

ATTEST:

Assistant District Secretary



AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Kelli Williamson, <i>[Signature]</i> Human Resources Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Rom Sarno, Chief of Administrative Services <i>[Signature]</i> (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager, Finance and (Asst. GM): <i>[Signature]</i> Administration		
SUBJECT:	Award of Contract to Willis Risk and Insurance Services (Willis) for Consulting Service for Benefits and as the District's Broker of Record		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors award a five year contract (two years with three option years) to Willis as the District's new Benefit Consultant and Broker of Record effective August 6, 2008.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To award a contract to Willis as the District's new Benefit Consultant and as the District's Broker of Record effective August 6, 2008.

ANALYSIS:

Human Resources staff contacted local agencies and colleagues to establish a list of potential benefit consultants and invited fifteen consultants to participate in a Request for Proposal process. Eight consultants responded to the request. Human Resources and Purchasing staff reviewed the proposals, checked client references, and invited three of the eight consultants to participate in an interview process. The three consultants invited to the interview process included: Westland Insurance Brokers, Alliant Driver Specialty Group, and Willis. Based on the proposal, interviews, and client references, it is recommended that the District enter into a two-year agreement with Willis to begin as the District's Benefits Consultant and

Broker of Record effective August 6, 2008 though June 30, 2010, with an option to continue the contract for up to three additional one-year increments.

Willis is a global company that has been providing insurance services to clients for over 175 years. They provide a wealth of knowledge and expertise that is customized to the clients' needs. The San Diego affiliate of Willis was established in 1968. Willis specializes in public entities and the San Diego team is dedicated to helping human resource departments control costs and increase productivity. Their mission is to help agencies perform at the highest possible level by delivering cutting-edge health insurance solutions. The District is confident that they will be able to perform to the District's standards.

FISCAL IMPACT:

RKB

By entering in to this contract, there will be an annual cost-savings of approximately \$3,000 as summarized below.

The District and Willis negotiated a set annual fee of \$35,000 for the first two year contract. Willis will refund any commissions paid by the carriers to the District. The first quarter fees will be pro-rated based on an August 6, 2008 implementation of the contract. If the District chooses to continue the contract for the up to three additional terms, cost increases are limited to a maximum of 3%.

The previous Broker's contract (Bradawn) was based on a per employee per month fee and, as such, the monthly cost fluctuated based on employee count. The District paid approximately \$32,000 per year and this cost may have increased this year if we had continued with the same consultant. In addition, the consultant received a commission from one of the plans in the amount of approximately \$6,000.

The District is currently in the Special District Risk Management Association (SDRMA) medical plan for a minimum of three years. SDRMA does not pay commissions. If at a future time the District chooses to utilize the services of Willis to move away from SDRMA and into another health insurance plan, Willis reserves the ability to re-negotiate the annual fee not to exceed 3% of the commissions of the health plan.

STRATEGIC GOAL:

"Retain a Dedicated Workforce." The District's Employee Benefits Program is a critical component to recruit and retain employees.

LEGAL IMPACT: _____

None.



General Manager

Attachment A - Committee Action
Attachment B - Contract



ATTACHMENT A

SUBJECT/PROJECT: D0526-010287	Award of Contract to Willis Risk and Insurance Services (Willis) for Consulting Service for Benefits and as the District's Broker of Record
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on July 21, 2008. The following comments were made:

- Staff contacted other local agencies to develop a list of potential benefit consultants. A Request for Proposal (RFP) was forwarded to fifteen (15) consultants and eight (8) proposals were received. Three were selected for the interview process:
 - Westland Insurance Brokers
 - Alliant Driver Specialty Group
 - Willis Risk and Insurance Services
- Staff is requesting that the board approve a two year contract with an option for three additional years for a total of five years with Willis Risk and Insurance Services (Willis) as the District's new Benefit Consultant and Broker of Record.
- A net annual fee of \$35,000 was negotiated for the first two (2) years and any commissions Willis receives from the carriers will be refunded to the District. The District can renew the contract for up to three years with a maximum cost increase of 3% per year provided the District stays with SDRMA.
- If approved the contract would be effective August 6, 2008.
- If the District decides in the future to change its health carrier (move from SDRMA), Willis can re-negotiate the annual fee not to exceed 3% of the commissions of the new medical carrier.
- Willis Risk and Insurance Services also offers a 10% rate guarantee. If the District feels there are areas that Willis can improve upon (based on quarterly evaluations by the District), Otay can receive a discount up to 10% of its annual

fee. A copy of the Evaluation Form is attached as Exhibit B of Attachment D to staff's report.

- It was noted that Willis has been doing business since the 1800's and began its business in London. They are an international firm and are now headquartered out of New York. Their local San Diego office will provide services to the District. Other local clients include the Cities of Escondido, Poway and National City.
- It was inquired if there were any lessons learned from the District's relationship with its previous benefit consultant that was incorporated into current negotiations. It was discussed that staff negotiated a good faith transition into the contract as they wished to assure a smooth transition from the District's current benefits consultant. The District also negotiated into the contract that commissions would be returned to the District should they be received so that no commissions would be paid to the consultant above the consultant's annual fee. Also a cap of 3% on the annual fee was negotiated into the contract should the District, in future, move to a new medical carrier.
- It was noted that Willis, as a policy, does not accept overrides and contingencies as they wish to assure their clients that their focus is on obtaining them the best rates.
- The committee discussed the primary benefits of a Benefit's Consultant which included the responsibilities of:
 - Preparing the summary plan descriptions
 - Handling activities with current and previous benefits administrator, including runoff claims
 - Administering the District's self-insured dental benefits
 - Handling the District's:
 - Stop-loss Carrier
 - Life Insurance Carrier
 - Long-Term and Short-term Disability
 - Employee Assistance Program, etc.
- It was discussed that the current Benefits Consultant's (Bradawn) fee is \$32,000 which is based on the number of employees. It is expected that the fee would have increased this year and because they also retain commissions paid to them by the carriers, they received approximately \$6,000 in addition to their fee for a total cost of \$38,000. Willis fee

is \$35,000 per year and any commissions they receive is returned to the District which would create savings.

- It was noted that the first quarter billing from Willis will be prorated as services will not cover a full quarter in the initial period.
- The committee requested that staff include the rating sheet of the three consultants selected for the interview process (Attachment C) and that they be included in any future presentations. Also attached (Attachment B) is the rating sheet for the eight consultants who submitted a proposal.
- The Committee noted a potential conflict of interest issue involving the previous Benefits Consultant. It was stressed to the Willis representatives of the Committee's desire that they have no conflict of interests with the organizations that they recommend to assure that the District is receiving unbiased advise.

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

INSURANCE BROKER RFP REVIEW

ATTACHMENT B

		Perceived ability of broker to negotiate a benefits program that meets the needs of the District.	Broker's knowledge and/or technical support related to the implementation of an Online Benefits Open Enrollment process.	Broker's and other assigned staff's availability and accessibility, including the location of the office that will be servicing our account.	Qualifications, background, and experience of Consultant and staff and team composition.	Broker's ability to provide proactive support to the District's Human Resources function including dissemination of current general and legal updates as well as time-sensitive insurance carrier information.	Proposed fees as compared to level of effort expended	Completeness, addressed requested information, readability.	Total Score	COMMENTS
SCORE		15	10	20	15	20	10	10	100	
Alliant	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	8	20	15	20	8	10	96	Large, negotiating power, 30+ yrs exp, in business since 1925. Strategic focus, multi-year strategy, pooled experience - SDRMA/EIA. Commissions: keep same, negotiable, a lot of local business. Negative: referenced wanting to work with an Insurance Committee at the District. On line enrollment strategy - assist getting quotes from TPAs. Local - San Diego
California Corporate Benefits (CCB)	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	10	20	15	10	5	8	83	Local - Rancho Bernardo, large size. negotiating power, wellness contacts. Materials submitted were not too impressive, in business for 30 years. On line enrollment - benefits connect and newsletter. No copies of management reports, etc. Fee structure: no info, negotiate.
Coordinated Benefits Corp. (CBC)	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	12	5	15	10	10	9	6	67	30+ yrs exp, local - Mission Valley, use BenExcell, experience with pooled programs. Smaller firm, less experience - not much info. on employee qualifications. Weak on benchmarking, no discussion of role of on line implementation. No copies of management reports, etc., did not provide background of key employees Only one designated representative, had COBRA and FSA Administration in house. Fee structure: \$20,000 flat fee, \$10,000 for on line enrollment.
Keenan & Assoc.	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	10	5	15	20	7	10	82	Not local, San Clemente, cut and paste approach to proposal with errors. Hours based fee structure and unidentified fees for on line set up and other similar work. Good reporting, Benefit Bridge on line system, good benchmarking capabilities. On line benefit program is included in costs, on line wellness program KeenanFit. Fees: \$38,000 up to 176 hours after \$240/hour, fee offsets by commissions.
Mercer	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	5	20	10	15	10	5	80	Large, San Diego office, Mercer Health on line & Easy Enroll. Proposal was overwhelming at times, not a great response, poorly organized. Took approach that we need to build a program without realizing that we are in SDRMA, didn't understand Otay's business, cookie cutter approach to proposal Not well structured, a lot of material not required - confusing proposal. Fee: \$30,000 first year, no commitment on pricing.
Westland	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	10	20	15	15	10	7	92	Local - Mission Valley, 30+ years exp, in business since 1977, ranked in top 100 insurance agencies. Well organized, public company. Limited public agency experience, on line and computer oriented. Fees: \$12/PEPM + \$6/PEPM for online benefit option.

INSURANCE BROKER RFP REVIEW

ATTACHMENT B

		Perceived ability of broker to negotiate a benefits program that meets the needs of the District.	Broker's knowledge and/or technical support related to the implementation of an Online Benefits Open Enrollment process.	Broker's and other assigned staff's availability and accessibility, including the location of the office that will be servicing our account.	Qualifications, background, and experience of Consultant and staff and team composition.	Broker's ability to provide proactive support to the District's Human Resources function including dissemination of current general and legal updates as well as time-sensitive insurance carrier information.	Proposed fees as compared to level of effort expended	Completeness, addressed requested information, readability.	Total Score	COMMENTS
Willis	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	10	20	15	20	5	10	95	Local - La Jolla, 125 public entity clients, 97% retention rate, large staff. Thorough proposal, very responsive - unlimited assistance. wrote response addressing Olay's current benefit structure. Know what we are looking for, on line HR training, HR partner. BHQ Live, Direct Works/solutions - on line systems, 10% rate reduction if not satisfied. Fees: Commissions expected \$65K, fee structure needs to be negotiated.
WSP	Steve Dobrawa Rosemary Dries Rom Samo Kelli Williamson Combined Rating:	15	5	15	15	15	5	9	79	Local - Carlsbad, good public experience, poor fee structure related to Olay's requirements. No online open enrollment currently, working with Benefits Point but not yet available. Fee: req more info even though most clients are public entities.

Panel's Recommendation for Interview: Alliant, Westland, and Willis
 Panel's Back-up group: California Corporate Benefits (CCB) and Keenan

INSURANCE BROKER RFP INTERVIEW

ATTACHMENT C

23-Jun-08		Providing Creative Solutions	Leverage & Influence in the Industry	Strength of Project Mgr.	Accuracy, Approachability, Communication Style	Appropriateness of responses to questions that match the District's needs	Fees Relevant to the Product	References Complete	Total Score	COMMENTS
SCORE		10	10	15	25	10	10	Checked	80	
Alliant	Steve Dobrawa Patty Caro Rom Samo Kelli Williamson Combined Rating:	7	10	10	15	9	10	Checked	61	Large, negotiating power, 30+ yrs exp, in business since 1925; Good resources. Strategic focus, multi-year strategy, pooled experience - SDRMA/EIA. Commissions: keep same as we currently pay; negotiable, a lot of local business. Negative: referenced wanting to work with an Insurance Committee at the District; Least hands-on; more corporate; Didn't get a sense of personal service; Presenters were not the people who would be servicing our account (more like a sales call). On line enrollment strategy - assist getting quotes from TPAs. Local - San Diego
	Steve Dobrawa Patty Caro Rom Samo Kelli Williamson Combined Rating:	10	8	15	20	8	10	Checked	71	Local - Mission Valley, 30+ years exp, in business since 1977, ranked in top 100 insurance agencies. Well organized, public company. Limited public agency experience, on line and computer oriented. Fees: \$12/PEPM + \$6/PEPM for online benefit option. They acknowledged they were not the biggest broker but conveyed that they still had great leverage in industry through excellent relationships with Carriers. Strength: Team environment; Broker and Value Added Services. Only broker that sent Thank You cards after interview. They have fewer human resources.
Willis	Steve Dobrawa Patty Caro Rom Samo Kelli Williamson Combined Rating:	10	10	15	25	10	8	Checked	78	Local - La Jolla, 125 public entity clients, 97% retention rate, large staff. Thorough proposal, very responsive - unlimited assistance, Wrote response addressing Otay's current benefit structure. Know what we are looking for, on line HR training, HR partner. Has own benefit attorneys, strong team, has accuracy (2x peer review); Broker and Value Added Services. BHQ Live, Direct Works/solutions - on line systems, 10% rate reduction if not satisfied. Fees: Commissions expected \$65K, fee structure needs to be negotiated.

**AGREEMENT
BY AND BETWEEN
THE OTAY WATER DISTRICT
AND
WILLIS RISK & INSURANCE SERVICES OF SAN DIEGO**

THIS AGREEMENT is entered into this 6th day of August, 2008, by and between the OTAY WATER DISTRICT, a municipal water district, formed and existing pursuant to California Municipal Water District Act of 1911, as amended (the "DISTRICT"), and WILLIS RISK & INSURANCE SERVICES, a New York corporation (the "CONSULTANT").

RECITALS

WHEREAS, the DISTRICT desires to employ a CONSULTANT to provide insurance brokerage services.

WHEREAS, the DISTRICT has determined that the CONSULTANT is an insurance brokerage firm and is qualified by experience and ability to perform the services desired by the DISTRICT, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The DISTRICT hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services as set forth in the attached Exhibit "A".

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the DISTRICT for such services, except as authorized in advance by the DISTRICT

The DISTRICT may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the DISTRICT and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.**

The Human Resources Manager is designated as the Project Coordinator for the DISTRICT and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Executive Vice President, Employee Benefits, of WILLIS RISK & INSURANCE SERVICES is designated as the Project Director for the CONSULTANT.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT for the performance of all services rendered pursuant to this Agreement shall be an annual fee of \$35,000. The annual fee shall be paid in quarterly installments, with the first payment prorated for the partial quarter of service.

CONSULTANT acknowledges that it has or may receive broker commissions directly from the various insurance companies selected by the DISTRICT. The amount of any such commissions received shall be deducted from the annual fee and shall appear as a credit on the quarterly invoice following CONSULTANT's receipt of such commission.

In the event that the DISTRICT elects to remove its medical and prescription plan from the Special District Risk Management Authority, the DISTRICT and the CONSULTANT shall negotiate a new annual fee that is equal to no more than a 3% commission on the medical and prescription plan. This new annual fee shall constitute total compensation for all services rendered under this Agreement.

The CONSULTANT's compensation may be revised if the DISTRICT requests a change in the Coverages and/or Services during the Term of this Agreement, and if both parties enter into a written agreement documenting any change in Coverages, Services, or compensation. In addition, if there is a material change in the risk/exposure base, or the overall number of employees, both parties may revise the compensation upon further discussion.

Should the DISTRICT exercise its renewal option under Section 7 of this Agreement, the DISTRICT and CONSULTANT shall negotiate an increase to the annual fee of no more than 3%.

5. **ACCEPTABILITY OF WORK.** The DISTRICT shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement and the amount of compensation due.

6. **PERFORMANCE GUARANTEE.** CONSULTANT shall place up to 10% of the annual fee at risk based on quarterly evaluations by the DISTRICT. The criteria for evaluation will include the timely and accurate delivery of services outlined in the Scope of Services compared to evaluation criteria developed mutually by the DISTRICT and CONSULTANT, as set forth in the attached Exhibit "B". The DISTRICT will provide feedback no later than one week after the end of each quarter and CONSULTANT will work to remedy each issue raised to the DISTRICT's satisfaction. If at the end of each year of this Agreement, service is deficient in a noted area, CONSULTANT agrees to return fees equal to the amount stated in the calculations section of Exhibit "B".

7. **LENGTH OF AGREEMENT.** The time duration of this Agreement is from August 6, 2008 to June 30, 2010 (2-year agreement), which may be extended by the DISTRICT in one-year increments for up to an additional three years (until June 30, 2013).

8. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Plans, Specifications and other documents prepared under the terms of this agreement by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the DISTRICT for use with respect to this Project, and shall be turned over to the

DISTRICT upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the DISTRICT and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this agreement, except upon the DISTRICT's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the DISTRICT, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the DISTRICT may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's written work product for the DISTRICT's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the DISTRICT of documents, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14 but only with respect to the effect of the modification or reuse by the DISTRICT, or for any liability to the DISTRICT should the documents be used by the DISTRICT for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the DISTRICT and for furnishing of copies to the DISTRICT, if requested.

9. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employee of the DISTRICT and are not entitled to any of the rights, benefits, or privileges of the DISTRICT's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

Neither the DISTRICT nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's agents, servants, or employees are in any manner agents, servants or employees of the DISTRICT, it being understood that the CONSULTANT, its agents, servants, and employees are as to the DISTRICT wholly independent CONSULTANTS and that the CONSULTANT's obligations to the DISTRICT are solely such as are prescribed by this Agreement.

10. **ASSIGNMENT AND SUBCONTRACTING.** This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to the DISTRICT for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be

assigned by the CONSULTANT without the prior written consent of the DISTRICT. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or subCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subCONSULTANT(s) shall require the subCONSULTANT to adhere to the applicable terms of this Agreement.

11. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable local ordinances, rules and regulations, whether now in force or subsequently enacted.

12. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

13. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this agreement, the CONSULTANT warrants to the DISTRICT that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the DISTRICT, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the DISTRICT otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the DISTRICT are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the DISTRICT for any increased costs that result from the DISTRICT's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

14. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer,

recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

15. **CONFIDENTIAL INFORMATION.** The DISTRICT may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the DISTRICT. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 15, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the DISTRICT. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to DISTRICT for any damages caused by breach of this condition, pursuant to the provisions of Section 16.

16. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT agrees to defend, indemnify, and hold harmless the OTAY WATER DISTRICT, its officers, officials, certified volunteers, employees and representatives, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of a negligent or wrongful act, error or omission by CONSULTANT in CONSULTANT's performance of this Agreement. Should the District be named in a suit, or should a claim be brought against it by suit or otherwise, resulting from or arising out of the CONSULTANT's negligent performance of this Agreement, CONSULTANT will defend DISTRICT (at DISTRICT's request and with counsel satisfactory to DISTRICT) and will indemnify DISTRICT for any judgment rendered against it or any sums paid out in settlement or otherwise.

17. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the DISTRICT and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney's fees and defense costs presented, brought or recovered against the DISTRICT or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

18. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subCONSULTANTS, when applicable, to purchase and maintain throughout the term of this agreement, the following insurance policies:

A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto").

C. Commercial general liability insurance, with minimum limits of \$1,000,000 per occurrence/\$2,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement.

D. Workers' compensation insurance in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the DISTRICT. Said endorsement shall be provided prior to commencement of work under this Agreement.

E. The aforesaid policies shall constitute primary insurance as to the DISTRICT, its officers, employees, and volunteers, so that any other policies held by the DISTRICT shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the DISTRICT of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the DISTRICT and its officers, agents and employees as additional insureds, and separate additional insured endorsements shall be provided.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the DISTRICT's Chief of Administrative Services. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the DISTRICT's Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the DISTRICT may obtain such coverage at CONSULTANT's expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement, or may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

K. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the DISTRICT.

19. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or

out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the DISTRICT shall, in addition, be limited to the amount of attorney's fees incurred by the DISTRICT in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

20. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") before resorting to arbitration. The costs of mediation shall be borne equally by the parties. Any controversy or claim arising out of, or relating to, this Agreement, or breach thereof, which is not resolved by mediation shall be settled by arbitration in San Diego, California, in accordance with the Commercial Arbitration Rules of the AAA then existing. Any award rendered shall be final and conclusive upon the parties, and a judgment thereon may be entered in any court having jurisdiction over the subject matter of the controversy. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the costs of its own experts, evidence and attorneys' fees, except that the arbitrator may assess such expenses or any part thereof against a specified party as part of the arbitration award.

21. **TERMINATION.** A. This Agreement may be terminated with or without cause by the DISTRICT. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the DISTRICT for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the DISTRICT.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the DISTRICT, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the DISTRICT by the CONSULTANT's breach, if any. Thereafter, ownership of said written material shall vest in the DISTRICT all rights set forth in Section 8.

E. The DISTRICT further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

22. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or

delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To DISTRICT: Human Resources Manager
 Human Resources
 OTAY WATER DISTRICT
 2554 Sweetwater Springs Boulevard
 Spring Valley, CA 91978-2096

To CONSULTANT: Executive Vice President, Employee Benefits
 Willis Risk & Insurance Services
 4250 Executive Square, Suite 250
 La Jolla, CA 92037

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

23. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the DISTRICT's Conflict of Interest Code. CONSULTANT has received and reviewed a copy of the District's Conflict of Interest Code.

CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any financial interest, directly or indirectly, which would conflict in any manner with the interests of the DISTRICT or which would in any way hinder CONSULTANT's performance of services under this Agreement. In the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the DISTRICT. The CONSULTANT also agrees not to specify any service, product, treatment, process or material in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the DISTRICT of that fact. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the DISTRICT in which the CONSULTANT has a financial interest as defined in Government Code Section 87103.

The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the DISTRICT. CONSULTANT acknowledges that prior to entering into this Agreement and during the term, CONSULTANT shall have a duty to disclose to the DISTRICT any and all circumstances that may pose an actual or potential conflict of interest under state law or the DISTRICT's Conflict of Interest Code. If a potential conflict of interest issue arises,

CONSULTANT shall fully cooperate in any inquiry and provide the DISTRICT with all documents or other information reasonably necessary to enable the DISTRICT to determine whether or not a conflict of interest existed or exists.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the DISTRICT's Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the DISTRICT's General Manager in a timely manner on forms which the CONSULTANT shall obtain from the office of the DISTRICT's General Manager.

The CONSULTANT shall not conduct or solicit any non-District business while on DISTRICT time or using DISTRICT property.

The CONSULTANT shall be strictly liable to the DISTRICT for all damages, costs or expenses the DISTRICT may suffer by virtue of any violation of this Paragraph 23 by the CONSULTANT. Failure to comply with the provisions of this Section 23 shall constitute a material breach of the Agreement and cause for termination under Section 21.

24. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation

and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

25. **BROKER SERVICES AGREEMENT ADDENDUM**: CONSULTANT agrees to abide by the Broker Services Agreement Addendum, Exhibit C, and incorporated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

OTAY WATER DISTRICT

WILLIS RISK & INSURANCE SERVICES
(Corporation – signatures of two corporate officers)

By: _____
Mark Watton, General Manager

By: _____
(Name)

(Print)

APPROVED AS TO FORM:

(Title)

Aerobel Banuelos
Attorney

By: _____
(Name)

(Print)

(Title)

EXHIBIT A

SCOPE OF SERVICES

Consultant agrees to perform consulting services as required by DISTRICT. Consultant shall provide the necessary qualified personnel to perform the services. In performance of the services Consultant services include:

1. Strategic Planning

- Assist in defining and prioritizing strategic health & welfare plan objectives
- Assist in the evaluation of internal technical capabilities to determine increased/improved applications for administrative processes
- Identify underperforming vendor relationship
- Assess carrier/vendor customer service levels
- Develop project action timelines
- Periodic review of employee demographics
- Assist in the development of an employee survey. Conduct survey and provide an executive summary detailing results
- Discuss relevant benchmarking data

2. Financial Analysis

- Perform financial review and analysis of experience reports
- Assess current funding arrangements for appropriateness and make recommendations as needed to assist in calculating annual benefit budget, billing rates, annual reserve requirements and proposed plan design changes
- Evaluate current costs of benefits versus effectiveness of plan design
- Review managed care expense and administrative service fees (where applicable)
- Analyze utilization data and cost containment results of medical management
- Forecast projected benefit costs to include maximum exposure
- Evaluate excess loss coverage
- Prepare experience reviews as directed
- Assist in developing appropriate employee contributions levels
- Perform trend analysis from available diagnostic and normative data
- Completion of IRS Form 5500 for signature by District's designated representative as needed

3. Renewal

- Analyze and negotiate renewals with vendors
- Review vendor renewal methodology, experience data, and assumptions for accuracy and logic
- Compare vendor renewal with Willis projections
- Develop and present alternative plan designs and provisions with associated financial and member impact analysis
- Finalize program design, rates, and fees a minimum of 60 days prior to effective date
- Prepare an accurate renewal document with recommendations for delivery to senior

management (as needed)

4. Marketing

- Develop plan specification based on feedback from strategic planning meeting
- Jointly determine list of vendors best suited to meet plan goals and objectives
- Develop vendor performance guarantees with monetary penalties as necessary
- Assist in the review of current electronic data transfer processes with vendors
- Perform pre-marketing evaluation of census data, network service areas, and administrative needs
- Evaluate carrier client support services
- Evaluate vendor financial ratings and accreditation
- Review provider network accessibility/employee match
- Perform critical analysis and comparison of plan features and costs
- Assist in the scheduling of selected finalist site visits
- Assist in conducting finalist negotiations
- Prepare and submit a summary report with recommendations to management
- Assist in the notification of all bidders as to the final outcome

5. Annual Enrollment

- Assist in the planning of employee meetings, round tables, and health seminars
- Provide guidance and develop a comprehensive communication strategy.
- Assist with creation of communication material.
- Introduce workable technology solutions for communications and enrollment where appropriate (e.g. propose online open enrollment strategy to streamline process)
- Assist with collation and distribution of open enrollment material to active employees and retirees
- Coordinate vendor sponsored communication material

6. Compliance

- Provide legislative updates as needed
- Review plan documents and summary plan descriptions for regulatory compliance from a non-legal perspective (client would need to retain legal advice). Assist with preparing corresponding amendments
- Provide access to periodic web casts compliance sessions

7. Account Management Services

- Meet and present to District staff, Board and employees as required
- Serve as a liaison between the client and all insurance companies/vendors
- Monitor administrative process and assist in the smooth resolution of elevated issues
- Act as an employee/employer advocate in the resolution of ongoing claims issues

8. Transition Services

- Use best efforts to implement smooth transition from prior insurance brokerage firm to

CONSULTANT, including but not limited to working with client and all insurance companies/vendors to transition the insurance companies/vendors to CONSULTANT and coordinating with prior insurance brokerage firm to obtain all DISTRICT health and welfare materials and related documents

EXHIBIT B

Evaluation Form

<p>Please mark – using the scale provided – your level of service for the question.</p> <p>1 = Poor 2 = Not Good 3 = Good 4 = Very Good 5 = Excellent</p>					
Criteria	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Avg.
<p>Account Management:</p> <ul style="list-style-type: none"> • Willis team members are readily accessible in person, by phone and email. • Willis listens well to our unique needs and asks questions to clarify mutual understanding. • Willis provides high-touch, proactive service to our account. • Willis communicates regularly and clearly on progress and implementation issues. 					
<p>Expertise:</p> <ul style="list-style-type: none"> • Willis meets our expectations for evaluating the efficiency of our plans. • Willis provides value added ideas to help us control costs and meet District objectives. • Willis keeps us updated on changing legislature and recommends appropriate action when needed. 					
<p>Projects:</p> <ul style="list-style-type: none"> • Assist with finalizing and adopting the Dental and Flexible Spending Account Summary Plan Descriptions and Plan Documents. • Assist with creating an “Addendum Medical Summary Plan Description” which addresses the District’s Eligibility and Extension of Coverage and any other nuances not covered in the Blue Shield Summary Plan Descriptions. • Coordinate with Bradawn, Inc in retrieving all District health and welfare material needed and informing all relevant vendors of new brokerage firm information. • Assist with other projects as decided. 					

Score (Calculations based on pre-determined criteria and weighted averages):

- 0 - 22 Points 10% of Fees Returned**
- 23 - 32 Points 6% of Fees Returned**
- 33 - 43 Points 3% of Fees Returned**
- 44 points or greater 0% of Fees Returned**

EXHIBIT C

BROKER SERVICES AGREEMENT ADDENDUM Requested Language

The following disclosure is made by Willis Insurance Services of San Diego ("we" or "us") to The OTAY WATER DISTRICT ("you"), in connection with the agreement for insurance brokerage services ("Services") entered into between the parties.

Before we bind the specific insurance coverage you desire to purchase we will disclose to you in writing:

- (a) a summary of all quotes and indications we sought and received with certain pertinent information, or, if you prefer, a copy of all quotes and indications we sought and all quotes or indications we received in connection with that coverage;
- (b) any interest we may have in, or contractual arrangements we may have with, any of the prospective insurers;
- (c) the maximum amount or percentage rate of compensation which we, our parent companies, subsidiaries or affiliates, may receive in connection with the placement of the insurance coverage; and

we will obtain your written consent to the amount or rate of compensation we will receive before coverage is bound.

You understand and agree that you shall make final decisions with respect to underwriting submissions and all matters relating to your insurance coverage, risk management, and loss control needs and activities. We will procure the insurance coverage chosen by you, prepare insurance binders, and review and transmit policies to you.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

We will review all policies and endorsements delivered to us by insurers or intermediaries for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all policies and endorsements delivered to you and advise us of any questions you have or of any document or provision that you discover which you believe may not be in accordance with your instructions.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in developing procedures for handling loss exposures, and assist you in reporting subsequent changes in underwriting information to insurance companies.

We will inform you of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information we provide you because failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, you should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases you may need to report claims after termination of a policy.

Prior to binding we will also seek your written consent to the actual commission we will earn from each carrier as required by the Assurance of Discontinuance with the Attorney General of the State of New York.

Commissions are paid by insurers from the premiums you pay and are earned by us for the entire policy period at the time we place policies for you.

If any insurer requires us to receive commissions in regard to any of the Coverages which are inconsistent with the provisions above, we will promptly notify you of such commissions and seek your written consent to receive them.

Our compensation may be revised if you request a change in the coverages and/or services during the term of this Agreement and we enter into a written agreement documenting any change in Coverages, Services and Compensation.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly knowingly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing:

- (a) any interest we have in, or any contractual agreements we have with, the wholesale broker;
- (b) any alternatives to using the wholesale broker;
- (c) any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result; and

obtain your consent to do so. If we expect to recommend the use of a wholesale broker, any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result is also included in the total compensation provided for in the brokerage agreement between the parties.

Other parties such as underwriting managers or managing general agents may also earn and retain usual and customary commissions for their roles in providing insurance products and services to you. If any such parties are corporate parents, subsidiaries or affiliates of ours, any compensation we or our corporate parents, subsidiaries or affiliates will receive is included in the total compensation provided for in the brokerage agreement between the parties.

You may choose to use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages we place for you or the Services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional

information regarding that compensation to you before you make a final decision to use the service provider.

In the ordinary course of business we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or intermediaries.

As an insurance intermediary, we normally act for you. However, we or our corporate parents, subsidiaries or affiliates may provide services to insurers for some insurance products. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers.

We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the contractual arrangements we have with the insurer in accordance this disclosure.

We may also provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. We may be compensated by the insurers for these services in addition to any compensation we may receive for placement of your insurance coverages.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. Notwithstanding any possible conflict which might exist, we will act in your best interests at all times in providing the Services to you. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the Services and will provide your written consent.

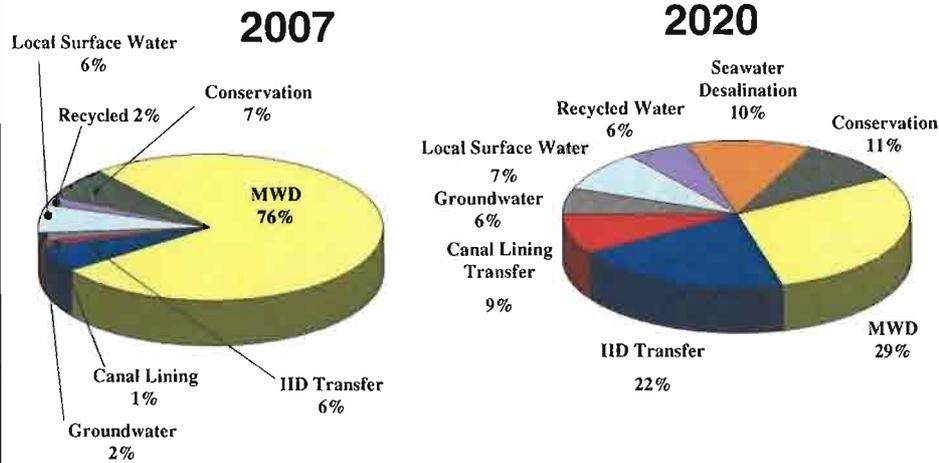
Prices on the Services specified herein are exclusive of all federal, state and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges. Any such taxes or charges upon the Services provided hereunder, now imposed or hereafter becoming effective during the term of this agreement, shall be added to the price herein provided and paid by you unless, in lieu thereof, you provide us with a valid tax exemption certificate acceptable to us.

ND: 4831-9035-7250, v. 2ND: 4831-9035-7250, v. 1

San Diego County Water Authority Water Supply Update



Diversifying San Diego County's Water Supply Portfolio





Lake Oroville

June 2005: 897.12 Feet Elevation - 3,492,262 Acre Feet



Lake Oroville

February 2006: 719.88 Feet Elevation - 1,412,524 Acre Feet

Governor Proclaims Statewide Drought – June 4, 2008

- Critically dry conditions in 2007 and 2008

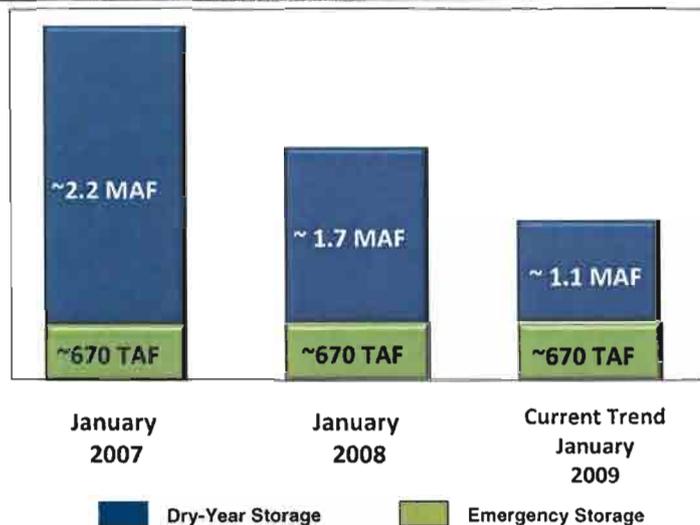
- Snowpack was 67% of normal
- Runoff forecast at 55% of normal
- Driest spring on record in Northern California
- Reservoir levels low – Oroville and Colorado River Basin system at about 50% percent of capacity



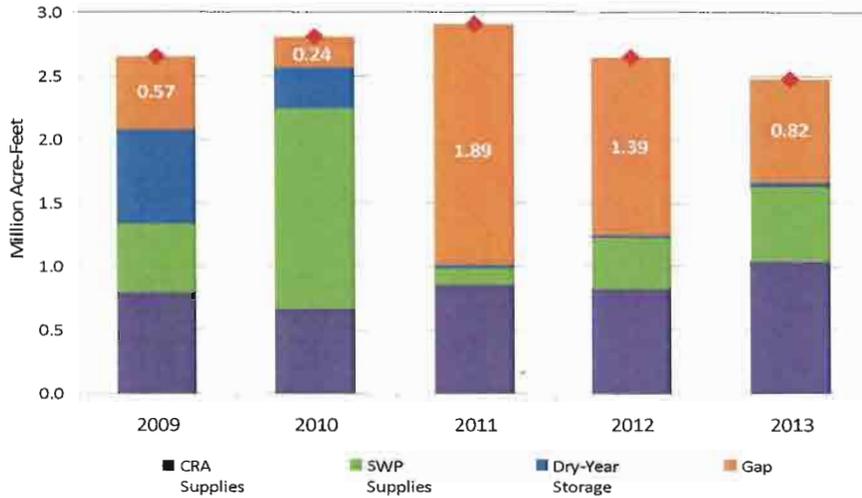
- Largest court-ordered delivery restrictions in history

- Deliveries from Delta – one-third of allocation (Drought impacts and Judge Wanger Ruling on Delta Smelt)
 - ~800,000 acre-feet lost due to pumping restrictions
 - MWD share of loss: 250,000 acre-feet

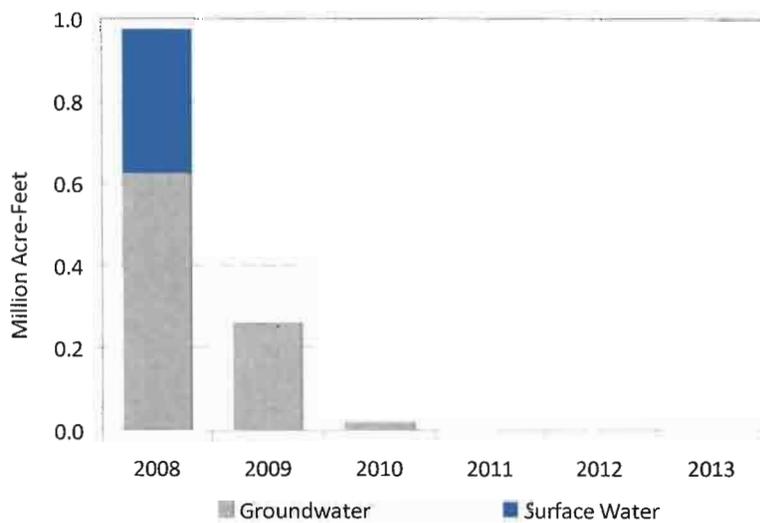
MWD Regional Storage Levels -Including Emergency Storage-



MWD 2009-2013 Base Case Water Balance (Applying 1988-1992 Hydrology: Historical worst 5 consecutive years)



MWD 2009-2013 Base Case Ending Storage (Applying 1988-1992 Hydrology)



MWD Actions to Reduce Potential Shortages

- MWD's "no action" base case has unacceptable risk to shortage and storage
- MWD focusing on four strategies to improve reliability, called "combined actions"
 - Conservation **200,000 AF/YR**
(100,000 AF in '09)
 - Local resources **200,000 AF/YR**
 - Delta improvements **130,000 to 190,000 AF/YR**
 - Transfers **200,000 AF/YR**

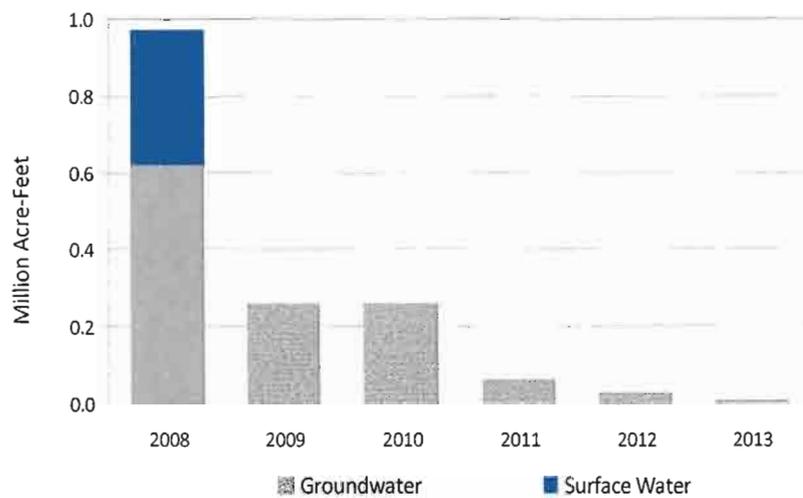
MWD Actions to Reduce Potential Shortages

- MWD staff and member agency groups working on
 - conservation enhancements and
 - acceleration of local supply projects

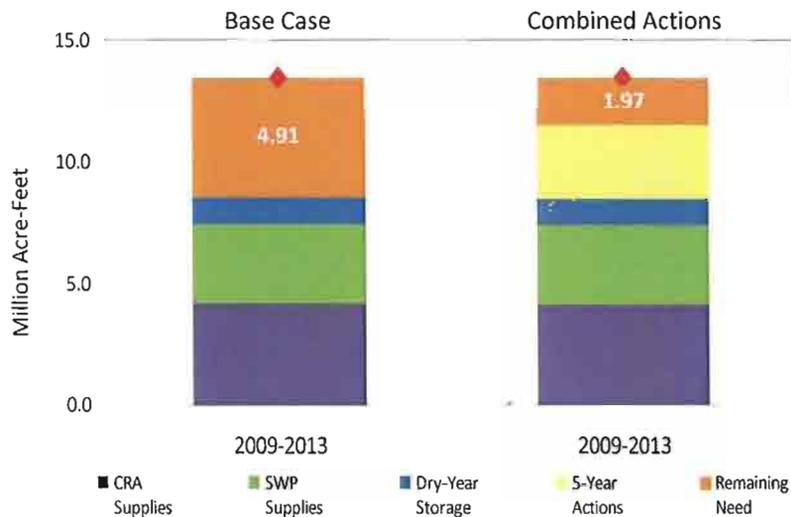
MWD 2009-2013 Combined Actions Water Balance (Applying 1988-1992 Hydrology)



MWD 2009-2013 Combined Actions Ending Storage (Applying 1988-1992 Hydrology)

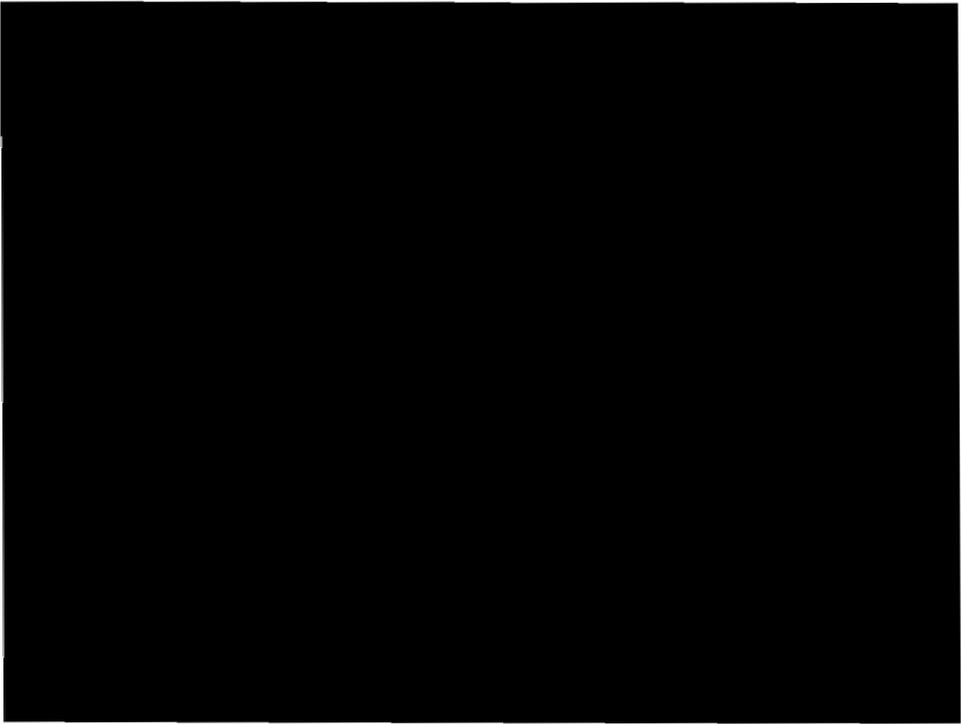


MWD 2009-2013 Cumulative Water Balance (Applying 1988-1992 Hydrology)



Summary

- Water supply shortage is possible as early as 2009
 - Shortages could be significant
 - Prolonged multi-year shortages possible
 - MWD 5-Year Supply Plan combined actions will help...
 - ...but even with full implementation, significant shortages may occur
- Implementation of near- and long-term Bay Delta fixes is critical





STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Ron Grunow <i>[Signature]</i> Sr. Civil Engineer	PROJECT/	P2465- DIV. 5
	Ron Ripperger <i>[Signature]</i> Engineering Manager	SUBPROJECT:	001000, NO. P2466- 001101
APPROVED BY:	Rod Posada <i>[Signature]</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>[Signature]</i> (Asst. GM): Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Contract for the Regulatory Site Material Storage Bins and Equipment Cover Relocation Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board awards a construction contract to Fox Construction (Fox) for the Regulatory Site Material Storage Bins and Equipment Cover Relocation Project in an amount not to exceed \$225,000 (see Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board approval authorizing the General Manager to enter into a construction agreement with Fox for the installation of material storage bins and the relocation of an existing equipment cover at the District's Regulatory Site in an amount not to exceed \$225,000.

ANALYSIS:

Currently, the existing temporary storage bins at the Regulatory Site used by the Operations Department are small and do not have the capacity to store large quantities of construction materials. These bins are essential to the District's operations and the larger permanent material storage bins will allow the District to increase the efficiency of its daily operation activities.

Based on an evaluation of design alternatives, it was determined that the best solution is to construct the Material Storage Bins southeast of the 520-2 Reservoir (see attached Exhibit B). The six (6) Material Storage Bins will be constructed of concrete masonry block 8-feet in height. The base bid for the Material Storage Bins included Asphaltic Concrete (AC) paving. Bid Alternative No. 4 substituted Portland Cement Concrete (PCC) paving for the AC paving. Staff recommends using the PCC. PCC paving has less maintenance costs and was less expensive than the AC paving. The largest bin will be 65-feet wide by 30-feet deep for storage of recyclable material. The five smaller bins will be 25-feet wide by 30-feet deep. A pipe rack for CML&C pipe is also included in this project, together with additional AC paving for truck access. This facility will be very similar to the material storage facility constructed near the 980-2 Reservoir project. The design for this project was performed by in-house staff.

In addition to the storage bins and pipe rack work, this project will also include relocating the existing structural steel equipment cover used by the Operations Department for storing a variety of equipment. The equipment cover will be moved to just east of the existing two pump stations at the Regulatory Site and re-assembled. This work is required due to conflicts with the site layout of planned structures and training areas for the upcoming regional training facility joint-use project with the San Miguel Fire District. This item of work was added by addendum (Exhibit B shows the existing location and the proposed location of the equipment cover).

The project was advertised for bid on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

A non-mandatory Pre-Bid Meeting was held on June 19, 2008. A presentation was given by District Staff to explain the project and answer any questions and/or discuss concerns from the contractors. Six (6) contractors attended the meeting. Meeting minutes were published as a part of Addendum No. 1.

Subsequently, two addenda were sent out to all bidders and plan houses to address questions and clarifications to contract documents during the bidding period and to include the relocation of the existing equipment cover as well as alternate bid items.

Bids were publicly opened on July 3, 2008 with the following results:

<u>CONTRACTOR</u>	<u>Base Bid Amount</u>	<u>Alt. No. 4 Bid Item AC To PCC Net Difference</u>	<u>TOTAL BID</u>
1 Fox Construction	\$227,000	-\$2,000	\$225,000
2 Willkom Construction, Inc.	\$262,700	-\$14,039	\$248,661
3 M.A. Stevens Construction	\$319,460	\$71,928	\$391,388
4 New Century Construction, Inc.	\$362,000	-\$20,000	\$342,000
5 Healey Construction Co.	\$367,611	-\$21,260	\$346,351
6 St. Thomas Enterprises, Inc.	\$393,000	\$33,000	\$426,000
7 Blair Rasmussen Construction, Inc.	\$409,800	\$41,600	\$451,400
8 HTA Engineering & Construction, Inc.	\$420,000	\$20,000	\$440,000
9 Heffler Company, Inc.	\$445,000	-\$20,000	\$425,000

The Engineer's Estimate is \$218,000.

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, Fox, submitted a responsible bid and holds Class A, Class B, and Class C32 Contractor's licenses which expire on September 30, 2008. References were checked and Fox was found to be a highly rated company. Staff also verified that it can comply with the bonding requirements for this project.

FISCAL IMPACT:



The total budget for CIP P2465 (Construction of Materials Storage Bins), as approved in the FY2009 budget, is \$250,000. Total expenditures, plus outstanding commitments and forecast, are \$248,462. See Attachment B for budget detail. The total budget for CIP P2466 (includes equipment cover relocation), as approved in the FY2009 budget, is \$220,000. Total expenditures, plus outstanding commitments and forecast, are \$100,906 (see Attachment B for budget detail).

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

Finance has determined that 100% of the funding is available from the Expansion Fund.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient water-wise, and environmentally responsible manner," as well as, the General Manager's vision, "...prepared for the future..." by guaranteeing the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP P2465 Material Storage Bins\Staff Reports\BD 08-06-08 Staff Report Bid Award7-7-08 (RG-RR).doc

RG/RR:jf

Attachments: Attachment A
 Attachment B
 Exhibit A
 Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: P2465-001000 P2466-001101	Award of a Construction Contract for the Regulatory Site Material Storage Bins and Equipment Cover Relocation Project
---	---

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 22, 2008. The following comments were made:

- Staff indicated that there are temporary storage bins at the Regulatory Site used by the Operations Department to store construction materials. This project will construct larger permanent material storage bins.
- Staff determined that the best location for a larger permanent storage bin facility will be adjacent to the 520-2 Reservoir. The Regulatory Site location allows Operations staff to access the material storage bins when needed for work in the North District.
- Included in this project is relocation of the existing structural steel equipment cover at the Regulatory Site which is used by the Operations Department for storing a variety of equipment. Since the equipment cover is located where the new Joint Training Center will be, it will be relocated to just east of the existing pump stations.
- After the pre-bid meeting, two addenda were sent out to all bidders to address questions and clarify changes to the contract. It was determined that concrete paving be used instead of asphalt paving.
- Nine bids were received; Fox Construction was the lowest responsible bidder.
- Staff recommends that the contract be awarded to Fox Construction which was the lowest bidder.

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



ATTACHMENT B

Otay Water District

Date Updated: July 7, 2008

P2465- Regulatory Site Material Storage Bins

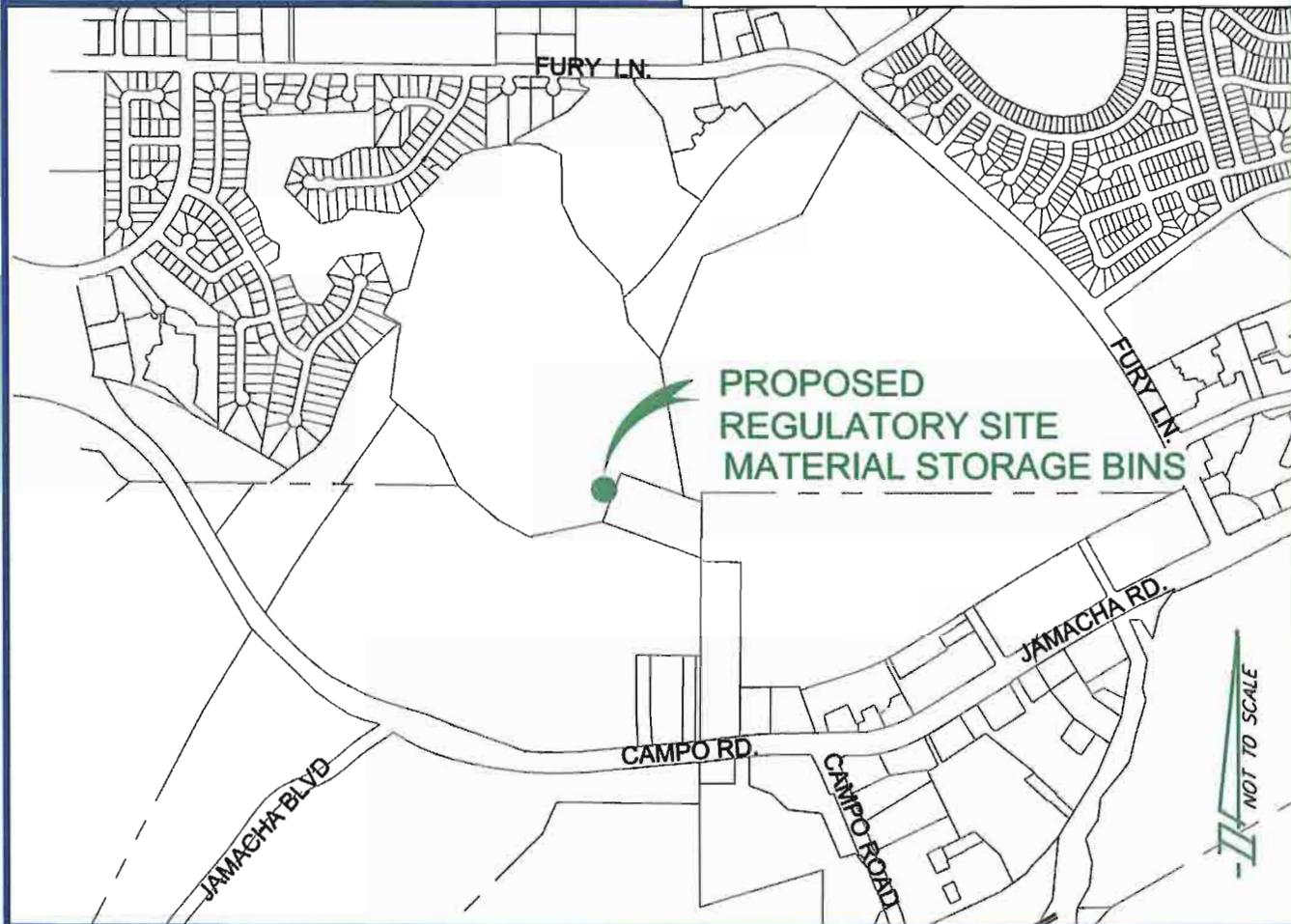
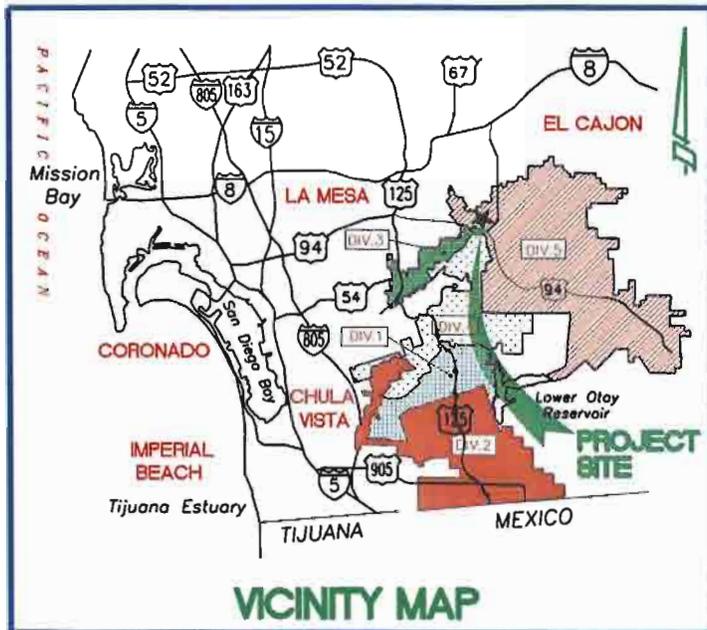
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$250,000					
Regulatory Site Material Storage Bins					
In House/Labor	52,359	42,359	10,000	52,359	
Regulatory Agency Fee	50	50	-	50	County Of San Diego
Service Contracts	60	60	-	60	San Diego Daily Transcripts
	1,593	-	1,593	1,593	Mayer Reprographics Inc
Subcontract		-	-	-	
Temporary Labor		-	-	-	
Construction Contracts	180,000	-	180,000	180,000	Fox Construction
Contingency (4%)	7,200	-	7,200	7,200	Fox Construction
Accpt-close-out	7,200	-	7,200	7,200	
				-	
				-	
Grand Total	\$ 248,462	\$ 42,469	\$ 205,993	\$ 248,462	

Otay Water District

Date Updated: July 7, 2008

P2466 - Regional Training Facility

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$220,000					
Planning					
In House/Labor	28,078	28,078		28,078	
Professional Legal Fees	1,123	1,123	-	1,123	Garcia, Calderon & Ruiz LLP
Consultant Contracts	13,105	13,105	-	13,105	Jones & Stokes Associates
Subcontract		-	-	-	
Temporary Labor		-	-	-	
Total Planning	\$ 42,306	\$ 42,306	\$ -	\$ 42,306	
Design					
In House/Labor			-	-	
In House/Labor (future)			-	-	
			-	-	
			-	-	
			-	-	
Total Design	\$ -	\$ -	\$ -	\$ -	
Construction					
In House/Labor	10,000		10,000	10,000	
Equip. Cover relocation Contract	45,000		45,000	45,000	Fox Construction
Contingency (4%)	1,800	-	1,800	1,800	Fox Construction
Accpt-close-out	1,800	-	1,800	1,800	
				-	
Total Construction	\$ 58,600	\$ -	\$ 58,600	\$ 58,600	
Grand Total	\$ 100,906	\$ 42,306	\$ 58,600	\$ 100,906	

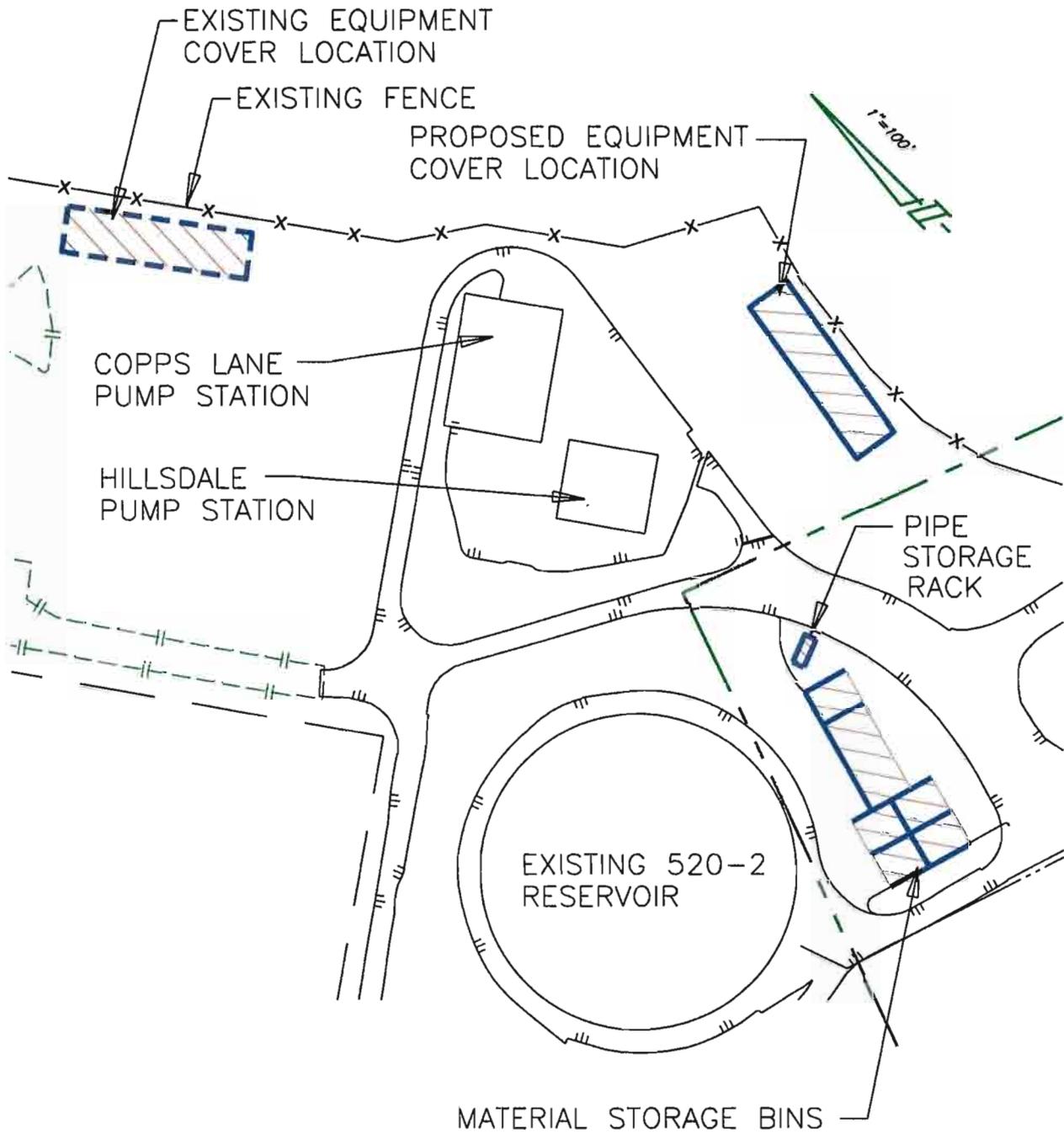


OTAY WATER DISTRICT

REGULATORY SITE MATERIAL STORAGE BINS
LOCATION MAP

P2465

EXHIBIT A



OTAY WATER DISTRICT
 REGULATORY SITE MATERIAL STORAGE BINS
 SITE PLAN

P2465

EXHIBIT B



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	P2143- DIV. NO. 5 001101
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>MM</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Adoption of a Mitigated Negative Declaration for the 1296-3 Reservoir Construction Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve the adoption of a Mitigated Negative Declaration (MND) for the 1296-3 Reservoir Project (see Exhibit A for project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for approval of a MND for the construction of the 1296-3 Reservoir.

ANALYSIS:

The 2.0 million gallon 1296-3 Reservoir will be constructed adjacent to and south of the existing 1296-1 and 1296-2 Reservoirs located in Jamul, at the west end of Bear Mountain Way. As identified in the 2002 Water Resources Master Plan, storage in the 1296 Pressure Zone is currently deficient by 3.1 MG and will be deficient by 12.14 MG for the projected ultimate conditions. The construction of the 1296-3 Reservoir will partially reduce the storage deficiency and add storage capacity for the 1296 Pressure Zone.

On April 11, 2006, the District's General Manager signed a contract with BRG Consulting, Inc. to perform environmental services for the 1296-3 Reservoir. These environmental services include the preparation of a MND to satisfy the conditions of the California Environmental Quality Act (CEQA). BRG Consulting has completed an initial study and draft MND. Based on the findings of these documents, and with proper mitigation measures taken, as outlined in the draft MND, the project will not have a significant effect on the environment.

The draft MND was submitted for 30-day public review on October 18, 2007. Two comment letters were received; one from the U.S. Fish and Wildlife Service and the other from the Native American Heritage Commission. BRG Consulting has incorporated these comments into the MND and finalized the document on June 12, 2008.

FISCAL IMPACT: _____ 

None.

STRATEGIC GOAL:

This project supports the District's strategic goal of designing and constructing new infrastructure and to satisfy current and future water needs for Potable, Recycled, and Wastewater Services.

LEGAL IMPACT: _____

No legal impact is anticipated. However, in compliance with the CEQA process, the final MND will have the normal 30-day legal challenge period once the Notice of Determination (NOD) is recorded with the County of San Diego. The NOD will be recorded within five (5) working days after Board adoption of the MND.



General Manager

P:\WORKING\CIP P2143\Wo30106\Environmental\BD 08-06-08, 1296-3 Reservoir MND Adoption.doc

Attachments: Attachment A
Attachment B
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT: P2143-001101	Adoption of a Mitigated Negative Declaration for the 1296-3 Reservoir Construction Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at the meeting held on June 17, 2008. The following comments were made:

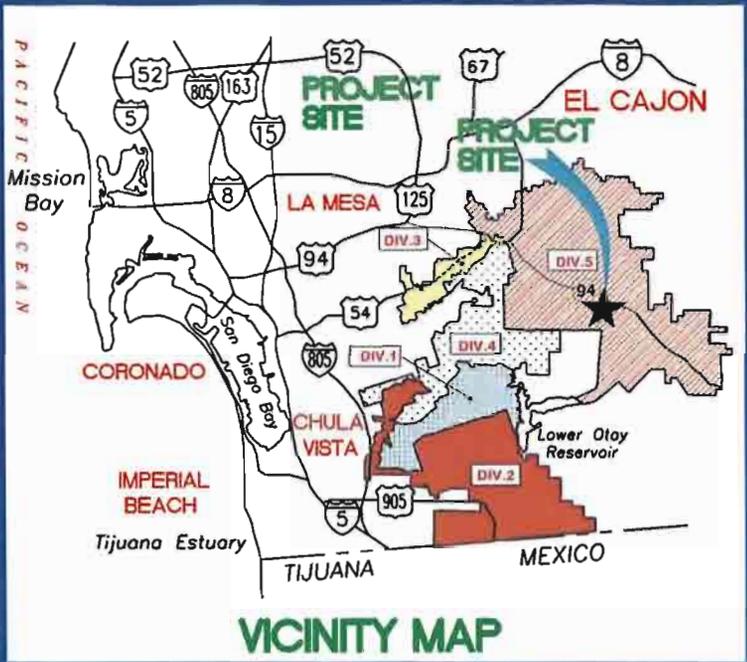
- Staff is requesting adoption of a Mitigated Negative Declaration (MND) for the 1296-3 Reservoir Project. This project is adjacent to the existing 1296-1 and 1296-2 Reservoirs.
- Construction of the reservoir will impact 1.2 acres of Coastal Sage Scrub. The U.S. Fish and Wildlife Service asked for a 2:1 ratio for a total mitigation requirement of 2.40 acres of Coastal Sage Scrub. The 2.40 acres of Coastal Sage Scrub will be preserved in the Otay Water District's existing Habitat Management Area (HMA).
- The MND outlines mitigation measures required to reduce potential impacts associated with construction of the reservoir such as: air quality, noise, soils and water quality. Staff indicated that the roads will be paved after construction due to damage caused by equipment and heavy traffic to and from the construction site.
- The project was included in the District's 1994 Biological Opinion from the US Fish and Wildlife Service which identified biological impacts for future CIP projects; no additional biological permitting will be required.
- Staff has attended the Jamul-Delzura Planning Group meetings to inform the community of the construction. Staff received no comments or concerns from the Planning Group.

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

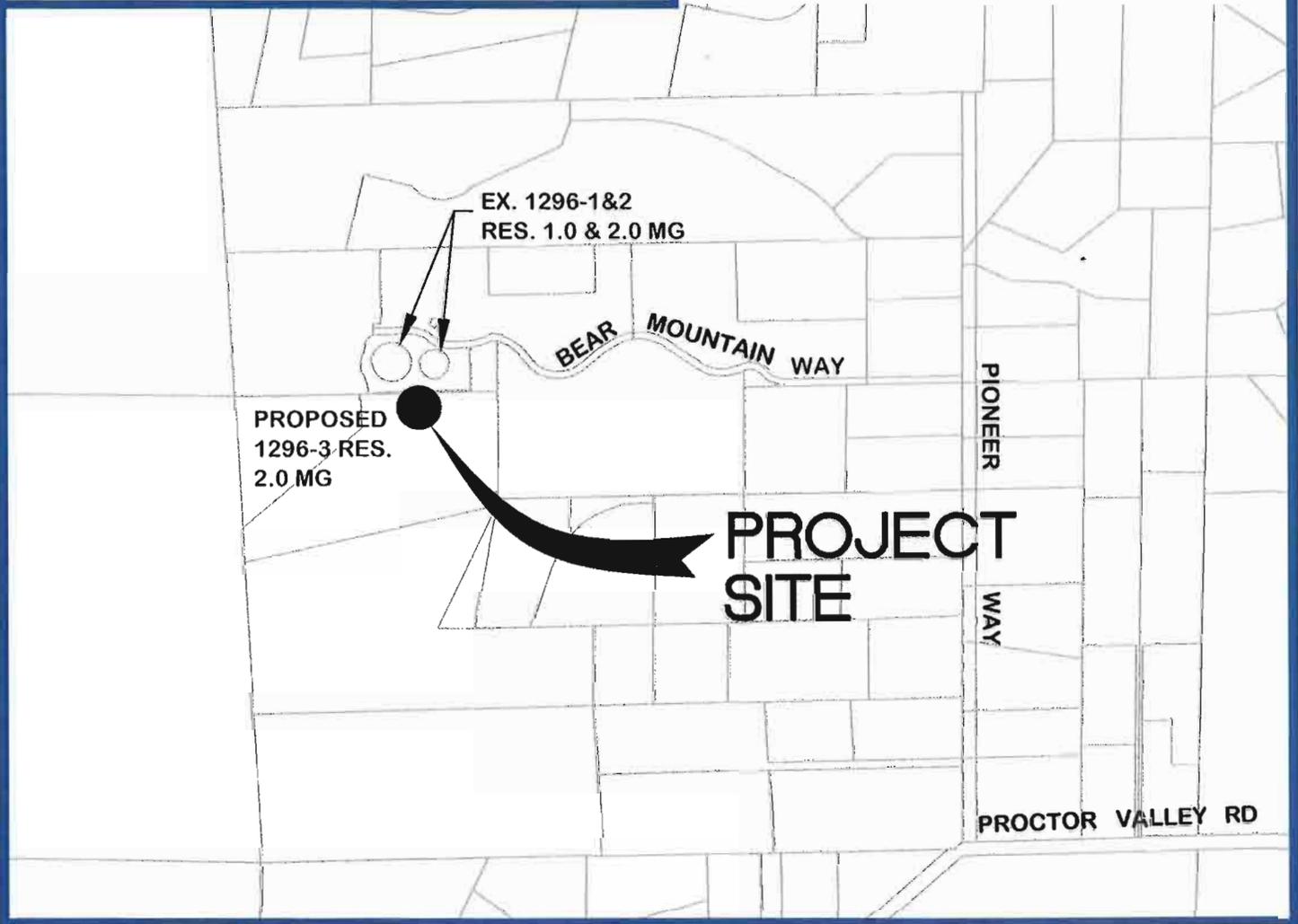
ATTACHMENT B

Listed as a separate document on the website at www.otaywater.gov , Board, Board Agenda, BD 08-06-08, Attachment B, MND for P1296-3 Res Final Ad

A copy of the MND on CD can be provided upon request. Please contact Lisa Coburn-Boyd in the Engineering Department at Otay Water District at 619-670-2219 to obtain a copy.



SCALE: 1"=500'



P:\WORKING\CIP P2143\Wo30106\2143-Exhibit A.dwg 6/25/2008 7:30:57 AM PST



OTAY WATER DISTRICT
1296-3 RESERVOIR
LOCATION MAP

CIP P2143

EXHIBIT A



AGENDA ITEM 6d

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Armando Buelna <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2008 Legislative Program Guidelines		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2008 Otay Water District Legislative Program.

PURPOSE:

To provide direction to staff in the formulation of the District's response to legislative initiatives on issues affecting the District during the 2008 legislative session.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

Each legislative session, representatives to the California legislature sponsor some 2,000 to 3,000 bills or significant resolutions. Many of these measures become law and affect special districts in substantive ways. The same is true with each session of the House of Representatives or the Senate.

Legislative programs establish guidelines and policy direction that can be used by staff in monitoring legislative activity, and facilitate actions that can be taken quickly in response to legislative initiatives.

The principles provided in the 2008 Legislative Program are meant to serve as guidelines for staff in formulating a consistent District response to legislative initiatives. This is particularly helpful in dealing with time sensitive matters such as last minute amendments should calls or letters to legislators be needed. Sensitive or controversial policy matters will nevertheless be brought to the full Board of Directors for deliberation and direction.

FISCAL IMPACT:



None.

LEGAL IMPACT:

None.


General Manager

Attachments

Attachment A - *Committee Action Report*

Attachment B - *2008 Otay Water District Legislative Program*



ATTACHMENT A

SUBJECT/PROJECT:	2008 Legislative Program Guidelines
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COMMITTEE ACTION:

The Legal, Legislative and Conservation Committee reviewed this item at a meeting held on July 23, 2008. The following comments were made:

- It was discussed that once yearly staff presents the Legislative Program for the boards review. The Legislative Program provides a guideline to staff when drafting responses to pending legislation.
- Staff noted that any controversial or sensitive matters would be presented to the board for discussion and to provide direction to staff.
- Staff indicated that the Finance, Administration and Communications Committee had reviewed this item at a meeting held on April 22, 2008. They had requested that the guidelines be brought back to committee as they were not certain of the board's standing on restricting the use of recycled water for groundwater recharge. Since that meeting, the Legal, Legislative and Conservation Committee was initiated, and as the guidelines would fall under the purview of the new committee it was agendized for its review.
- The Legislative Program was updated through discussions with staff and on positions the board took on various legislative matters.
- It was discussed that the guidelines are intended for the more usual legislation and would not substitute for engaging the board in discussions on controversial or sensitive legislative matters.

- It was noted that staff recommendations on Assembly Bill 2986 and Senate Bill 1XX-Perata are consistent with the Legislative Program Guidelines presented today.
- The committee inquired if there were any comments from members of the board on their views. It was indicated that there were no other views expressed by the board with the exception of comments from the Finance, Administration and Communications Committee on April 22, 2008.

The committee supported staffs' recommendations and indicated that as members of the Finance, Administration and Communications Committee had an opportunity to also review this item that it be presented to the full board on the consent calendar.



ATTACHMENT A

SUBJECT/PROJECT:	2008 Legislative Program Guidelines
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on April 22, 2008. The following comments were made:

- It was discussed that once yearly staff presents the Legislative Program for the boards review. The Legislative Program provides a guideline to staff when drafting responses to pending legislation.
- The Legislative Program was updated through discussions with staff on positions the board took on various legislative matters.
- The committee inquired with regard to *Bi-National Initiatives*, item "a" under "Oppose efforts to" on page 6 of the Legislative Program, if the district had any bi-national legislative issues that it is opposing. It was indicated that there were none at this time.
- Staff noted that any controversial or sensitive matters would be brought forward for the board to deliberate and provide direction to staff.
- The committee suggested that verbiage be added on page 1 under *Legislative Policy Guidelines* indicating that the District would have a more proactive approach in supporting legislation.
- The committee also discussed with regard to *Water Services*, item "d" under "Oppose efforts to" on page 2, that the District did not know the position of the full board on this item and suggested that the Legislative Program be

tabled for further discussion and brought back to the next committee meeting.

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

Otay Water District 2008 Legislative Program

Legislative Policy Guidelines
Effective Date:

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2007-2008 Legislative Sessions include the following:

Water Services

Support efforts to:

- a. Provide a comprehensive plan to address Bay-Delta environmental issues.
- b. Study and promote "Around-the-Delta" alternatives as a way to improve water quality or water transport and reduce the possibility of levee failure.
- c. Support efforts to promote additional surface and underground water storage infrastructure to ensure water availability and quality.
- d. Study Global Climate Change and its potential impact on the snow pack, rising sea levels, increased salinity in the Delta, the possibility of reduced precipitation or more severe storms.
- e. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- f. Provide ongoing federal and state funding for the California Bay-Delta.
- g. Support implementation of the Quantitative Settlement Agreement.
- h. Provide reliable water supplies to meet California's short and long-term needs.
- i. Develop a comprehensive state water plan that balances California's competing water needs and results in a reliable supply of high-quality water for the San Diego region.
- j. Provide conveyance and storage facilities that are cost effective, improve the reliability and quality of San Diego region's water supplies as well as the Bay-Delta region.
- k. Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements.
- l. Support agriculture to urban water transfers.
- m. Promote desalination pilot studies and projects.
- n. Reduce restrictions on recycled water usage.
- o. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- p. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- q. Encourage feasibility studies of water resource initiatives.
- r. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems.
- s. Provide funding for water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.

Otay Water District 2008 Legislative Program

- t. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- u. Streamline grant application procedures.
- v. Limit the availability, or prohibit the installation, of water softening appliances that discharge brine to the sewer systems feeding treatment plants that produce recycled water.
- w. Improve the existing Sacramento-San Joaquin River Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- x. Evaluate long-term threats to the Delta levee and conveyance system and pursue actions to reduce risks to the state's water supply and the environment.
- y. Promote or assist voluntary water transfers between willing buyers and willing sellers.
- z. Establish reasonable statewide approaches to sewer reporting standards.

Oppose efforts to:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing protocol.
- c. Create unrealistic or costly to obtain water quality standards for recycled water or storm water runoff.
- d. Restrict use of recycled water for groundwater recharge.
- e. Disproportionately apportion costs of water.
- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- g. Create undo hurdles for seawater desalination projects.
- h. Ban the use of or make the use of eminent domain for water infrastructure projects more costly or burdensome.
- i. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.
- j. Create unreasonable or confusing sewer reporting standards.

Financial

Support efforts to:

- a. Support efforts to clarify procedures and provisions of Proposition 218 in the wake of the Bighorn decision.
- b. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- c. Give special districts the discretion to cease performance of unfunded mandates.
- d. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- e. Provide incentives for local agencies to work cooperatively, share costs or resources.
- f. Provide for the stable, equitable and reliable allocation of property taxes.
- g. Continue to reform workers compensation.

Otay Water District 2008 Legislative Program

- h. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- i. Promote competition in insurance underwriting for public agencies.
- j. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- k. Require disbursement decisions in a manner appropriate to the service in question.
- l. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- m. Produce tangible results, such as water supply reliability or water quality improvement.
- n. Provide financial incentives to projects that increase reliability, diversity, and reduce green house gasses.

Oppose efforts to:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues to fund infrastructure improvements in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.

Governance/Local Autonomy

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Establish reasonable standards for reporting director expenditures.
- c. Establish meaningful, targeted special district reform.
- d. Create consistent definitions of types of meetings directors may use for purposes of compensation.
- e. Set fair, consistent and reasonable standards for board member compensation.
- f. Promote comprehensive long-range planning.
- g. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- h. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- i. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- j. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Otay Water District 2008 Legislative Program

Oppose efforts to:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors' ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- i. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- j. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.
- h. Create tax credits for citizens or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers to install water wise landscape in new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.

Otay Water District 2008 Legislative Program

- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.

Oppose efforts to:

- a. Weaken federal or state water efficiency standards.

Safety, Security and Information Technology

Support efforts to:

- a. Provide funding for information security upgrades.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.
- e. Fund infrastructure and facility security improvements.
- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises.
- h. Equitably allocate security funding based on need, threats and/or population.
- i. Encourage or promote compatible communication systems.

Oppose efforts that:

- a. Create unnecessary, costly, or duplicative security mandates.

Optimize District Effectiveness

Support efforts to:

- a. Continue to reform Workers Compensation.
- b. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- c. Develop reasonable Air Pollution Control District engine permitting requirements.
- d. Reimburse or reduce local government mandates.
- e. Allow public agencies to continue offering defined benefit plans.
- f. Result in predictable costs and benefits for employees and taxpayers.
- g. Eliminate abuses.
- h. Retain local control of pension systems.
- i. Be constitutional, federally legal and technically possible.
- j. Establish practical limits on the use of eminent domain.

Oppose efforts to:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.

Otay Water District 2008 Legislative Program

- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts to:

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.



AGENDA ITEM 6e

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Armando Buelna <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	SB 1XX - Perata, Water Quality, Flood Control, Water Storage and Wildlife Preservation.		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors take the position of "Support" on SB 1XX - Perata relating to funding Water Quality, Flood Control, Water Storage and Wildlife Preservation projects.

PURPOSE:

To authorize taking a "Support" position on SB 1XX - Perata relating to funding Water Quality, Flood Control, Water Storage and Wildlife Preservation projects.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

Senate Bill 1XX (Second Extraordinary Session) would appropriate a total of \$610,890,000 from voter approved Propositions 50, 1E, and 84 for a variety of water quality, flood control, water storage and wildlife preservation projects.

SB 1XX notes that California voters recognize the value of water to the economy, environment, and overall well-being of the state. It also recognizes that the state is facing challenges managing water due to climate change, uncertainty regarding the availability of water from the Sacramento-San Joaquin Bay Delta, an increase in state population, limitations on public funds, and other factors.

Of note, SB 1XX includes funding for emergency response actions that can provide ecosystem, water quality, fisheries enhancement, and water supply reliability benefits in the Sacramento-San Joaquin Bay Delta in the next two years (see Attachment D).

In total, about 60 percent of the funds appropriated in this bill are for flood protection related activities, and another 15-20 percent are for projects that protect or improve drinking water quality. The bill also funds completing the CalFed surface storage feasibility studies and environmental documents, improving regional water planning and groundwater management, and restoring critical environmental resources.

Supporters of SB 1XX note this bill will address the need for an immediate response to deal with the decline of the delta smelt, the issue of seismic stability of levies in the Delta, and the potential for disruption of water supplies due to emergencies such as earthquakes or floods.

Supporters note that while a comprehensive plan for the Delta is still necessary, it will take many years to implement. In the mean time, voters have approved funding for water resources projects. Moreover, they cite that specific projects have been identified that can be implemented immediately and will provide immediate benefits to water supply reliability and to the Delta. Lastly, such projects are consistent with recommendations proposed by the Bay-Delta Conservation Plan and the Delta Vision Blue Ribbon Task Force.

Acknowledging the bill would fund worthwhile actions, the primary opponent, the Department of Water Resources, opposes the bill because it is not part of a "Comprehensive approach to addressing California's water needs, which must include surface storage as a component to address future impacts on water availability due to climate change and population."

FISCAL IMPACT:



None.

LEGAL IMPACT:

None.



General Manager

Attachments

- A - Committee Action Report
- B - SB 1XX - Perata, Water quality, Flood Control,
Water Storage and Wildlife Preservation
- C - Senate Floor Analysis
- D - California Urban Water Agencies Delta Near-
Term/Emergency Response Actions
- E - Sacramento Bee Editorial - New water bond?
First, spend existing billions



ATTACHMENT A

SUBJECT/PROJECT:	SB 1XX - Perata, Water Quality, Flood Control, Water Storage and Wildlife Preservation
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COMMITTEE ACTION:

The Legal, Legislative and Conservation Committee reviewed this item at a meeting held on July 23, 2008. The following comments were made:

- Staff recommends that the board take a position of "Support" on SB 1XX - Perata relating to funding water quality, flood control, water storage and wildlife preservation projects.
- SB 1XX - Perata would appropriate \$6.1 billion to fund near-term Bay Delta fixes. Funding will come from voter approved Propositions 50, 1E and 84.
- The California Urban Water Agencies (CUWA) has identified a list of projects for near-term Bay Delta fixes that would provide immediate benefits to both the Bay Delta and water supply issues. Supporters agree with the long-term plan and that a comprehensive approach must also be part of the solution, however, there is concern that it would take too long.
- The identified list of projects by the CUWA is already approved and the projects are currently sitting idle waiting for funding. SB 1XX - Perata would provide the funding to move the projects forward.
- Staff is requesting the Board's formal action as it is a more powerful representation of "Support" of SB - 1XX - Perata.

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

SENATE BILL

No. 1

Introduced by Senators Perata, Machado, and Steinberg

September 14, 2007

An act to add Division 33 (commencing with Section 83000) to the Water Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Perata. Water quality, flood control, water storage, and wildlife preservation.

(1) Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs. The Disaster Preparedness and Flood Prevention Bond Act of 2006, a bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, approved by the voters at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of \$3,440,000,000.

This bill, with regard to those bond funds, would appropriate \$610,890,000 as follows: of the funds made available pursuant to the

Disaster Preparedness and Flood Prevention Bond Act of 2006, \$50,000,000 to the Department of Water Resources for essential emergency preparedness supplies and projects, and \$150,000,000 to the department for stormwater flood management project grants; of the funds made available pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, \$50,000,000 to the State Department of Public Health for grants and loans for small community drinking water systems infrastructure improvements and related actions, \$50,400,000 to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water, \$40,000,000 to the department for administrative costs, planning grants, and local groundwater assistance grants, \$50,000,000 to the department for projects to relocate existing Sacramento-San Joaquin Delta water intake facilities, \$60,000,000 to the department for expenditures to increase the department's ability to respond to levee breaches and to reduce the potential for levee failure, \$100,000,000 to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta islands, \$12,000,000 to the department to complete planning and feasibility studies associated with new surface storage under the California Bay-Delta Program, \$15,000,000 to the department for planning and feasibility studies to identify potential options for the reoperation of the state's flood protection and water supply systems, \$10,000,000 to the department to update the California Water Plan, \$10,000,000 to the department for planning and feasibility studies for projects to reduce ecosystem conflicts in the Sacramento-San Joaquin Delta, and \$10,000,000 to the State Coastal Conservancy for projects on the Santa Ana River; and of the funds made available under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, \$3,490,000 to the department for planning and feasibility studies associated with surface storage under the California Bay-Delta Program.

The bill would provide that up to 5% of the funds appropriated by the bill may be expended to pay for the administrative costs of that program. The bill would provide that funds appropriated by the bill are available for encumbrance until June 30, 2009. On January 10, 2008, program recipients would be required to report to the fiscal committees of the Legislature with regard to the committed and anticipated expenditures of these funds.

(2) Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with authority over matters relating to water quality.

This bill would require the state board, in consultation with other agencies, to develop pilot projects in the Tulare Lake Basin and the Salinas Valley focused on nitrate contamination. The bill would require the state board to create an interagency task force, as needed, to oversee the pilot projects and submit a report to the Legislature on the scope and findings of the projects within 2 years of receiving funding. The state board would be required to implement recommendations for developing a groundwater cleanup program for the Central Valley Water Quality Control Region and the Central Coast Water Quality Control Region based upon pilot project results within 2 years of submitting the report to the Legislature.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 33 (commencing with Section 83000)
2 is added to the Water Code, to read:

3
4 DIVISION 33. INTEGRATED WATER SUPPLY AND
5 FLOOD PROTECTION PLANNING, DESIGN, AND
6 IMPLEMENTATION
7

8 83000. The Legislature hereby finds and declares all of the
9 following:

10 (a) Water is vital to the economy, environment, and overall
11 well-being of the state.

12 (b) California faces increasing challenges in managing its water
13 supply due to climate change, uncertainty regarding the availability
14 of water from the Sacramento-San Joaquin Delta and other sources,
15 an increasing state population, limitations on public funds, and
16 other factors.

17 (c) California must adopt a new, updated, and comprehensive
18 set of water planning, design, and implementation policies that
19 reflect these realities to protect its water supply future.

1 (d) In the past, state laws, funding schemes, and administrative
2 actions have treated the planning, construction, and operation of
3 water supply, groundwater, and flood control systems as separate
4 and distinct activities, thereby reducing efficiency and water supply
5 reliability.

6 (e) California has not taken full advantage of the cost savings,
7 the environmental benefits, or the expediency of more efficient
8 operations and usage of existing water supply, storage, and flood
9 protection facilities.

10 (f) It is the policy of the state to more effectively integrate its
11 flood protection systems with its water supply and conveyance
12 systems in order to conserve limited public dollars, increase the
13 available water supply, improve water quality, increase wildlife
14 and ecosystem protections, protect public health and safety, and
15 address the effects of climate change.

16 (g) The purpose of this division is to require the integration of
17 flood protection and water systems to achieve multiple public
18 benefits, including all of the following:

19 (1) Increasing water supply reliability in the least costly, most
20 efficient, and most reliable manner to meet current and future state
21 needs.

22 (2) Increasing use of water use efficiency and water conservation
23 measures to increase and extend existing water supplies.

24 (3) Reducing energy consumption associated with water
25 transport, thereby reducing state greenhouse gas emissions.

26 (4) Improving water management to protect and restore
27 ecosystems and wildlife habitat.

28 83001. In order to provide the least costly, most efficient, and
29 reliable water supply to a growing state, it is the intent of the
30 Legislature that the department accomplish the following
31 objectives:

32 (a) Integrate state flood protection and water supply systems.

33 (b) Promote conjunctive use of groundwater storage capacity
34 to improve overall water supply and flood system operation.

35 (c) Promote increased water use efficiency through expanded
36 use of water conservation, water recycling, and improvements in
37 technology.

38 83002. The sum of six hundred ten million eight hundred ninety
39 thousand dollars (\$610,890,000) is hereby appropriated as follows:

1 (a) Of the funds made available pursuant to Chapter 1.699
2 (commencing with Section 5096.800) of Division 5 of the Public
3 Resources Code, the sum of two hundred million dollars
4 (\$200,000,000) is hereby appropriated as follows:

5 (1) Pursuant to subdivision (c) of Section 5096.821 of the Public
6 Resources Code, the sum of fifty million dollars (\$50,000,000) to
7 the department for the acquisition, design, and construction of
8 essential emergency preparedness supplies and projects. Prior to
9 the design or construction of any project funded pursuant to this
10 paragraph, the California Bay-Delta Authority, or its successor,
11 shall approve the specific project or program.

12 (2) Pursuant to Section 5096.827 of the Public Resources Code,
13 the sum of one hundred fifty million dollars (\$150,000,000) to the
14 department for grants for stormwater flood management projects
15 that reduce flood damage and provide other benefits, including
16 groundwater recharge, water quality improvement, and ecosystem
17 restoration. Not less than one hundred million dollars
18 (\$100,000,000) of this amount shall be available for projects that
19 address immediate public health and safety needs, strengthen
20 existing flood control facilities to address seismic safety issues.
21 Twenty million dollars (\$20,000,000) shall be available for local
22 agencies to meet immediate water quality needs related to
23 combined municipal sewer and stormwater systems to prevent
24 sewage discharges into state waters. Twenty million dollars
25 (\$20,000,000) shall be available for stormwater flood protection
26 projects in the northern San Francisco Bay area and Marin County
27 for the purposes of protecting public safety and property from
28 flood events.

29 (b) Of the funds made available pursuant to Division 43
30 (commencing with Section 75001) of the Public Resources Code,
31 the sum of four hundred seven million four hundred thousand
32 dollars (\$407,400,000) is hereby appropriated as follows:

33 (1) Pursuant to Section 75022 of the Public Resources Code,
34 the sum of fifty million dollars (\$50,000,000) to the State
35 Department of Public Health for grants for small community
36 drinking water system infrastructure improvements and related
37 action to meet safe drinking water standards. First priority for these
38 funds shall be given to disadvantaged or severely disadvantaged
39 communities lacking resources to provide safe drinking water to
40 residents. Small community drinking water systems that are

1 dependent on surface water and are under orders from the State
2 Department of Public Health to boil water from existing treatment
3 systems for parasites, viruses, or giardia shall be eligible for grants
4 for drinking water system infrastructure improvements.

5 (2) Pursuant to Section 75025 of the Public Resources Code,
6 the sum of fifty million four hundred thousand dollars
7 (\$50,400,000) to the State Department of Public Health for grants
8 for projects to prevent or reduce the contamination of groundwater
9 that serves as a source of drinking water. Funds appropriated by
10 this paragraph shall be available for immediate projects needed to
11 protect public health by preventing or reducing the contamination
12 of groundwater that serves as a major source of drinking water for
13 a community.

14 (A) The State Department of Public Health shall prioritize
15 project funding based on the following criteria:

16 (i) The threat posed by groundwater contamination to the
17 affected community's overall drinking water supplies, including
18 the need for the treatment or construction of alternative supplies
19 if groundwater is not available due to contamination.

20 (ii) The potential for groundwater contamination to spread and
21 reduce drinking water supply and water storage capacity for major
22 population areas.

23 (iii) The potential of the project, if fully implemented, to enhance
24 local water supply reliability.

25 (iv) The potential of the project to increase opportunities for
26 groundwater recharge and optimization of groundwater supplies.

27 (B) The State Department of Public Health shall give additional
28 consideration to projects that meet any of the following criteria:

29 (i) The project is implemented pursuant to a comprehensive
30 basinwide groundwater quality management and remediation plan
31 or is necessary to develop a comprehensive groundwater plan.

32 (ii) Affected groundwater provides a local supply that, if
33 contaminated, will require the importation of additional water from
34 the Sacramento-San Joaquin Delta or the Colorado River.

35 (iii) The project will serve an economically disadvantaged
36 community.

37 (iv) Multiple contaminants affect more than one-third of the
38 well capacity of a local water system.

39 (C) Of the funds appropriated by this paragraph, two million
40 dollars (\$2,000,000) shall be allocated to the State Department of

1 Public Health to contract with the State Water Resources Control
2 Board for the purposes of Section 83002.5.

3 (3) Pursuant to Section 75026 of the Public Resources Code,
4 the sum of forty million dollars (\$40,000,000) to the department
5 for administrative costs, planning grants, and local groundwater
6 assistance grants.

7 (4) Pursuant to subdivision (d) of Section 75029 of the Public
8 Resources Code, the sum of fifty million dollars (\$50,000,000) to
9 the department for projects that relocate existing Sacramento-San
10 Joaquin Delta water intake facilities and that meet all of the
11 following criteria:

12 (A) Have completed documentation required under the
13 California Environmental Quality Act (Division 13 (commencing
14 with Section 21000) of the Public Resources Code) and a notice
15 of determination has been filed prior to June 30, 2007.

16 (B) Have demonstrated multiple benefits in the environmental
17 documentation, including a net benefit to delta pelagic fisheries
18 and drinking water quality improvement.

19 (C) Are able to complete design and, if the project involves
20 construction, commence construction within the 2007–08 fiscal
21 year.

22 (D) Have local and federal cost sharing.

23 (5) Pursuant to Section 75033 of the Public Resources Code,
24 the sum of one hundred sixty million dollars (\$160,000,000) to
25 the department as follows:

26 (A) Sixty million dollars (\$60,000,000) to increase the
27 department's ability to respond to levee breaches and to reduce
28 the potential for levee failure, including, but not limited to, the
29 following:

30 (i) Acquisition and positioning of emergency construction
31 materials and equipment.

32 (ii) Emergency projects to prevent levee failure or repair levees
33 or other flood control facilities to restore conveyance and flood
34 protection.

35 (iii) Preparation for, and implementation of, a delta emergency
36 operations plan.

37 (iv) Emergency contracts for activities relating to a flood fight
38 or levee failure to prevent or mitigate loss of, or damage to, life,
39 health, property, or essential public services.

1 (B) One hundred million dollars (\$100,000,000) for the
2 acquisition, preservation, protection, and restoration of
3 Sacramento-San Joaquin Delta islands. Projects shall be selected
4 to improve the stability of the delta levee system, reduce
5 subsidence, and assist in restoring the ecosystem of the delta.
6 Priority shall be given to projects that improve conditions for delta
7 smelt and other native fish. Eligible projects include, but are not
8 limited to, all of the following:

- 9 (i) Suisun Marsh tidal marsh restoration.
- 10 (ii) Dutch Slough tidal marsh restoration.
- 11 (iii) Decker Island restoration.
- 12 (iv) Exotic species control.

13 (6) Pursuant to Chapter 4 (commencing with Section 75041) of
14 Division 43 of the Public Resources Code, the sum of forty-seven
15 million dollars (\$47,000,000) to the department as follows:

16 (A) (i) Twelve million dollars (\$12,000,000) to complete the
17 planning and feasibility studies associated with new surface storage
18 under the California Bay-Delta Program.

19 (ii) The planning and feasibility studies shall include the
20 following information:

21 (I) The identification of specific construction and operation
22 conditions proposed for each surface storage facility, including
23 consideration of climate change, an estimated schedule for the
24 construction and completion of each project funded under Section
25 75041, and the total costs of constructing each project.

26 (II) A description of the estimated total costs to construct each
27 project and an allocation of the costs to public and private
28 beneficiaries.

29 (iii) Any feasibility study conducted by or funded by the state
30 for new surface storage under the California Bay-Delta Program
31 shall evaluate funded projects consistent with all statutory and
32 other legally established requirements for protection of
33 environmental and natural resources, including protections for the
34 McCloud River pursuant to Section 5093.542 of the Public
35 Resources Code.

36 (iv) The feasibility studies shall be prepared and submitted to
37 the Governor and the Legislature no later than December 31, 2008.

38 (B) (i) Fifteen million dollars (\$15,000,000) for planning and
39 feasibility studies to identify potential options for the reoperation
40 of the state's flood protection and water supply systems that will

1 optimize the use of existing facilities and groundwater storage
2 capacity.

3 (ii) The studies shall incorporate appropriate climate change
4 scenarios and be designed to determine the potential to achieve
5 the following objectives:

6 (I) Integration of flood protection and water supply systems to
7 increase water supply reliability and flood protection, improve
8 water quality, and provide for ecosystem protection and restoration.

9 (II) Reoperation of existing reservoirs, flood facilities, and other
10 water facilities in conjunction with groundwater storage to improve
11 water supply reliability, flood control, and ecosystem protection
12 and to reduce groundwater overdraft.

13 (III) Promotion of more effective groundwater management and
14 protection and greater integration of groundwater and surface water
15 resource uses.

16 (IV) Improvement of existing water conveyance systems to
17 increase water supply reliability, improve water quality, expand
18 flood protection, and protect and restore ecosystems.

19 (C) Ten million dollars (\$10,000,000) to update the California
20 Water Plan, including evaluation of climate change impacts, the
21 development of strategies to adapt to climate change impacts, and
22 the identification of strategies to reduce greenhouse gas emissions
23 related to the storage, conveyance, and distribution of water.

24 (D) Ten million dollars (\$10,000,000) for planning and
25 feasibility studies for projects to reduce ecosystem conflicts in the
26 Sacramento-San Joaquin Delta. The department shall commence
27 these studies by January 1, 2008.

28 (7) Of the funds made available pursuant to subdivision (i) of
29 Section 75050 of the Public Resources Code ten million dollars
30 (\$10,000,000) is appropriated to the State Coastal Conservancy
31 for projects on the Santa Ana River.

32 (c) Of the funds made available pursuant to subdivision (a) of
33 Section 79550 of the Public Resources Code, the sum of three
34 million four hundred ninety thousand dollars (\$3,490,000) is hereby
35 appropriated to the department for planning and feasibility studies
36 associated with surface storage under the California Bay-Delta
37 Program.

38 83002.5. To improve understanding of the causes of
39 groundwater contamination, identify potential solutions and
40 funding sources to clean up or treat groundwater, and ensure the

1 provision of safe drinking water to all communities, the State Water
2 Resources Control Board, in consultation with other agencies as
3 specified in this section, shall develop pilot projects in the Tulare
4 Lake Basin and the Salinas Valley that focus on nitrate
5 contamination and do all of the following:

6 (a) (1) In collaboration with relevant agencies and utilizing
7 existing data, including groundwater ambient monitoring and
8 assessment results along with the collection of new information
9 as needed, do all of the following:

10 (A) Identify sources, by category of discharger, of groundwater
11 contamination due to nitrates in the pilot project basins.

12 (B) Estimate proportionate contributions to groundwater
13 contamination by source and category of discharger.

14 (C) Identify and analyze options within the board's current
15 authority to reduce current nitrate levels and prevent continuing
16 nitrate contamination of these basins and estimate the costs
17 associated with exercising existing authority.

18 (2) In collaboration with the State Department of Public Health,
19 do all of the following:

20 (A) Identify methods and costs associated with the treatment
21 of nitrate contaminated groundwater for use as drinking water.

22 (B) Identify methods and costs to provide an alternative water
23 supply to groundwater reliant communities in each pilot project
24 basin.

25 (3) Identify all potential funding sources to provide resources
26 for the cleanup of nitrates, groundwater treatment for nitrates, and
27 the provision of alternative drinking water supply, including, but
28 not limited to, state bond funding, federal funds, water rates, and
29 fees or fines on polluters.

30 (4) Develop recommendations for developing a groundwater
31 cleanup program for the Central Valley Water Quality Control
32 Region and the Central Coast Water Quality Control Region based
33 upon pilot project results.

34 (b) Create an interagency task force, as needed, to oversee the
35 pilot projects and develop recommendations for the Legislature.
36 The interagency task force may include the board, the State
37 Department of Public Health, the Department of Toxic Substances
38 Control, the California Environmental Protection Agency, the
39 Department of Water Resources, local public health officials, the

1 Department of Food and Agriculture, and the Department of
2 Pesticide Regulation.

3 (c) Submit a report to the Legislature on the scope and findings
4 of the pilot projects, including recommendations, within two years
5 of receiving funding.

6 (d) Implement recommendations in the Central Coast Water
7 Quality Control Region and the Central Valley Water Quality
8 Control Region pursuant to paragraph (4) of subdivision (a) within
9 two years of submitting the report described in subdivision (c) to
10 the Legislature.

11 83002.6. Up to 5 percent of the funds appropriated by this
12 division may be expended to pay the costs incurred in the
13 administration of that program.

14 83002.7. Funds appropriated by this division shall only be
15 available for encumbrance until June 30, 2009. On January 10,
16 2008, any program that is the recipient of an appropriation made
17 by this division shall report to the fiscal committees of the
18 Legislature on the details of all committed and anticipated
19 expenditures of these funds. The report shall include all of the
20 following information:

21 (a) Fiscal detail of state operations support and local assistance
22 costs.

23 (b) A general description of the project and the project funding
24 made available by an appropriation in the annual Budget Act for
25 the 2007–08 fiscal year or proposed to be made available in the
26 annual Budget Act for the 2008–09 fiscal year.

27 (c) A description of the manner in which funds have been
28 expended and a plan for the future expenditure of funds.

29 (d) An anticipated timeframe for the full expenditure of the
30 appropriation.

31 (e) An anticipated timeframe for the full completion of the
32 designated project.

33 (f) The amount of total matching project funding that is being
34 provided by an entity other than the state.

35 83003. The Legislature further finds and declares the following:

36 (a) At the November 7, 2006, statewide general election, the
37 voters approved nine billion five hundred thousand dollars
38 (\$9,000,500,000) in general obligation bonding authority to
39 improve flood protection, water supply reliability, water quality,
40 fish and wildlife, parks and open space, and other natural resources.

1 This is in addition to the eleven billion one hundred thousand
2 dollars (\$11,000,100,000) previously authorized by the voters
3 since 1996 for similar uses.

4 (b) The Legislative Analyst reports that at the end of the
5 2006–07 fiscal year, more than one billion two hundred thousand
6 dollars (\$1,000,200,000) of the previously authorized eleven billion
7 one hundred thousand dollars (\$11,000,100,000) will not have
8 been appropriated or otherwise committed for voter-approved uses.

9 (c) The proceeds of bonds approved by the voters of the state
10 for water and natural resources should be appropriated and
11 expended for those uses, as directed by the voters.

O

ATTACHMENT C

SENATE RULES COMMITTEE	SB 1XX
Office of Senate Floor Analyses	
1020 N Street, Suite 524	
(916) 651-1520 Fax: (916)	
327-4478	

THIRD READING

Bill No: SB 1XX
 Author: Perata (D), et al
 Amended: As introduced
 Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE : 5-1, 10/08/07
 AYES: Steinberg, Kehoe, Kuehl, Machado, Migden
 NOES: Hollingsworth
 NO VOTE RECORDED: Margett, Cogdill

SENATE APPROPRIATIONS COMMITTEE : Not available

SUBJECT : Water quality, flood control, water storage,
 and wildlife
 preservation

SOURCE : Author

DIGEST : This bill appropriates a total of \$610.89 M from
 Propositions 50, 1E, and 84, for a variety of purposes.

ANALYSIS :

Existing law:

Propositions 50, 1E, and 84 authorized a total of \$12.918 B
 in general obligation bonds, as follows:

Proposition	Amount	Funded Programs

CONTINUED

SB 1XX

2

on	t		
50	11/02	\$3.44 B	Water Security, Safe Drinking Water, Clean Water & Water Quality, Contaminant & Salt Removal Technology, CALFED Bay-Delta Program, Integrated Regional Water Management, Colorado River, & Coastal Watershed & Wetland Protection.
1E	11/06	\$4.090 B	Levees, Weirs, Bypasses & State Plan of Flood Control Facilities, State Costs of Flood Control & Flood Prevention Projects, Protection, Reaction And Enhancement of Flood Protection Corridors & Bypasses, Stormwater Management Projects.
84	11/06	\$5.388 B	Safe Drinking Water & Water Quality, Flood Control, Statewide Water Planning, Protection Of Rivers, Lakes & Streams, Forest & Wildlife Conservation, Protection Of Beaches, Bays, & Coastal Water, Park & Nature Education Facilities, & Sustainable Communities & Climate Change Reduction.

This bill appropriates a total of \$610.89 M from Propositions 50, 1E, and 84, for a variety of purposes. The proposed appropriations are:

Proposition 50

3

\$3.49 M	Complete CalFed surface storage studies.
----------	--

	Proposition 1E
\$50.0 M	Flood emergency preparedness.
150.0 M	Stormwater flood management projects:
	\$100+M Address immediate public health and safety needs and strengthen existing flood control facilities to address seismic safety issues.
	\$20 M Meet immediate water quality needs related to combined municipal sewer and stormwater systems to prevent sewage discharges.
	\$20 M Stormwater flood protection projects in the northern San Francisco Bay area and Marin County.
\$200.0 M	Total Proposition 1E

	Proposition 84
\$50.0 M	Small community drinking water system

	improvements. Disadvantaged or severely disadvantaged communities lacking resources to provide safe drinking water to residents have first priority to the funds.
50.4 M	Prevent/reduce groundwater contamination that

	affects drinking water sources. Establishes criteria for prioritizing funds. Establishes and funds two pilot projects in the Tulare Lake Basin and the Salinas Valley to focus on nitrate contamination.
40.0 M	Regional water planning and local groundwater assistance.
50.0 M	Relocates existing Delta water intake facilities that meet specified criteria.
160.0 M	Flood control projects in the Delta:
	\$60 M Increase the Department of Water Resources' (DWR's) ability to respond to levee breaches and reduce the potential for levee failure.
	\$100 M Acquire, preserve, protect, and restore Sacramento-San Joaquin Delta islands. Specifies eligible projects.
12.0 M	Completes CalFed surface storage studies. Specifies that the planning and feasibility studies are to identify the specific construction and operation conditions of the projects and the estimated total costs to construct each project, and be submitted to the Governor and the Legislature no later than 12/31/08.

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15.0 M	Study options for reoperating the state's flood protection and water supply systems to optimize the use of existing facilities and groundwater storage capacity. Specifies that the studies shall incorporate appropriate climate change scenarios, and requires that the studies be designed to determine the potential to achieve specific objectives.
10.0 M	Updating the California Water Plan, including

	evaluation of climate change impacts, the development of strategies to adapt to climate change impacts, and the identification of strategies to reduce greenhouse gas emissions related to the storage, conveyance, and distribution of water.
10.0 M	Planning and feasibility studies for projects to reduce ecosystem conflicts in the Delta. Requires DWR to begin these studies by 1/1/08.
10.0 M	Santa Ana River Parkway projects.
\$407.4 M	Total Proposition 84

In addition, the bill:

1. Makes numerous findings and declarations regarding such things as:
 - A. The value of the water to the economy, environment, and overall well-being of the state.
 - B. The challenges facing the state in managing water due to climate change, uncertainty regarding the availability of water from the Delta and other sources, an increase in state population, limitations on public funds, and other factors.
 - C. The need to adopt a new, updated, and comprehensive set of water planning, design, and implementation policies.
 - D. Missed opportunities to manage our water more efficiently and to make our supplies more reliable.
 - E. The need to require integrating flood protection and water systems to achieve multiple benefits.
2. Makes a number of additional findings about the amount of voter approved debt for water resources related bonds and the amount of unexpended bond funds still available for appropriation.

3. Provides that funds appropriated by this bill shall only be available for encumbrance until June 30, 2009.
4. Requires that on January 10, 2008, any program that is the recipient of an appropriation made by this bill shall report to the fiscal committees of the Legislature specific details of all committed and anticipated expenditures of these funds.
5. Allows up to five percent of the appropriated funds to pay the costs incurred in the administration of that program.

FISCAL EFFECT : Appropriation: Yes Fiscal Com.: Yes
 Local: No

According to the Senate Appropriations Committee:

Fiscal Impact (in thousands)

<u>Major Provisions</u>	<u>2007-08</u>	<u>2008-09</u>
<u>2009-10</u> <u>Fund</u>		
Delta: emergency prep.	\$110,000	
Bond1		
Stormwater flood	\$150,000	
Bond2		

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management projects		
Drinking water programs	\$100,400	
Bond3		
SWRCB: groundwater	unknown, likely >\$10,000	
GF/BF4		
cleanup program (cost pressure)		
Local groundwater assistance	\$40,000	
Bond3		
Delta: water quality	\$50,000	
Bond3		
Delta: flood control	\$100,000	
Bond3		
Planning/feasibility studies:	\$47,000	
Bond3		
water supply, conveyance,		
flood control systems		
SCC: Santa Ana Parkway	\$10,000	
Bond3		
Planning/feasibility studies:	\$3,490	
Bond5		
surface water storage		
Debt service: increased payment		\$38,762\$38,762

General6

1The Disaster Preparedness and Flood Prevention Bond Act of 2006 (Proposition 1E), and The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84)

2Proposition 1E

3Proposition 84

4Unknown

5Water Security Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50)

6Assumes a 30-year bond sold at 4.783 percent interest and 3 percent inflation.

SUPPORT : (Verified 10/9/07)

- Association of California Water Agencies
- Audubon California
- Big Sur Land Trust
- Butte Environmental Council
- California Coastal Coalition
- California Council of Land Trusts

□

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- California League of Conservation Voters
- California Native Plant Society
- California Rural Legal Assistance Foundation
- California Sportfishing Protection Alliance
- California Trout
- California Water Association
- California Water Impact Network
- California Watershed Network
- City of Los Angeles
- Clean Water Action
- Community Water Center
- Contra Costa Water District
- Defenders of Wildlife
- East Bay Municipal Utility District
- Environmental Defense
- Environmental Entrepreneurs
- Environmental Justice Coalition for Water
- Environmental Water Caucus
- Federation of Fly Fishers
- Forest Issues Group
- Friends of the River
- Friends of the Trinity River
- High Sierra Rural Alliance
- League of Women Voters of California
- Los Angeles Department of Water and Power
- Marin Municipal Water District
- Metropolitan Water District of Southern California

Mountain Lion Foundation
 Natural Resources Defense Council
 Planning and Conservation League
 Restore the Delta
 Sierra Foothills Audubon Society
 Sierra Nevada Alliance
 The Nature Conservancy
 TreePeople
 Truckee River Watershed Council
 Tulare Basin Wildlife PartnersPeople
 Tuolumne River Trust
 Urban Creeks Council
 Winnemem Wintu Tribe

OPPOSITION : (Verified 10/9/07)

Department of Water Resources

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Friant Water Authority
 Valley Ag Water Coalition

ARGUMENTS IN SUPPORT : Supporters point out all of the important activities that would be funded by this bill. About 60 percent of the funds appropriated in this bill are for flood protection related activities, and another 15-20 percent are for projects that protect or improve drinking water quality. The bill also funds completing the CalFed surface storage feasibility studies and environmental documents, improving regional water planning and groundwater management, and restoring critical environmental resources.

ARGUMENTS IN OPPOSITION : While acknowledging that the bill funds worthwhile actions, DWR opposes the bill because it is not part of a "comprehensive approach to addressing California's water needs, which must include surface storage as a component to address future impacts on water available due to climate change and population."

Other opponents raise concerns with the appropriateness of specific appropriations or conditions:

1. Studying options for reoperating the state's flood protection and water supply systems.
2. Requirements of the CalFed surface storage studies.
3. Pilot projects in the Tulare Lake Basin and the Salinas Valley to focus on nitrate contamination.

4.Flood emergency preparedness.

5.Regional water planning and local groundwater assistance.

CTW:nl 10/9/07 Senate Floor Analyses

SUPPORT/OPPOSITION: SEE ABOVE

**** END ****

UNOFFICIAL BALLOT

MEASURE: SBX2 1
AUTHOR: Perata
TOPIC: Water quality, flood control, water storage,
DATE: 01/07/2008
LOCATION: SEN. FLOOR
MOTION: Senate 3rd Reading SB1 Perata
(AYES 23. NOES 11.) (PASS)

AYES

Alquist Calderon Cedillo Corbett
Correa Ducheny Florez Kehoe
Kuehl Lowenthal Machado Migden
Negrete McLeod Oropeza Padilla Perata
Romero Scott Simitian Steinberg
Torlakson Wiggins Yee

NOES

Aanestad Ackerman Ashburn Battin
Cogdill Cox Denham Dutton
Harman Hollingsworth McClintock

ABSENT, ABSTAINING, OR NOT VOTING

Maldonado Margett Ridley-Thomas Runner
Vincent Wyland

CURRENT BILL STATUS

MEASURE : S.B. No. 1 (2nd Ex. Sess.)
AUTHOR(S) : Perata, Machado, and Steinberg.
TOPIC : Water quality, flood control, water storage, and
wildlife preservation.
HOUSE LOCATION : ASM

TYPE OF BILL :

Active
Non-Urgency
Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 05/29/2008
LAST HIST. ACTION : To Com. on WATER.
COMM. LOCATION : ASM WATER

TITLE : An act to add Division 33 (commencing with Section
83000) to the Water Code, relating to water, and making
an appropriation therefor.



May 23, 2008

Mr. Lester Snow
Director
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236

Subject: Delta Near-Term/Emergency Response Actions

Dear Lester:

The California Urban Water Agencies (CUWA) Board has adopted a list of near-term/emergency response actions that should be implemented within 24 months to reduce flood risks, provide fisheries benefits, improve water supply reliability, and improve water quality. The enclosed CUWA Position Paper describes these actions. A long-term solution for the Delta will take many years to implement; however, with the declining fish populations, seismic and flooding risks, and the current unreliable nature of the Delta as a source of drinking water for more than 23 million people, we cannot afford to wait for the long-term solution. We must immediately begin to implement near-term/emergency response actions.

The CUWA Board has identified the following four high priority projects. We are prepared to work with the Department of Water Resources (DWR) to identify implementation and funding mechanisms that will allow these projects to proceed and be completed within 24 months.

Franks Tract-Middle River Corridor/Two Barrier Pilot Project – This pilot project involves testing two temporary barriers at two locations to partially isolate Middle River and Old River near Franks Tract. The temporary barriers would be tested together with preventive flow control actions and possibly modified Delta Cross Channel operations to maintain positive San Joaquin River outflow and reduce smelt and salmon migration toward the export pumps. Modeling studies have shown this project could provide equivalent or better protection for delta smelt compared to the December 2007 Federal Court delta smelt decision, while reducing water supply costs. The project will include monitoring the effect of these barriers on delta smelt, salmon, and other fish species of interest. This project has the potential to provide immediate benefits and will also provide data needed to evaluate dual conveyance as the long-term solution.

Franks Tract/Three Mile Slough – Franks Tract project alternatives will potentially reduce Delta salinity intrusion in the fall, reduce the water supply impacts resulting from the Federal Court decision, and provide protection for delta smelt. DWR is currently evaluating several alternative barriers around Franks Tract and plans to have a certified Environmental Impact Report/Environmental Impact Statement (EIR/EIS) by May 2010. We urge you to accelerate the pace of this study and to conduct a pilot study to evaluate the effectiveness of the Three Mile Slough barrier in the next two years.

455 Capitol Mall, Suite 705, Sacramento, CA 95814 916.552.2929 FAX 916.552.2931

City of Sacramento
Alameda County Water District
San Diego County Water Authority
Metropolitan Water District of Southern California

San Francisco Public Utilities Commission
City of San Diego Water Department
Santa Clara Valley Water District

Zone 7 Water Agency
Contra Costa Water District
East Bay Municipal Utility District
Los Angeles Department of Water & Power

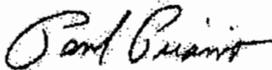
Demonstration Fish Protection Screen at Clifton Court Forebay – Bond funding is available for a demonstration screen at Clifton Court Forebay. The pilot study will include monitoring data on the screen's effectiveness in reducing entrainment and predation losses in Clifton Court Forebay.

Levee and Conveyance Improvements – Bond funding is available for improvements to levees and to build new intakes and improve water supply aqueducts crossing the Delta that will improve water supply reliability; recently constructed interties expand the pool of beneficiaries from these improvements. Funding available in Proposition IE should be allocated to improve south Delta levees vital to the protection of critical infrastructure. To achieve improvements expeditiously, advance funding commitments are needed under agreements with an agency capable of carrying out the work in a timely manner.

The CUWA Position Paper includes a number of other actions we believe should be implemented in the near-term. Some of the projects that CUWA believes should be implemented quickly, such as the alternative intake for Contra Costa Water District and stockpiling of materials to deal with a Delta emergency are already proceeding at a fast pace. Many important ecosystem restoration projects that would provide critical habitat for delta smelt and salmon species are being evaluated by DWR. The schedules for these projects need to be accelerated.

CUWA's recommendations are consistent with the recommendations proposed by the Bay-Delta Conservation Plan and Delta Vision Blue Ribbon Task Force. We urge you to consider our recommendations for near-term actions. We would like to meet with you to discuss how CUWA can assist DWR in moving quickly to implement the projects identified in our Position Paper.

Sincerely,



Paul Piraino
Chair, CUWA Board of Representatives

CALIFORNIA URBAN WATER AGENCIES

POSITION PAPER REGARDING DELTA NEAR-TERM/EMERGENCY RESPONSE ACTIONS

POSITION

CUWA will assume a leadership role in advancing near-term/emergency response actions that can provide ecosystem, water quality and water supply reliability benefits in the next two years. There are projects identified for immediate implementation that would reconcile competing interests, improve and preserve all beneficial uses of the Sacramento/San Joaquin Delta (Delta) and address critical issues in a timely manner. These projects also lay a foundation for any of the long-term visions for the Delta.

BACKGROUND

The crashing populations of delta smelt and other species; the Federal Court delta smelt decision reducing statewide water supplies; and the lack of preparedness for a highly probable seismic, flood, or other event that will disrupt water supplies for an extended period have amplified the need for action to emergency levels.

IDENTIFICATION OF NEAR-TERM/EMERGENCY ACTIONS

Actions have been identified that require immediate implementation to protect the Delta. These projects can be built within 24 months and will immediately reduce flood risks; provide benefits for fisheries, water supplies, and water quality; and offer a solution to future water reductions. To qualify as near-term/emergency response projects, each must produce results within the next two years and meet the following criteria:

- Have a certified Environmental Impact Report (EIR) or the ability to obtain complete environmental documentation within six to eight months (e.g., Operations, Criteria, and Plan [OCAP] process, Bay Delta Conservation Plan [BDCP], agency partnerships, etc.);
- Have permits in place or the ability to obtain all necessary permits within six to eight months;
- Have funding through existing bonds, authorizations or local matches;
- Have construction completed and begin operating within 24 months.

The following is a list of emergency response actions that address the critical Delta issues. All of these projects have funding in place, can begin construction over the next year and can produce results in the next two years. These projects will bring over \$500 million of construction combined, creating over 10,000 new jobs. Implementing these near-term/emergency response

projects does not foreclose or promote any future scenario for the Delta; rather they would make the decisions easier by providing science-based evidence of what works and what doesn't in improving Delta sustainability.

I. Flood and Levee Failure/Emergency Preparedness

- Freshwater flows in the Delta must be protected and quickly restored after a major emergency such as a seismic event or flood. Protection of the transportation corridors, aqueducts, gas pipelines, and railroads, and restoration of freshwater flows is essential. Stockpiling materials for repairs and channel barriers at key locations in the Delta will allow protection of critical infrastructure corridors (including Highway 4, aqueducts, gas pipelines, and railroads) and timely restoration of a freshwater pathway to export facilities. This would reduce the effects of salt water intrusion and water curtailments to the 23 million Californians dependent on the Delta for water. Costs are approximately \$70 to \$80 million and funding is available from voter approved Proposition 84.
- Allocate \$10 million from Proposition 84 for improvements to water supply aqueducts that cross at least 10 miles of the Delta. This funding is for design and construction of interties among water supply aqueducts, such that lifeline water supplies may be maintained in the event of levee failure while repairs are made.
- Reduce the potential for levee failure by improving the level of flood protection afforded by various levees in the south Delta vital to the protection of water supply reliability, key transportation routes, gas and electric utility lines, agricultural lands, and south Delta water channels for fish, wildlife and recreation. The cost of these improvements is \$120 million consisting of \$100 million from Proposition 1E and \$20 million in local matching funds. To achieve improvements expeditiously authorize advance funding commitments for this work under agreements with an agency capable of carrying out the work in a timely manner. Levees to be improved to provide added protection to water supply infrastructure include:
 - Lower Roberts Island
 - Lower Jones Tract
 - Upper Jones Tract
 - Woodward Island
 - Palm-Orwood Tract

II. Franks Tract Delta Quality and Smelt Recovery Pilot Projects: Middle River Corridor/Two Barrier Pilot Project and Three-Mile Slough Barrier Alternative

- The objective of these Delta pilot projects near Franks Tract is to provide equivalent or better protection for Delta smelt as compared to the December 2007 Federal Court decision, while reducing water supply costs to the State Water Project (SWP) and Central Valley Project (CVP), and protecting Delta water quality in the near-term.

- The Middle River Corridor/Two Barrier Pilot Project at Franks Tract includes testing the installation of two temporary barriers in the central Delta together with preventive flow control actions and modified Delta Cross Channel operations to maintain positive San Joaquin River outflow and impede smelt migration toward export pumps. Implementation of the pilot project will include monitoring the effect of the actions on delta smelt, all races of salmon and steelhead and other fish species of interest.
- Preliminary modeling studies have shown that the two barrier option, together with flow control actions, to maintain positive net flow on the San Joaquin River could potentially provide protection for delta smelt equivalent to the Federal Court delta smelt decision, while reducing the water supply impacts and Delta water quality degradation resulting from implementation of the court decision.
- A pilot project that includes two temporary barriers is estimated to cost \$40 million.
- The Department of Water Resources (DWR) Franks Tract project alternatives (Three Mile Slough barrier and False River barrier) would potentially reduce Delta salinity intrusion in the fall, reduce the water supply impacts resulting from the Federal Court delta smelt decision, and provide protection for delta smelt. DWR should accelerate the Franks Tract/Three Mile Slough barrier project and include a near-term pilot project to test the Three Mile Slough barrier.

III. Alternative Intake for Contra Costa Water District (CCWD)

This CCWD water quality project provides Delta fishery benefits by reducing Delta diversions in the fish sensitive period from January through June, increasing screened diversion capacity and by allowing operational flexibility in pumping locations when sensitive fish species are present in the Delta.

- The alternative intake would protect water quality during emergencies by providing a separate intake to provide fresh, safe drinking water when other Delta intakes are impacted by crisis situations and unable to operate.
- The additional intake improves water quality for CCWD's 550,000 customers and improves water supply reliability for up to 6 million Bay Area residents through existing, permitted interties with other Bay Area water agencies. It would allow wheeling of high quality water through existing interties to Bay Area agencies to relieve drought or regulatory shortages.
- CCWD has begun construction. The total cost for this project is estimated at \$110 million, \$60 million pledged by CCWD and \$50 million earmarked in voter approved Proposition 84 funding.

IV. Demonstration Fish Protection Screen at Clifton Court Forebay

- This project would reduce entrainment and predation losses of salmon, steelhead, and delta smelt in Clifton Court Forebay and at the Banks Pumping Plant with capacity of not less than 500 cubic feet per second.
- It would provide for monitoring to determine the screen's effectiveness in reducing entrainment, salvage and predation of aquatic species.
- It could also be used to evaluate the effectiveness of project implementation under partnership agreements.

V. Ecosystem Habitat Improvements

- **Decker Island** - Decker Island, in the western Delta, is composed of old dredged spoils and, unlike other Delta islands, is several feet above sea level. Material from Decker Island should be excavated and used to reinforce levees on nearby Delta islands such as Sherman and Jersey. Excavation of Decker Island could result in approximately 400 acres of restored tidal marsh along the main migration corridor for juvenile salmon and Sacramento splittail – two native species thought to benefit most from tidal marsh restoration. Thus, this project could contribute material to address Delta stability issues and create new habitat. Over 400,000 cubic yards of material was removed from thirty acres on the island and restored to tidal marsh and riparian habitat. The 473 acre parcel on the island was sold last July for approximately \$9 million. The new owners have not disclosed their intentions for the island.
- **Dutch Slough** - The Dutch Slough site offers an opportunity for large-scale tidal marsh restoration, habitat enhancement and open space preservation in eastern Contra Costa County. The project is being implemented collaboratively by DWR, the California Bay Delta Authority, the California State Coastal Conservancy, and the City of Oakley.

The 1,200 acre Dutch Slough site was acquired by DWR in 2003. DWR and its partners have completed a restoration plan that is designed both to restore habitat and generate information about how best to restore Delta habitat in the future. Information gained could be invaluable for long-term Delta management. The project is ready for implementation. DWR has completed an administrative draft EIR and is expected to release the draft EIR in the near future, as discussed in the Public Policy Institute of California (PPIC) report (p. 82).

- **Meins Landing in Suisun Marsh** - Meins Landing is a DWR restoration project being funded by the Delta Levee Program and the Suisun Marsh Preservation Agreement State/Federal interests. In 2005, 680 acres of land for tidal restoration was purchased to meet Suisun Marsh Plan goals, provide Assembly Bill 360 net habitat enhancement and offset impacts of levee projects on Van Sickle Island.

Preliminary modeling by DWR indicates that the Meins landing project may reduce salinity in the interior of the Delta.

Suisun Marsh has largely been managed as non-tidal seasonal wetlands for waterfowl and other birds. Levees and gates prevent tidal inundation of large areas of managed wetlands. Restoration of brackish tidal marsh would improve habitat for native fish in an area where they are less vulnerable to the Delta pumps. Brackish marsh restoration would reduce habitat for waterfowl, but these losses could be more than offset by creating and promoting managed freshwater marshes and wildlife friendly agriculture on central and western Delta Islands and in the Yolo Bypass. Unlike much of the central and western Delta, elevations in Suisun Marsh generally allow immediate restoration of tidal marsh habitat. Restoration could start immediately at the Meins Landing site purchased by DWR for that purpose. Agencies should proceed with restoration planning for the Suisun Marsh, as discussed in the PPIC report (pp. 79, 182).

- ***Restore Floodplain Habitat and Salmon Migration Through the Yolo Bypass*** - Authorize construction of fish passage and flow control facilities at the Fremont Weir. Inundation of the Yolo Bypass provides excellent rearing habitat for juvenile salmon and splittail and critical spawning habitat for the splittail. Presently the bypass is only inundated once every three years on average and sometimes goes for four to five years without inundation. Increasing the frequency of inundation on even a small portion of the bypass could substantially improve conditions for splittail and salmon by increasing food availability. Salmon growth and survival have been greater when they pass through the bypass rather than traveling down the Sacramento River. Providing these flows would require notching or gating the Fremont Weir to allow a controlled inflow of water into the bypass in years when the stage of the Sacramento River is below the crest of the weir. The goal would be to create inundated floodplain habitat on a publicly owned portion of the bypass - not privately owned land. Modification of the Fremont Weir could also allow improved fish migration through the bypass, permitting juvenile salmon to bypass the Delta Cross Channel and other hazards associated with migrating through the Delta. Permanent modifications to Fremont Weir would cost \$10 to \$30 million and a temporary pilot project would cost about \$2 million. This restoration effort will also analyze the relocation of diversions in the southern Yolo Bypass/Cache Slough region to reduce aquatic ecosystem impacts. This project has been extensively studied by DWR and is called for by the PPIC report (p. 79) and the CALFED Ecosystem Restoration Program Plan.



The Web Site of The Sacramento Bee

This story is taken from Sacbee / Opinion.

Editorial: New water bond? First, spend existing billions

Proposition 84 funds should be the first choice for improving state water supplies

-
Published 12:00 am PDT Wednesday, July 16, 2008

Following the driest spring in recorded history, California faces a water challenge of epic dimensions.

Reservoirs are low. Hundreds of fires have ravaged dozens of watersheds. Salmon, smelt and other fish are in trouble, adding to the complexity of moving water through the Sacramento-San Joaquin Delta.

Under pressure from worried farmers and business leaders, Gov. Arnold Schwarzenegger and U.S. Sen. Dianne Feinstein last week unveiled their latest multibillion-dollar bond proposal to finance water projects and river restoration efforts. This latest plan is an improvement over previous versions, reducing the total debt down to \$9.7 billion and creating a more level playing field for water investments of all types.

But before state leaders restart discussion on new water bonds, they should take full advantage of bonds that voters already have approved. In 2006, voters passed Proposition 84, a \$5.4 billion bond initiative that included billions of dollars for water projects and watershed protection. To date, lawmakers have appropriated only \$2.8 billion of those funds, leaving billions that could be spent immediately.

What is holding up that investment?

Schwarzenegger bears much of the responsibility. Last year, he vetoed a bill by Senate leader Don Perata that would have appropriated unspent funds from Proposition 84 and other water bonds, including Proposition 50 in 2002 and Proposition 13 in 2000. At the time, the governor wanted Perata's help in advancing a water bond to build reservoirs, so he vetoed the appropriations bill in a naked attempt to apply pressure on the Senate leader.

That gambit didn't work, and one year later, the state's water problems have worsened. So this week, Perata and Assembly Speaker Karen Bass came back with a new bill that would allocate \$812 million in past bond funds for water supply, conservation and flood control projects.

Of this money, \$50 million would go to cleaning up groundwater basins, an essential source

of supply in Southern California. \$200 million would go to integrated water management, including regional efforts to share supplies and reduce water waste. Nearly \$200 million would go into efforts to restore the Delta, improve water quality and help water districts avoid impacts on fish. More than \$15 million would go toward studies of new reservoir projects.

While critics say they are tired of spending state money on studies of reservoirs, there's no getting around these reviews. No reservoir project will get permits, or approval from taxpayers, if the state can't say how much water will result, what it will cost, who will benefit and what the environmental impacts will be.

Indeed, if Schwarzenegger had signed last year's legislation, he and the state would be one step closer toward getting those answers.

The governor and Feinstein deserve credit for noting the urgency of a shrinking Sierra snowpack and working to secure a long-term response.

But in twisting arms to get a water bond passed, they shouldn't be taking hostages. Water bond monies approved by voters deserve to be spent now, before a calamity turns into a crisis.

Go to: [Sacbee](#) / [Back to story](#)

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AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	PROJECT:	D0526- DIV.NO. 5 010287
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering		
APPROVED BY: (Asst GM)	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Adopt Resolution No. 4128 Requesting Terms and Conditions for the Sycuan Annexation of APN 516-040-01 for Water Services		

GENERAL MANAGER'S RECOMMENDATION:

Adopt Resolution No. 4128 of the Board of Directors of the Otay Water District (Otay) requesting formal terms and conditions from the San Diego County Water Authority (CWA) and Metropolitan Water District (MWD) for the concurrent annexation of certain real property (referred to herein as the Original Sycuan Reservation) owned by the Sycuan Band of the Kumeyaay Nation (Sycuan) to said Agencies (see Exhibit A for project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

The purpose of the Resolution is to obtain terms and conditions from CWA and MWD for the proposed concurrent annexation of the Original Sycuan Reservation to Otay, CWA and MWD.

ANALYSIS:

Sycuan submitted to Otay a written request and petition for annexation, signed by Daniel J. Tucker, Sycuan Tribal Chairman,

on behalf of Sycuan and dated April 11, 2008 (Petition). Through the Petition, Sycuan requests Otay to commence annexation proceedings for the Original Sycuan Reservation to have access to water and sewer service, and certain other parcels owned by Sycuan (the Group B Parcels) to have access to sewer services only. Water service is made available by Otay near the geographical area of the parcels through Improvement District No. 20. Sewer service is made available through Improvement District No. 18.

The Original Sycuan Reservation encompasses an area covering approximately 634 acres of developed and undeveloped land and has no entitlement to water or sewer service from any other local agency. Sycuan currently uses well water to supply all its water needs and wishes to annex to Otay to provide an alternative source of water to reduce its dependency on well water and to possibly prevent the depletion of several wells in the area. If the concurrent annexation of the Original Sycuan Reservation is accomplished, Sycuan will install, at its cost, all required facilities to connect to the Otay water system through a master meter.

The annexation of the Original Sycuan Reservation, which is outside Otay's sphere of influence, will have to be processed and approved through the Local Agency Formation Commission (LAFCO), the San Diego County Water Authority (CWA), and Metropolitan Water District (MWD).

Dexter Wilson Engineering, Inc. (Dexter Wilson) is working with Sycuan to prepare all documentation required for annexation of the Original Sycuan Reservation, through LAFCO, to Otay and its concurrent annexation to CWA and MWD. Although Dexter Wilson has not finalized and is not ready to submit the application package required by LAFCO, it has requested that Otay adopt and submit a resolution to obtain terms and conditions for the concurrent annexation of the original Sycuan Reservation to Otay, CWA, and MWD.

Dexter Wilson has also requested that annexation of the Original Sycuan Reservation and Group B Parcels for sewer service only be considered separately at a later date. A LAFCO reorganization will be required for the Group B Parcels, which are within Padre Dam service area and consist of approximately 575 acres. This means that, for sewer service only, these parcels would have to be deannexed from Padre Dam and annexed to Otay Water District Improvement District No. 18. Since the annexation of the Group B Parcels to Otay will not require annexation to CWA or MWD, and since the petitioner is not ready to proceed with that portion of the Petition, Otay has agreed to process that portion of the Petition separately at a later date.

Finally, Dexter Wilson has requested that the annexation of the Original Sycuan Reservation to Otay for sewer service also be considered at a later date because the needs analysis for sewer service is not yet complete. The annexation of Group B Parcels and the Original Sycuan Reservation for sewer service would require the approval or waiver of other local agencies, including possibly the waiver of Policy I-107 by the County of San Diego. Further information concerning these proposed annexations will be presented to this Board as it becomes available.

Dexter Wilson prepared and submitted a Sub Area Master Plan (SAMP) dated June 2008 at the request of the Sycuan Tribal Chairman. Staff conducted a review of the SAMP which provided an engineering evaluation of the water needs of the existing development (consisting of approximately 40 single family dwellings, a casino, an administration building, tribal offices, a medical center, and a fire department) to analyze the feasibility of providing domestic water service and fire flow to the site. The SAMP has determined that the water requirements of the Original Sycuan Reservation will be approximately 400 acre-feet per year.

A projected need of 392 acre-feet per year for Sycuan was incorporated into the San Diego County Water Authority 2005 Urban Water Management Plan.

Sycuan has indicated their commitment to a goal by working toward projects that will offset the projected 400 acre-feet per year subject to approval by the Otay Water District Board of Directors and the Sycuan Tribal Council. The 400 acre feet required by this annexation will be offset and, thus, will not require an increase of imported water delivery to Otay. The specifics of the offsets are indicated in the Master Plan Water Report dated July 15, 2008, by Dexter Wilson, which include the Middle Sweetwater River Groundwater and Sweetwater Basin Recycled Water Project.

It is anticipated that if Sycuan is annexed, it will pay capacity fees, will install and construct the required facilities, and will pay for water service when such is provided.

FISCAL IMPACT: 

None is anticipated at this time. Sycuan has paid all processing fees required by Otay and will be responsible for all other applicable fees and costs relating to the annexation. If the annexation is approved, District staff will calculate anticipated fiscal impacts, including the annexation fee and capacity fee for the unique circumstances of this annexation.

STRATEGIC GOAL:

Provide water service to meet customer needs.

LEGAL IMPACT: _____

None at this time.



General Manager

P:\Public-s\STAFF REPORTS\2008\BD 8-6-08 - Staff Report, Concurrent Annexation Sycuan to CWA MWD, (DC-RP).doc

Attachments: Attachment A
Exhibit A

Y:\Board\CurBdPkg\FINANCE\BD 8-6-08 - Staff Rpt for Concurrent Annexation Sycuan to CWA MWD.doc



ATTACHMENT A

SUBJECT/PROJECT: D0526-010287	Adopt Resolution No. 4128 Requesting Terms and Conditions for the Sycuan Annexation of APN 516-040-01 for Water Services
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on July 21, 2008. The following comments were made:

- Staff indicated that staff is requesting that the board adopt Resolution No. 4128 to request formal terms and conditions from CWA and MWD for the concurrent annexation of the Original Sycuan Reservation to Otay, CWA and MWD.
- The reservation is currently on well water. The wells are becoming depleted and Sycuan is looking to secure a more reliable source of water. They currently have eight (8) active wells.
- The reservation is approximately 634 acres. Current water needs is 250 acre feet (AF) per year with a projected need of 400 AF per year.
- The reservation is outside the District's sphere of influence and must be annexed through LAFCO, CWA and MWD. A Sub-Area Master Plan (SAMP) has been prepared and submitted by Sycuan's consultant, Dexter Wilson. Staff has reviewed the SAMP and Sycuan has indicated their commitment to projects, subject to the approval of the District's board and Sycuan's Tribal Council, that will offset their 400 AF/year water needs.
- The committee discussed possible offsets which may include the Middle Sweetwater River Groundwater Replenishment Project and the Sweetwater Basin Recycled Water Project wherein the District has an approximate 1,500 AF claim. There may also be opportunities for the District to team up with Sycuan on the North District Project and Otay Mesa for other offset possibilities.

- It was discussed that staff has a high level of confidence that 400 AF is accurate based on staff's review of the buildings, family dwellings, etc. planned for the reservation.
- It was noted that the District has worked with Dexter Wilson on other SAMP and Hydrology projects. They are also involved in the Resort project in East Chula Vista and the District has a good relationship with Dexter Wilson. Their staff is very familiar with Otay's system and it is a well recognized firm in San Diego.
- The reservation is also requesting sewer services for the Original Sycuan Reservation. They have requested, however, that the sewer annexation be considered separately at a later date along with a parcel of land within the Padre Dam service area which will require a reorganization through LAFCO.
- It was discussed that the District's sewer service line ends on Dehesa Road approximately one (1) mile east of the Dehesa Road and Willow Glen Drive intersection, and the water line ends in front of the Dehesa Elementary School located at 4612 Dehesa Road. Sycuan will construct and pay for all required facilities to connect to the District's water and sewer facilities on Dehesa Road.
- Staff noted that no new facilities will be required to provide water or sewer services to Sycuan. The District's facilities were designed and sized to serve Sycuan and to accommodate service to developments that never occurred in the early 1990's. The Committee asked which tank would serve Sycuan. Staff indicated that the Singing Hills reservoir, located at 2568 Pence Drive (803-3 Reservoir), would serve Sycuan. It was also noted that Sycuan has an existing reservoir tank which will be utilized for their water service needs. The District will work with Sycuan on a peaking agreement for this reservoir.
- Water and Sewer services will only be for the benefit of tribal lands.
- The committee inquired if the Annexation was to occur and the water and sewer lines were to be constructed, if there was a mechanism for other neighboring property owners to also hook up to the system. Staff replied that it could be possible and that there typically would be a reimbursement procedure for such an event as per Policy 26 of the District's Code of Ordinances.

- The reservation also has a treatment plant for reclaimed water. Reclaimed water is used for irrigation, toilets in reservation buildings and their cooling towers.
- The Committee looked at an aerial photo of the Sycuan property where the location of both their water tank and treatment plant was located.

The committee supported staffs' recommendation and presentation to the full board as an action item.

J-14330

EXHIBIT "A"

ANNEXATION TO OTAY WATER DISTRICT, SAN DIEGO COUNTY WATER
AUTHORITY, & METROPOLITAN WATER DISTRICT

Parcel "A"

All of Section 13, in Township 16 South, Range 1 East, San Bernardino Meridian,
in the County of San Diego, State of California, according to the Official Plat
thereof file in the County Recorder of said County.

Beginning at the Northwest corner of Section 13, Township 16 South, Range 1
East, San Bernardino Meridian;

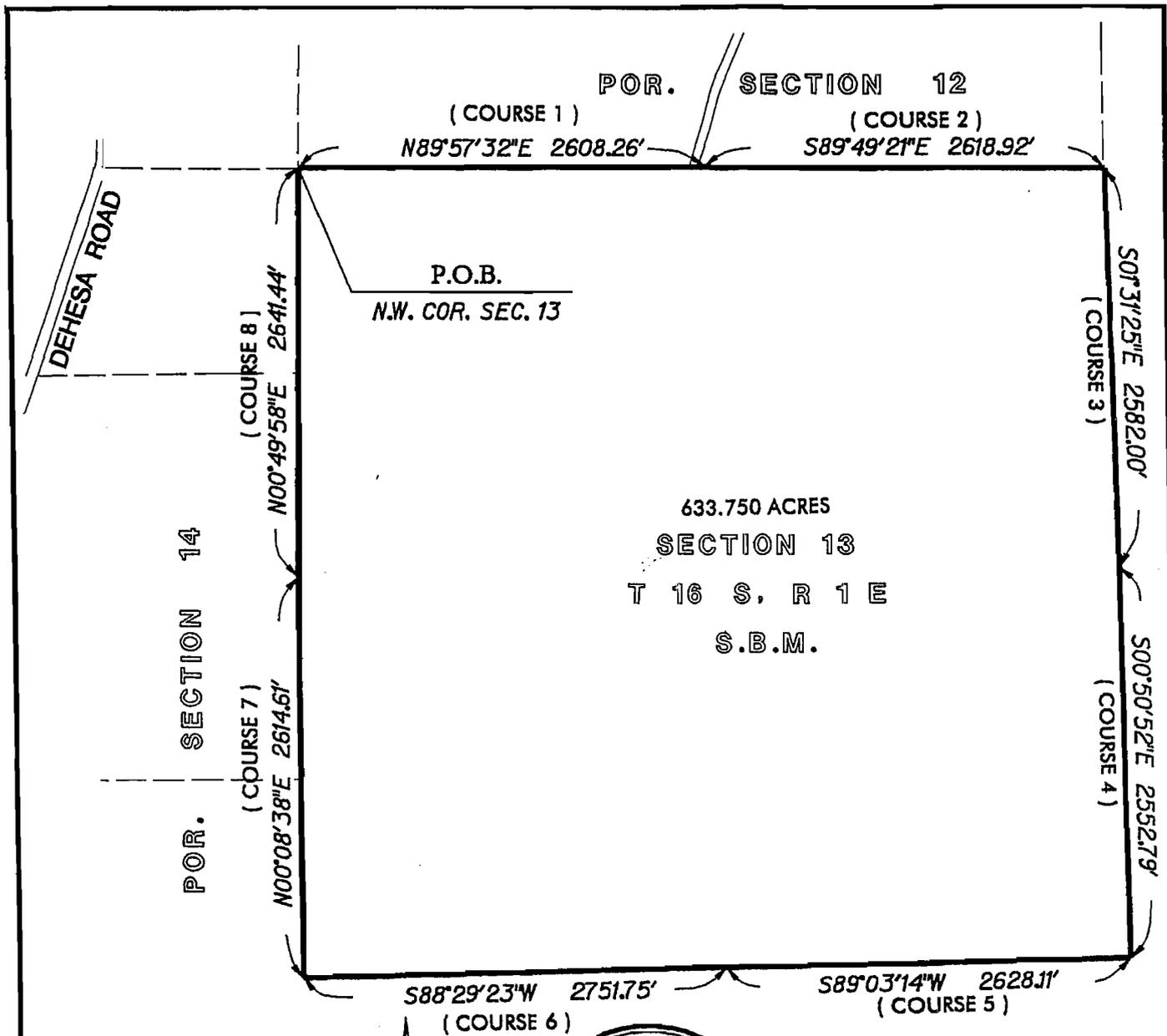
- 1) thence North $89^{\circ}57'32''$ East 2608.26 feet along the North line of said
Section;
- 2) thence South $89^{\circ}49'21''$ East 2618.92 feet continuing along said North
line;
- 3) thence South $01^{\circ}31'25''$ East 2582.00 feet along the East line of said
Section;
- 4) thence South $00^{\circ}50'52''$ East 2552.79 feet continuing along said East line
- 5) thence South $89^{\circ}03'14''$ West 2628.11 feet along the South line of said
Section;
- 6) thence South $88^{\circ}29'23''$ West 2751.75 feet continuing along said South
line;
- 7) thence North $00^{\circ}08'38''$ East 2614.61 feet along the West line of said
Section;
- 8) thence North $00^{\circ}49'58''$ East 2641.44 feet along said West line to the
POINT OF BEGINNING

Containing 633.75 acres, more or less.

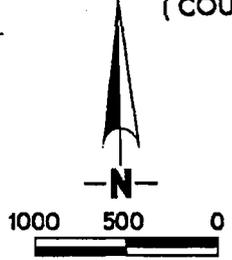

Patrick A. McMichael, L.S. 6187

5-30-2008
Date





RICK
ENGINEERING COMPANY



SCALE 1" = 1000'



Patrick A. McMichael 5-30-2008
PATRICK A. McMICHAEL, LS 6187 DATE

OTAY WATER DISTRICT

ANNEXATION OF ALL OF SECTION 13 OF TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

			RECORDERS F/P _____	COORDINATES
			RECORDING DATE _____	MAP NO. _____
			OTAY W.O. DEED NO. _____	SCALE: _____
			IMP. DEST. NO. _____	DATE: _____
REV.	DATE	DESCRIPTION		DRAWN BY: _____
				W.O. NO.: _____

RESOLUTION NO. 4128

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT REQUESTING FORMAL TERMS AND
CONDITIONS FROM THE SAN DIEGO COUNTY WATER
AUTHORITY AND METROPOLITAN WATER DISTRICT FOR THE
CONCURRENT ANNEXATION OF TERRITORY TO SAID AGENCIES
(APN 560-040-01) (Water - Sycuan D0526)

WHEREAS, the Sycuan Band of the Kumeyaay Nation ("Sycuan") has submitted a request for annexation to the Otay Water District (District) and pursuant thereto, the District desires to initiate proceedings under the provisions of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the annexation (the "Annexation") of certain real property owned by Sycuan to the service area of the Otay Water District.

WHEREAS, the proposed change of organization includes the following jurisdictional change(s):

- Concurrent annexation of the real property to the Otay Water District, the San Diego County Water Authority and the Metropolitan Water District.

WHEREAS, the purpose of this proposed annexation is to provide water service to the territory to be annexed.

WHEREAS, the territory subject to the proposed Annexation is inhabited in part and uninhabited in part, and a legal description of the territory is set forth in Exhibit A, attached hereto and by this reference incorporated herein (the "Annexation Territory"); and

WHEREAS, it is in the interest of the Otay Water District to obtain formal terms and conditions from the San Diego County Water Authority and the Metropolitan Water District for the concurrent annexation of said territory to those agencies and to the Otay Water District, and

WHEREAS, the Otay Water District requests that the proposed annexation be subject to the following terms and conditions:

1. The Owner of the Annexation Area shall pay to the Otay Water District all reorganization and processing fees.

2. The Owner of the Annexation Area shall pay all fees of the San Diego County Local Agency Formation Commission including, but not limited to, fees of the State Board of Equalization.
3. The Owner of the Annexation Area shall complete and submit to the Otay Water District, the application package required by LAFCO to process the Annexation, together with all documents required therefore.
4. The owner of the annexation Area shall pay to San Diego County Water District all annexation and processing fees.
5. The Owner of the Annexation Area shall pay to Metropolitan Water District all annexation and processing fees.
6. Upon annexation to Otay Water District, Owner shall install, at its sole cost and expense, all water and fire protection facilities as may be required by Otay Water District and no water service shall be provided to the Annexation Area until such facilities are installed and accepted by Otay Water District and all applicable terms of service are fulfilled.

Any improvements to existing facilities and/or new facilities and works required to connect, or expand connections, to the County Water Authority system and/or the Metropolitan Water District system shall be provided at the cost of the annexed territory. Annexation to the County Water Authority shall be in compliance with the Act and annexation to the Metropolitan Water District shall not conflict with Division III, Annexations, of the Metropolitan Water District Administrative Code.

7. Owner shall obtain and transfer to Otay Water District, at no cost to Otay Water District, easements and rights-of-way for any facilities necessary to service the Annexation Area.

8. Water service by Otay Water District to the Annexation Area shall be subject to and in accordance with the rules and regulations of Otay.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT THAT:

Section 1 The terms and conditions set forth on the recitals to this Resolution are hereby approved and this Resolution Requesting Formal Terms and Conditions is hereby adopted and approved by the Board of Directors of the Otay Water District.

Section 2 Each, the San Diego County Water Authority and the Metropolitan Water District is hereby requested to determine and establish formal terms and conditions for the concurrent annexation to said agencies and to Otay Water District of the territory as described in Exhibit A.

Section 3 The General Manager, General Counsel and District Secretary are hereby ordered and requested to forward this Resolution to all necessary parties and to take all actions required to give full effect to the intent of this Resolution.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting thereof held on August 6, 2008, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President

ATTEST:

Secretary

J-14330

EXHIBIT "A"

ANNEXATION TO OTAY WATER DISTRICT, SAN DIEGO COUNTY WATER
AUTHORITY, & METROPOLITAN WATER DISTRICT

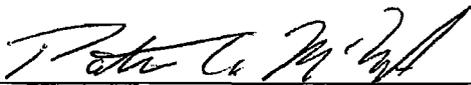
Parcel "A "

All of Section 13, in Township 16 South, Range 1 East, San Bernardino Meridian,
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thereof file in the County Recorder of said County.

Beginning at the Northwest corner of Section 13, Township 16 South, Range 1
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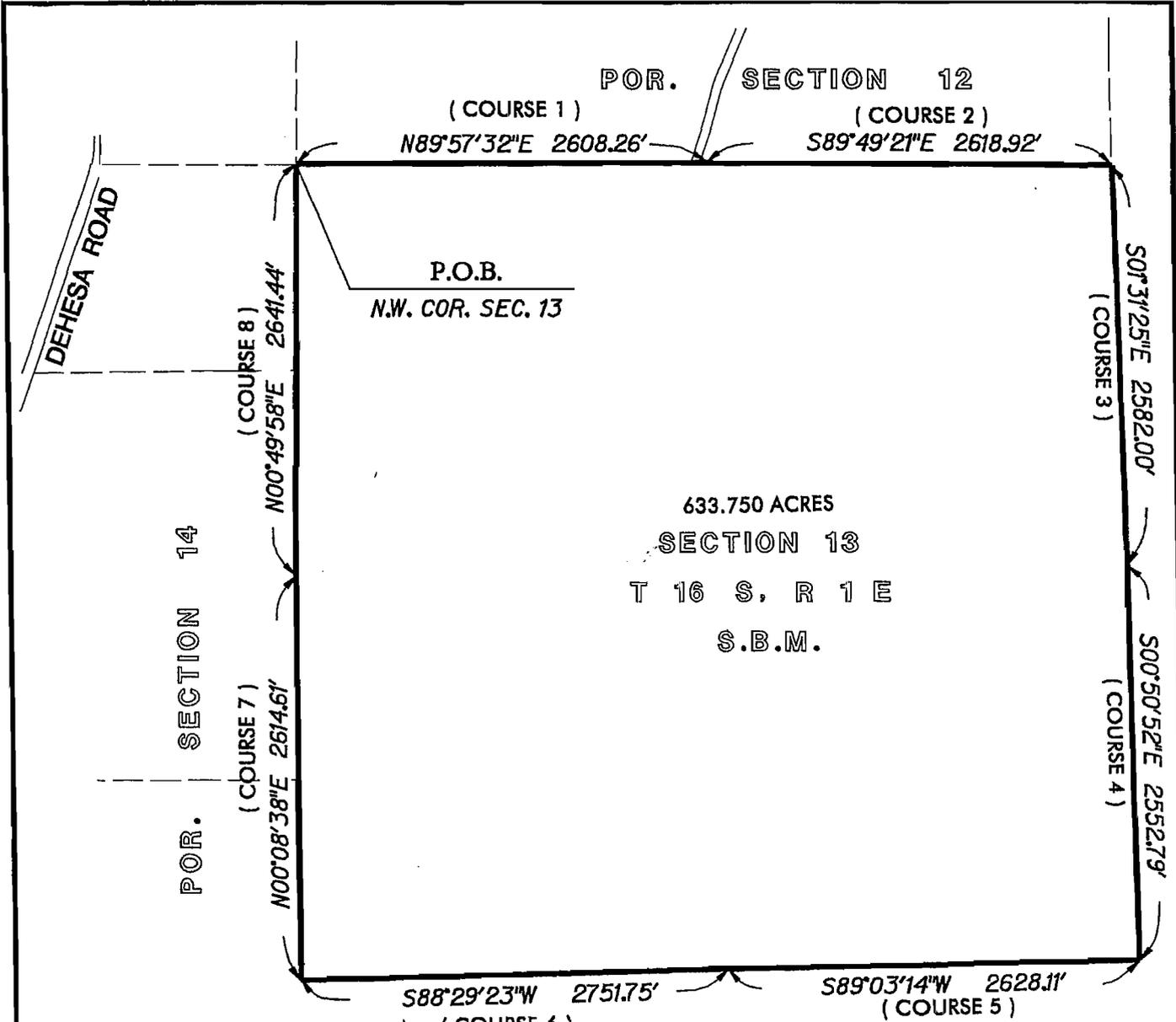
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- 2) thence South 89°49'21" East 2618.92 feet continuing along said North
line;
- 3) thence South 01°31'25" East 2582.00 feet along the East line of said
Section;
- 4) thence South 00°50'52" East 2552.79 feet continuing along said East line
- 5) thence South 89°03'14" West 2628.11 feet along the South line of said
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Containing 633.75 acres, more or less.

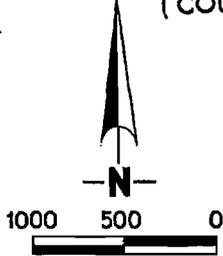

Patrick A. McMichael, L.S. 6187

5-30-2008
Date





RICK
ENGINEERING COMPANY



SCALE 1" = 1000'



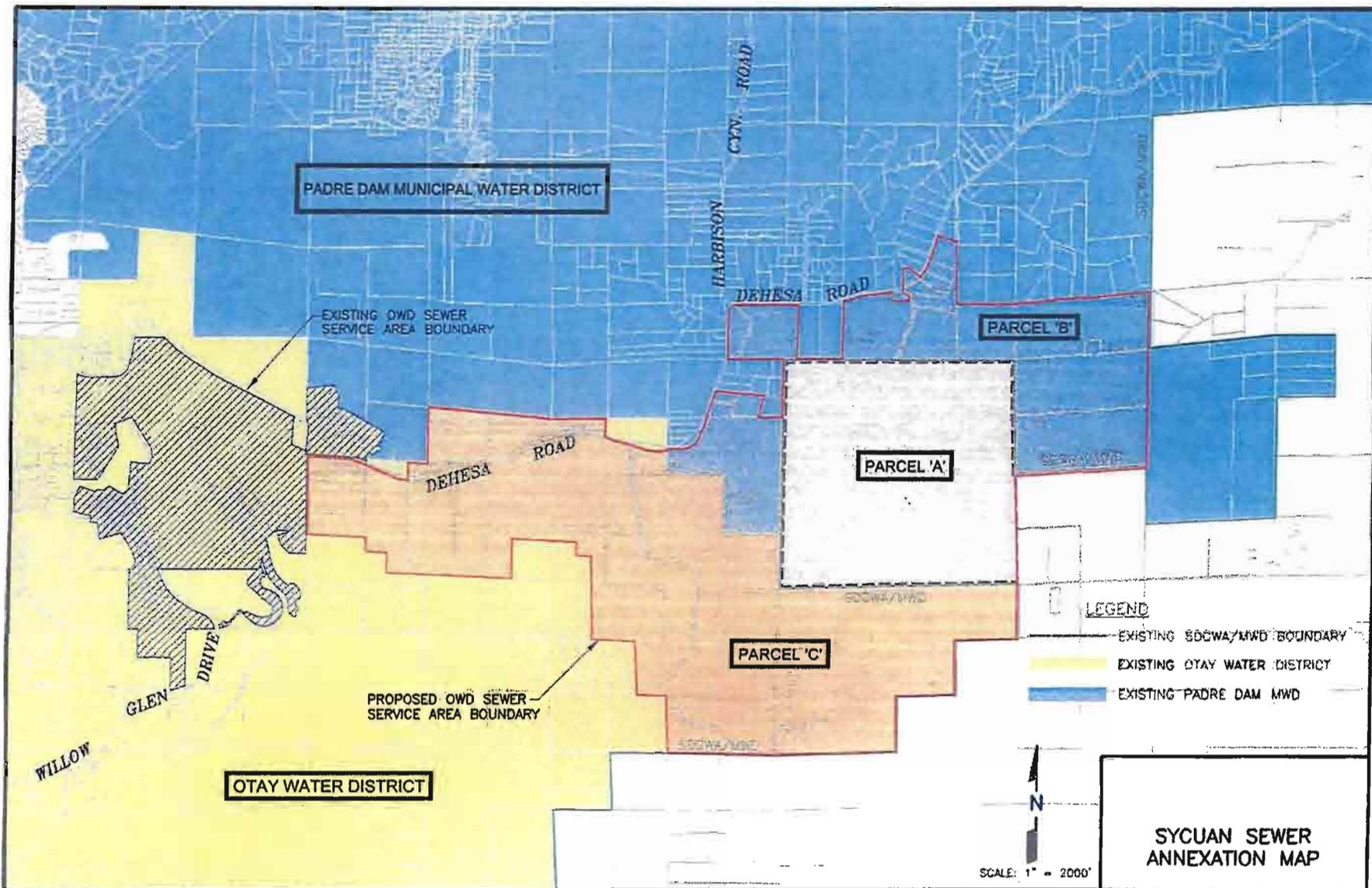
POR. SECTION 24

Patrick A. McMichael 5-30-2006
 PATRICK A. McMICHAEL, LS 6187 DATE

OTAY WATER DISTRICT

ANNEXATION OF ALL OF SECTION 13 OF TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

			RECORDER'S F/P _____	COORDINATES
			RECORDING DATE _____	MAP NO. _____
			OTAY W.O. DEED NO. _____	SCALE: _____
			IMP. DIST. NO. _____	DATE: _____
REV.	DATE	DESCRIPTION		DRAWN BY: _____
				W.O. NO.: _____



AGENDA ITEM 7b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	P2009, P2038- DIV. NO. 5 001101
	Ron Ripperger <i>m</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>m magaña</i> Assistant General Manager of Engineering and Operations		
SUBJECT:	Adoption of a Mitigated Negative Declaration for the Jamacha Road 36-Inch Potable Water Pipeline and 12-Inch Potable Water Pipeline Replacement Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve the adoption of a Re-circulated Initial Study / Mitigated Negative Declaration (IS/MND) for the Jamacha Road 36-Inch Potable Water Pipeline and 12-Inch Potable Water Pipeline Replacement Project. (See Exhibit A for project location.)

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for approval of the Re-circulated Initial Study (IS) / Mitigated Negative Declaration (MND) for the Jamacha Road 36-Inch Potable Water Pipeline and 12-Inch Potable Water Pipeline Replacement Projects.

ANALYSIS:

The IS/MND for the project first went out for public notice on October 18, 2007. The IS/MND actually covers two pipeline projects that are considered jointly as the "project" since they share the

same project site. The project description included in the original IS/MND is described in the following four paragraphs.

The Jamacha Road 36-Inch Potable Water Pipeline consists of the construction of a 36-inch cement mortar lined and coated steel pipeline which will transfer water from the Otay 14 Flow Control Facility (FCF), located at 290 South Third Street in the City of El Cajon to the District's 640-1 and 640-2 Reservoirs at the District's Regulatory Site located in Rancho San Diego. The pipeline is approximately five miles in length and will provide the District with a water supply of 12 million gallons per day of on-peak capacity and 16 MGD of off-peak capacity from the Helix Levy Water Treatment Plant. This pipeline will provide the District with the infrastructure needed to transport sufficient potable water to sustain a minimum of ten continuous days outage during emergencies. This pipeline also enhances reliability, flexibility, and security for the District by providing access to alternate raw water supply sources.

The pipeline has an alignment that terminates at the northeast corner of Lexington Avenue and Third Street (adjacent to the Otay 14 FCF) in El Cajon and then heads south within the right-of-way (ROW) of Third Street before heading west within the ROW of East Washington Avenue. The pipeline then heads south onto Jamacha Road and follows the ROW of Jamacha Road before heading west within the ROW of Brabham Street and then south in the ROW of Via Rancho San Diego. The pipeline then travels southwest on Fury Lane, before heading southwesterly as it passes through the Southern boundary of Cuyamaca College before terminating at the District's Regulatory Site.

The construction of the this pipeline project consists primarily of trench and backfill activities. The construction along Jamacha Road may occur during the day or night depending on traffic conditions. Intermittent blasting is required along portions of the pipeline outside the ROW of area roadways where bedrock is encountered, specifically along the southern boundary of Cuyamaca Community College between Fury Lane and the District's Regulatory site. The construction will also involve microtunneling along this same portion of the project site. The construction will be confined to a 50-foot corridor for all disturbed areas outside of the ROW of area roadways and will include revegetation. The construction of this 36-inch pipeline is expected to be completed within two years.

The Jamacha Road 12-Inch Pipeline Project is the replacement of approximately 3,450 feet of concrete cylinder pipe with 12-inch polyvinyl chloride pipe along Jamacha Road, between Hidden Mesa Road and Hillsdale Road. The replacement of this section of pipeline is necessary because the existing pipeline segment is severely corroded due to fluctuations in the high water table in this area. The

replacement work will take place in the existing ROW of Jamacha Road and does not expand the capacity of the existing system.

On October 5, 2006, the District's General Manager signed a contract with Infrastructure Engineering Corporation (IEC) to perform the engineering design and environmental services for this project. IEC hired HDR, Inc. (HDR) as a subconsultant to perform the environmental services for the project. These environmental services include the preparation of an IS/MND to satisfy the conditions of CEQA. HDR completed the IS and draft MND. These documents have concluded that the project, with proper mitigation measures in place, as outlined in the final IS/MND (See Attachment B), will not have a significant effect on the environment.

After the circulation of the IS/MND, but prior to its adoption, issues arose during final design that caused the District to consider two alternative alignments for CIP P2009 that would bypass the portion of the project that travels 400 linear feet through East Washington Avenue (Exhibit B). A description of the two alternative alignments is as follows:

Alternative 2: From the northwest corner of Lexington Avenue and Third Street, CIP P2009 would head east within the ROW of Lexington Avenue for approximately 715 feet before heading south within the ROW of Dichter Street for approximately 1,215 feet and then east in the ROW of Dumar Avenue for approximately 750 feet. CIP P2009 then heads south within the ROW of Waterloo Avenue for approximately 2,550 feet and then west onto Gustavo Street for approximately 1,765 feet until it reaches the intersection of Gustavo Street and Jamacha Road. From this point on Jamacha Road CIP P2009 follows the original alignment.

Alternative 4: From the northwest corner of Lexington Avenue and Third Street, CIP P2009 would head south within the ROW of Third Street for approximately 1,215 feet before heading west within the ROW of Dumar Avenue for 480 feet and then southwest on Aladdin Lane for approximately 315 feet. From Aladdin Lane the pipeline would head southeast on Jamacha Road for approximately 425 feet before reaching the East Washington Avenue intersection. This alternative proposes an underground crossing of East Washington Avenue for a distance of approximately 50 feet before continuing south on Jamacha Road following the original alignment.

An analysis of the environmental impacts of the proposed modifications to the alignment of CIP P2009 are included in the revision to the original IS/MND. This analysis concludes that there will not be any new environmental impacts due to the changes and that no additional mitigation is required.

The amended IS/MND was re-circulated for a 30-day period beginning on June 2 and ending on July 1, 2008. One comment letter was received from the Native American Heritage Commission and HDR has incorporated the letter and their response into the final re-circulated IS/MND.

It should be noted that another alternative alignment may ultimately be chosen over the two alternatives discussed in the revised MND. For example, an alignment that follows Third Avenue along the original alignment to Dumar Ave. and then turns east on Dumar where it then follows the Alternative 2 alignment, has also been identified as an alternative alignment. In this case, the environmental impacts are the same as all of the other alignments and the mitigation measures would be identical. Therefore, there would not be any revisions to the MND and no additional Board action would be necessary. Though it is not a requirement under CEQA, in order to be a good neighbor, the District will send a notice (see Attachment C) to the homeowners along the portion of the alignment that was not previously identified in the revised MND, describing the project and informing them of the hearing for the adoption of the MND.

FISCAL IMPACT:



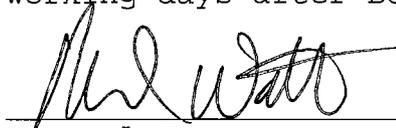
None.

STRATEGIC GOAL:

This project supports the District's strategic goal of designing and constructing new infrastructure and to satisfy current and future water needs for Potable, Recycled, and Wastewater Services.

LEGAL IMPACT:

No legal impact is anticipated. However, in compliance with the CEQA process, the Final MND will have the normal 30-day legal challenge period once the Notice of Determination (NOD) is recorded with the County of San Diego. The NOD will be recorded within five (5) working days after Board adoption of the MND.



General Manager

F:\WORKING\CIP P2009 36-inch PL - FCF 14 to Reg Site\Staff Reports\BD 08-06-08, CIP P2009 & P2038 Re-circulated IS-MND Adoption.doc

LC-B/RR/RP:jf

Attachments: Attachment A
Attachment B
Attachment C
Exhibit A
Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: P2009, P2038- 001101	Adoption of a Mitigated Negative Declaration for the Jamacha Road 36-Inch Potable Water Pipeline and 12-Inch Potable Water Pipeline Replacement Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 22, 2008. The following comments were made:

- Staff indicated that this Mitigated Negative Declaration (MND) includes two projects: the Jamacha Road 36-inch potable water pipeline (P2009) and the 12-inch potable water pipeline replacement (P2038).
- The 12-inch potable water pipeline replacement project has a Notice of Exemption (NOE) but is included in the MND because it is a component of the overall project.
- The MND address environmental impacts such as air quality, biological resources, noise, hazards and hazardous materials and traffic control.
 - Hazards and hazardous materials are included due to old gas stations within the City of El Cajon where the tanks may have leaked and contaminated the soil.
 - Air quality encompasses control of dust and dirt debris surrounding the construction site.
 - Noise levels will be monitored to determine if barriers need to be constructed.
 - A transportation and traffic control plan will be put in place and flyers will be mailed as a community outreach effort to notify the community of construction and traffic delays.

- A habitat conservation plan has been submitted to Fish and Wildlife Services. This required a separate permit so was not included in the MND.
- Issues arose during the design phase of the 36-inch pipeline alignment through the City of El Cajon. Alternative alignments were proposed. Because of these alternative alignments, an amendment was made to the MND. However, no new environmental impacts were found and no additional mitigation was necessary. The MND was then recirculated to the State Clearinghouse and 13 agencies and also published in the Union Tribune. Only one comment was received from the Native American Heritage Commission.
- Another alternate alignment was identified for a segment of the pipeline. HDR confirmed that this segment conforms to the other alternative alignments. Homeowners in the area that might be affected by the construction work were notified. Staff indicated that once the project is under construction, the District will initiate more community outreach.

Following the discussion, the committee supported staffs' recommendations and presentation to the full board as an action item.

ATTACHMENT B

A copy of the MND on CD can be provided upon request. Please contact Lisa Coburn-Boyd in the Engineering Department at Otay Water District at 619-670-2219 to obtain a copy.

ATTACHMENT C

Important Notice

Capital Improvement Project CIP P2009: Jamacha Road 36-Inch Potable Water Pipeline CIP P2038: 12-Inch Potable Water Pipeline Replacement Project

Summary:

The Board of Directors of the Otay Water District (OWD) will be considering adoption of a draft Mitigated Negative Declaration for two capital improvement projects. The first project, CIP P2009, is the installation of a 36-inch potable (drinking) water pipeline from Flow Control Facility (FCF) #14 located at 290 South Third Street in the City of El Cajon to the OWD's Regulatory Reservoir complex located in Rancho San Diego. The second project, CIP P2038, is the replacement of a 12-inch potable water pipeline located along Jamacha Road south of Avocado Ranch Road.

A public hearing to consider and adopt the draft Mitigated Negative Declaration will be held on August 6, 2008 at the headquarters of the Otay Water District. The draft Mitigated Negative Declaration is available for public review at the OWD offices located at 2554 Sweetwater Springs Boulevard, Spring Valley, CA 91978. The draft Mitigated Negative Declaration has been circulated for public review.

Detail:

CIP P2009 and P2038 propose the construction and/or replacement of potable water pipelines from Otay 14 FCF facility, located at 290 S. Third Street in the City of El Cajon, to the OWD's 640-1 and 640-2 reservoirs at the OWD Regulatory Site, located in Rancho San Diego. Implementation of the projects would provide the OWD with the infrastructure needed to provide sufficient water to sustain a minimum of ten-day continuous outage for use during emergencies (e.g., providing adequate fire flows, bolstering storage, and ensuring sufficient emergency supplies).

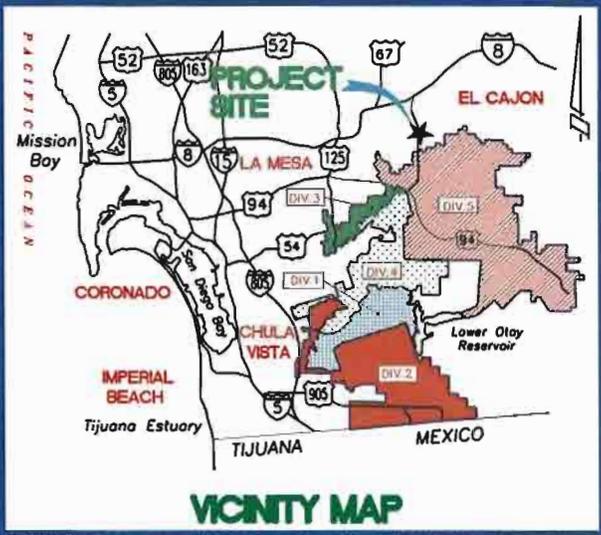
For more information:

Please contact Lisa Coburn-Boyd, Environmental Compliance Specialist, at (619) 670-2219 for more information.

About Otay Water District:

The Otay Water District was founded in 1956 to serve as a public water utility. The district distributes water to more than 191,500 ratepayers within approximately 125.5 square miles of southeastern San Diego County, including the communities of Jamul, La Presa, Rancho San Diego, Spring Valley, eastern Chula Vista, Otay Mesa and unincorporated communities adjacent to southern El Cajon and La Mesa.

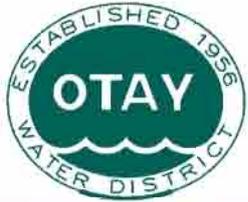
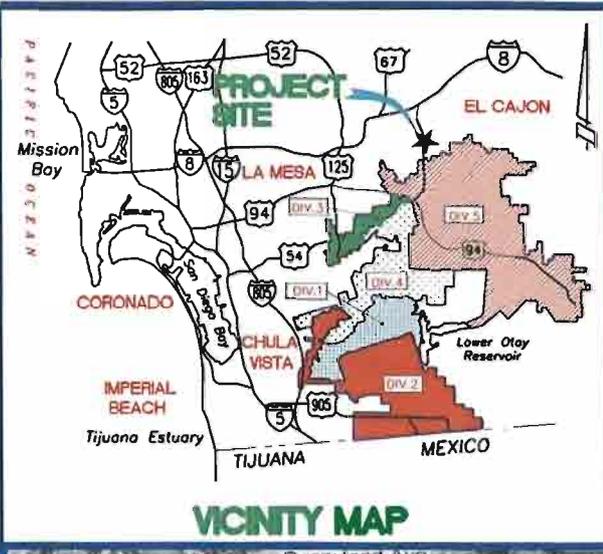
cc: City of El Cajon
County Supervisor Dianne Jacob



OTAY WATER DISTRICT

36-INCH PIPELINE, SDCWA FCF NO. 14 TO REGULATORY SITE

P2009



OTAY WATER DISTRICT

36-INCH PIPELINE, SDCWA FCF NO. 14 TO REGULATORY SITE
ALIGNMENTS AT JAMACHA ROAD AND WASHINGTON AVENUE

P2009



Mitigated Negative Declaration Adoption

Jamacha Road 36-inch Potable Water
Pipeline (P2009)

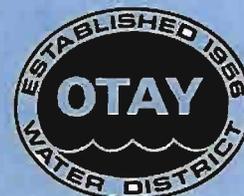
&

12-inch Potable Water Pipeline
Replacement (P2038)

August 2008

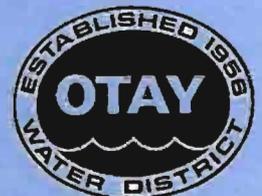
Project Description

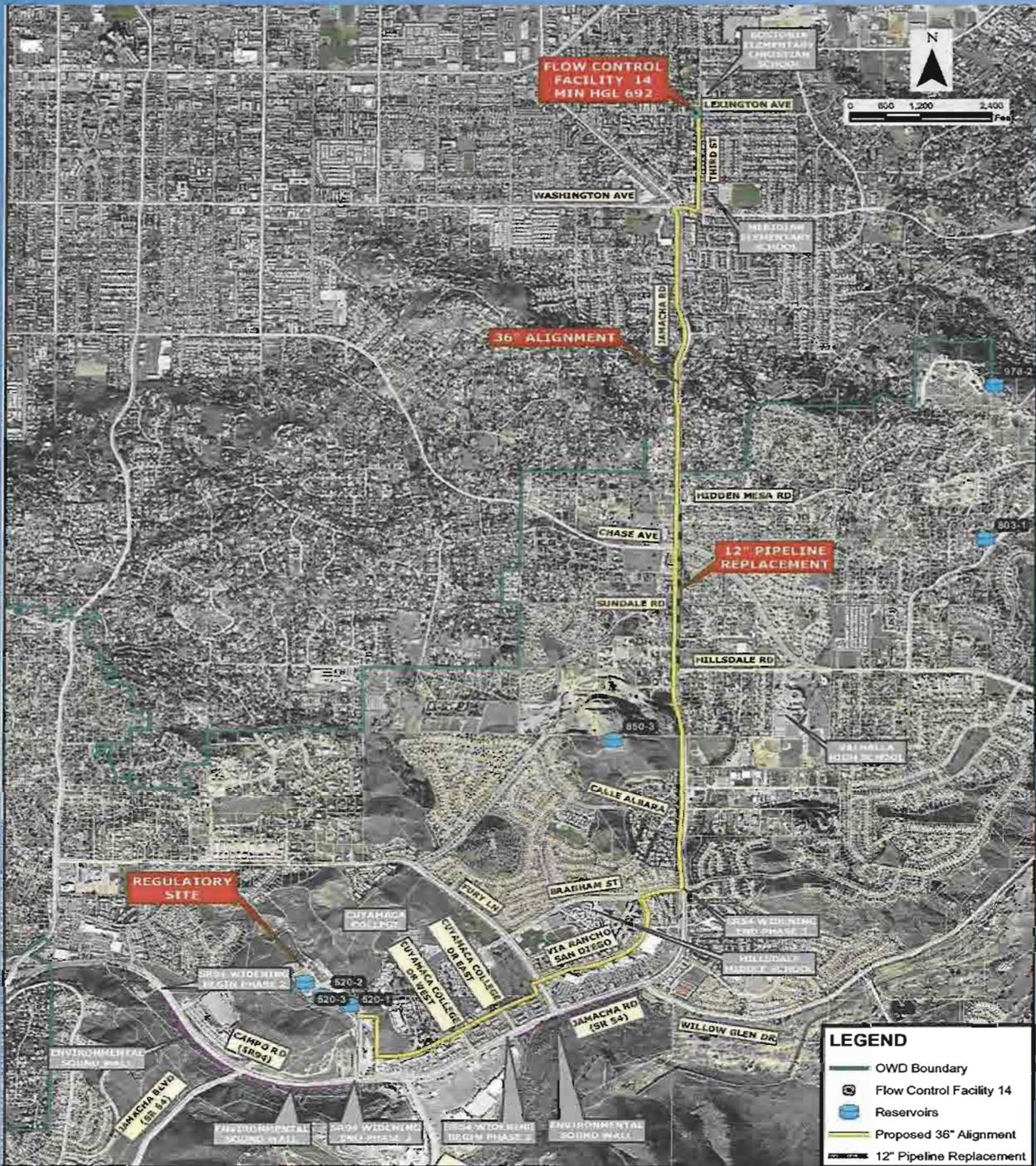
- Two projects (P2009 & P2038) are included in the MND
- P2009 is the 36-inch pipeline project that begins at the Otay 14 FCF in El Cajon and travels to the OWD Regulatory site
- P2038 is the replacement of concrete cylinder pipe with PVC pipe along Jamacha Rd.
- P2038 has a NOE but is included in the MND because it is a component of the overall project



Environmental Impacts Requiring Mitigation

- Air Quality
- Biological Resources
- Hazards and Hazardous Materials
- Noise
- Transportation/Traffic



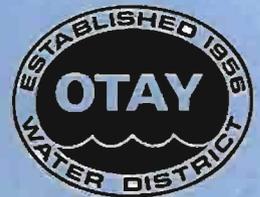


LEGEND

-  OWD Boundary
-  Flow Control Facility 14
-  Reservoirs
-  Proposed 36" Alignment
-  12" Pipeline Replacement

Draft MND Public Review

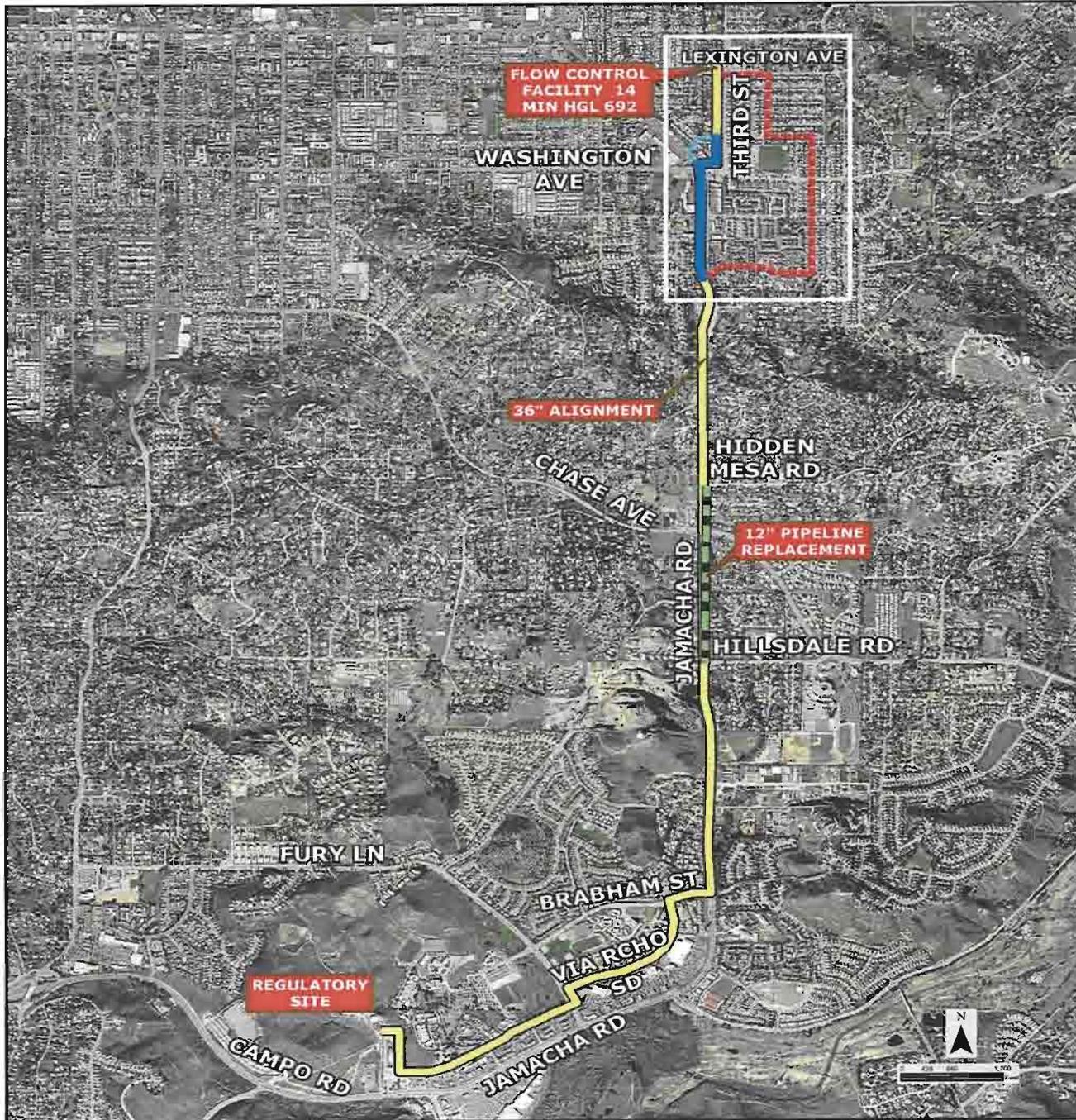
- Draft Initial Study/MND was sent to the State Clearinghouse in October 2007 and distributed to 13 agencies
- One comment letter received from Native American Heritage Commission



Alignment Modifications Proposed

- During the design phase, issues arose concerning the 36-inch pipeline alignment through the City of El Cajon
- Several alternative alignments through this area were proposed





Amended IS/MND

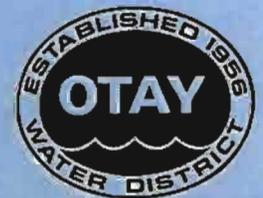
- The alternative alignments are described in an amendment to the original MND
- The environmental impacts of the alternative alignments were analyzed
- No new significant environmental impacts were identified
- No additional mitigation necessary

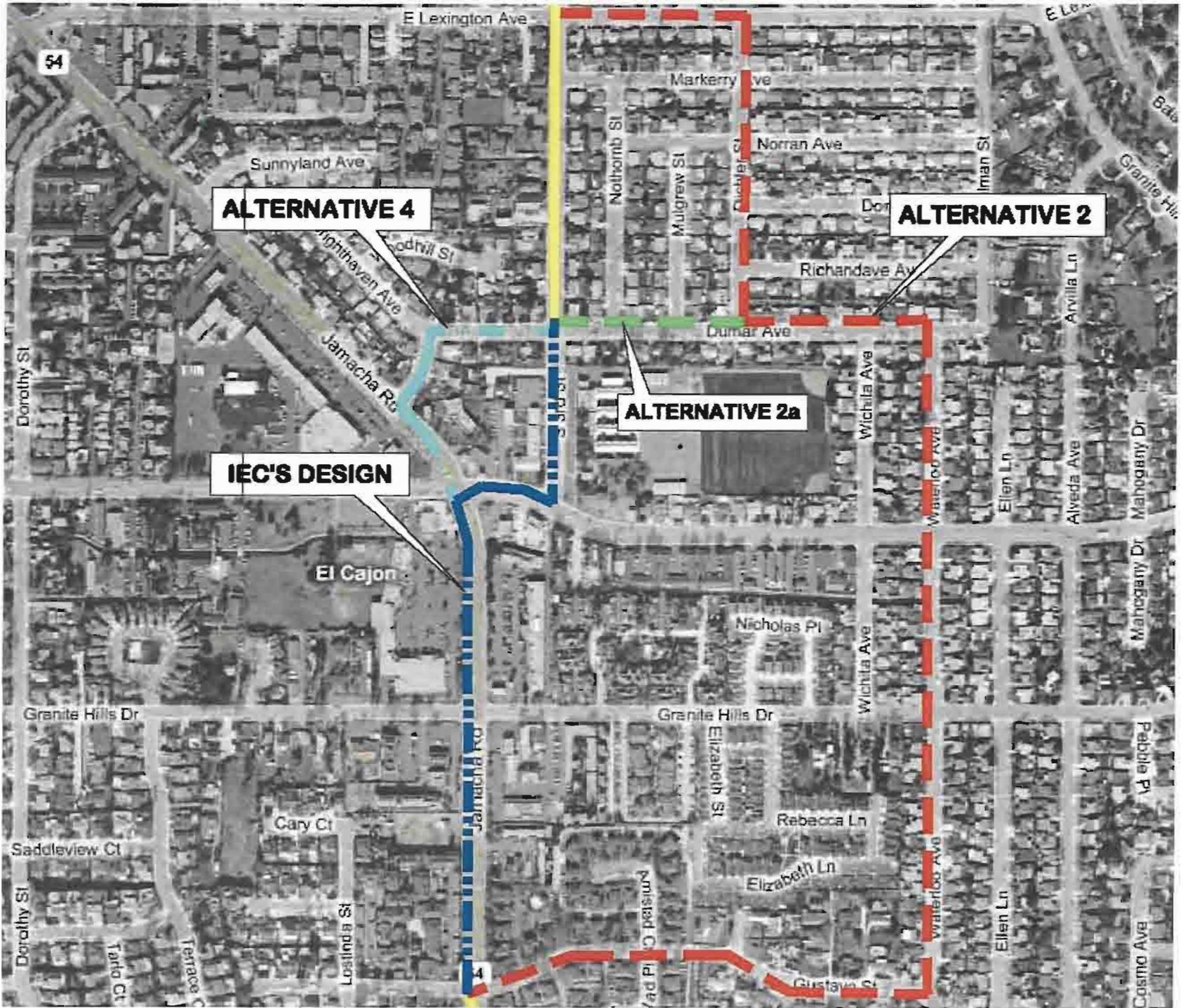
Amended MND Recirculated

- Amended IS/MND was sent to the State Clearinghouse on October 2007 and distributed to 13 agencies
- Notice of the availability of the Amended IS/MND was published in the San Diego Union Tribune
- One comment letter received from Native American Heritage Commission

Additional Alignment Alternative

- A segment of a possible alternative alignment (Alt. 2a) was not identified in the Amended IS/MND
- This segment substantially conforms to the other alternative alignments
- Homeowners that might be directly impacted were notified with a flyer from the District





ALTERNATIVE 4

ALTERNATIVE 2

ALTERNATIVE 2a

IEC'S DESIGN

54

Adoption of the Final MND

- The Board to consider adoption of the final MND on August 6, 2008
- Within 5 days of adoption, the Notice of Determination will be filed
- 30 days after filing, the statute of limitations for legal challenges from those agencies or individuals that commented on the MND concludes

Questions?

AGENDA ITEM 7c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Ron Grunow <i>RG</i> Sr. Civil Engineer	PROJECT:	P2009-001102 DIV. NO. 5
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY:	Rod Posada <i>RP</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>MM</i> (Asst. GM) Assistant General Manager of Engineering and Operations		
SUBJECT:	Award of a Professional Engineering Design Services Contract for the Completion of the Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District ("District") Board 1) waive Policy 21, of the District Code of Ordinances, 2) award a professional engineering design services contract to Lee & Ro, Inc. (Lee & Ro), and 3) authorize the General Manager to execute an agreement with Lee & Ro in an amount not to exceed \$769,000 (see Exhibit A for the project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board approval to waive Policy 21 for this contract and to authorize the General Manager to enter into a professional engineering services agreement with Lee & Ro for the completion of the design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site project ("Project"), in an amount not to exceed \$769,000.

ANALYSIS:

In accordance with District Code of Ordinances Policy No. 21, staff recommended to the Board at its October 4, 2006 meeting that Infrastructure Engineering Corporation ("IEC") receive a contract for providing professional design and miscellaneous services for the subject project. The Board, acting on staff's recommendation, subsequently awarded a contract on October 4, 2006 and the General Manager entered into a contract with IEC on October 5, 2006.

IEC proceeded with the design and environmental services for the project and in September 2007, a Value Engineering Workshop was conducted by Harris & Associates to review IEC's draft 60% project design submittal. The purpose of the workshop was to determine what improvements could be made to the design to improve the project and reduce future construction costs. One of the items, (13.2) included in the Value Engineering Report, suggested that the 60% designed alignment within Jamacha Road, between Granite Hills Drive and Washington Avenue, should be re-evaluated due to the number of bends, traffic flow, and compliance with the City's requirements. Re-routing the pipeline out of the busy intersection of Jamacha Road and Washington Avenue would avoid a variety of items such as, contaminated water, contaminated soils, and congested utilities.

In November 2007, staff reviewed the Value Engineering Workshop's comments and compared it with the 60% design submittal. Because of the discussion that took place in the workshop regarding Item 13.2 for the Granite Hills - Washington Avenue reach, staff requested that IEC and RBF Consulting review an alternate alignment (see Exhibit B for Alternative 2/2a) and see how it compared with the 60% design submittal. Based on the information contained in those reports and assertions from IEC that an alternate alignment was not feasible because of hydraulic losses and excessive costs, staff continued supporting the concept that the 60% designed alignment was still the best alignment, as far as cost and schedule.

In January 2008, the City of El Cajon ("City") responded in a meeting to IEC that the City had strong concerns about the 60% design submittal pipeline alignment going through the busy and congested Jamacha Road/Washington Avenue corridor ("Corridor"). In early February 2008, during a follow-up meeting that included District staff, the City reiterated their concerns. As a result of the repeated concerns raised by the City, the District formed a Focus Group to study the proposed alignment through the Corridor. The Focus Group was led by Harris & Associates and

was comprised of several experts in pipeline design, trenchless technology and construction. IEC and City staff also participated in the Focus Group. The Focus Group ultimately recommended that an alternate alignment be used due to the many concerns and unknowns associated with the busy Corridor.

A meeting was held on June 5, 2008 with the City to provide an opportunity for IEC to present the merits of continuing with the 60% designed alignment. At that meeting IEC presented the reasons why they felt the alignment, as planned, was the best choice. The City again reiterated their concern about the Corridor and suggested the pipeline be designed along an alternate alignment out of the Corridor. The City added they would not permit the 60% designed alignment, but would permit and support the District with another alignment such as the one recommended in the Focus Group report. IEC subsequently followed up with the City Attorney regarding the District's rights to be in the City's right-of-way and received confirmation that the City would continue to assert that it had prior and superior rights. To date, IEC has not obtained a permit from the City on the 60% designed alignment.

In addition to concerns with the City's approval, the Caltrans encroachment permit to be obtained by IEC on behalf of the District, is behind schedule. The latest information regarding approval timeframes for this permit suggests that the permit will not be approved by Caltrans until the end of October.

With the inability of reaching a resolution with IEC on the pipeline alignment within the City's limits, the District is terminating IEC's services under the contract.

Due to the critical nature of this Project, the delays that this Project has suffered thus far, and the District's commitment to complete the Project by March 2010, staff is recommending that the District move promptly to retain another consulting engineer for the Project. Towards this end, staff recommends that the Board waive Policy 21 and allow the General Manager to enter into an agreement with the firm of Lee & Ro.

If staff was required to repeat the selection process pursuant to Policy 21, the District would lose valuable time on the Project and likely would not find a better candidate than Lee & Ro. Lee & Ro was tied for second in the original consultant selection process conducted in October 2006, less than two years ago. Lee & Ro recently and successfully performed on the District's 30-Inch Recycled Water Pipeline project design and is currently involved with program management for Flow Control Facility (FCF) #14 at the San Diego County Water Authority

(CWA). Staff believes Lee & Ro is more than capable of taking on this project and is in the best position to expedite its completion.

There are two possible scenarios to consider for resolution of remaining design services for the Project.

Scenario 1 is optimistic and assumes that the transfer of work product from IEC to the District goes well including verification of IEC's final invoices. In this case, Lee & Ro would finalize the contract documents assumed to be at 90% completion, complete all permit work, design Alternate alignment, finalize easement and appraisal work and take liability for the Project design. This scenario assumes that IEC will also provide aerial survey for the original alignment. In this scenario, IEC would get paid up to \$1,100,000 for services rendered. Lee & Ro's design fee would be \$515,500.

Scenario 2 assumes that the resolution of the contract with IEC does not go well, IEC is unable to justify final invoices, and the transfer of information does not occur or is delayed significantly. In this case, Lee & Ro would have to essentially recreate the entire design using the existing IEC 90% design scanned plans as a guide and using new aerial survey for the original alignment provided by the District. Under this scenario, IEC will not be paid beyond what they have been already paid (\$909,000) and Lee and Ro's fee would be \$769,000.

In addition, both scenarios assume that the District will provide Lee & Ro with aerial survey, potholing to locate existing utilities, geotechnical exploration and corrosion review for design of Alternate alignment. The following table provides the detailed costs for both scenarios:

Task	IEC	Lee & Ro	
		Scenario 1	Scenario 2
Contract with IEC (includes C.O.'s)	\$1,449,283		
IEC Design of Alternate Alignment (amount offered by District and rejected by IEC. IEC proposed \$460,000)	\$192,000		
Lee & Ro's Design Fee and Construction Support Services		\$515,501	\$768,589
District Provided Services		\$81,285	\$52,645
Total Payments to IEC		\$1,100,000	\$909,224
Total Project Cost	\$1,641,283	\$1,696,786	\$1,730,458
Delta Cost: IEC vs. Lee & Ro		<\$55,503>	<\$89,175>

Under Scenario 1, the District will be spending an additional \$56,000 and under Scenario 2, the District will be spending an additional \$89,000 to complete the design services.

Lee & Ro's scope of work will include the following items:

- Review all IEC work product including design plans, specifications, permit status, easement documents and stamp and take liability for the complete Project.
- Design Alternate alignment within the City of El Cajon (see Exhibit B).
- Respond to contractor questions during the bidding process.
- Provide construction phase services.

Fee negotiations for the above scope with Lee & Ro were concluded on July 17, 2008. Staff recommends the award of a Professional Engineering Services contract to Lee & Ro for a not to exceed amount of \$769,000.

FISCAL IMPACT:

A handwritten signature in black ink, appearing to be 'AG', is written over a horizontal line.

The total Fiscal Year 2009 budget for CIP P2009 is \$22,000,000. The actual costs paid on this project as of July 1, 2008, are \$1,732,322. Total expenditures, plus outstanding commitment and forecast including this contract, are approximately \$4,069,881.

Attachment B lists commitments, expenditures, and projected final costs for the project. Based on the financial budget, the Project Manager has determined that the budget is sufficient to support the project.

Finance has determined that 100% of the funding for CIP P2009 is currently available from the Expansion Fund.

STRATEGIC GOAL:

This project supports the District's strategic goal of designing and constructing new infrastructure and to satisfy current and future water needs for potable, recycled, and wastewater services.

LEGAL IMPACT: _____



General Manager

P:\WORKING\CIP P2009 36-inch PL - FCP 14 to Reg Site\Staff Reports\BD 08-06-08, CIP P2009 & P2038 Lee & Ro Engineering Services Award1.doc

RDG/RR/RP:jf

Attachments: Attachment A
Attachment B
Exhibit A
Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: P2009-001102	Award of a Professional Engineering Design Services Contract for the Completion of the Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 22, 2008. The following comments were made:

- Staff is requesting approval to waive the District's Policy 21 - Policy for Selection of Professional Consultants and award a contract to Lee & Ro for the completion of the design of the 36-inch pipeline project. Waiving Policy 21 will save valuable time on the project.
- The committee discussed that waiving Policy 21 was in the best interest of the project and concurred in waiving Policy 21. Following committee's discussion, General Counsel suggested that a resolution be presented for formal action by the board to waive Policy 21. Resolution No. 4129 is presented as Attachment C for this purpose.
- Staff indicated that a contract was entered into in October 2006 with Infrastructure Engineering Corporation (IEC) to provide professional design services for this project.
- In September 2007, a Value Engineering Workshop was conducted. As a result of the workshop, a report was generated that suggested the 60% designed alignment of the pipeline within Jamacha Road between Granite Hills Drive and Washington Avenue should be reevaluated due to traffic constraints and other issues. The City of El Cajon is also concerned about the traffic problems that the project would cause along the Jamacha Road/Washington Avenue corridor and said it would not permit the alignment as proposed.

- After Staff met with IEC on several occasions to discuss this alignment issue, they were unable to reach consensus with IEC as to how to proceed with the redesign, as a result, the decision was made to terminate the contract with IEC. The District requested and received, as of today, electronic documentation from IEC concerning this project. Staff is evaluating the data to determine what was provided.
- There was discussion regarding the timeline of the project. Staff indicated that it is anticipated the project will be ready to bid for construction in January 2009 but may not be completed by the original March 2010 deadline when the District is scheduled to start receiving water from CWA. Staff indicated that it is possible to make up some time during the construction phase of the project.
- General Manager Watton indicated that the City of El Cajon will support an alternative alignment but we still need approval from them. He has spoken with contacts at CWA regarding construction of this pipeline and anticipated construction delays and when Otay will be ready to receive water.
- Staff noted that the fee amount has already been negotiated with Lee & Ro so staff will not need to bring this item back to the Board once approved.

Following the discussion, the committee supported staffs' recommendations and presentation to the full board as an action item.



ATTACHMENT B

SUBJECT/PROJECT: Award of a Professional Engineering Design Services Contract for the Completion of the Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project

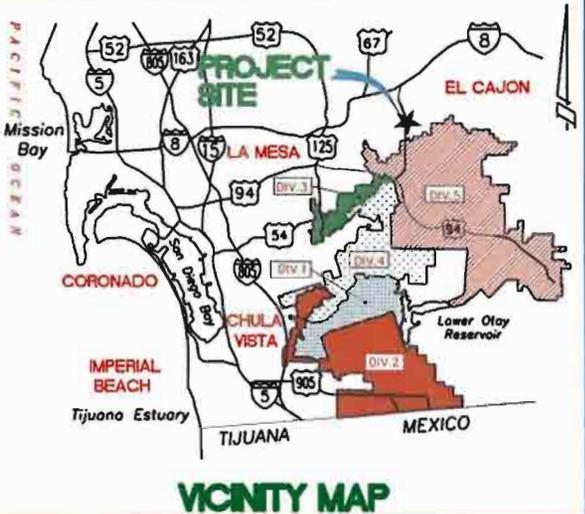
P2009-001102

Otay Water District

Date Updated: July 17, 2008

P2009 - 36-Inch Pipeline from SDCWA Otay FCF No. 14 to the Regulatory Site

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$22,000,000					
Planning					
Labor	209,725	209,725		209,725	
Printing	993	993	-	993	OCB REPROGRAHICS
Business Meetings	110	110	-	110	PETTY CASH
	49	49	-	49	US BANK CORPORATE PAYMENT
Professional Legal Fees	5,595	5,595	-	5,595	BURKE WILLIAMS & SORENSEN
	3,282	3,282	-	3,282	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	1,100,000	909,224	190,776	1,100,000	INFRASTRUCTURE ENGINEERING (revised)
Service Contracts	398	398	-	398	UNION TRIBUNE
	957	957	-	957	SD DAILY TRANSCRIPT
	350	350	-	350	RYAN BETHKE
	705	705	-	705	OLLI BROS
Subcontract	12,266	12,266	-	12,266	HELIX WATER DISTRICT
Temporary Labor	16	16	-	16	SEDONA STAFFING
Total Planning	\$ 1,334,445	\$ 1,143,670	\$ 190,776	\$ 1,334,446	
Design					
In House/Labor	307,815	257,815	50,000	307,815	
Consultant Contracts	52,645		52,645	52,645	POTHOLING, SURVEY, SOILS
	93,000	18,750	74,250	93,000	SAN DIEGO COUNTY WATER
	107,138	79,134	28,004	107,138	HARRIS & ASSOCIATES INC
	5,377		5,377	5,377	WRA & ASSOCIATES INC
	1,050	1,050	-	1,050	SOUTHLAND TITLE
	1,640	1,640	-	1,640	CALTRANS
	633,589		633,589	633,589	LEE & RO INC
Focus Group	1,639	1,639	-	1,639	LEE & RO INC
	57,040	7,040	50,000	57,040	SWINERTON MANAGEMENT
Special Projects	48	48	-	48	SEDONA STAFFING
Meals and Incidentals	162	162	-	162	PETTY CASH
Advertising/Bid	87	87	-	87	SAN DIEGO DAILY TRANSCRIPT
Other Agency Fees	7,830	7,830	-	7,830	CITY OF EL CAJON
Remaining Fees	15,000	7,830	7,170	15,000	
Total Design	\$ 1,284,059	\$ 383,025	\$ 901,034	\$ 1,284,059	
Construction					
In House/Labor	274,829	24,829	250,000	274,829	
Service Contracts	818	818	-	818	UNION TRIBUNE PUBLISHING CO
Consultant Contracts	1,088,785	64,465	1,024,320	1,088,785	RBF CONSULTING
	135,000		135,000	135,000	LEE & RO INC
Construction Contracts	527,000	106,250	420,750	527,000	SAN DIEGO COUNTY WATER
			-	16,200,000	CONSTRUCTION
Allowance	500,000		500,000	500,000	
Contingency (3%)	528,000		528,000	528,000	
Service Contracts	266	266	-	266	MCGRAW-HILL CONSTRUCTION
Computer Software			-	-	
Professional Legal Fees	100,000		100,000	100,000	GARCIA CALDERON & RUIZ LLP
Acct/close-out	20,000		20,000	20,000	
Total Construction	\$ 3,174,698	\$ 196,628	\$ 2,978,070	\$ 19,374,698	
Grand Total	\$ 5,793,203	\$ 1,723,322	\$ 4,069,881	\$ 21,993,203	

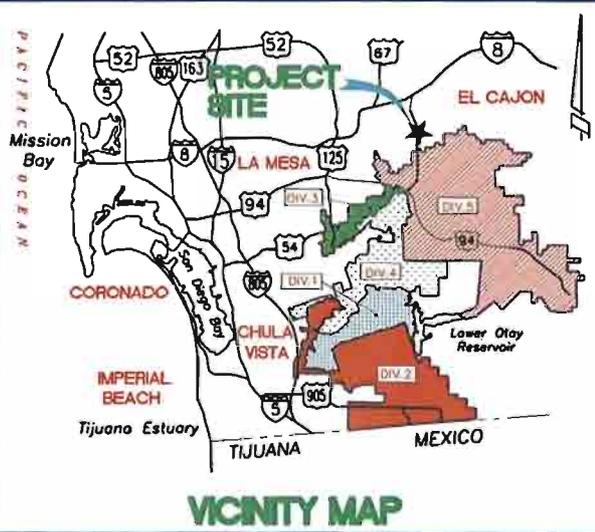


OTAY WATER DISTRICT

36-INCH PIPELINE, SDCWA FCF NO. 14 TO REGULATORY SITE

P2009

EXHIBIT A



NOT TO SCALE



OTAY WATER DISTRICT

36-INCH PIPELINE, SDCWA FCF NO. 14 TO REGULATORY SITE
ALIGNMENTS AT JAMACHA ROAD AND WASHINGTON AVENUE

P2009

RESOLUTION NO. 4129

**A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY
WATER DISTRICT WAIVING BOARD POLICY NO. 21 AND
AWARDING A PROFESSIONAL ENGINEERING DESIGN
SERVICES CONTRACT TO LEE & RO, INC.**

Whereas, Policy No. 21 of the Otay Water District (“District”) sets forth the procedures pursuant to which professional consultants in engineering, architectural, landscape architectural, environmental, land surveying and construction management may be retained from the private sector to augment the District’s professional capabilities or for the performance of specialized services not available to the District from the existing District work force;

Whereas, in 2006, District staff utilized Policy 21 to identify and recommend Infrastructure Engineering Corporation (“IEC”) to serve as the consulting engineer for the 36-Inch Pipeline, SDCWA Otay FCF No 14 to the Regulatory Site Project (“Project”);

Whereas, at its October 4, 2006 meeting, the District’s Board of Directors acted on District’s staff’s recommendation and awarded a contract to IEC for the Project;

Whereas, the District recently terminated IEC’s services for the Project because IEC failed to propose reasonable alternatives to handle delays that are due to the pipe alignment proposed by IEC, including delays in obtaining permits and clearances required for the Project;

Whereas, consulting firm Lee & Ro finished tied for second in the original consultant selection process conducted in 2006, recently and successfully performed on the District’s 30-inch Recycled Water Pipeline project design and is currently providing program management for Flow Control Facility #14 at the San Diego County Water Authority;

Whereas, the District is committed to completing the Project by March 2010 and prompt retention of a replacement consulting engineer is necessary to meet the March 2010 completion date for the Project; and

Whereas, following Policy 21 for the selection of the replacement consulting engineer would result in the loss of additional valuable time on the Project, the design and permitting of which was scheduled for completion nearly 12 weeks ago, and would likely not result in finding a better candidate than Lee & Ro;

Now, therefore, be it resolved, ordered and determined as follows:

SECTION 1. The foregoing recitals are true and correct and are hereby incorporated by this reference..

SECTION 2. Board Policy 21 is hereby waived for purposes of selecting a new consulting engineer for the Project.

SECTION 3. A professional engineering design services contract is awarded to Lee & Ro, Inc.

SECTION 4. The General Manager is authorized to negotiate and execute an agreement with Lee & Ro, Inc. in an amount not to exceed \$769,000.

SECTION 5. This Resolution shall be effective as of the date it is adopted.

PASSED, APPROVED AND ADOPTED by the Otay Water District Board of Directors at a regular meeting held this 6th day of August, 2008.

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

District Secretary



AGENDA ITEM 8a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Armando Buelna <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	AB 2986 -Leno - Waste discharge requirements		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors take an "Oppose unless Amended" position on Assembly Bill 2986 (Leno) relating to Waste Discharge Requirements.

PURPOSE:

To authorize taking an "Oppose unless Amended" position on AB 2986 (Leno) relating to Waste Discharge Requirements.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

Assembly Bill 2986, relating to waste discharge requirements, is an effort to address aging sewer systems through the issuance of an annual report card. Specifically, the bill requires the State or Regional Water Quality Control Board to issue a report card to every collection system and every sewage treatment plant in California based on objective methodologies for measuring system performance.

The stated purpose of AB 2986 is to inform every community in California about the health of their sewer systems to ensure that problem systems will be clearly identified to voters and rate payers. The sponsors feel that by knowing the state of their sewer system, the public would be more supportive of actions such as rate increases or other measures that support upgrades to facilities with failing grades.

The sponsors of the bill are the Friends of the Earth and the San Francisco Baykeeper. The motivation was sewer spills in January 2008 into Richardson Bay in the Marin area.

The bill's public information provisions require state permits, monitoring data, inspection reports, enforcement orders and violations to be made available for public viewing and downloading on the State and Regional Water Board websites.

Opponents of AB 2986 are concerned that rather than encourage ratepayers to make an additional investment in infrastructure through increased fees and charges during difficult times, given competing priorities, a "D" or "F" grade will cause customers to question the wisdom of expending additional monies on a "failed" or "failing" systems. They are also concerned about how these letter grades will be used by investment bankers when preparing public bond issuances.

Moreover, AB 2896 would assign the entire cost of this program to local public agencies through new fees. Consequently, local ratepayers would be asked to fund the hiring of new state employees for a new grading program.

AB 2986 is opposed by ACWA, CASA, CSAC, CWEA, and the League of Cities have recommended amendments to the author that would eliminate the "Report Card" approach and replace it with a requirement that the state board develop a Sewer System Infrastructure Rating methodology that takes into account the range of actors relevant to sewer system sustainability, not simply the number of overflows.

AB 2986 is currently in the Senate Appropriations Committee, however, no hearing date has been requested by the author.

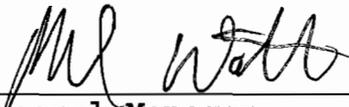
FISCAL IMPACT:



None.

LEGAL IMPACT:

None.



General Manager

Attachments

- Attachment A - Committee Action Report
- B - Assembly Bill 2986 - Amended
- C - AB 2986 Senate Committee Analysis
- D - Letter of opposition from the Southern California Alliance of Publicly Owned Treatment Works (SCAP)
- E - Draft Letter of opposition.



ATTACHMENT A

SUBJECT/PROJECT:	AB 2986 - Leno - Waste Discharge Requirements
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COMMITTEE ACTION:

The Legal, Legislative and Conservation Committee reviewed this item at a meeting held on July 23, 2008. The following comments were made:

- Staff recommends that the board take an "Oppose unless Amended" position on Assembly Bill 2986.
- The Bill was introduced to address aging sewer systems and would required the State or the Regional Water Quality Control Board to develop a methodology to grade sewer system performance.
- The sponsors of the bill believe that a grading system would bring to the public's attention failing sewer systems and, thus, would encourage public support of rate increases or other measure to upgrade these failing systems. Opponents believe that it would encourage exactly the opposite response and it could also affect public bond issuances as bond holders may look negatively upon failed systems.
- The bill proposes that letter grades of A, B, C, etc. be used to rate systems. It is felt that such grading is too simplistic for sewer systems as such systems are very highly and comprehensively regulated. In addition, the District already polices its system as a "Process Safety Review" must be performed on the District's sewer systems every five years per policy.
- There are also concerns regarding the standards that will be required and that the grading of the systems could be more punitive and penalty focused.
- Additionally, the entire cost of the program would fall on local public agencies through new fees.

- The committee inquired what the Operations Department's stance was on this issue. Staff indicated that they agree with the recommendation of "Oppose unless Amended."
- It was indicated that AB 2986 is currently on hold and no hearing date has been set.

The committee supported staffs' recommendations and presentation to the full board as an action item.

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 8, 2008

AMENDED IN ASSEMBLY MARCH 25, 2008

AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2986

**Introduced by Assembly Member Leno
(Coauthor: Assembly Member Huffman)**

February 22, 2008

An act to amend Section 75050.2 of the Public Resources Code, and to add Chapter 18 (commencing with Section 14080) to Division 7 of the Water Code, relating to water quality, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2986, as amended, Leno. Waste discharge requirements.

(1) Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for publicly owned treatment works and other dischargers in accordance with the Porter-Cologne Water Quality Control Act (state act) and the federal Clean Water Act. Existing law, commencing the year in which funding is provided, requires the state board to develop a uniform overflow event report form to be used by the system owner or operator to report sanitary sewer system overflows. Existing law, commencing the year in which funding is provided, requires a database on sanitary sewer system overflows and spills to be developed and made available to the public.

This bill, by January 1, 2010, would require the state board and each regional board to post on their respective Internet Web sites, at a minimum, copies of specified water quality documents maintained in their files and generated on or after January 1, 2009. The state board and each regional board would be required to post on their respective Internet Web sites additional water quality documents generated between January 1, 2006, and December 31, 2008, if they have electronic copies of those documents.

The bill would require the state board, commencing January 1, 2011, to issue annually a letter grade, as specified, for each separate sanitary sewer system, ~~each~~ sewage treatment plant, ~~each~~ combined sewer system, and ~~each~~ combined sewer system treatment plant in the state *that is subject to waste discharge requirements* in accordance with letter grading methodologies that the state board would be required to establish. The state board would be required, by July 1, 2009, to establish a methodology for measuring “peaking factors,” as defined, and to establish, as necessary, monitoring and reporting requirements to measure peaking factors.

The bill would require the state board, by July 1, 2010, and by July 1 of each year thereafter, to establish a list of all sewage treatment plants that treat waste collected from separate sanitary sewer systems and for which the state board makes specified findings relating to wet weather peak flows. A satellite sewer system, as defined, that discharges sewage to a sewage treatment plant that has been placed on that list would be required to install and operate flow meters *or employ another flow monitoring methodology approved by the state board or a regional board*, for at least 3 years, as described, unless the state board or the appropriate regional board makes a specified finding regarding the satellite sewer system.

The bill would require the state board to impose fees upon owners and operators of separate sanitary sewer systems, sewage treatment plants, combined sewer systems, and combined sewer system treatment plants and others subject to waste discharge requirements, as provided, to finance the *prudent* implementation of these provisions. The state board would be required to establish a fee schedule so that the total amount of fees collected equals the amount necessary to recover costs incurred in the implementation of these provisions. The bill would require the state board to deposit the fees in the California Clean Water Act Fund, which the bill would establish in the State Treasury. The moneys in the fund would be ~~continuously appropriated~~ *available, upon*

appropriation by the Legislature, to the state board for expenditure by the state board and for allocation to the regional boards, as necessary, to implement the bill's provisions.

(2) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, approved by the voters at the November 7, 2006, statewide general election, makes available, upon appropriation by the Legislature, \$90,000,000 to the state board for matching grants to local public agencies to reduce and prevent stormwater contamination of rivers, lakes, and streams. Existing law establishes a list of projects that are eligible to receive funding pursuant to this stormwater program.

This bill would specify that, under prescribed circumstances and upon appropriation for those purposes, projects to install flow meters *or implement other flow monitoring methods approved by the state board* to measure *specified* stormwater impacts and projects to assist with *certain* sanitary sewer system and combined sewer system improvements to reduce stormwater inflow and infiltration are eligible to receive funding pursuant to this stormwater program.

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited, as the
2 California Clean Water Act.
3 SEC. 2. Section 75050.2 of the Public Resources Code is
4 amended to read:
5 75050.2. (a) The state board shall develop project selection
6 and evaluation guidelines for the allocation of funds made available
7 pursuant to subdivision (m) of Section 75050. Upon appropriation,
8 the funds shall be available for matching grants to local public
9 agencies, not to exceed five million dollars (\$5,000,000) per
10 project, for projects to achieve any of the following purposes in
11 accordance with the requirements of that subdivision:
12 (1) Complying with total maximum daily load requirements
13 established pursuant to Section 303(d) of the Clean Water Act (33
14 U.S.C. Sec. 1313(d)) and this division where pollutant loads have
15 been allocated to stormwater, including, but not limited to, metals,
16 pathogens, and trash pollutants.

1 (2) Assistance in implementing low-impact development and
2 other onsite and regional practices, on public and private lands,
3 that seek to maintain predevelopment hydrology for existing and
4 new development and redevelopment projects. Projects funded
5 pursuant to this paragraph shall be designed to infiltrate, filter,
6 store, evaporate, or retain runoff in close proximity to the source
7 of water.

8 (3) Implementing treatment and source control practices to meet
9 design and performance standard requirements for new
10 development.

11 (4) Treating and recycling stormwater discharge.

12 (5) Implementing improvements to combined municipal sewer
13 and stormwater systems.

14 (6) Implementing best management practices, and other
15 measures, required by municipal stormwater permits issued by a
16 California regional water quality control board or the state board.

17 (7) Assessing project effectiveness, including, but not limited
18 to, monitoring receiving water quality, determining pollutant load
19 reductions, and assessing improvements in stormwater discharge
20 water quality.

21 (8) Installing flow meters, *or implementing other flow*
22 *monitoring methods approved by the state board*, to measure
23 stormwater impacts pursuant to Section 14083 of the Water Code
24 in satellite sewer systems serving severely disadvantaged
25 communities.

26 (9) Assistance for sanitary sewer systems and combined sewer
27 systems that have received a grade of "F" pursuant to Section
28 14082 of the Water Code for improvements to reduce stormwater
29 inflow and infiltration in severely disadvantaged communities.

30 (b) (1) For the purpose of implementing subdivision (a), the
31 state board shall give preference to a project that does one or more
32 of the following:

33 (A) Supports sustained, long-term water quality improvements.

34 (B) Is coordinated or consistent with any applicable integrated
35 regional water management plan.

36 (2) The allocation of funds pursuant to this section shall be
37 consistent with water quality control plans and Section 75072.

38 (c) The state board shall require grant recipients for projects
39 described in subdivision (a) to assess and report on project
40 effectiveness, which may include monitoring receiving water

1 quality, determining pollutant load reductions, and assessing
2 improvements in stormwater discharge water quality resulting
3 from project implementation.

4 SEC. 3. Chapter 18 (commencing with Section 14080) is added
5 to Division 7 of the Water Code, to read:

6

7 CHAPTER 18. PUBLIC INFORMATION, SEWER SYSTEM GRADING,
8 AND WET WEATHER FLOWS

9

10 14080. For the purposes of this chapter, all of the following
11 terms shall have the following meanings:

12 (a) "Combined sewer system" means any wastewater collection
13 system that conveys sanitary, commercial, and industrial
14 wastewater and stormwater through a single-pipe collection system
15 to a sewage treatment plant.

16 (b) "Combined sewer overflows" means sewage overflows from
17 a combined sewer system, as defined by the United States
18 Environmental Protection Agency Combined Sewer Overflow
19 Control Policy (59 Fed. Reg. 18688, April 19, 1994).

20 (c) "Peaking factor" means the ratio of peak wet weather flows
21 in sewer lines compared to average dry weather flows in sewer
22 lines.

23 (d) "Sanitary sewer overflow" means any overflow, spill,
24 release, discharge, or diversion ~~from a separate sanitary sewer~~
25 ~~system at a point prior to the sewage treatment plant.~~ *Sanitary of*
26 *untreated or partially treated wastewater from a sanitary sewer*
27 *system. Sanitary sewer overflows include all of the following:*

28 (1) Overflows or releases of untreated or partially treated
29 wastewater that reach the waters of the United States.

30 (2) Overflows or releases of untreated or partially treated
31 wastewater that do not reach the waters of the United States.

32 (3) Wastewater backups into buildings or private property that
33 are caused by blockages or flow conditions within the
34 system-maintained portion of a separate sanitary sewer system.

35 (e) "Sanitary sewer system" means any separate sanitary sewer
36 system or any combined sewer system that is a system of pipes,
37 pump stations, sewer lines, or other conveyances designed and
38 used to collect and convey sanitary sewage to a sewage treatment
39 plant. *Sanitary sewer systems include only those systems that are*
40 *comprised of more than one mile of pipes or sewer lines.*

1 (f) “Satellite sewer system” means the portion, if any, of a
2 sanitary sewer system that is owned or operated by an entity or
3 public agency other than the entity or public agency that owns and
4 operates the sewage treatment plant to which the sanitary sewer
5 system is tributary.

6 (g) “Secondary treatment” means a level of treatment that
7 complies with Section 133.102 of Title 40 of the Code of Federal
8 Regulations.

9 (h) “Separate sanitary sewer system” means any system of pipes,
10 pump stations, sewer lines, or other conveyances designed and
11 used to collect and convey sanitary sewage, separate from
12 stormwater, to a sewage treatment plant.

13 (i) “Sewage treatment plant” means any facility used for the
14 treatment of sewage and capable of providing secondary treatment
15 of sewage, unless the owner or operator of the facility has secured
16 a modified permit pursuant to 33 U.S.C. Section 1311(h), in which
17 case the plant is capable of achieving primary treatment or
18 equivalent treatment, as defined in 33 U.S.C. Section 1311(h).

19 (j) “Waste discharge requirements” means waste discharge
20 requirements prescribed pursuant to this division, including waste
21 discharge requirements issued in accordance with the national
22 pollutant discharge elimination system (NPDES) permit program,
23 *or the state board’s Statewide General Waste Discharge*
24 *Requirements for Sanitary Sewer Systems, Order No.*
25 *2006-0003-DWQ, adopted May 2, 2006 .*

26 14081. (a) By January 1, 2010, the state board and each
27 regional board shall post on their respective Internet Web sites, at
28 a minimum, copies of the following documents maintained in their
29 files and generated on or after January 1, 2009:

30 (1) All waste discharge requirements prescribed by the state
31 board or a regional board.

32 (2) Any information, data, or report required to be submitted to
33 the state board or a regional board pursuant to monitoring
34 requirements set forth in waste discharge requirements.

35 (3) Any report addressing inspection, including, but not limited
36 to, United States Environmental Protection Agency inspection
37 reports, of any permitted facility by the state board, a regional
38 board, or any contractor retained by the state board or a regional
39 board.

1 (4) Any ~~proposed~~ *tentative* or final administrative enforcement
2 order issued by the state board or a regional board, including any
3 administrative compliance order, time schedule order, and final
4 administrative civil liability order, and any administrative civil
5 liability complaint issued by the state board or a regional board.

6 (5) Any judicial complaint filed by or against the state board or
7 a regional board, or in which the state board or a regional board
8 is a party, relating to a violation of this division or the federal Clean
9 Water Act, and any settlement agreement, consent decree, or
10 judgment resolving any judicial case relating to a violation of this
11 division or the federal Clean Water Act in which the state board
12 or a regional board is a party.

13 (6) Any list established pursuant to subdivision (b) of Section
14 14083.

15 (b) By January 1, 2010, the state board and each regional board
16 shall post on their respective Internet Web sites copies of any of
17 the documents described in subdivision (a), generated between
18 January 1, 2006, and December 31, 2008, for which the state board
19 or a regional board has electronic copies.

20 (c) For purposes of this section, “post” means placing the
21 documents on the Internet Web site in a format that may be readily
22 downloaded by the public.

23 (d) *The state board or a regional board may require a person*
24 *subject to waste discharge requirements to submit documents*
25 *required by the waste discharge requirements in electronic form*
26 *as prescribed by the relevant board.*

27 (e) *Documents sealed by a court, exempt from disclosure under*
28 *the California Public Records Act (Chapter 3.5 (commencing with*
29 *Section 6250) of Division 7 of Title 1 of the Government Code),*
30 *or for distribution or consideration in a closed session under the*
31 *Bagley-Keene Open Meeting Act (Article 9 (commencing with*
32 *Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of*
33 *the Government Code), shall not be subject to posting on an*
34 *Internet Web site pursuant to this section.*

35 14082. (a) Commencing January 1, 2011, the state board shall
36 issue a letter grade of “A,” “B,” “C,” “D,” or “F” annually for each
37 ~~separate sanitary sewer system, each sewage treatment plant, each~~
38 ~~combined sewer system, and each combined sewer system~~
39 ~~treatment plant.~~ *of the following that is subject to waste discharge*
40 *requirements:*

- 1 (1) *A separate sanitary sewer system.*
2 (2) *A sewage treatment plant.*
3 (3) *A combined sewer system.*
4 (4) *A combined sewer system treatment plant.*
5 (b) By July 1, 2009, the state board shall propose a letter grading
6 methodology consisting of grades “A,” “B,” “C,” “D,” or “F” for
7 each of the following:
8 (1) Separate sanitary sewer systems.
9 (2) Sewage treatment plants.
10 (3) Combined sewer systems.
11 (4) Combined sewer system treatment plants.
12 (c) By January 1, 2010, and after providing public notice and
13 opportunity for public comment, the state board shall establish a
14 letter grading methodology for each type of system or plant
15 described in subdivision (b).
16 (d) The state board shall review the letter grading methodologies
17 established pursuant to subdivision (c) every five years
18 commencing with 2015, to determine whether advances in
19 wastewater collection and treatment warrant revisions to impose
20 more stringent methodologies. The state board shall provide public
21 notice and opportunity for comment prior to making changes to a
22 letter grading methodology.
23 (e) The letter grading methodology for separate sanitary sewer
24 systems shall consist of the number, *volume, and cause* of sanitary
25 sewer overflows for each 100 miles of sewer line.
26 (f) The letter grading methodology for sewage treatment plants
27 shall reflect violations of waste discharge requirements, ~~incidents~~
28 ~~of bypassing any portion of the treatment plants, and discharges~~
29 ~~of any sewage that has not received secondary treatment.~~
30 (g) The letter grading methodology for each combined sewer
31 system shall reflect the combined sewer system’s adherence to the
32 provisions set forth in the system’s waste discharge requirements
33 and long-term combined sewer system control plan.
34 (h) The letter grading methodology for each combined sewer
35 system treatment plant shall reflect adherence to the requirements
36 set forth in each treatment plant’s waste discharge requirements.
37 14083. (a) By July 1, 2009, the state board shall establish a
38 methodology for measuring peaking factors for purposes of this
39 section. The state board shall also establish, as necessary,
40 monitoring and reporting requirements to measure peaking factors.

1 (b) By July 1, 2010, and by July 1 of each year thereafter, the
2 state board shall establish a list of all sewage treatment plants that
3 treat waste collected from separate sanitary sewer systems and for
4 which the state board finds both of the following:

5 (1) The sewage treatment plant has experienced a peaking factor
6 that equals or exceeds a designation of “seven.”

7 (2) Peak wet weather flows have either caused or contributed
8 to discharges in violation of waste discharge requirements from
9 the sewage treatment plant, or caused or contributed to a bypass
10 of secondary treatment during a storm that does not exceed the
11 rainfall depth duration frequency of 10 years and 24 hours as posted
12 by the Department of Water Resources.

13 (c) The state board ~~shall~~ *may* review, and modify if necessary,
14 the designated peaking factor established in paragraph (1) of
15 subdivision (b) ~~every five years commencing with 2015~~, to reflect
16 current information about the levels of peak wet weather flow that
17 correlate with increased risk of sanitary sewer overflows, or
18 discharges in violation of waste discharge requirements. Before
19 establishing the list pursuant to subdivision (b), the state board
20 shall provide public notice and opportunity for comment.

21 (d) (1) Any satellite sewer system that discharges sewage to a
22 sewage treatment plant that has been placed on the list pursuant
23 to subdivision (b) shall, within two years of that placement, install
24 and operate flow meters, ~~adequate to measure all~~ *or employ another*
25 *flow monitoring methodology approved by the state board or a*
26 *regional board, adequate to measure or accurately estimate*
27 discharges to the sewage treatment plant, for at least three years.

28 (2) Paragraph (1) does not apply if the state board or a regional
29 board finds, based on clear and convincing evidence, that the
30 satellite sewer system’s contribution of wet weather peak flows
31 does not pose a risk of causing or contributing to discharges in
32 violation of waste discharge requirements or causes or contributes
33 to a bypass ~~or~~ *of* secondary treatment during a storm that does not
34 exceed the rainfall depth duration frequency of 10 years and 24
35 hours as determined by the department.

36 (e) The satellite sewer system shall continue to operate the flow
37 meters *or employ other flow monitoring methodologies* required
38 pursuant to subdivision (d) unless either the sewage treatment plant
39 to which it discharges is removed from the list established pursuant
40 to subdivision (b) or the state board or a regional board finds, based

1 on clear and convincing evidence, that the satellite sewer system's
2 additional contribution of wet weather peak flows no longer poses
3 a risk of causing or contributing to discharges in violation of waste
4 discharge requirements or causes or contributes to a bypass ~~or~~ of
5 secondary treatment during a storm that does not exceed the rainfall
6 depth duration frequency of 10 years and 24 hours as determined
7 by the department. Before making that finding, the state board
8 shall provide public notice and opportunity for comment.

9 14084. (a) The state board shall impose fees upon owners and
10 operators of separate sanitary sewer systems, sewage treatment
11 plants, combined sewer systems, and combined sewer system
12 treatment plants, and on those persons subject to waste discharge
13 requirements for the purposes of funding implementation of Section
14 14081 as determined by the state board, to finance the *prudent*
15 implementation of this chapter. The state board shall establish a
16 fee schedule so that the total amount of fees collected pursuant to
17 this section equals the amount necessary to recover costs, including,
18 but not limited to, administrative costs, incurred in the
19 implementation of this chapter.

20 (b) The fees shall be deposited in the California Clean Water
21 Act Fund, which is hereby established in the State Treasury.
22 ~~Notwithstanding Section 13340 of the Government Code, the~~
23 ~~moneys in the fund are hereby continuously appropriated, without~~
24 ~~regard to fiscal year, to the state board for~~ *Moneys in the fund shall*
25 *be available, upon appropriation by the Legislature, to the state*
26 *board for* expenditure by the state board and for allocation to
27 regional boards, as appropriate, to implement this chapter.

CURRENT BILL STATUS

MEASURE : A.B. No. 2986
AUTHOR(S) : Leno (Coauthor: Huffman).
TOPIC : Waste discharge requirements.
HOUSE LOCATION : SEN
+LAST AMENDED DATE : 05/23/2008

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 07/10/2008
LAST HIST. ACTION : In committee: Set, first hearing. Hearing canceled at
the request of author.
COMM. LOCATION : SEN APPROPRIATIONS
HEARING DATE : 08/04/2008

TITLE : An act to amend Section 75050.2 of the Public Resources
Code, and to add Chapter 18 (commencing with Section
14080) to Division 7 of the Water Code, relating to
water quality.

ATTACHMENT C

AB 2986

SENATE COMMITTEE ON ENVIRONMENTAL QUALITY
Senator S. Joseph Simitian, Chairman
2007-2008 Regular Session

BILL NO: AB 2986
AUTHOR: Leno
AMENDED: May 23, 2008
FISCAL: Yes HEARING DATE: June 23, 2008
URGENCY: No CONSULTANT: Bruce Jennings

SUBJECT : WASTE DISCHARGE REQUIREMENT

SUMMARY :

Existing law , under the federal Water Pollution Control Act Amendments of 1972 and 1987, known as the Clean Water Act, establishes federal guidelines for surface water quality protection.

- 1) Authorizes water quality programs, requires federal effluent limitations and state water quality standards, requires permits for the discharge of pollutants into navigable waters, provides enforcement mechanisms, and authorizes funding for wastewater treatment works construction grants and state revolving loan programs, as well as funding to states and tribes for their water quality programs.
- 2) Authorizes state agencies to administer many of the Clean Water Act's provisions, including authorizing the State Water Resources Control Board (state board) and the Regional Boards to regulate proposed federally-permitted activities that may result in a discharge to water bodies.
- 3) Provides that states, their political subdivisions and interstate agencies are not preempted from adopting or enforcing standards, limitations or requirements as long as they are no less stringent than their federal counterparts.
- 4) Under the Porter-Cologne Water Quality Control Act, establishes a comprehensive state program to protect both surface and ground water quality and the beneficial uses of water. Grants regulatory authority to the SWRCB and the

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nine semi-autonomous California regional water quality control boards as the "principal state agencies with primary responsibility for the coordination and control of water quality."

- 5) Under state law, requires that Proposition 84 Storm Water Grant Program funds be used to provide matching grants to local public agencies for the reduction and prevention of storm water contamination of rivers, lakes, and streams.

This bill :

- 1) Requires the state board and each regional board, by January 1, 2010, to post on their respective websites copies of all documents generated from 2006 through 2009 regarding waste discharge requirements (WDRs), WDR monitoring information, facility inspections, administrative enforcement orders, sewage treatment plants with peak wet weather flow problems (generated starting 2009), and administrative and judicial complaints.
- 2) Requires the state board, starting January 1, 2011, to issue a letter grade (A to F) annually for each sewer system, sewage treatment plant, combined sewer system, and combined sewer system treatment plant in the state subject to waste discharge requirements, using a letter grade methodology established by the board in 2010.
- 3) Requires the state board, by July 1, 2010 and by July 1 annually thereafter, to list central sewage treatment plants that experience a high incidence of peak wet weather flows that result in WDR violations or that bypass secondary treatment, as specified.
- 4) Requires the state board, starting in 2015, to review the methodologies for both its letter grade process and the peak wet weather flow factors.
- 5) Requires a satellite sewer system that discharges wastewater to a central treatment plant that is listed on the high peaking factor list to install and operate flow meters or another flow monitoring methodology approved by the state board or a regional board, unless the state board

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or regional board deems the installation inappropriate.

- 6) Makes eligible for the state board's matching grant

program, funded by \$90 million of bond proceeds from the Safe Drinking Water, Water Quality and Supply, Flood Control River and Coastal Protection Bond Act of 2006, earmarked for reduction and prevention of stormwater contamination of rivers, lakes, and streams, severely disadvantaged communities that install flow meters or to implement other flow monitoring methods approved by the state board, as specified.

- 7) Requires the state board to impose a fee on sewage system owners or operators and on WDR permit holders to fund implementation of the information systems developed and administered by the board and regional boards. Revenue generated by this fee must be deposited in the proposed California Clean Water Act Fund and is appropriated by the Legislature to be made available to the state board as well as for making allocations to regional boards for the purposes of this act.

COMMENTS :

- 1) Purpose of Bill . According to the author, "On January 25 and January 31, 2008, more than five million gallons of untreated and partially treated sewage was discharged into Richardson Bay from a public treatment plant run by the Sewerage Agency of Southern Marin. Thereafter, the U.S. Environmental Protection Agency released inspection reports showing that poorly maintained tributary sewer systems are overwhelming the Marin treatment plant with inflows of storm water.

The Marin spills are indicative of a statewide problem with sewage treatment plant capacities, sanitary sewer overflows, and system leaks that compromise health, safety, and water quality in our rivers, estuaries, bays, and the ocean.

When sewers fail, it is usually a surprise to the rate payers served by that system. The average voter has no easily understandable means of discerning the health and

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performance of their wastewater treatment infrastructure. AB 2986 seeks to inform every community in California about the health of their sewer systems and ensures that problem systems will be clearly identified to voters and rate payers."

- 2) Aging sewage systems . The nation's million-mile network of sewage collection pipes is designed to carry roughly 50

trillion gallons of raw sewage daily to about 20,000 treatment plants. In 2001, however, the U.S. Environmental Protection Agency estimated there were 40,000 sanitary sewer overflows (SSO) and 400,000 backups of untreated sewage into basements. Many sewage pipes are between 50 and 100 years old and can develop cracks or joint openings from the weight and vibration of roads, soil, and structures above them, and from the corrosive actions of water, bacteria and chemicals from inside and out. Plant roots can widen these openings, allowing raw sewage to escape into groundwater. Rainwater entering the pipes through cracks and openings, or from illegal connections, can overwhelm the capacity of the system, forcing raw sewage to purge through manholes into streets and streams, back up into basements, or otherwise bypass treatment plants. Even during dry weather, clogged, malfunctioning, or overloaded systems can discharge raw sewage; during wet weather many of these aging systems are simply overwhelmed causing significant spills into California's waterways.

According to state board statistics, in the Bay Area alone there have been 276 sewage spills this year that either flowed into Bay Area waterways or contained at least 1,000 gallons of effluent. In total, these spills account for more than 14 million gallons of sewage entering the environment, the statistics show. These numbers don't include the Jan. 26 and Jan. 31 spills of 5.15 million gallons of raw and partially treated sewage by the Sewerage Agency of Southern Marin treatment plant in Mill Valley.

- 3) Impacts of sewage spills . A small drop of fecal matter can contain millions of microorganisms of many types, some of which are pathogenic. Microbial pathogens in raw or inadequately treated sewage can cause illnesses ranging from temporary stomach cramps to life-threatening

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conditions such as inflammation of the heart. Inadequately treated human sewage can also contaminate edible filter-feeding shellfish, which filter viruses from water and can then infect humans with concentrations of viruses that are 100 to 900 times greater than in the surrounding water. High concentrations of infectious viruses can cause disease in unsuspecting consumers far from the spill.

Also in sewage are the myriad chemical wastes discharged into sewage collection systems from industrial, commercial, institutional, and household activities. Industrial chemicals include a wide range of substances, from heavy metals such as mercury, lead, and cadmium; to agents that

have been manufactured such as sodium hydroxide and sulfuric acid; to more recently engineered compounds such as the toxic plastic additive di(2-ethylhexyl)phthalate (DEHP).

Sewage spills can also damage homes and businesses and threaten waterways and beaches.

4) Support . According to Friends of the Earth, "Aging sewer systems, especially in the San Francisco Bay Area, regularly spill millions of gallons of raw or partially treated sewage into streets, homes, local creeks and the Bay. These spills pose a grave threat to human health and to the environment. Inadequately treated sewage contains high levels of disease-carrying microorganisms and toxic chemicals such as mercury, cyanide and PCBs. Large spills, like the Marin spills in January 2008, can also contaminate shellfish, weaken fish, and deplete water oxygen levels. Unfortunately, the adage "out of sight, out of mind" has applied to our sewers, and most Californians are unaware of how common sewage spills are or how their community's own system is performing. Baykeeper believes that AB 2986 will increase the public's understanding of the increase accountability for those agencies responsible for protecting our water."

5) Opposition . The opponents to AB 2986 speak to many points, but these might be summarized as follows:

a) Inappropriate Grading Metrics. The proposed criterion for

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grading wastewater collection systems, such as the use of "peaking factor," not distinguishing between systems (e.g., size, topography, rainfall, age), evaluations based on number of SSOs per 100 miles - all of these provide misleading and inappropriate metrics for understanding system performance.

b) The Inappropriateness of a Grading System. "Rather than encourage ratepayers to make an additional investment in infrastructure through increased fees and charges during difficult times, we are very concern, given competing priorities, a "D" or "F" grade will cause customers to question the wisdom of expending additional monies on a "failed" or "failing" system?.We are also concerned about how these letter grades will be sued by investment bankers when preparing public bond issuances."

c) A System for Improvement has been Recently Established.

"Two years ago, the state board adopted a statewide permit requiring all public-owned wastewater collection systems in California to implement detailed reporting and sewer system management programs?the program?is designed to improve collection system management, maintenance and operations to achieve the goals of significantly reducing SSOs?"

- d) The Grading System is Costly. "AB 2896?would assign the entire cost of this program to local public agencies through new fees?. [is it appropriate to require] local ratepayers to fund the hiring of new state employees for a new grading program [in the context of these agencies paying fees to the Water Boards for implementing a statewide permit]?"

Several of the major opponents (ACWA, CASA, CSAC, CWEA, and the League of Cities) have recommended amendments to the author that would eliminate the "Report Card" approach and replace it with a requirement that the state board development a Sewer System Infrastructure Rating methodology that takes into account the range of actors relevant to sewer system sustainability, not simply the number of overflows.

SOURCE : Friends of the Earth and San Francisco

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Baykeeper

SUPPORT : American Rivers, Bay Area Sea Kayakers, California Coastkeeper Alliance, Center on Race, Poverty & the Environment, Environment California, Environmental Defense Center, Inland Empire Waterkeeper, Marin Co. Bd. Of Supervisors, Monterey Coastkeeper, Natural Resources Defense Council, Ocean Conservancy, Orange County Coastkeeper, Pacific Coast Federation of Fishermen's Associations, Planning and Conservation League, Russian Riverkeeper, San Diego Coastkeeper, Santa Barbara Channelkeeper, Santa Monica Baykeeper, Save the Bay, Seaflow, Sierra Club California, Turtle Island Restoration Network

OPPOSITION : Assn. of CA Water Agencies, Bayshore Sanitary District, CA Assn of Sanitation Agencies, CA State Assn of Counties, CA Water Environment Association, Calaveras County Water District, Castro Valley Sanitary District, Central Valley Clean Water Association, Cities of: Corona,

Eureka, Palo Alto, Sanger, Thousand Oaks, Turlock, County Sanitation Districts of LA County, Covello Group, Delta Diablo Sanitation District, East Bay Dischargers Authority, Eastern Municipal Water District, El Dorado Irrigation District, Elsinore Valley Municipal Water District, Goleta Sanitary District, Goleta West Sanitary District, Ironhouse Sanitary District, Lake County Sanitation District, Las Gallinas Valley Sanitary District, Las Virgenes Municipal Water District, League of California Cities, Midway City Sanitary District, Novato Sanitary District, Oro Loma Sanitary District, Running Springs Water District, Sacramento Regional County Sanitation District and Sacramento Area Sewer District, Sanitation Districts of Los Angeles County, South Bayside System Authority, South Orange County Wastewater Authority, Southern CA Alliance of POTWs, Stege Sanitary

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District, Turlock, West County Wastewater District, Western Municipal Water District



SOUTHERN CALIFORNIA ALLIANCE OF
PUBLICLY OWNED TREATMENT WORKS

May 15, 2008

The Honorable Mark Leno
California State Assembly
PO Box 942849
Room 2114
Sacramento, CA 94248-0001

Via Facsimile

SUBJECT: AB2986 (Leno) Relating to Wastewater Systems

Dear Assembly Member Leno:

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) respectfully opposes your AB 2986 proposed legislation related to wastewater systems reporting unless amended to address the concerns of our public wastewater agencies.

SCAP represents 85 public agencies that provide both water and wastewater to nearly 18 million people in parts of Los Angeles, Orange, San Diego, Santa Barbara, Riverside, San Bernardino and Ventura counties. We treat and safely reuse or dispose of over 1 billion gallons of wastewater each day and deliver 1.7 billion gallons of drinking water per day.

We are aware that the California Association of Sanitation Agencies (CASA), the Association of California Water Agencies (ACWA) and the League of California Cities have been working closely with you and your staff to amend AB 2986 and we share their concerns as to the current language of the bill. While we very much appreciate your efforts in addressing the important issues raised in your bill, we do not feel that sufficient changes have been made to warrant our support at this time.

We join with the previously mentioned organizations in requesting that you consider significant amendments to AB 2986 that will eliminate the "Report Card" approach and replace it with a requirement that the State Water Resources Control Board, or another entity under contract, prepare a "State of the Infrastructure" report that identifies the strengths and shortcomings of our existing wastewater collection systems and provides recommendations for addressing key issues, such as funding needs.

Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in black ink that reads "John Pastore". The signature is written in a cursive style with a large initial "J".

John Pastore
Executive Director

30200 Rancho Viejo Road, Suite B

San Juan Capistrano, CA 92675

Fax: 949/489-0150 Tel: 949/489-7676

ATTACHMENT E

July 17, 2008

The Honorable Tom Torlakson, Chair
Appropriations Committee
State Capitol, Room 4203
Sacramento, CA 95814

Re: AB 2986 (Leno) Relating To Wastewater Systems –Oppose Unless Amended

Dear Chair Torlakson:

The Otay Water District (OWD) opposes AB 2986 relating to wastewater systems unless the bill is amended to address the concerns of water and sewer agencies. The OWD is dedicated to protecting public health and water quality, and we share Assemblymember Leno's goal to reduce sanitary sewer overflows (SSOs) and prevent unauthorized discharges to our waters. Nevertheless, we are concerned the bill will not further these goals and instead will have unintended consequences.

Treatment facilities are already subject to comprehensive discharge permits and rating systems administered by State and federal regulators. Moreover, the State Water Board adopted a statewide permit two years ago that requires all publicly owned wastewater collection systems to implement detailed reporting and system management programs. The effort includes an ambitious schedule to improve collection system management and operations to significantly reduce SSOs. Among other things, the permit program requires a publicly accessible database that provides detailed information about SSOs. The program should have time to produce results before requiring the local agencies to comply with an additional and potentially incompatible regulatory program.

In addition, the grading system will not result in improved local infrastructure. Grades of "D" or "F" will not encourage the public to invest in necessary infrastructure as intended by the bill. Rather, the public will be reluctant to spend scarce resources on "failed" or "failing" infrastructure given competing priorities. The grades will encourage third party lawsuits that drain local funds to pay attorneys' fees of plaintiffs and monetary settlements. When agencies disclose their grades to investment bankers under the bill to prepare public bond issuances for infrastructure, the result may be higher costs of bonds and credits.

AB 2986 would base grades for wastewater collection systems on the number and volume of SSOs per 100 miles. This metric presumes that the facility size, topography, rainfall, age, etc. of all systems is sufficiently similar so as to allow regulators to fairly evaluate and compare systems. However, wastewater systems are far too complex for such a simplistic approach. A fair evaluation requires consideration of other factors that include, but are not limited to, water quality impact, containment, and cleanup.

AB 2986 applies a “peaking factor” of seven to all collection systems regardless of site-specific or system-specific factors and without technical or engineering support. The one-size-fits-all approach would disadvantage small systems since they do not have the same opportunities as their larger counterparts to equalize flows within the system. In addition, the requirement to meter all flows from all satellites is overly burdensome and unnecessary as well as infeasible for some systems. A single satellite system may connect to the treatment agency’s system at multiple locations *and* have its own satellites. Large regional systems may require thousands of meters, which would need periodic maintenance.

AB 2896 would create a significant new program for the State and Regional Water Boards to implement. The bill would require local public agencies to bear the program’s entire cost through new fees, yet does not establish an upper limit on the amount of staffing and other resources the Water Boards can devote to the program. Public agencies now face difficult economic times and already pay fees to the Water Boards to implement the statewide permit program previously discussed. It would be a better use of resources to focus on the existing program designed to reduce and provide meaningful public information about SSOs.

We appreciate the opportunity to provide you these comments and respectfully urge you to consider our concerns if and when AB 2986 comes before you for a vote.

Sincerely,

Mark Watton
General Manager

cc: Board of Directors
Senator Denise Ducheny
Senator Dennis Hollingsworth
Senator Christine Kehoe
Assemblymember Mark Leno

AGENDA ITEM 9



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2008 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

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

PURPOSE:

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

COMMITTEE ACTION:

N/A

ANALYSIS:

The Board requested that this item be presented at each meeting so they may have an opportunity to review the Board meeting calendar schedule and amend it as needed. Please note that the November 2008 meeting has been moved from November 5 to Thursday, November 13, 2008.

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

Attachments: Calendar of Meetings for 2008

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

Regular Board Meetings:

January 14, 2008
February 6, 2008
March 5, 2008
April 2, 2008
May 7, 2008
June 10, 2008
July 2, 2008
August 6, 2008
September 3, 2008
October 1, 2008
November 13, 2008
December 3, 2008

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

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

Board Workshops:

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



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2008
SUBMITTED BY:	Rom Sarno, Chief of Administrative Services 	W.O./G.F. NO:	DIV. NO. ALL
APPROVED BY:	(Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager of Finance and Administration 		
SUBJECT:	UPDATE - OTAY DROUGHT RESPONSE CONSERVATION PROGRAM		

GENERAL MANAGER'S RECOMMENDATION:

This is informational only and does not require any Board action.

COMMITTEE ACTION: _____

See Attachment "A"

PURPOSE:

To provide an update on the District's Drought Response Conservation Program.

ANALYSIS:

The Board adopted the District's Drought Response Conservation Program on June 10, 2008.

The District's Drought Response Conservation Program as contained within Section 39 of the Code of Ordinance is broken into four levels: Level 1 Drought Watch, Level 2 Drought Alert, Level 3 Drought Critical, and Level 4 Drought Emergency.

The District's four levels of its Drought Response Plan are nearly identical to the Water Authority's model, as noted in Attachment D and E. Staff fully expects that the District will declare a level 2 Drought Alert within the next twelve months.

Monitoring and Enforcement:

As the District gets closer to declaring a Level 2, there will be additional discussions and revisions to the District's plan. Staff will return to the Board with recommendations and implementation plans as required. This will include proposals on enforcement, fines and public information. The language involving enforcement and fines will be included in the District's Code of Ordinances.

Drought Pricing:

Staff is planning for drought pricing to begin in Level 2. The intent of drought pricing is to be revenue neutral. The District's drought pricing will be presented to the Board in the fall. Finance staff has hired PBS&J, Karen Keese, to assist with evaluating and making recommendations on how to structure and implement the District's drought pricing.

FISCAL IMPACT:



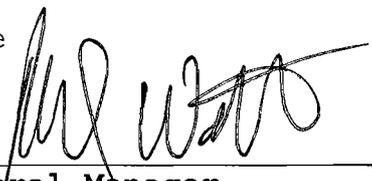
Unknown at this time. When drought pricing is implemented, the intent is to be revenue neutral. Recommendations and implementation will be presented to the Board for approval.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None



General Manager

- Attachment A: Committee Staff Report
- Attachment B: Ordinance 516
- Attachment C: District Code of Ordinance - Section 39
- Attachment D: Summary Table - District's Drought Conservation Program
- Attachment E: Summary Table - Water Authority's Model Response Ordinance



ATTACHMENT A

SUBJECT/PROJECT: UPDATE - OTAY DROUGHT RESPONSE CONSERVATION PROGRAM

COMMITTEE ACTION:

The Legal, Legislative and Conservation Committee reviewed this item at a meeting held on July 23, 2008. The following comments were made:

- The board had adopted the District's Drought Response Conservation Program on June 10, 2008. This report is primarily to provide an update on the Drought Management Plan.
- The Drought Response Conservation Program was modeled after CWA's plan and is contained in within Section 39 of the District's Code of Ordinance's and consists of four (4) levels:
 - Level 1: Drought Watch
 - Level 2: Drought Alert
 - Level 3: Drought Critical
 - Level 4: Drought Emergency
- The District has declared a Level 1 alert and expects that a Level 2 alert would be declared that would implement penalties within the next twelve (12) months.
- Staff is currently developing a Monitoring and Enforcement Plan and a Communications Plan to address enforcement of the drought level alerts and penalties. Staff will present to the board recommendations that will include proposals on enforcement, fines and communications to the public.
- A consultant, PBS&J, has been retained to assist the District in evaluating and making recommendations on a drought pricing structure and an implementation plan of the new structure. The goal of the pricing structure is to encourage conservation through tiered pricing.
- The District also wishes to coordinate these efforts with other agencies so there is consistency throughout the region.

It was noted that PBS&J also works with many local agencies, so efforts to coordinate would be more easily accomplished.

- It was discussed that there are still many issues to be worked out with regard to enforcement in lieu of court intervention and how conservation would be determined for those homeowners with large properties, homes and pools. Staff is exploring answers to these issues and recommendations will be presented to the board at a future meeting.

- Staff also presented an update on water supplies and noted that currently San Diego County relies heavily on imported water with 76% of water supplies being imported from MWD. It is expected that the reliance on imported water from MWD will fall to 29% with the difference made up by the IID Transfer, conservation, seawater desalination, the canal lining transfer, local surface water, recycled water and groundwater. It was discussed that this past spring was the driest on record in Northern California and reservoir levels are quite low. Adding to the dry conditions is the court-ordered delivery restrictions from the Bay Delta -- the largest in history. As such, it is expected that storage levels will be depleted by 2010. Due to these critical conditions the Governor has declared a statewide drought. MWD is focusing on four strategies to improve reliability and reduce potential shortages that include: conservation enhancements, accelerating local supply projects to improve local resources, delta improvements and transfers. It was discussed that shortages could be significant even with full implementation of MWD's plan and could continue over a multi-year period. It is critical that near and long-term Bay Delta fixes be implemented for future water supply needs during the drought.

The committee supported staffs' recommendations and presentation to the full board as an informational item.

ORDINANCE NO. 516

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. The existing Section 39 of the District's Code of Ordinances is hereby amended as set forth in Exhibit 1 attached hereto; and
2. The General Manager and the District Secretary are hereby ordered to take any and all actions and steps necessary to carry out the provisions of this ordinance; and
3. This Ordinance shall become effective immediately upon adoption.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

President

ATTEST:

Secretary

ATTACHMENT C

SECTION 39. DROUGHT RESPONSE CONSERVATION PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

39.02 DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

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

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

39.03 APPLICATION

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

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

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

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

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

39.04 DROUGHT RESPONSE LEVEL 1 - DROUGHT WATCH
CONDITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39.05 DROUGHT RESPONSE LEVEL 2 - DROUGHT ALERT
CONDITION

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

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

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

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

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

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

39.06 DROUGHT RESPONSE LEVEL 3 - DROUGHT CRITICAL CONDITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39.07 DROUGHT RESPONSE LEVEL 4 - DROUGHT EMERGENCY
CONDITION

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

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

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

39.09

PROCEDURES FOR DETERMINATION AND NOTIFICATION OF DROUGHT RESPONSE LEVEL

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

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

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

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

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

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

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

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

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

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

ATTACHMENT D

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

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

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

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

Drought rate pricing begins at Level 2

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

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

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

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

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

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

Attachment E

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

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

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

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

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

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

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

AGENDA ITEM 11



STAFF REPORT

TYPE	Regular Board Meeting	MEETING	August 6, 2008		
MEETING:		DATE:			
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F.	N/A	DIV.	N/A
		NO:		NO.	
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

FLAGSHIP PROJECTS:

Update on the design of the 36-Inch Potable Water Pipeline from FCF #14 to Regulatory Site (CIP P2009) for the month of June 2008:

- Staff has forwarded a letter to IEC terminating their contract with the District. Staff will be presenting for the board's consideration on August 6, 2008 a request to award an engineering design services contract to Lee & Ro, Inc. to complete the design of the pipeline project.
- The revised Mitigated Negative Declaration (MND) was re-circulated for public review and will be presented to the July Committee Meeting and the August Board Meeting.
- The draft Low-Effect Habitat Conservation Plan (HCP) was submitted to the U.S. Fish and Wildlife Service (USFWS).

Update on the 640-1 and 640-2 Reservoirs Project (CIP P2185) for the month of June 2008:

- Graded all the access roads and constructed the ribbon drains along the access roads.
- Started the construction of the de-silting basin.

- Project schedule is 85% complete and projected to finish November 30, 2008. Project is on time and on budget.

Communications:

- The 2008 Consumer Confidence Report was distributed to customers beginning on June 24, one week before the requirement that it be delivered to consumers. In addition, copies of the CCR were distributed to local libraries within the District's service area. The customer Pipeline newsletter was also distributed in July. Full-color versions of the CCR and Pipeline newsletter are attached for your review, and for contrast, earlier versions. Electronic copies of both documents are available for viewing on the District's website.

ADMINISTRATIVE SERVICES AND FINANCE:

Administrative Services:

- There were three employees hired in the month of July; a Valve Maintenance Worker, Supervising Land Surveyor, and Safety and Security Administrator.
- The employees participated in an employee survey at the end of May. The Consultant is preparing the final report which will be presented to the Board of Directors at the September 3rd Board meeting.
- The District secured another all-day training session with Gordon Graham, a well-known speaker who presented at the District last month. The District received overwhelmingly positive response from those who attended. He will be presenting on August 20th to all District employees in the areas of Ethical Decision Making and on District policies that relate to this topic. He will also present to the management team a short presentation focusing on the role of supervisors which will be more in depth than the trainings held in June.
- Artificial turfgrass rebate program reinstated: On July 30th, the Water Authority received a copy of the U. S. Consumer Product Safety Commission (CPSC) evaluation(see enclosed) that concluded that newer artificial turf does not contain high amounts of lead. The Water Authority is planning to officially reinstate the program in early

August and will likely include a retroactive date of June 26th, 2008, when the program was originally suspended.

- The District submitted two grant proposals to the Department of Water Resources to fund projects that would accelerate the participation level of the district's landscape programs. The 2008 Urban Drought Assistance Grant Program is fast tracked and the successful grant proposals will be announced on July 31st. The applications were due on July 21st.
- Beginning July 1st, the District began participation in Metropolitan's rebate programs. Residential single family customers can receive a \$350 rebate for a residential smart controller, \$4 for every rotating sprinkler nozzle installed, a \$185 rebate for purchasing a qualified high efficiency clothes washer, and an incentive for installing high efficiency toilets.
- There were 212 purchase orders processed in July 2008 for a total amount of \$2,705,774.24.

Information Technology and Strategic Planning:

- Strategic Plan FY09-FY11: Staff is finalizing the details for the Strategic Plan Objectives and Performance Measures. Chiefs are reviewing and making final changes to the full details of both objectives and performance measures and targets for FY09-FY11.
- IT Operations: Staff has rolled out several technology improvements in the last few months. Specific improvements include a new version of CITRIX software, an upgraded version of our SPAM filter, an upgraded Internet pipeline, the replacement and upgrading of storage hardware, and a new set of servers to host GIS for the next five years.
- SharePoint: Staff has begun implementation of new tools to improve District efficiency. SharePoint is a new framework for internal web applications and provides tools to improve work flow processing and automation of workflow. Pilot areas include Customer Service, HR, and Finance.
- Records Management: Staff has begun a scanning project to complete the conversion of paper records to electronic

documents. We are at a 5% complete level which is being used to pilot the business processes and the quality control procedures. When the process is fully tested we will expand production and work with the different areas of the agency to gain the full benefits of this technology.

- **Process Improvements:** Staff has delivered the first phase of an expansion of our Infrastructure Management System (IMS) to automate work orders for inspection and surveying. We have also delivered an application which eliminates data entry for meter readers when an account is terminated (as much as 30 a day).

Finance:

- **Improved Check Security -** The District's Union Bank representative recently visited the District to offer a new free service that expands on the security of the District check payment process. Currently the District uses the bank's positive pay process where the District sends a file to the bank of each check's number and amount. Only checks with matching information will clear the District's account. In the past, neither Union Bank nor our prior banks have offered the payee as a field that could be used in this verification process. With new software functionality, Union bank has added this field as an option which would prevent any fraudulent manipulation of the payee. Staff will be working with the Bank to implement this expanded service.
- **Rate Study -** Karen Keese, with PBS&J, was selected as the consultant to work with staff on the 2007 rate study. The rate study is separated into two major efforts. First the study will review the equity between customer types and will provide recommendations for rate changes separate from the general rate increase. The objective is to bring the revenue from each class closer to the cost of service of each class. The recommended changes, when totaled, will have no net change to overall revenues. The second major effort of the rate study is to recommend an implementation of Drought Stage rates. CWA is about to put forward a recommended strategy. When this is available, both staff and our consultant will evaluate the recommendation to see how it could be implemented at Otay. Staff is looking to bring these

changes as well as some rate simplifications to the Board within the next few months.

- Bill Print - The transition from DataProse to the new bill print vendor InfoSend is progressing well. Staff will be testing the new vendor's system with a parallel test in August with plans to be live as of September 1. With the new vendor, the District will also be testing "Intelligent Inserting" that will enable the District to target various groupings of customers for inserts that relate to only them. The District will also be testing "Bill Householding" which groups bills going to the same address into one envelope. Both of these new services are at no additional costs and is a part of the overall lower fee charged by the new vendor. Staff is very happy with the prospects of providing greater services to customers at a lower cost.

The financial reporting for June 30, 2008 is as follows:

- For the twelve months ended June 30, 2008, there are total revenues of \$63,381,067 and total expenses of \$63,421,833. The expenses exceeded revenues by \$40,766.
- Due to both economic downturn and the higher than anticipated rainfall, water sales and purchases are less than anticipated. Additionally, the slowdown in the housing market has impacted Annexation and Meter Fees. Finally, interest rates have dropped, reducing the amount of interest revenue earned.

The financial reporting for investments for June 30, 2008 is as follows:

- The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of June 30, 2008 total \$87,788,377.18 with an average yield to maturity of 3.481%. The total earnings year-to-date are \$4,424,034.62.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- RBF was hired in March 2008 to investigate the condition of the existing sewer system, as required by the California State mandated Sewer System Management Plan

(SSMP). This investigation will show which sewer mains need to be repaired or replaced and included in next years' CIP. RBF is 70% complete with the Closed Circuit Televising (CCTV). Due to environmental time constraints, scheduled completion of this project is September 2008. (P1210)

- Spiess Construction has completed the rough grading operation at the 850-4 Reservoir site. The reservoir is for increased capacity in the 850 Pressure Zone, as required by the 2002 Water Resource Master Plan. This project is expected to be completed in April 2009. (P2191)
- Ortiz Corporation (Ortiz) was hired in July 2007 to replace the existing 10-inch ACP Pipeline with a new 12-inch PVC pipeline in Olive Vista Drive because the County of San Diego will be completing road improvements which will conflict with the District's facilities. The project was completed on June 30, 2008. (P2459)
- Arrieta Construction (Arrieta) was hired to upgrade and replace the existing 12-inch pipelines in the Rancho San Diego area because of the size, age, and the need for increased fire flows. These areas include Chase Ave./Fuerte Ave., Hidden Mesa Dr., Jamul Dr., and Steele Canyon Rd. Arrieta has completed installation of the 12-inch pipeline on Chase Ave./Fuerte Ave. and Hidden Mesa Dr. The paving is complete on Chase/Fuerte Ave. Arrieta has started construction of the 12-inch pipeline on Jamul Dr. This project is expected to be completed in January 2009. (P2038)
- ARB Inc. (ARB) was hired in January 2008 to convert a 20-inch potable pipeline to a recycled pipeline in Chula Vista within the District's use area. ARB has completed all potable connections and has begun televising the 20-inch main. This project is expected to be completed in February 2009. (R2081)
- NEWest Construction (NEWest) was hired in May 2008 to complete the replacement of the Calavo Sewer Lift Station. NEWest has mobilized and started construction. This project is expected to be completed by December 31, 2008. (S2015)

- Zondiros Corporation was hired to install a 12-inch steel pipeline on Cactus Rd. and Gailes/Dublin Rd. for future Caltrans construction of the SR-905 Freeway. This project was completed in June 2008. Caltrans began construction of SR-905 at Britannia Street, La Media Road, and Airway Road in April 2008. Staff is coordinating with Caltrans regarding the Utility Agreement reimbursements to the District. (P2440)
- In June, PBS&J provided a 50% draft submittal of the Water Resources Master Plan (WRMP) Update and continues to make progress on incorporating all demands into the hydraulic model for both potable and recycled systems for the WRMP. This project is expected to be completed by May 30, 2009. (P1210)
- Staff began gathering water quality data from the treatment plant to be included in the North District Recycled Water Concept Study. The Concept Study, with all appropriate data, will be completed by December 31, 2008. (R2089)
- The Biological Surveys and Cultural Resources Study for the MND that is being prepared for the San Miguel Regional Training Facility project were finalized in June. The final Study needed is for the traffic impacts. A meeting was held in June with the San Miguel Fire Department to clarify the information needed for this Study. The District will be providing the results of the studies to the Fire Department for their permit application from the County by August 15, 2008. (P2466)
- The District's "As-Needed" environmental consultant, IFC/Jones & Stokes, has been working on the determination of the District's carbon footprint. The task was assigned in late April and staff has been gathering the data for the task to be completed. The results should be available in early fall of 2008. (P1253)
- For the month of June 2008, the District sold 8 meters (12 EDUs) generating \$43,576 in revenue. Accumulated sales through June 30, 2008 were \$3,013,334 for 583.5 EDUs. Projected for this period was 85 meters (130.5 EDUs) with a budgeted revenue of \$620,633.33 and projected revenue from July 1, 2007 through June 30, 2008 was \$7,447,600.

- Approximately 2,163 linear feet of both CIP and developer project pipelines was installed in June 2008. The Construction Division performed quality control for these pipelines.
- The following table summarizes Engineering's Project purchases and change orders issued during the period of June 1, 2008 thru June 30, 2008 that were within Staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
6/4/08	C.O. #1	\$4,975	J.C. Heden & Assoc.	As-Need Drafting Svcs (S2015, P2422)
6/4/08	C.O. #1	\$7,487	J.C. Heden & Assoc.	As-Need Drafting Svcs (P2172, P2040)
6/4/08	Check	\$20,320	Swinerton Mgmt & Consulting	Temporary Consulting Svcs (misc. projects)
6/19/08	Check	\$10,720	Swinerton Mgmt & Consulting	Temporary Consulting Svcs (misc. projects)

Water Operations:

- On June 27 the District ceased deliveries to Mexico as agreed. Deliveries occurred February through June with a total amount of 10,396.31 acre-feet of water. Deliveries will resume for the months of September and October with a flow of 6.85 MGD. In addition, staff is working with all involved agencies to amend the existing agreement for future flows.
- On June 24 the District executed an agreement with Cuyamaca College for the installation of a second meter for its campus. Currently, staff is waiting for their first installment in order to proceed with the meter installation.
- Water purchased for the month of June was 4341.1 acre-feet. Beginning FY 07/08 to date, July 1, 2007 to June 30, 2008 there has been 41291.3 acre-feet of water purchased. This is a -1.56 percent decrease from the same period last year, July 1, 2006 to June 30, 2007.

- In the month of June, 2008 there were ten new Automated Meter Reading (AMR) meters installed and 43 meters were retrofitted to AMR meters.
- As of July 1, 2008 there was a total of 18,193 radio-read meters installed.

Total number of potable water accounts is 47,875; this is an increase of 12 accounts from last month, May, 2008.

- Recycled water consumption for the month of June is as follows:

Total flow was 523.4 acre-feet or 170,472,192 gallons and the average daily flow was 5,682,506 gallons per day.

Total number of recycled water accounts is 617; this is an increase of four from last month, May, 2008.

Total recycled water consumption for FY 2008, July 1, 2007 to June 30, 2008 was 4574.8 acre-feet.

- Wastewater flows for the month of June were as follows:

Total basin flow, gallons per day: 1,931,000.

Spring Valley Sanitation District Flow to Metro, gallons per day: 641,000.

Total Otay flow, gallons per day: 1,290,000.

Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,073,000.

Flow to Metro from Otay Water District, gallons per day: 217,000.

There were no new wastewater connections for the month of June, 2008. The total stands at 6,069 EDU's.



 General Manager

pipeline



♦ SUMMER 2008

A NEWSLETTER FOR CUSTOMERS OF THE OTAY WATER DISTRICT



"Save it or Lose it"

Southern California is faced with significant cuts in water supplies from Northern California in the foreseeable future and diminishing levels of water storage around California.

"Our water supplies are being cut, and we need everyone to pull together and save more water immediately," said Fern Steiner, the San Diego County Water Authority Board Chair.

You may have noticed new conservation advertising around the county these past couple months. "This campaign is designed to make people aware that these cutbacks have created a serious and very real water problem, and to let them know that they can make a big difference in the reliability of our water supply by taking immediate steps now to reduce waste and improve water efficiency," Steiner said. "If we fail to take action, we risk squandering our diminishing supplies and putting the quality of life for our region's 3 million residents and our \$157 billion economy in jeopardy."

The state's water supplies remain impacted by a combination of dry conditions and pumping restrictions. Despite storm activity early in 2008,

rain and snow levels around most of the state fell to below-average levels in March through June. Meanwhile, based on environmental concerns, court-ordered pumping restrictions on water supplies from Northern California have been in place since December 2007. These restrictions have cut deliveries to the State Water Project by more than 465,000 acre-feet so far this year – enough water to meet the annual needs of more than 3.6 million Californians.

The Metropolitan Water District of Southern California (MWD), the region's primary water importer, plans to meet this year's water demands by withdrawing water from reservoirs and groundwater storage accounts. However, they are also calling for extraordinary conservation measures.

For instance, supply constraints have prompted the MWD to order a 30 percent cut in water supplies to farmers and growers subscribing to its Interruptible Agricultural Water Program as provided by contract terms. The agricultural water use cut went into effect January 1, 2008 and affects about 5,000 growers and other agricultural customers in San Diego County. As a result, many of the region's farmers and growers have begun stumping trees or taking other steps to cut production. These actions will have a ripple effect on jobs and on our local economy.

Economically, less supply and

Otay Water District **DROUGHT WATCH**

LEVEL IV - DROUGHT **EMERGENCY**

Use all landscape irrigation, except trees and shrubs and products of commercial growers and nurseries.

LEVEL III - DROUGHT **CRITICAL**

Limit residential and commercial landscape irrigation.

LEVEL II - DROUGHT **ALERT**

Limit residential and commercial landscape irrigation.

LEVEL I - DROUGHT **WATCH**

Voluntary water restrictions apply.

For all water restrictions visit www.otaywater.gov

Otay Water District Declares Level I Drought Watch

In response to Governor Schwarzenegger's California state drought proclamation, the Otay Water District (OWD) has declared a Level I Drought Watch for its service area. Within this level, ratepayers are strongly urged to reduce their water use by 10%.

high demand is making water purchases more expensive. Higher energy prices are also adding to the cost because we must pump this water hundreds of miles to Southern California. Combined, these are factors which will effect water rates in 2009. Our best defense against high prices or mandatory water conservation measures is YOU.

For incentives or tips on saving water around your home or business, visit our website at www.otaywater.gov or take the 20-Gallon Challenge at www.20gallonchallenge.com.

You never miss it until it's gone

We need your help: Our imported water supplies have been cut, so we need to reduce water use immediately. Your efforts can make a big difference now, and for San Diego County's future. Visit 20gallonchallenge.com to learn more, and to find easy ways to save water.

Water: Save it or Lose it
www.20gallonchallenge.com



San Diego County
Water Authority

Water

H₂O=Life



San Diego Natural History Museum Presents: **West Coast Premiere of:**

Water: H₂O = Life Exhibition Explores Earth's Precious and Vulnerable Resource

Celebrate water, our natural resource – more valuable than oil, more precious than gold – the essential ingredient of our life, culture, and history. The Water: H₂O = Life exhibition opens July 19, 2008 and runs through November 30, 2008. A special section of the exhibition devoted exclusively to Southern California's water issues will be on display at the Museum for at least two years. That section, titled Water: A California Story, illustrates the fragility of water supplies in the west.

In Southern California, most of the water—about 85%—is imported from either the Colorado River or Northern California. Since recent drought conditions have affected the water supply from the Colorado River, and because San Diego is in the driest two-year period since yearly rainfall began being recorded in 1801, the issue of water conservation and infrastructure is at the forefront of many people's minds.

CASH FOR PLANTS



The photo on the right was taken before August 10, 2005, and below one year later. This road median was replanted as part of the district's Cash for Plants program. The homeowner's association replaced 6,537 sq. ft. of irrigated turf with low water use Mediterranean and California native plants. In addition to using less water, the median also requires less frequent maintenance. In the before photo, notice the street damage caused by overspray from the irrigation system.

Because of the savings resulting from the replanted median as well as the attractive new landscaping, the HOA has completed another project replacing 11,000 more sq. ft. of turf. For more information on the Cash for Plants program, visit our website at www.otaywater.gov and click on Conservation.



JULY IS...

Smart Irrigation Month!

Save water, save money and
see better results.

www.smartirrigationmonth.org

OTAY WATER DISTRICT BOARD OF DIRECTORS

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gcroucher@otaywater.gov

Vice-President

Jose Lopez, Division 4
jlopez@otaywater.gov

Treasurer

Jaime Bonilla, Division 2
jbbonilla@otaywater.gov

Boardmember

Mark Robak, Division 5
OtayWater@cox.net

Boardmember

Larry Breitfelder, Division 1
lbreitfelder@otaywater.gov



Bye Bye Grass

Lawns are so demanding! No other garden plants require as much water or as frequent fertilizing. None require weekly pruning (mowing, after all, is pruning), made even worse by the need for power tools. No plants generate as much green waste either.

Isn't it time to say "bye-bye" to your lawn — or at least to most of it?

Summertime is the best time to eliminate your lawn. The best method depends on the type of grass you have. Or rather, on the type of roots your grass has. Dig up a patch of grass. Are the roots fine and threadlike? Or are they as thick and fleshy like the roots that grow out of an old potato? Here are some suggestions for each kind of grass. There are more options but these will get you started.

Grasses with thread-like roots are fairly easy to remove. If you have a strong back (or a strong teenager), dig it out by hand. Or rent a sod cutter. A sod cutter is a bit like a lawn mower, but it has a broad blade that cuts into the ground and slices out a ribbon of grass. It takes some skill to maneuver, especially to avoid hitting sprinkler pipes.

Solarize your grass. Cover the grass with sheets of plastic (clear or black), then let the sun "cook" the grass, roots and all. Solarization works best for grass in full sun, in parts of the county that get really hot. Gardeners along the coast may have little success with solarization.

Alternatively, spray your grass with one of the new organic certified products or with horticultural grade vinegar (10 - 20% acetic acid. Household vinegar is typically 5% acetic acid). Once the grass blades are dead, fine roots die too. Follow all label directions.

Grasses with thick, creeping roots are harder to kill, unfortunately. They store energy in their roots (that's why they are so thick). If you kill the top growth, blades soon resprout. Roots are so brittle that digging them leaves tiny pieces behind to resprout and regrow.

Even most organic gardeners will tell you that the only way to kill fleshy-root grasses roots is with glyphosate, the active ingredient in products like Roundup™ and Remuda™.

Glyphosate interferes with the synthesis of an enzyme critical to plant metabolism. Insects and animals (that includes humans) don't make this enzyme so it doesn't have the same effect on us. And once the spray dries, it is no longer active.

The best time to spray glyphosate is in summer when grass is growing most actively. Follow label directions. Wait two weeks then spray any grass that is still alive. Repeat a third time if necessary.

For more details and information on what to plant in place of grass, attend "Bye Bye Grass" offered at The Water Conservation Garden, www.TheGarden.org.

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2008 California-Friendly Landscape Contest Winner

Congratulations to Linda Whitney, the winner of the 5th Annual California Friendly Landscape contest. Her home in the EastLake community of Chula Vista was selected as the best regional example of a water saving, California Friendly garden. Linda and her husband Gordon received a \$500 gift certificate presented at a special ceremony on Saturday, May 17, and a commemorative paver that will be installed at the Water Conservation Garden in Rancho San Diego. To view photos of all the winning landscapes, visit www.landscapecontest.com.



Saturday, July 12, 9:30am-12:30pm

XERISCAPE: Beautiful Landscape on a Low-Water Budget

Landscape Designer Connie Beck takes the mystery out of Xeriscape landscaping, and shows you why Xeriscape is not "Zeroscape"! Learn the seven principles of xeriscape, plant selection, and planting techniques. The workshop includes a classroom lecture and an interpretive tour of the xeriscape garden. This class is offered in partnership with Cuyamaca College's Community Learning Program. For information and to register, call 619-660-4350, or visit www.cuyamaca.edu/preview. Cost is \$30.

Saturday, July 19, 10am-12pm

Cooking with Native Plants

Cook with a local resource... native plants! Native plant expert Lisa Chaddock shows you where to gather these plants growing wild in San Diego, and how to use them to make tasty dishes at home. Elderberry, fennel, and flat top buckwheat are some of the foods you'll be introduced to. Included in the price of the class is Lisa's cookbook and a locator map for finding native edibles growing in San Diego. Register at www.thegarden.org

\$12 Members / \$15 Non-Members.

July 23, July 30, 6:30 - 8:30 pm

Bye Bye Grass! Parts 1 & 2

Part 1: Tired of being a slave to your water-thirsty lawn? Join Nan Sterman to learn how to exterminate your lawn for good! Learn how to prepare the soil for a new garden, along with lots of creative ideas on what to replace it with in Part 2: Your lawn is gone! Nan will guide you through living examples of water-wise landscapes, show you interesting drought-tolerant ground covers, and introduce you to the variety of hardscape options. Register at www.thegarden.org.

JULY CLASSES
AT THE Garden

"¡O se ahorra o se pierde!"

Enfrentamos significativos recortes en el suministro de agua del Norte de California en un futuro no muy lejano y la reducción a, los niveles de almacenamiento de agua en todo California.

"Nuestro suministro de agua está siendo recortado, y necesitamos unirnos todos y ahorrar agua inmediatamente," dijo Fern Steiner, Presidenta de la Mesa Directiva de Agua del Condado de San Diego.

"Esta campaña se encuentra diseñada para crear conciencia en la gente de que estos recortes han creado un serio y verdadero problema acerca del agua, y para hacerles saber que pueden hacer una gran diferencia en cuanto a la durabilidad de nuestros recursos de abastecimiento de agua tomando medidas inmediatas para reducir el desperdicio de agua y mejorar la eficiencia de uso" dijo Steiner. "Si no hacemos algo al respecto, corremos el riesgo de desperdiciar nuestro ya reducido abastecimiento y arriesgamos la calidad de vida de los 3 millones de residentes poniendo en peligro nuestra economía de \$57 billones de dólares.

Los recursos de abastecimiento de agua del estado

continúan siendo afectados debido a una combinación de clima seco y restricciones de bombeo. A pesar de la gran actividad de lluvias a principios del 2008, los niveles de lluvia y nevada en la mayor parte del estado durante los meses de marzo a junio han estado por debajo del promedio normal. Mientras tanto, la orden de la corte de restringir el bombeo de abastecimiento de agua del norte de California ha estado vigente desde diciembre del 2007. Estas restricciones han recortado las entregas para el Proyecto Estatal de Agua (State Water Project) por más de 465,000 acres-pies hasta este año – cantidad de agua suficiente para satisfacer la necesidad anual de más de 3.6 millones de californianos.

El Metropolitan Water District of Southern California (MWD), el mayor importador de agua en la región, planea cumplir con la demanda de agua para este año extrayendo agua de las reservas y cuentas de almacenamiento de aguas subterráneas. Sin embargo, también éstas están solicitando obtener medidas de conservación extraordinarias.

Por ejemplo, limitaciones de abastecimiento han provocado al MWD ordenar una reducción del 30% de abastecimiento de agua para rancheros y agricultores inscritos en el programa de abastecimiento ininterrumpido (Interruptible Agricultural Water Program). El recorte de agua agrícola entró en efecto el 1º de enero del 2008 y afecta a aproximadamente 5,000 agricultores y otros clientes agrícolas en el condado de San Diego. Como resultado, muchos de los rancheros y agricultores de la región han

Otay Water District
ESTADO DE VIGILANCIA POR SEQUÍA

SEQUÍA - NIVEL IV
ESTADO DE EMERGENCIA
Alto el riesgo de pérdidas, excepto a cosechas, producción de jardinería de agricultores comerciales y viveros.

SEQUÍA - NIVEL III
ESTADO CRÍTICO
Riesgo limitado de jardines comerciales y residenciales.

SEQUÍA - NIVEL II
ESTADO DE ALERTA
Riesgo limitado de jardines comerciales y residenciales.

SEQUÍA - NIVEL I
ESTADO DE VIGILANCIA
Aplicar restricciones voluntarias de uso del agua.

FOR EPOCH INC. (www.epochs.com) PHOTO COURTESY OF CALIFORNIA WATER RESOURCES AGENCY

Otay Water District Declara Estado de Vigilancia por Sequía Nivel I

En respuesta a la proclamación de sequía del estado de California por el Gobernador Schwarzenegger, Otay Water District (OWD) ha declarado Estado de vigilancia por Sequía Nivel I para su área de servicio. Dentro de este nivel se exhorta a los usuarios reducir su uso del agua por un 10%.

tenido que comenzar a limpiar tocones o tomado otras medidas para reducir la producción. Estas acciones tendrán un efecto de cascada en trabajos de nuestra economía local.

Para incentivos o consejos para ahorrar agua alrededor de su casa o negocio, por favor visita nuestra página web www.otaywater.gov o tome el reto de los 20 galones de agua en www.20gallonchallenge.com.

Nunca la extrañarás hasta que ya no esté

Necesitamos su ayuda. Han restringido nuestro suministro de agua de nuestros grandes proveedores principales por lo tanto necesitamos reducir el uso de agua inmediatamente. Su esfuerzo es muy importante ahora y para el futuro del condado de San Diego. Si desea aprender más al respecto y para obtener consejos fáciles para ahorrar agua, visite 20gallonchallenge.com

Agua: Consévala hoy o se agotará mañana
www.20gallonchallenge.com



FOR MORE INFORMATION ABOUT THE OTAY WATER DISTRICT CALL 619.670.2222 OR GO TO WWW.OTAYWATER.GOV

pipeline

A NEWSLETTER FOR CUSTOMERS OF THE OTAY WATER DISTRICT

OCTOBER 2007

Water Fluoridation to Begin in November

Beginning early November, the public drinking water supply will contain limited amounts of fluoride.

The Otay Water District (Otay) purchases drinking water from the San Diego County Water Authority that has been treated by the Metropolitan Water District of Southern California (Metropolitan). Metropolitan is a consortium of Southern California cities and water districts that provides drinking water to residents in Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties. Metropolitan provides approximately half of all treated water consumed in San Diego County.

In 2003, the Metropolitan board of directors adopted a policy of converting its water treatment processes to add fluoride, a tooth cavity fighting agent to reduce and control tooth decay. This action was required by state law, the California Fluoridation Act of 1995, which mandates water systems with more than 10,000 service connections to fluoridate their water supply when outside funds are available to install and operate a fluoride system.

In addition to water purchased from Metropolitan, Otay also purchases drinking water from the Helix Water District (Helix) and the City of San Diego (San Diego). Helix has also converted its treatment process to add fluoride and will begin delivering fluoridated water at the same time as Metropolitan. San Diego, on the other hand, does not add fluoride to its water supply. As a result, most Otay customers will receive a blend of fluoridated water and unfluoridated water.

Some fluoride is already present in our water supply. Most water in San Diego County comes from the Colorado River or the Sierra snow pack. As water passes over the surface of the earth, from rain and snowmelt to streams and rivers, it picks up fluoride through the natural erosion process. Fluoride is present in our water at approximately 0.2 parts per million (ppm), with a range of 0.1 to 0.4 ppm. Metropolitan and Helix will supplement the existing fluoride in the water supply raising it to 0.8 ppm; the level optimal for dental health.

Due to the blending of waters, which varies by region and time of year, many communities served by Otay will receive fluoride at less than .7 ppm. Otay laboratory personnel will closely monitor fluoride levels throughout our service area and will post this information to our website on a monthly basis. We encourage customers who are already taking or are considering taking fluoride supplements to talk to their medical or dental professional.

Otay neither advocates nor opposes fluoridation. As a community water district regulated by state law, Otay had no part in the fluoridation decision. It is our guiding principle to keep our customers fully informed on issues affecting your water supply. For additional information regarding fluoridation please visit the following websites:

The Otay Water District:

www.otaywater.gov/owd/pages/resources.Fluoridation.aspx

The American Dental Association:

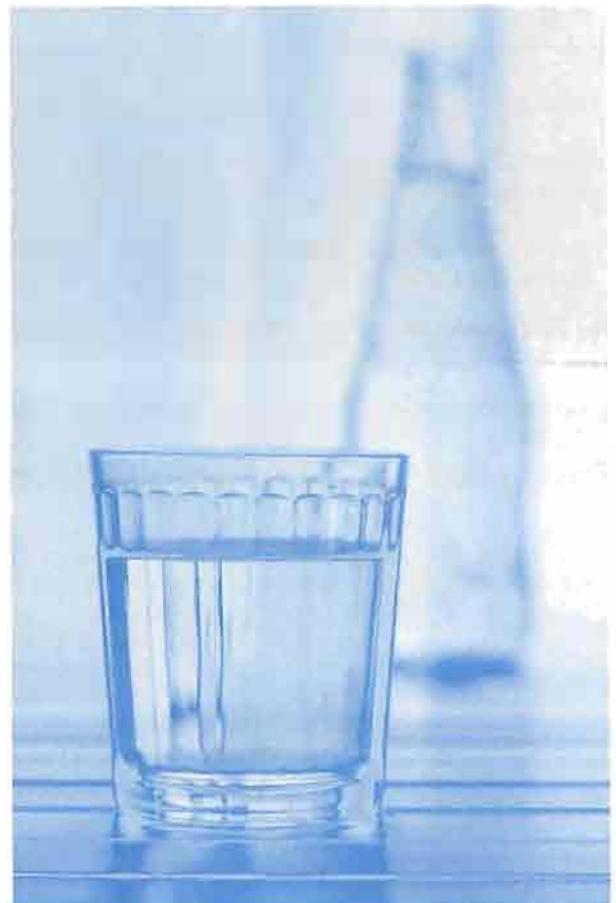
www.ada.org/public/topics/fluoride/

Center for Disease Control and Prevention:

www.cdc.gov/OralHealth/factsheets/fl-background.html

Metropolitan Water District of Southern California:

www.mwdh2o.com/fluoridation/index.html



The Metropolitan Water District of Southern California will start adding fluoride to water beginning in November.

More Payment Options Now Available!

Debit and credit card customers now have more payment options and can pay their bill 24/7. Customers can call us at 619-670-2777, 24 hours a day, 7 days a week. In addition to VISA and MasterCard debit/credit card payments, our credit card service now accepts Discover and American Express. A \$3.60 fee is applied to credit card transactions.

Web-Payments: Web-payments can be made online 24/7 at no charge. Visit our website at www.otaywater.gov and click on Pay Your Bill Online. We accept VISA and MasterCard debit and credit cards.

Auto-Payment: Using automatic payment service, your bank account will be debited each month on a pre-arranged date. An Auto-Payment application form is available online at www.otaywater.gov and click on Customer Service.

Secure 24 Hour Drop Box: A 24 hour drop box is available to our customers at our business office located at 2554 Sweetwater Springs Blvd., Spring Valley.

Postal Annex: Payments can also be made at The Postal Annex in the Terra Nova Shopping Center, 374 East H Street, off I-805 in Chula Vista. Call 619-585-7400 for business hours.

Mail Payments: You can mail your payment directly to the Otay Water District, P.O. Box 51375, Los Angeles, CA 90051-5675

Take the 20-Gallon Challenge!

Saving water may be easier than you think.

Historic dry conditions in California make it essential for residents and businesses to conserve water. If every person saves 20 gallons of water each day, this will help the region by allowing us to store more water for next year. Saving water is easier than you might think. Here are some useful tips for saving water around your home or business.

- Check and adjust your irrigation system and timers at least once a month. Promptly fix leaks, breaks, or misaligned sprinklers.
- Use the Landscape Watering Calculator at www.otaywater.gov to create a water wise irrigation schedule.
- Minimize evaporation by watering during the early morning hours or after sunset when temperatures are cooler.
- When the weather is particularly hot, skip one day of watering during the week, or water on the weekend. Visit the Watering Index at www.otaywater.gov, click on conservation to make sure plants are getting the right amount of water.
- Install a weather smart irrigation controller and replace thirsty unused turf with water wise plants and receive a rebate of up to \$1.00 per sq. foot.

For more water conservation tips visit our website or call 619-670-2291.

EastLake High Grad Receives Scholarship

Otay is proud to award its 2007 scholarship to EastLake High School graduate Laura Nolan. Nolan was a graduating senior at EastLake High with a 4.4 GPA. In addition to her strong academic credentials, Nolan is a recognized leader among her peers, active in school clubs and competitive academics, an outstanding musician, and a community volunteer. This fall she begins her first college semester with the goal of earning a Ph.D. in anthropology or international relations.



Laura and her parents, Sharon and Dr. Tim Nolan, accept the \$1,000 OWD scholarship.

Each year the OWD awards a \$1,000 scholarship to a graduating high school senior living in its service area. For more on the next scholarship competition, visit our website beginning in February 2008.

Otay Water District Board of Directors

The Board of Directors meets on the first Wednesday of the month at 3:30 pm in the Board meeting room. The public is encouraged to attend at 2534 Sweetwater Springs Blvd., Spring Valley, CA.

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Tick Tock, the Wonderful Irrigation Clock

By Nan Sterman, Plant Inc.
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Wouldn't it be great if someone or some thing took responsibility for watering our gardens? Wish no longer, just use an irrigation clock. Traditional irrigation clocks are gray boxes mounted on the wall of your garage or laundry room or just outside the back door. Inside is a clock that automatically turns your sprinklers on and off, zone by zone.

The newest irrigation clocks use weather data or historical data to decide when and how long to water. The conventional and more widespread clocks aren't that smart. They come preset from the factory to water every zone, 10 minutes per day, every day - way, way too much water for any garden.

Does your gardener manage your irrigation clock? Some gardeners are good water managers but many are not. They often set irrigation clocks to overwater dramatically. That isn't good for your plants, for your wallet, or for our water supply.

Your best bet, is to manage your irrigation clock yourself.

How? First, test each zone to find out which plants it waters. Hopefully, your irrigation system is set up so grass is watered separately from thirsty vegetables, which are separate from low water shrubs, which are separate from succulents, and so on.

Next, determine how long and how often to water each zone. Visit the Landscape Watering Calculator at <http://apps.sandiego.gov/landcalc/start.do>.

Enter your zip code, soil type, and type of watering system (overhead, drip, etc.). Select the type of plants in each zone (shrubs, trees, lawn, etc.). The calculator spits out a watering schedule for each month of the year.

Each month? Yes, plants use different amounts of water in different months. Think about it - in fall, the air is cool and the sun is lower in the sky; plants use less water than in the sunny and warm months of late spring and early summer.

Once you have a plan, mark your calendar to adjust your irrigation clock, say on the first of the month, or on the day you pay monthly bills, or some other time that is easy to remember.

By the way, did you know that irrigation clocks reset to default when the electricity goes out? Unless you've installed a battery backup, your clock will go back to 10 minutes, every zone, every day. So when the electricity comes back on and you go through the house resetting clocks, include your irrigation clock in that effort.

Get a \$350 Rebate for Purchasing and Installing a Smart Irrigation Controller

If you have at least 2,000 square feet of irrigated landscape and 4 or more irrigation valves, you are eligible to receive a rebate when you have a landscape professional replace your old irrigation timer with a smart irrigation controller. Smart controllers can reduce your total annual water use by 20 percent or 40 gallons per day! For an application or additional information call 619-670-2291.

California-Friendly Gardening Festival
 Free Admission

Design Consulting
 Free lectures and tips from landscaping experts. Reservations Recommended. Call: (619) 660-0654

Children's Booth
 Scarecrow contest, scavenger hunt, pumpkin walk, seed planting, fall crafts and more...

Plant Sale
 Beautiful and water wise these plants want to be in your home garden.

Music & Food
 Enjoy the sounds of live entertainment while sampling local tastes.

Conservation Tips
 Learn to grow more with less water and save our most precious resource.

Free Admission

Opportunity Drawings
 Grand Prize: custom landscape design of the winner's yard, a \$500+ value

Free Admission

Saturday Oct. 27, 2007 9 a.m. to 3 p.m.

Water Conservation Garden at Cuyamaca College
 12122 Cuyamaca College Drive West, El Cajon

www.thegarden.org (619) 670-0314

La Fluorización de Agua Iniciará en Noviembre, 2007

Los suministros de agua potable para más de 18 millones de residentes del sur de California será flúorizada empezando al final del 2007. OWD compra agua potable del San Diego County Water Authority y que ha sido tratada por la Metropolitan Water District of Southern California (Metropolitan). Metropolitan es un consorcio de ciudades del sur de California y de distritos de agua que proveen de agua a los residentes de los condados de Los Angeles, Orange, San Diego, Riverside, San Bernardino y Ventura. Metropolitan provee aproximadamente la mitad del agua tratada consumida en el condado de San Diego.

En 2003, el Consejo Directivo Metropolitan adopto una política de convertir su proceso para tratar el agua y añadir fluoro, un agente para combatir la caries dental. Esto vino como respuesta al California Fluoridation Act de 1995 que requería que todos los sistemas de agua con más de 10,000 conexiones o usuarios flúorizaran su agua.

En adición a el agua tratada adquirida de Metropolitan, OWD también compra agua "cruda" de San Diego County Water Authority, la cual es tratada por Helix Water District en la planta de tratamiento R.M. Levy. Helix también ha convertido su proceso de tratamiento y añadir fluoro y empezaran a entregar agua flúorizada al mismo tiempo con Metropolitan.

OWD no esta ni a favor ni en contra de la fluorización. Como somos un distrito de agua regulado por leyes estatales, OWD no tomo parte en la decisión de fluorización. Pero es nuestra política mantener a nuestros clientes completamente informados sobre cuestiones que afecten su agua.

OWD invita a que los clientes preocupados sobre la fluorización o los clientes que ya están tomando suplementos de fluoro que hablen con sus médicos o dentistas.

Metropolitan Water District of Southern California
www.mwdh20.org/fluoridation/index.html

The American Dental Association
www.ada.org/public/topics/fluoride/

Center for Disease Control and Prevention
www.cdc.gov/OralHealth/factsheets/fl-background.htm

¡Acepte El Reto De Los 20 Galones!

Ahorrar agua puede ser mas facil de lo que crees.

Condiciones de sequía históricas en California hace esencial para los residentes y negocios el conservar agua. Si cada persona ahorra 20 galones de agua diarios, esto ayudara a la región al permitirnos almacenar agua para el próximo año. Ahorrar agua es más facil de lo que usted piensa. Aquí estan algunos consejos útiles para ahorrar agua alrededor de su casa o negocio.

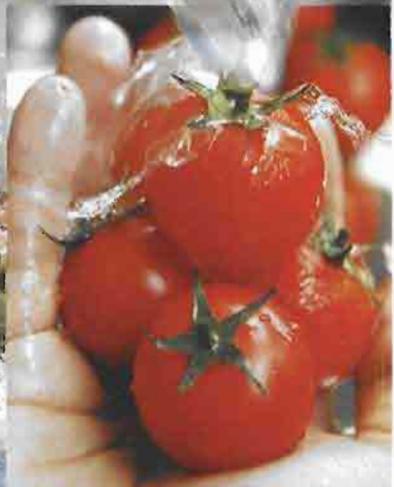
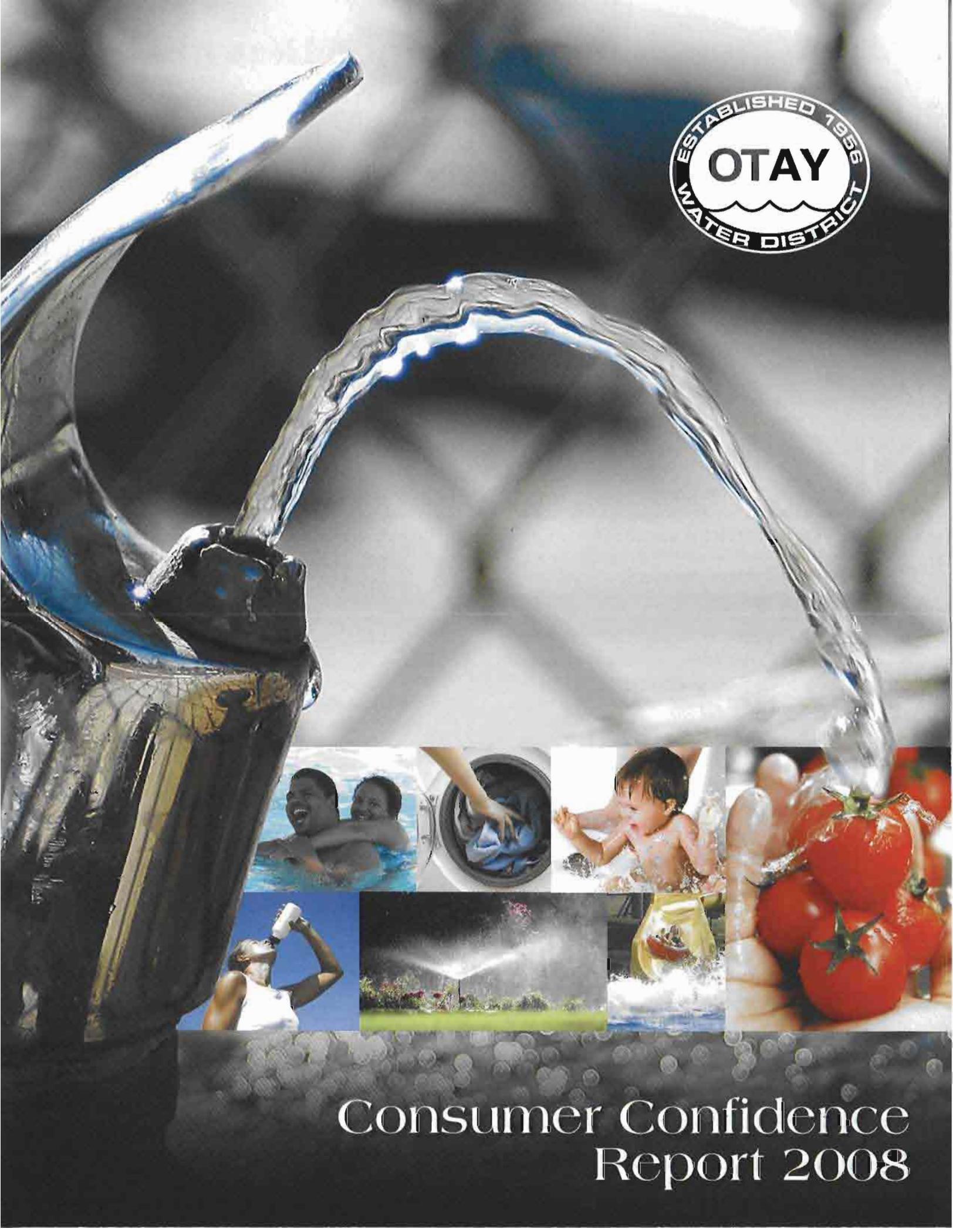
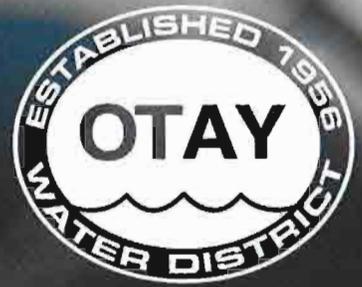
- Revise y ajuste su sistema de irrigación y los relojes acompañantes por los menos una vez al mes. Repar fugas y regadores mal alineados puntualmente.
- Use la calculadora de jardinería en www.otaywater.gov para crear un horario de irrigación que sea conservador de agua.
- Reduce evaporación, regando temprano por las mañanas o después del atardecer cuando las temperaturas estén bajas.
- Cuando el clima esta particularmente caluroso, sáltese un día de riego durante la semana o riegue durante el fin de semana. Visite el índice de riego en www.otaywater.gov
- Instale un controlador de clima inteligente para la irrigación y reemplace césped sin uso y sediento con plantas que requieran poca agua y reciba un reembolso de \$1.00 por cada pie cuadrado.

Para más consejos sobre la conservación de agua, visite nuestra página de Internet:

www.20gallonchallenge.com/about [FAQespanol.html](http://www.20gallonchallenge.com/about)

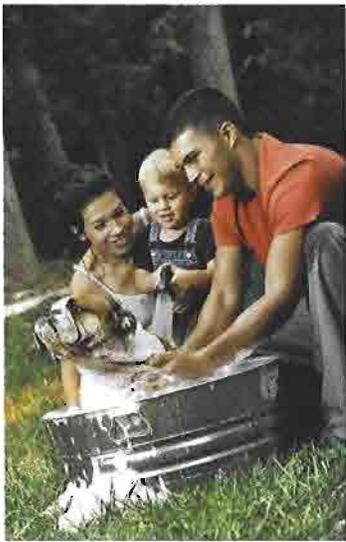


FOR MORE INFORMATION ABOUT THE OTAY WATER DISTRICT CALL 619.670.2222 OR GO TO WWW.OTAYWATER.GOV



Consumer Confidence Report 2008

Your Consumer Confidence Report



The Otay Water District is pleased to provide you with your annual consumer confidence report. This brochure is a snapshot of last year's water quality. Included are details about where your water comes from, what it contains and how it compares to state standards.

The information included in this water quality report represents only a small fraction of what we do to ensure high quality drinking water. Using state certified laboratories, we routinely scrutinize the water supply for an entire range of elements that have the potential to degrade the quality of your water.

As in years past, your tap water met all U.S. Environmental Protection Agency (USEPA) and State of California drinking water health standards. The Otay Water District vigilantly safeguards its water supplies and once again we are proud to report that our system has never violated a maximum contaminant level or any other water quality standard.

Sources

The Otay Water District imports an average of 85 percent of its water. This imported water is provided by the San Diego County Water Authority, which purchases water from the Metropolitan Water District of Southern California. Imported water is a blend of Colorado River water and State Water Project water. The Otay Water District also purchases treated water from the City of San Diego and the Helix Water District.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.



Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- Radioactive contaminants that can be naturally-occurring or be the result of oil and gas production and mining activities.



The Truth about Tap

BELIEFS — Surveys have found that most consumers who drink bottled water do so because they enjoy its taste or its portable



convenience. Others drink bottled water because they believe it to be more pure or safer than their tap water.

THE TRUTH — Did you know that the average bottle of water can cost up to 1,000 times more than tap water? Despite what its higher cost would lead us to believe, estimates are that 25- 40% of the bottled water on the market is simply repackaged tap water.

Tap water is regulated by the Environmental Protection Agency (EPA) under the Safe Drinking Water Act, while bottled water is considered a food and is thus regulated by the Food and Drug Administration (FDA). Though some bottlers may voluntarily exceed FDA standards, those standards are less stringent than the EPA standards for tap water. For more information, visit www.DrinkTap.org.

YOUR OPTIONS — During these economically sensitive times, it's important to know that you have other, more affordable, options to bottled water.

Chill a pitcher of tap water in your refrigerator

- To enhance the taste of tap water, one simple suggestion is to leave an open pitcher in the refrigerator overnight. The exposure to the air allows the small amount of chlorine, which is added to all tap water to ensure adequate disinfection and maintain high quality, to evaporate. Using the chilled water pitcher with refillable water bottles or thermoses allows for an inexpensive way to achieve portability and a refreshing taste.

Water Filtration Systems

- Another possibility is to install a home water filter system. These systems are convenient, easy to use, and enhance the taste of water. These systems achieve the same desired results, while still costing a fraction of the price of bottled water.

For more information on California state certified water filtration systems, click on the Devices and Machines link under the Certificates and Licenses section of the California Department of Public Health website, www.cdph.ca.gov.

Conservation

It's Easy to Conserve!

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California. To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego County residents are encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For water wise landscaping tips, visit the Water Conservation Garden at Cuyamaca College or go to www.thegarden.org. For useful ways to conserve water around the house visit our website at www.otaywater.gov and click on conservation.



Safety



In order to ensure that tap water is safe to drink, the USEPA and the State Department of Public Health (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline 1-800-426-4791 or online at www.epa.gov/safewater/hfacts.html.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).



2008 Otoy Water District Consumer Confidence Report

PARAMETER	UNITS	STATE OR FEDERAL MCL (MRDL)	PHG (MCLG) (MRDLG)	STATE DLR	RANGE AVERAGE	SKINNER PLANT	HELIX PLANT	*OTAY PLANT	MAJOR SOURCES IN DRINKING WATER
CLARITY									
Combined Filter Effluent Turbidity	NTU %	0.3 95 (a)	NA	NA	Highest	0.13	0.10	0.29	Soil runoff
					% < 0.3	100%	100%	100%	
MICROBIOLOGICAL									
Total Coliform Bacteria	%	5.0 (b)	(0)	NA	Otay Distribution System = 0%				Naturally present in the environment
Fecal Coliform and <i>E. coli</i>	(c)	(c)	(0)	NA	Otay Distribution System = 0%				Human and animal fecal waste
INORGANIC CHEMICALS									
Aluminum (d)	ppb	1000	600	50	Range	ND - 57	150-200	ND	Residue from water treatment process; natural deposits erosion
					Average	ND	175	ND	
Barium	ppb	1000	2000	100	Range	ND	ND-100	ND	Oil and metal refineries discharge; natural deposits erosion
					Average	ND	ND	ND	
Fluoride (e) Naturally-occurring	ppm	2.0	1	0.1	Range	0.2 - 0.3	0.2 - 0.3	0.2 - 0.3	Erosion of natural deposits; discharge from fertilizer and aluminum factories
					Average	0.2	0.3	0.3	
Fluoride (e) Treatment-related	Optimal Fluoride Control Range				0.7 - 1.3	0.7 - 1.3	0.7 - 1.3	Water additive for dental health	
	ppm	(i)	1	0.1	Range	0.5 - 0.9	0.5-1.0		not added
					Average	0.8	0.8		not added
Nitrate (as N) (f)	ppm	10	10	0.4	Range	ND - 0.4	ND	ND - 2.1	Runoff and leaching from fertilizer use; septic tank and sewage; natural deposits erosion
					Average	ND	ND	ND	
RADIOLOGICALS (g)									
Gross Alpha Particle Activity	pCi/L	15	(0)	3	Range	ND - 5.5	3.2-5.4	ND	Erosion of natural deposits
					Average	ND	4.6	ND	
Uranium	pCi/L	20	0.43	1	Range	1.5 - 3.2	1.6-4.6	ND - 2.5	Erosion of natural deposits
					Average	2.3	3.1	ND	
DISINFECTION BY-PRODUCTS, DISINFECTANT RESIDUALS, AND DISINFECTION BY-PRODUCTS PRECURSORS (h)									
Total Trihalomethanes (TTHM)	ppb	80	NA	0.5	Otay Distribution System Range = 39 - 72			By-product of drinking water chlorination	
					Otay Distribution System Highest RAA Average = 50				
Haloacetic Acids (five) (HAA5)	ppb	60	NA	1	Otay Distribution System Range = 8 - 34			By-product of drinking water chlorination	
					Otay Distribution System Highest RAA Average = 23				
Total Chlorine Residual	ppm	[4.0]	[4.0]	NA	Otay Distribution System Range = 0.1 - 4.0			Drinking water disinfectant added for treatment	
					Otay Distribution System Highest RAA Average = 2.6				
Bromate (i)	ppb	10	(0)	5.0	Range	NA	ND-8.5	NA	By-product of drinking water ozonation
					Highest RAA	NA	ND	NA	
DBP Precursors Control (TOC) (h)	ppm	TT	NA	0.30	Range	1.9 - 2.7	2.6-3.2	2.2 - 4.9	Various natural and man-made sources
					Average	2.3	2.9	3.3	
PRIMARY STANDARDS — LEAD AND COPPER RULE — SAMPLED AT THE TAP IN 2007									
Copper (j)	ppm	NL=1.3	0.17	0.05	0 sites above NL out of 54 sampled			Internal corrosion of household pipes; erosion of natural deposits	
					90th percentile=0.33				
Lead (j)	ppb	NL=15	2	5	0 sites above NL out of 54 sampled			Internal corrosion of household pipes; erosion of natural deposits	
					90th percentile=2.9				

ABBREVIATIONS

AL Action Level
 DBP Disinfection By-Products
 DLR Detection Limits for purposes of Reporting
 MCL Maximum Contaminant Level
 MCLG Maximum Contaminant Level Goal
 MFL Million Fibers per Liter
 MRDL Maximum Residual Disinfectant Level
 MRDLG Maximum Residual Disinfectant Level Goal
 N Nitrogen
 NA Not Applicable
 ND None Detected
 NL Notification Level
 NTU Nephelometric Turbidity Units
 pCi/L picoCuries per Liter

PHG Public Health Goal
 ppb part per billion
 ppm part per million
 RAA Running Annual Average
 TT Treatment Technique
 uS/cm micro-siemens/centimeter
Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.
Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.
Primary Drinking Water Standard (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.
Maximum Residual Disinfectant Level (MRDL): The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.
Maximum Residual Disinfectant Level Goal (MRDLG): The level of a disinfectant added for water treatment below which there is no known or expected risk to health. MRDLGs are set by the U.S. Environmental Protection Agency.

PARAMETER	UNITS	STATE OR FEDERAL MCL (MRDL)	PHG (MCLG) (MRDLG)	STATE DLR	RANGE AVERAGE	SKINNER PLANT	HELIX PLANT	*OTAY PLANT	MAJOR SOURCES IN DRINKING WATER
SECONDARY STANDARDS--Aesthetic Standards									
Aluminum (f)	ppb	200	600	50	Range	ND - 57	150-200	ND	Residue from water treatment process; natural deposits erosion
					Average	ND	175	ND	
Chloride	ppm	500	NA	NA	Range	84 - 96	84-92	98 101	Runoff/leaching from natural deposits; seawater influence
					Average	92	88	92	
Color	Units	15	NA	NA	Range	1 - 2	1 2	1 2	Naturally occurring organic materials
					Average	2	2	1	
Odor Threshold	TON	3	NA	1	Range	2	2	ND - 2	Naturally-occurring organic materials
					Average	2	2	ND	
Specific Conductance	µS/cm	1600	NA	NA	Range	755 927	818-920	832 1330	Substances that form ions in water; seawater influence
					Average	841	869	986	
Sulfate	ppm	500	NA	0.5	Range	134 - 202	180-210	126 - 202	Runoff/leaching from natural deposits; industrial wastes
					Average	169	195	155	
Total Dissolved Solids (TDS)	ppm	1000	NA	NA	Range	438 - 551	532-550	418 - 555	Runoff/leaching from natural deposits; seawater influence
					Average	495	541	498	
Turbidity (a)	NTU	5	NA	NA	Range	0.05 - 0.07	0.04 - 0.10	0.05 - 0.29	Soil runoff
					Average	0.05	.06	0.13	

UNREGULATED CHEMICALS REQUIRING MONITORING									
Boron	ppb	NA	NL = 1000	100	Range	130 - 160	120-140	101 - 129	Runoff/leaching from natural deposits; industrial wastes
					Average	140	125	114	
Chromium VI (k)	ppb	NA	NA	1	Range	0.07 - 0.18	ND	ND	Industrial waste discharge; could be naturally present as well
					Average	0.12	ND	ND	
Vanadium	ppb	NA	NL = 50	3	Range	ND	3.7-5.2	ND	Naturally-occurring; industrial waste discharge
					Average	ND	4.5	ND	

FEDERAL REGULATED CONTAMINANTS WITH NO MCLs

List 1 - Assessment Monitoring

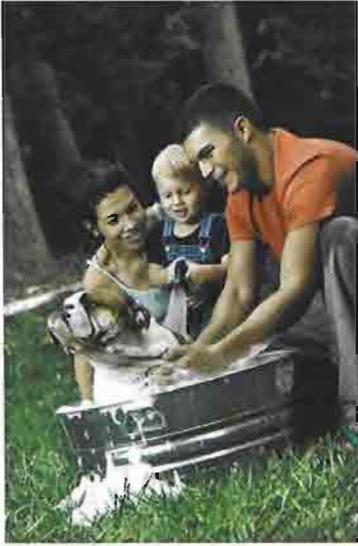
Perchlorate	ppb	NA	NA	4	Range	ND - 4.6	ND	ND	Industrial waste discharge
					Average	ND	ND	ND	

OTHER PARAMETERS									
Alkalinity	ppm	NA	NA	NA	Range	91 - 106	94-129	103 - 131	
					Average	98	109	119	
Calcium	ppm	NA	NA	NA	Range	44 - 60	59-61	47 - 79	
					Average	53	60	57	
Chlorate (l)	ppb	NA	NL = 800	20	Range	ND 23	NA	ND	By-product of drinking water chlorination; industrial processes
					Range	24 - 43	NA	ND	
Hardness	ppm	NA	NA	NA	Range	194 - 254	250-260	194 - 254	Municipal and industrial waste discharges
					Average	226	255	226	
Magnesium	ppm	NA	NA	NA	Range	19 - 25	24-25	4 24	
					Average	22	24.5	19	
pH	Units	NA	NA	NA	Range	7.9 - 8.2	7.8-8.1	6.9 - 8.5	
					Average	8.1	8.0	8.1	
Potassium	ppm	NA	NA	NA	Range	3.8 - 4.5	4.1-4.4	4.0 9.6	
					Average	4.2	4.3	4.9	
Sodium	ppm	NA	NA	NA	Range	73 - 89	79-84	82 - 90	
					Average	83	82	85	

FOOTNOTES:

- | | |
|--|--|
| <p>(a) The turbidity level of the filtered water shall be less than or equal to 0.3 NTU in 95% of the measurements taken each month and shall not exceed 1 NTU at any time. Turbidity is a measure of the cloudiness of the water and is an indicator of treatment performance. The monthly averages and ranges of turbidity shown in the Secondary Standards were based on the treatment plant effluent.</p> <p>(b) Total coliform MCLs: No more than 5.0% of the monthly samples may be total coliform-positive. Compliance is based on the combined distribution system sampling from all the treatment plants.</p> <p>(c) Fecal coliform/<i>E. coli</i> MCLs: The occurrence of two (2) consecutive total coliform-positive samples, one of which contains fecal coliform/<i>E. coli</i>, constitutes an acute MCL violation.</p> <p>(d) Aluminum has both primary and secondary standards.</p> <p>(e) Data for the naturally-occurring fluoride were taken before the fluoridation treatment began. Fluoridation treatment of water supplies at the Skinner and Helix plants started in December, 2007.</p> <p>(f) State MCL is 45 mg/L as nitrate, which equals 10 mg/L as N</p> | <p>(g) Reported results were taken from four consecutive quarters of monitoring from August 2005 to April 2006 for the Skinner Plant, November 2006 - August 2007 for Helix, and calendar year 2006 for the Otay Plant.</p> <p>(h) In 2007, all plants were in compliance with all provisions of the Stage 1 Disinfectants/Disinfection By-Products (D/DBP) Rule including the DBP precursor (TOC) control requirement.</p> <p>(i) Running annual average was calculated from quarterly results of weekly samples. Only Helix is required to test for Bromate due to the use of ozone for disinfection. Bromate reporting level is 3 ppb.</p> <p>(j) Lead and copper are regulated as a Treatment Technique under the Lead and Copper Rule. It requires systems to take water samples at the consumers' tap. The action levels, which trigger water systems into taking treatment steps if exceeded in more than 10% of the tap water samples, are 1.3 ppm for copper and 15 ppb for lead.</p> <p>(k) Chromium VI reporting level is 0.03 ppb.</p> <p>(l) Ranges for the plant effluent were taken from two quarterly samples. Helix not required to sample.</p> |
|--|--|

Su Reporte de Confianza al Consumidor



Otay Water District (OWD) está orgulloso de proporcionarle su reporte de confianza al consumidor. Este folleto es una fotografía de la calidad del agua del año pasado. Vienen incluidos los detalles de donde proviene el agua, que contiene y como se compara con los estándares del estado.

La información incluida en este reporte de calidad del agua representa una pequeña fracción de lo que hacemos para asegurar agua potable de alta calidad. Usando laboratorios certificados por el estado, rutinariamente escudriñamos el suministro de agua por un completo rango de elementos que tienen el potencial de degradar la calidad de su agua.

Así como en años pasados, su agua potable reunió todos los estándares de salud del EPA y el estado para agua potable. OWD de una manera vigilante salvaguarda los suministros de agua y una vez más estamos orgullosos de reportar **que** nuestro sistema nunca ha violado un nivel contaminante máximo o ningún otro estándar de calidad del agua.

Una Plática Directa Sobre Agua

Todos tienen interés en la calidad de su agua y algunos a veces preguntan, "¿Puedo sentirme seguro bebiendo agua de la llave?" En el Condado de San Diego, la respuesta es que sí. Sistemas Públicos de Agua, tales como los operados por Otay Water District, deben cumplir con estándares para agua potable muy altos impuestos por la United States Environmental Protection Agency (EPA).

El agua de la llave es regulada de una manera más rigurosa que el agua embotellada y debe cumplir con todos los estándares de calidad de agua tanto federales como estatales. Estas regulaciones son típicamente límites numéricos en las concentraciones, o cantidades de ciertos contaminantes en el agua. Para poder cumplir con estas regulaciones, los suministros de agua deben proporcionar un tratamiento específico, como desinfección y filtración, para asegurar que el agua sea potable.

Si todavía estás preocupado o prefieres beber agua con un sabor diferente, puedes comprar agua embotellada,

pero puede costar hasta 1,000 veces más que el agua de la llave. Además, existen otras opciones más económicas que comprar agua embotellada. Para mejorar el sabor o el olor del agua de la llave, la cual está tratada con cloro para asegurar una desinfección adecuada y mantener su alta calidad, la manera más fácil de hacer esto es dejar un recipiente abierto en el refrigerador toda la noche. Al exponer el agua al aire permite que cantidades pequeñas de cloro se evaporen. Además enfriar el agua la hace más refrescante.

Otras opciones incluyen sistemas de filtración para casas que son convenientes, mejoran el sabor, y solo cuestan una fracción del precio de agua embotellada. Los consumidores que deciden comprar una unidad de tratamiento de agua para casas deben leer cuidadosamente la información del producto para que comprendan lo que están comprando. También, deben seguir cuidadosamente las instrucciones de manufactura para la operación y mantenimiento del sistema, y recordar cambiarle el filtro de una manera regular.



Additional Fluoride Information Available

The Otay Water District's water comes from multiple sources, each with varying fluoride levels, which blend together within the distribution system. As a result, levels of fluoride differ between individual service connections within our wide service area. In some communities, fluoride concentrations will be adequate for dental protection, and in others, supplemental fluoride prescriptions may be

needed. For consumers' benefit, fluoride levels are measured per area and posted to the district's website monthly. To view the fluoride concentration level in your community, please visit the Water Resources section of our website, www.otaywater.gov, and click on Fluoridation.

Public Participation

The Otay Water District encourages public participation from the customers we serve. The board of directors generally meets on the first Wednesday of each month at 3:30 p.m. at district headquarters, 2554 Sweetwater Springs Blvd., Spring Valley, 91978. We encourage the public to attend these meetings.

For directions, agendas or for further information, call (619) 670-2222 or visit our website at www.otaywater.gov.

Otay Water District Board of Directors

Gary Croucher, President..... Division 3
Jose Lopez, Vice President..... Division 4
Jaime Bonilla, Treasurer Division 2
Larry Breitfelder, Director Division 1
Mark Robak, Director..... Division 5



For More Information

The Otay Water District appreciates your comments and active participation. If you have questions about the information contained in this report, or testing processes, please contact Gary Stalker, System Operations Manager, at (619) 670-2228 or visit our website at www.otaywater.gov. You can also find helpful information by contacting the following agencies:

California Department of Public Health
Division of Drinking Water and
Environmental Management
1350 Front Street, Room 2050
San Diego, CA 92115
[www.cdph.ca.gov/programs/
Pages/DWP.aspx](http://www.cdph.ca.gov/programs/Pages/DWP.aspx)

United States Environmental Protection Agency
Office of Water (4101 M)
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460
Safe Drinking Water Hotline: (800) 426-4791
www.epa.gov/safewater/

Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien.

”هذا التقرير يحتوي على معلومات مهمة تتعلق بمياه الشفة (أو الشرب).
ترجم التقرير, أو تكلم مع شخص يستطيع أن يفهم التقرير.“

Chi tiết này thật quan trọng. Xin nhờ người dịch cho quý vị.

Mahalaga ang impormasyong ito. Mangyaring ipasalin ito.

www.otaywater.gov

E-mail: opinion_form@otaywater.gov



Consumer
Confidence
Report 2008



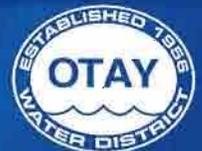
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Spring Valley, CA 91978-2096
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CONSUMER **CONFIDENCE** REPORT//////////

OTAY**WATER**DISTRICT**2003**

DEDICATED TO **COMMUNITY** SERVICE



A MESSAGE FROM THE **GENERAL MANAGER**

The Otay Water District proudly provides you, the customer, with our annual Consumer Confidence Report. The following pages outline important information about your drinking water — including what we look for when we test your water, the results of our tests, and facts on common elements found in your water.

However, this represents only a small part of what Otay Water District employees do to ensure high-quality drinking water with each turn of the tap. We've hooked up with state-certified laboratories, the San Diego County Water Authority and the Metropolitan Water District of Southern California to carefully scrutinize the water supply for a wide range of elements that could degrade your water quality. We want you to know that although drinking water, including bottled water, may reasonably be expected to contain a small amount of contaminants, the presence of such contaminants does not equal a health risk for most consumers.



You'll find this Consumer Confidence Report full of valuable water-quality information. The Otay Water District takes pride in its high standards for our water quality, and we hope this report demonstrates that commitment.

For more information on your water please see our Web site at www.otaywater.gov or feel free to call us anytime, at 619.670.2222.

Sincerely,

Robert Griego
General Manager, Otay Water District

YOUR WATER IS SAFE

Don't worry: We've made sure Otay Water District 2003 drinking water meets or exceeds the water-quality standards set by the State of California and the U.S. Environmental Protection Agency. We use trained microbiologists, chemists and water-treatment specialists at water quality laboratories to conduct or supervise more than 250,000 water sample analyses annually. The experts monitor approximately 175 compounds in our water supply to guarantee that the water in your glass is safe and ready to drink.

CONTAMINANTS THAT MAY BE PRESENT IN SOURCE WATER

Before it passes through our District's rigorous testing and treatment processes, raw water can include:

Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.

Inorganic contaminants, such as salts and metals, that can be naturally occurring or result from urban storm-water runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.

Pesticides and herbicides, which may come from a variety of sources, such as agriculture, urban storm-water runoff and residential uses.

Organic contaminants, including synthetic and volatile chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm-water runoff and septic systems.

Radioactive contaminants, which can be naturally occurring or the result of oil and gas production, and mining activities.

In order to ensure your tap water is safe to drink, the U.S. EPA and the California Department of Health Services (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

WONDERING ABOUT YOUR DRINKING WATER?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline at 800.426.4791.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised individuals, such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. United States Environmental Protection Agency (EPA) and Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline, 800.426.4791.

The sources of drinking water (both tap and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals, and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or human activity.

Parameters	Units	State MCL (MRDL)	PHG (MCLG) (MRDLG)	STATE DLR	Range Average	MWD Combined Skinner Treatment Plants	Helix R.M. Levy Treatment Plant	Major Sources in Drinking Water
Percentage State Project Water	%	--	--	--	Range Average	22 - 32 27	21 - 31 26	

PRIMARY STANDARDS: Mandatory Health Related Standards

Clarity

Combined Filter Effluent Turbidity	NTU %	0.3 95 (a)	NA	--	Highest % <0.3	0.11 100%	0.10 100%	Soil Runoff
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Microbiological

Total Coliform Bacteria	%	5.0 (b)	(0)	--	Range Average	Combined Distribution System = 0% Combined Distribution System = 0%		Naturally present in the environment
Fecal Coliform and <i>E. coli</i>	(c)	(c)	(0)	--		Dist. system-wide Fecal Coliform - positive samples = 0 Dist. system-wide <i>E. coli</i> - positive samples = 0		Human and animal fecal waste

Inorganic Chemicals

Aluminum (d)	ppm	1	0.6	0.05	Range Average	ND ND	0.11 - 0.24 0.17	Residue from water treatment process; natural deposits; erosion
Arsenic	ppb	50	NA	2	Range Average	ND ND	2.7 - 3.0 2.9	Natural deposits; erosion; glass and electronic production waste
Fluoride	ppm	2	1	0.1	Range Average	0.19 - 0.26 0.24	0.25 0.25	Erosion of natural deposits; water additive that promotes strong teeth

Radionuclides (e)

Gross Alpha Particle Activity	pCi/L	15	NA	1	Range Average	ND - 5.53 3.99	ND - 11.3 3.8	Erosion of natural deposits
Gross Beta Particle Activity	pCi/L	50	NA	4	Range Average	ND - 7.48 5.24	ND - 5.5 ND	Decay of natural and manmade deposits
Combined Radium (f)	pCi/L	5	NA	0.5	Range Average	ND - 2.36 1.01	ND ND	Erosion of natural deposits
Uranium	pCi/L	20	0.5	2	Range Average	ND - 3.18 2.61	ND - 2.7 2.2	Erosion of natural deposits

Disinfection By-Products, Disinfectant Residuals, and Disinfection By-Products Precursors

Total Trihalomethanes (TTHMs)	ppb	80	NA	0.5	Range Average	Combined Distribution System = 25-54 Combined Distribution System = 42		By-product of drinking water chlorination
Haloacetic Acids (five) (HAA5) (g)	ppb	60	NA	1 (g)	Range Average	Combined Distribution System = 5-29 Combined Distribution System = 20		By-product of drinking water chlorination
Total Chlorine Residual (h)	ppm	[4]	[4]	--	Range Average	Combined Distribution System = 0.6-3.4 Combined Distribution System = 2.5		Drinking water disinfectant added for treatment

SECONDARY STANDARDS: Aesthetic Standards

Aluminum (d)	ppb	200	600	50	Range Average	ND ND	110 - 240 167	Residues from water treatment process; erosion of natural deposits
Chloride	ppm	500	NA	--	Range Average	78 - 92 83	76 - 82 79	Runoff/leaching from natural deposits; seawater influence
Color	Units	15	NA	--	Range Average	1 - 7.5 2	1 - 3 2	Naturally occurring organic materials
Corrosivity	SI	500	NA	--	Range Average	noncorrosive noncorrosive	noncorrosive noncorrosive	Leaching from natural deposits
Specific Conductance	µmho/cm	1600	NA	--	Range Average	830 - 902 852	788 - 830 812	Substances that form ions in water; seawater influence
Sulfate	ppm	500	NA	--	Range Average	162 - 191 179	190 190	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids	ppm	1000	NA	--	Range Average	495 - 543 504	530 530	Runoff/leaching from natural deposits; seawater influence

Lead and Copper Rule (i)

Copper	ppm	AL = 1.3	0.17	0.05		0 sites above AL out of 89 sites sampled 90th percentile = 0.21		Internal corrosion of household pipes; erosion of natural deposits
Lead	ppb	AL = 15	2	5		0 sites above AL out of 97 sites sampled 90th percentile = 2.4		Internal corrosion of household pipes; erosion of natural deposits

Unregulated Chemicals Requiring Monitoring

Boron	ppb	NA	AL = 1000	100	Range Average	110 - 140 130	120 - 140 125	Runoff/leaching from natural deposits; industrial wastes
Perchlorate	ppb	NA	AL = 4	4	Range Average	ND - 5 ND	ND ND	Industrial waste discharge
Vanadium	ppb	NA	AL = 50	3	Range Average	ND ND	3.7 - 5.2 4.5	Naturally occurring; industrial waste discharge

INFORMATION COLLECTION RULE

The USEPA determined that monitoring the Otay Water District Public Water System did not meet the objectives of the Information Collection Rule (ICR) and concluded that the requirements of the ICR do not apply to the Otay Water District Public Water System.

OTHER PARAMETERS

Parameters	Units	State MCL (MRDL)	PHG (MCLG) (MRDLG)	STATE DLR	Range Average	MWD Combined Skinner Treatment Plants	Helix R.M. Levy Treatment Plant	Major Sources in Drinking Water
Alkalinity	ppm	NA	NA	--	Range Average	114 - 123 119	100 - 126 115	
Calcium	ppm	NA	NA	--	Range Average	54 - 59 57	58 - 61 60	
<i>Cryptosporidium</i>	Oocysts/100ml	TT	(0)	--	Range Average	ND ND	ND ND	
<i>Giardia</i>	Cysts/100L	TT	(0)	--	Range Average	ND ND	ND ND	
Hardness (as ppm CaCO ₃ /L)	ppm	NA	NA	--	Range Average	230 - 250 241	243 - 253 249	
Hardness	grains per gallon	NA	NA	--	Range Average	13.4 - 14.6 14.1	14.2 - 14.8 14.6	
Magnesium	ppm	NA	NA	--	Range Average	23.0 - 25.0 24.0	24 - 25 24.3	
Methyl- <i>tert</i> -butyl ether (MTBE) (d)	ppb	13	13	3	Range Average	ND ND	ND ND	Leaking underground gasoline storage tanks and pipelines.
Nitrate (as N) (j)	ppm	10	10	0.4	Range Average	ND ND	ND ND	
pH	pH Units	NA	NA	--	Range Average	8.0 8.0	8.02 - 8.08 8.06	
Potassium	ppm	NA	NA	--	Range Average	3.9 - 4.1 3.9	4.2 - 4.3 4.2	
Sodium	ppm	NA	NA	--	Range Average	76 - 86 79	79 - 83 81	
Total Organic Carbon (TOC)	ppm	TT	NA	--	Range Average	2.1 - 2.8 2.4	2.4 - 3.3 2.8	Various natural and manmade sources

ABBREVIATIONS AND FOOTNOTES

AL	California Action Level
DBP	Disinfection By-Products
DLR	Detection Limits for purposes of Reporting
HAA5	Haloacetic Acids (five)
ICR	Information Collection Rule
MCL	Maximum Contaminant Level
MCLG	Maximum Contaminant Level Goal
MRDL	Maximum Residual Disinfectant Level
MRDLG	Maximum Residual Disinfectant Level Goal
NA	Not Applicable
ND	None Detected
NTU	Nephelometric Turbidity Units
pCi/L	PicoCuries per Liter
PHG	Public Health Goal
ppb	Parts per billion or micrograms per Liter (µg/L)
ppm	Parts per million or milligrams per Liter (mg/L)
ppt	Parts per trillion or nanograms per Liter (ng/L)
SI	Saturation Index (Langelier)
TOC	Total Organic Carbon
TTHM	Total Trihalomethanes
TT	Treatment Technique

- The turbidity level of the filtered water shall be less than or equal to 0.3 NTU in 95% of the measurements taken each month and shall not exceed 1.0 NTU at any time. Turbidity is a measure of the cloudiness of the water and is a good indicator of water quality and filtration performance.
- Total coliform MCLs: No more than 5.0% of the monthly samples may be total coliform positive. Compliance is based on the combined Otay W.D. distribution system sampling. 1,760 samples were analyzed in 2002. The MCL was not violated.
- Fecal coliform/*E. coli* MCLs: The occurrence of 2 consecutive total coliform positive samples, one of which contains fecal coliform/*E. coli*, constitutes an acute MCL violation. The MCL was not violated in 2002.
- Aluminum and MTBE have both primary and secondary standards.
- Four quarter radiological monitoring results for Levy (HWD) are for 2001, Skinner (MWD) are for 1998/99.
- Standard is for Radium -226 and -228 combined.
- DLR = 1.0 ppb for each HAA5 analyte (dichloroacetic acid, trichloroacetic acid, monobromoacetic acid, dibromoacetic acid) except for monochloroacetic acid which has a DLR = 2.0 ppb.
- Total chlorine residual averages based on monthly averages from the Otay Water District distribution system.
- These are 2002 results. Although Environmental Protection Agency mandated testing is required only once every three years, the Otay Water District performs these analyses annually as a quality assurance measure for our customers.
- State MCL is 45 mg/L as Nitrate, which equals 10.16 mg/L as N.

DEFINITIONS

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs or (MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL): The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a disinfectant added for water treatment below which there is no known or expected risk to health. MRDLGs are set by the U.S. Environmental Protection Agency.

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Primary Drinking Water Standard or PDWS: MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements that are specified in regulations. Secondary MCLs are set to protect the odor, taste and appearance of the drinking water.

Regulatory Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.

CONSERVATION LANDSCAPING LOOKS GREAT AND REDUCES COSTS

Unlike last year, this winter's storms brought many rainy days and the average rainfall of about 10 inches to San Diego County. Yet this desert-like amount still does not produce near enough water for our local needs.

"Conservation is key to preserving our quality of life," said Robert Griego, general manager of the Otay Water District. Since the average household uses about 60 percent of its water outdoors, the Otay Water District is taking the lead by helping maintain a 4.2-acre Water Conservation Garden at Cuyamaca College. The garden demonstrates how water-conscious landscapes can be beautiful.

"By using waterwise landscape or Xeriscape in your yard, you can also experience this beauty – and reduce your outdoor water use by 35 percent to 70 percent," Mr. Griego said. In these budget-conscious economic times, the reduction in your water bill payment would only be a plus.

Before you put on your gardening gloves, come visit the Water Conservation Garden for inspiration. You'll see more than 400 plant species that thrive in San Diego's climate, and programs and facilities providing insight into waterwise landscape. The Garden also contains educational exhibits featuring plants from five different areas of the world with climates similar to that of San Diego, including California natives. It's located at 12122 Cuyamaca College Drive West in Rancho San Diego. For more information call 619.660.0614 or click on www.thegarden.org.

The District also offers lots of water-efficiency programs focusing on both the indoors and outdoors. Visit our Web site at www.otaywater.gov or call 619.670.2290 for more information on the current programs offered.

OTAY WATER DISTRICT ANALYZES YOUR WATER SOURCES

In December 2002, Metropolitan Water District of Southern California completed its source water assessment of its Colorado River and State Water Project supplies. Colorado River supplies are considered to be most vulnerable to recreation, urban/storm-water runoff, increasing urbanization in the watershed and wastewater. State Water Project supplies are considered to be most vulnerable to urban/storm-water runoff, wildlife, agriculture, recreation and wastewater. A copy of the assessment can be obtained by calling Doug Clarke of the Otay Water District at 619.670.2272.

A portion of our water is treated at the Helix Water District's R.M. Levy Water Treatment Plant in Lakeside. A Watershed Sanitary Survey is performed every five years on local Helix Water District sources. The purpose is to survey and assess the watershed to determine the existence and potential hazards of contamination sources that could reach the public potable water supply. The assessment, called a Sanitary Survey Update, of the Lake Jennings drinking water source is available from the Helix Water District. You may request a summary of the assessment by contacting Doug Clarke at 619.670.2272.

PUBLIC PARTICIPATION

The Otay Water District encourages public participation from the ratepayers we serve. Our Board meets on the first Wednesday of each month at 3:30 p.m. at District headquarters, 2554 Sweetwater Springs Blvd., in Spring Valley. Please feel free to attend these meetings. For directions, agendas or further information call 619.670.2222.

WHO CAN I CALL?

The Otay Water District appreciates all feedback from our water customers. If you have questions about any of the information in this report or about the District in general, please contact us at 619.670.2222 or visit our Web site, www.otaywater.gov.

For more information on our testing process or help interpreting this report, please call Doug Clarke, chief chemist at Otay's Water Quality Laboratory, at 619.670.2272.

You can also find helpful water information by contacting the following public agencies:

State of California Department of Health Services

Office of Drinking Water
601 N. Seventh St. - MS92
Sacramento, Calif. 94234-7320
Office of Drinking Water Telephone: 916.323.6111
Web Site: www.dhs.ca.gov/ps/ddwem/

United States Environmental Protection Agency

Office of Water (4101M)
1200 Pennsylvania Ave. N.W.
Washington, D.C., 20460
Safe Drinking Water Hotline: 800.426.4791
Web Site: www.epa.gov/safewater/

Este informe contiene información muy importante sobre su agua potable. Si requiere que lo traduzcan, o si necesita más información, estamos a su disposición.

Mahalaga ang impormasyong ito. Mangyaring ipasalín ito.

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OTAYWATERDISTRICT
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619.670.2222

OTAYWATERDISTRICT

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OTAY WATER DISTRICT
PRELIMINARY COMPARATIVE BUDGET SUMMARY
 FOR TWELVE MONTHS ENDED JUNE 30, 2008

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	\$ 32,331,300	\$ 30,105,994	\$ 32,331,300	\$ (2,225,306)	(6.9%)
Energy Charges	2,018,000	1,834,102	2,018,000	(183,898)	(9.1%)
System Charges	9,596,300	9,611,046	9,596,300	14,746	0.2%
Penalties	852,100	786,762	852,100	(65,338)	(7.7%)
MWD & CWA Fixed Charges	2,708,800	2,530,306	2,708,800	(178,494)	(6.6%)
Total Water Sales	<u>47,506,500</u>	<u>44,868,211</u>	<u>47,506,500</u>	<u>(2,638,289)</u>	<u>(5.6%)</u>
Reclamation Sales	6,001,400	5,955,614	6,001,400	(45,786)	(0.8%)
Sewer Charges	2,679,100	2,415,371	2,679,100	(263,729)	(9.8%)
Meter Fees	318,500	70,614	318,500	(247,886)	(77.8%)
Capacity Fee Revenues	1,414,500	1,468,794	1,414,500	54,294	3.8%
Betterment Fees for Maintenance**	73,300	895,620	73,300	822,320	1121.9%
Annexation Fees	1,464,500	526,435	1,464,500	(938,065)	(64.1%)
Non-Operating Revenues	1,680,200	2,021,348	1,680,200	341,148	20.3%
Tax Revenues	4,003,800	3,931,304	4,003,800	(72,496)	(1.8%)
Interest	1,038,700	819,359	1,038,700	(219,341)	(21.1%)
Draw on Designated Funds*	408,400	408,400	408,400	-	0.0%
Total Revenue	<u>\$ 66,588,900</u>	<u>\$ 63,381,067</u>	<u>\$ 66,588,900</u>	<u>\$ (3,207,833)</u>	<u>(4.8%)</u>
EXPENSES:					
Water Purchases	\$ 25,407,100	\$ 23,472,196	\$ 25,407,100	\$ 1,934,904	7.6%
CWA-Infrastructure Access Charge	1,090,200	1,090,228	1,090,200	(28)	(0.0%)
CWA-Customer Service Charge	950,400	949,222	950,400	1,178	0.1%
CWA-Emergency Storage Charge	1,507,800	1,507,895	1,507,800	(95)	(0.0%)
MWD-Capacity Res Charge	569,400	570,980	569,400	(1,580)	(0.3%)
MWD-Readiness to Serve Charge	552,600	564,193	552,600	(11,593)	(2.1%)
Subtotal Water Purchases	<u>30,077,500</u>	<u>28,154,714</u>	<u>30,077,500</u>	<u>1,922,786</u>	<u>6.4%</u>
Power Charges	2,804,800	2,622,549	2,804,800	182,251	6.5%
Payroll & Related Costs	16,012,900	16,086,699	16,012,900	(73,799)	(0.5%)
Material & Maintenance	4,452,900	4,181,211	4,452,900	271,689	6.1%
Administrative Expenses	5,773,300	4,707,985	5,773,300	1,065,315	18.5%
Legal Fees	1,209,000	1,410,174	1,209,000	(201,174)	(16.6%)
Expansion Reserve	2,590,200	2,590,200	2,590,200	-	0.0%
Betterment Reserve	3,432,900	3,432,900	3,432,900	-	0.0%
Replacement Reserve	235,400	235,400	235,400	-	0.0%
Total Expenses	<u>\$ 66,588,900</u>	<u>\$ 63,421,833</u>	<u>\$ 66,588,900</u>	<u>\$ 3,167,067</u>	<u>4.8%</u>
Excess Revenue (Expense)	<u>\$ -</u>	<u>\$ (40,766)</u>	<u>\$ -</u>	<u>\$ (40,766)</u>	

* Board approved Draw on Designated Funds used to fund negotiated benefits.

** Staff was allocating budget estimate prior to March. In March staff used actual IMS cost to calculate the betterment fees spent on maintenance.

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
JUNE 30, 2008**

INVESTMENT OVERVIEW & MARKET STATUS:

At the latest meeting of the Federal Reserve Board on June 25th, there was no change made to the federal funds rate. The last federal funds rate adjustment was made on April 30th, when the Board lowered the rate from 2.25% to 2.00%. This was the seventh reduction in a row since September 18th, when the rate was 5.25%. Due to the ongoing changes in the federal funds rate we have been extending the average maturity of the portfolio to maintain above market interest returns as long as possible. As a result, despite the large drop in available interest rates, with this investment strategy the District's overall effective rate of return on its portfolio at June 30th was 3.46%. At the same time the LAIF return on deposits has also dropped over the last several months, reaching an average effective yield of 2.89% for the month of June. It appears that this drop in interest rates has now bottomed out, with a gradual rise in rates being predicted for either the August or October Federal Reserve Board meeting. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy are being considered at this time.

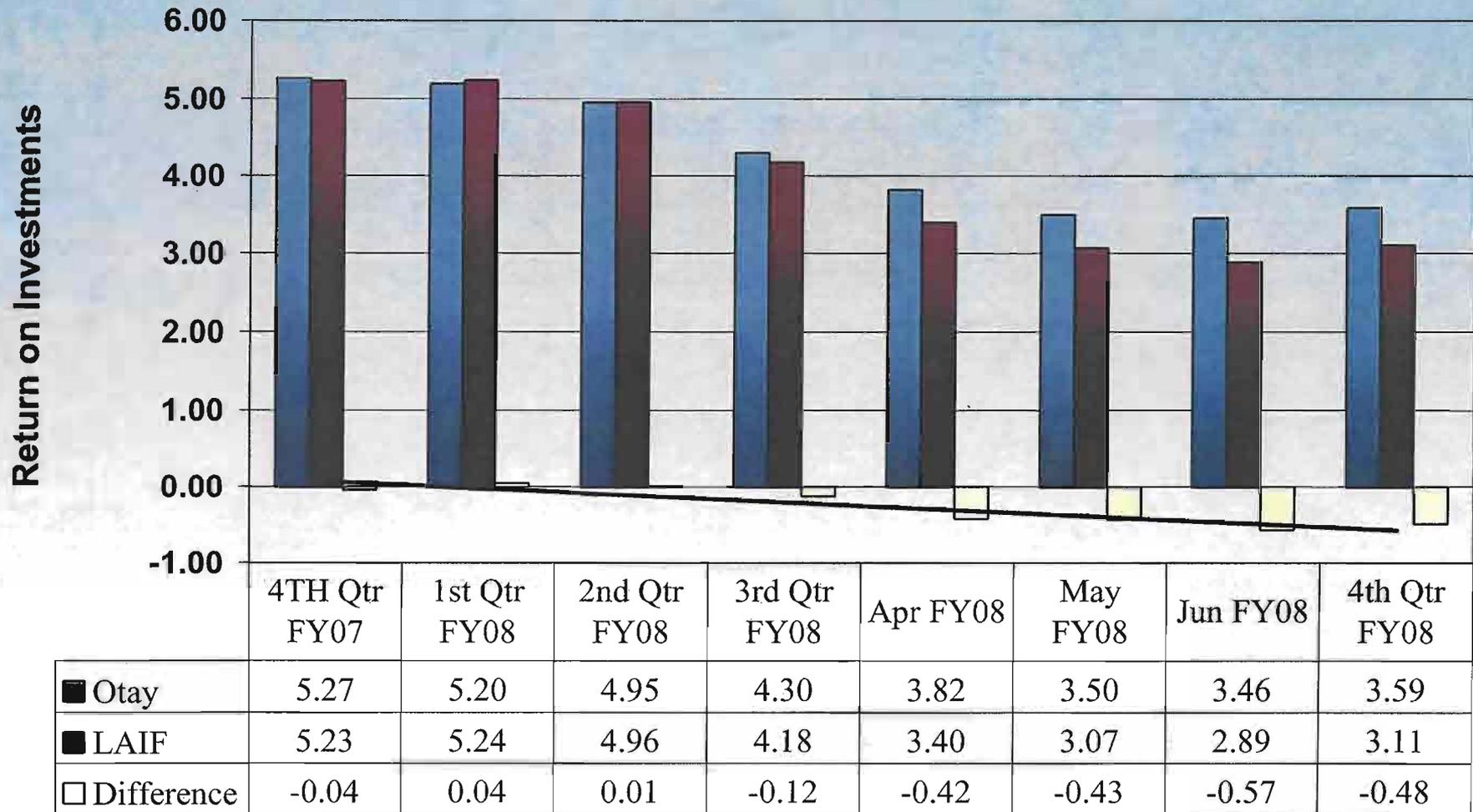
In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: June 30, 2008

<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01: Treasury Securities	100%	100%	0
8.02: Local Agency Investment Fund (Operations)	\$40 Million	\$40 Million	\$10.79 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	1.64%
8.03: Federal Agency Issues	100%	100%	66.89%
8.04: Certificates of Deposit	30%	15%	1.23%
8.05: Short-Term Commercial Notes	25%	15%	0
8.06: Medium-Term Commercial Debt	30%	15%	2.28%
8.07: Money Market Mutual Funds	20%	15%	0
8.08: San Diego County Pool	100%	100%	13.87%
12.0: Maximum Single Financial Institution	100%	50%	1.80%

Performance Measure F-12 Return on Investment

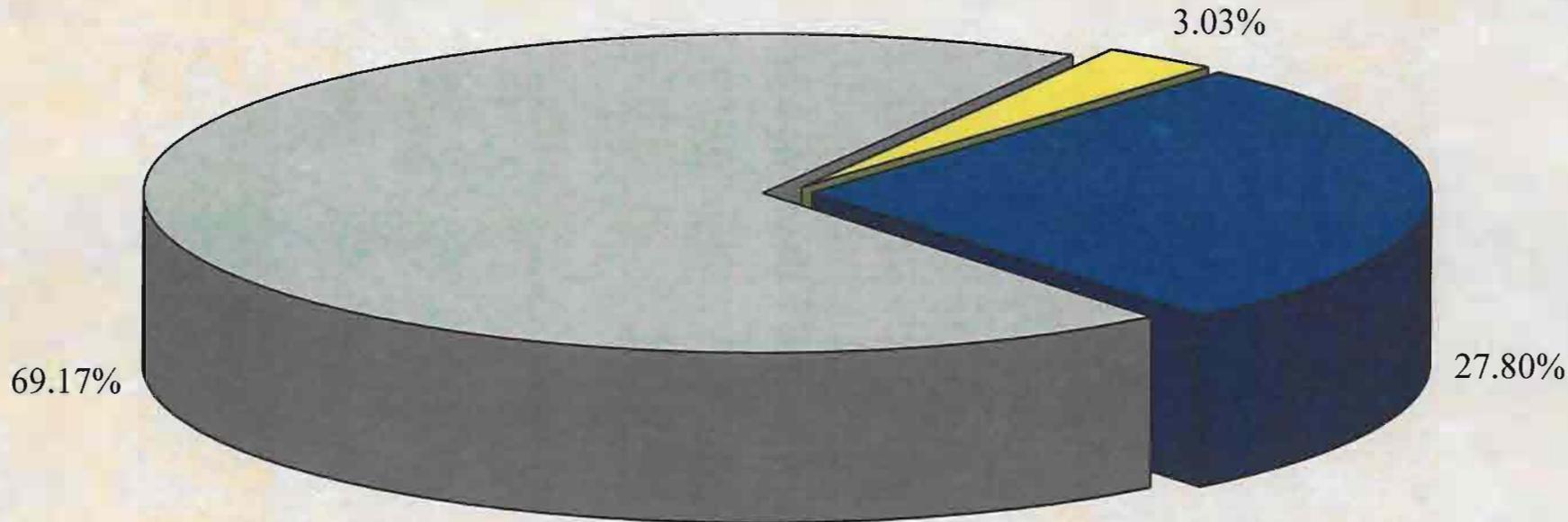
Target: Meet or Exceed 100% of LAIF



Month

■ Otay
 ■ LAIF
 □ Difference
 — Linear (Difference)

Otay Water District Investment Portfolio: 06/30/08



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies & Corporate Notes

OTAY
Portfolio Management
Portfolio Summary
June 30, 2008

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Corporate Notes	2,000,000.00	2,051,704.10	2,026,807.12	2.35	1,111	883	4.340	4.401
Federal Agency Issues- Callable	58,704,100.00	58,630,802.60	58,703,215.78	68.09	930	817	3.590	3.640
Certificates of Deposit - Bank	1,079,108.00	1,079,108.00	1,079,108.00	1.25	393	195	4.728	4.793
Local Agency Investment Fund (LAIF)	12,228,136.57	12,228,059.53	12,228,136.57	14.18	1	1	2.854	2.894
San Diego County Pool	12,177,099.49	12,219,100.73	12,177,099.49	14.12	1	1	3.329	3.375
	86,188,444.06	86,208,774.96	86,214,366.96	100.00%	665	580	3.481	3.529
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	1,579,602.22	1,579,602.22	1,579,602.22		1	1	1.604	1.627
Total Cash and Investments	87,768,046.28	87,788,377.18	87,793,969.18		665	580	3.481	3.529

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	252,713.83	4,424,034.62	4,424,034.62
Average Daily Balance	88,753,538.41	97,220,507.83	
Effective Rate of Return	3.46%	4.54%	

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

7-28-08

OTAY
Portfolio Management
Portfolio Details - Investments
June 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Corporate Notes												
36962G2S2	2044	General Electric Capital		11/16/2007	2,000,000.00	2,051,704.10	2,026,807.12	5.000	Aaa	4.340	883	12/01/2010
Subtotal and Average			2,027,253.91		2,000,000.00	2,051,704.10	2,026,807.12			4.340	883	
Federal Agency Issues- Callable												
31398AMX7	2064	FANNIE MAE		02/22/2008	2,000,000.00	1,998,125.00	2,000,000.00	3.000		2.959	598	02/19/2010
31331YB74	2073	Federal Farm Credit Bank		04/07/2008	2,000,000.00	1,979,375.00	2,000,000.00	3.180		3.136	1,010	04/07/2011
3133XLTL7	2037	Federal Home Loan Bank		07/30/2007	3,000,000.00	3,006,562.50	3,000,000.00	5.550		5.474	759	07/30/2010
3133XMX71	2042	Federal Home Loan Bank		11/14/2007	2,000,000.00	2,004,375.00	2,000,000.00	4.500		4.435	409	08/14/2009
3133XN6X2	2045	Federal Home Loan Bank		11/20/2007	2,000,000.00	2,004,375.00	2,000,000.00	4.500		4.436	780	08/20/2010
3133XNP52	2057	Federal Home Loan Bank		12/17/2007	2,000,000.00	2,006,250.00	2,000,000.00	4.375		4.315	808	09/17/2010
3133XNS42	2058	Federal Home Loan Bank		12/18/2007	2,000,000.00	2,011,250.00	2,000,000.00	4.250		4.192	717	06/18/2010
3133XNPR4	2059	Federal Home Loan Bank		12/24/2007	1,800,000.00	1,810,687.50	1,800,000.00	4.350		4.290	906	12/24/2010
3133XPDR2	2062	Federal Home Loan Bank		01/30/2008	2,000,000.00	2,000,000.00	2,000,000.00	3.060		3.018	577	01/29/2010
3133XPDS0	2063	Federal Home Loan Bank		01/30/2008	2,000,000.00	1,997,500.00	2,000,000.00	3.250		3.205	759	07/30/2010
3133XPWL4	2065	Federal Home Loan Bank		02/26/2008	2,000,000.00	1,996,875.00	2,000,000.00	3.000		2.959	605	02/26/2010
3133XPX90	2067	Federal Home Loan Bank		03/05/2008	2,000,000.00	1,997,500.00	2,000,000.00	3.020		2.979	612	03/05/2010
3133XPZN7	2068	Federal Home Loan Bank		03/03/2008	1,905,000.00	1,905,000.00	1,905,000.00	3.350		3.304	794	09/03/2010
3133XQC91	2070	Federal Home Loan Bank		03/17/2008	2,000,000.00	1,985,625.00	2,000,000.00	3.125		3.081	899	12/17/2010
3133XQF23	2071	Federal Home Loan Bank		03/25/2008	2,000,000.00	1,983,125.00	2,000,000.00	3.250		3.205	997	03/25/2011
3133XQJ78	2072	Federal Home Loan Bank		04/14/2008	2,000,000.00	1,965,625.00	2,000,000.00	3.150		3.107	1,017	04/14/2011
3133XQMC3	2074	Federal Home Loan Bank		04/14/2008	2,000,000.00	1,980,000.00	2,000,000.00	2.900		2.860	835	10/14/2010
3133XQUX8	2075	Federal Home Loan Bank		04/29/2008	2,000,000.00	1,987,500.00	2,000,000.00	3.100		3.058	850	10/29/2010
3133XRNM8	2083	Federal Home Loan Bank		06/30/2008	2,000,000.00	2,011,250.00	2,000,000.00	3.650		3.598	637	03/30/2010
3133XRK74	2084	Federal Home Loan Bank		06/30/2008	2,000,000.00	2,008,125.00	2,000,000.00	3.500		3.452	547	12/30/2009
3128X7TT1	2079	Federal Home Loan Mortgage		06/02/2008	2,000,000.00	1,997,510.07	2,000,000.00	3.625		3.575	1,066	06/02/2011
3128X7YG3	2082	Federal Home Loan Mortgage		06/26/2008	2,000,000.00	2,006,940.00	2,000,000.00	4.750		4.685	1,821	06/26/2013
31398AKS0	2060	Federal National Mortgage Assoc		01/07/2008	2,000,000.00	2,012,500.00	2,000,000.00	4.500		4.438	920	01/07/2011
31398ANH1	2069	Federal National Mortgage Assoc		03/10/2008	2,000,000.00	1,988,125.00	2,000,000.00	3.250		3.205	969	02/25/2011
3136F9LP6	2076	Federal National Mortgage Assoc		04/28/2008	1,999,100.00	1,993,477.53	1,999,100.00	3.000		2.959	666	04/28/2010
3136F9NB5	2077	Federal National Mortgage Assoc		05/12/2008	2,000,000.00	1,991,875.00	2,000,000.00	3.100		3.058	680	05/12/2010
31398ARD6	2078	Federal National Mortgage Assoc		05/19/2008	2,000,000.00	1,997,500.00	1,999,115.78	3.600		3.570	1,052	05/19/2011
3136F9SA2	2080	Federal National Mortgage Assoc		06/10/2008	2,000,000.00	2,000,625.00	2,000,000.00	3.265		3.220	709	06/10/2010
3136F9TS2	2081	Federal National Mortgage Assoc		06/25/2008	2,000,000.00	2,003,125.00	2,000,000.00	3.500		3.452	724	06/25/2010
Subtotal and Average			52,303,203.43		58,704,100.00	58,630,802.60	58,703,215.78			3.590	817	

Portfolio OTAY
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OTAY
Portfolio Management
Portfolio Details - Investments
June 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
205003183	2066	California Bank & Trust		01/22/2008	79,108.00	79,108.00	79,108.00	3.180		3.180	570	01/22/2010
1002812475	2061	Neighborhood National Bank		12/13/2007	1,000,000.00	1,000,000.00	1,000,000.00	4.850		4.850	165	12/13/2008
Subtotal and Average			1,079,108.00		1,079,108.00	1,079,108.00	1,079,108.00			4.728	195	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	10,788,481.79	10,788,476.42	10,788,481.79	2.894		2.854	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	1,439,654.78	1,439,583.11	1,439,654.78	2.894		2.854	1	
Subtotal and Average			19,371,469.90		12,228,136.57	12,228,059.53	12,228,136.57			2.854	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	12,177,099.49	12,219,100.73	12,177,099.49	3.375		3.329	1	
Subtotal and Average			12,177,099.49		12,177,099.49	12,219,100.73	12,177,099.49			3.329	1	
Total and Average			88,753,538.41		86,188,444.06	86,208,774.96	86,214,366.96			3.481	580	

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Portfolio Management
Portfolio Details - Cash
June 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,016.93	10,016.93	10,016.93	0.150		0.148	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	1,542,408.03	1,542,408.03	1,542,408.03	1.665		1.642	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	24,377.26	24,377.26	24,377.26			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	0.00	0.00	0.00	4.500		4.438	1
		Average Balance	0.00								1
Total Cash and Investmentss			88,753,538.41		87,768,046.28	87,788,377.18	87,793,969.18			3.481	580

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Activity Report
Sorted By Issuer
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.150		172,123,481.93	172,198,772.59	
UNION OPERATING	9004	STATE OF CALIFORNIA			1.665		13,796,553.35	13,177,351.54	
PAYROLL	9005	STATE OF CALIFORNIA					626,971.96	627,729.84	
UNION IOC	9008	STATE OF CALIFORNIA			4.500		1,240,481.91	1,253,290.86	
Subtotal and Balance				1,049,257.90			187,787,489.15	187,257,144.83	1,579,602.22
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			2.894		83,498,732.05	81,600,000.00	
LAIF COPS07	9009	STATE OF CALIFORNIA			2.894		315,597.20	8,000,000.00	
Subtotal and Balance				18,013,807.32			83,814,329.25	89,600,000.00	12,228,136.57
Issuer Subtotal				15.732%	19,063,065.22		271,601,818.40	276,857,144.83	13,807,738.79
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
2050003183R	1996	California Bank & Trust			3.880	01/22/2008	0.00	79,108.00	
205003183	2066	California Bank & Trust			3.180	01/22/2008	79,108.00	0.00	
Subtotal and Balance				79,108.00			79,108.00	79,108.00	79,108.00
Issuer Subtotal				0.090%	79,108.00		79,108.00	79,108.00	79,108.00
Issuer: FANNIE MAE									
Federal Agency Issues- Callable									
31359M2L6	2012	FANNIE MAE			5.250	12/11/2007	0.00	3,000,000.00	
31398AMX7	2064	FANNIE MAE			3.000	02/22/2008	2,000,000.00	0.00	
Subtotal and Balance				3,000,000.00			2,000,000.00	3,000,000.00	2,000,000.00
Issuer Subtotal				2.279%	3,000,000.00		2,000,000.00	3,000,000.00	2,000,000.00

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Activity Report
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Farm Credit Bank										
Federal Agency Issues- Callable										
31331YCZ1	2043	Federal Farm Credit Bank			4.490	11/07/2007	3,000,000.00		0.00	
31331YCZ1	2043	Federal Farm Credit Bank				02/05/2008	0.00		3,000,000.00	
31331YB74	2073	Federal Farm Credit Bank			3.180	04/07/2008	2,000,000.00		0.00	
Subtotal and Balance					0.00		5,000,000.00		3,000,000.00	2,000,000.00
Issuer Subtotal			2.279%		0.00		5,000,000.00		3,000,000.00	2,000,000.00

Issuer: Federal Home Loan Bank

Federal Agency Issues- Callable

3133XEMS5	1998	Federal Home Loan Bank			5.000	11/28/2007	0.00		3,000,000.00	
3133XETX7	2001	Federal Home Loan Bank			5.125	09/14/2007	0.00		3,000,000.00	
3133XF2C9	2002	Federal Home Loan Bank			5.250	10/03/2007	0.00		3,000,000.00	
3133XJ2P2	2010	Federal Home Loan Bank			5.200	12/05/2007	0.00		3,000,000.00	
3133XJ6Q6	2013	Federal Home Loan Bank			5.125	07/20/2007	0.00		3,000,000.00	
3133XJVV1	2015	Federal Home Loan Bank			5.375	07/10/2007	0.00		3,000,000.00	
3133XJR91	2016	Federal Home Loan Bank			5.400	10/30/2007	0.00		3,000,000.00	
3133XJSD1	2017	Federal Home Loan Bank			5.250	01/02/2008	0.00		3,000,000.00	
3133XJVV7	2018	Federal Home Loan Bank			5.250	08/15/2007	0.00		3,000,000.00	
3133XJU55	2019	Federal Home Loan Bank			5.350	11/21/2007	0.00		3,000,000.00	
3133XK3C7	2022	Federal Home Loan Bank			5.500	12/13/2007	0.00		3,000,000.00	
3133XK6A8	2024	Federal Home Loan Bank			5.300	11/19/2007	0.00		3,000,000.00	
3133XKLA1	2030	Federal Home Loan Bank			5.375	11/01/2007	0.00		3,000,000.00	
3133XKN50	2031	Federal Home Loan Bank			5.300	11/07/2007	0.00		5,000,000.00	
3133XKSS5	2032	Federal Home Loan Bank			5.300	11/09/2007	0.00		3,000,000.00	
3133XL6E8	2033	Federal Home Loan Bank			5.400	12/11/2007	0.00		5,000,000.00	
3133XLEW9	2034	Federal Home Loan Bank			5.500	07/02/2007	3,000,000.00		0.00	
3133XLEW9	2034	Federal Home Loan Bank				01/02/2008	0.00		3,000,000.00	
3133XKVD4	2035	Federal Home Loan Bank			5.500	07/10/2007	3,000,000.00		0.00	
3133XKVD4	2035	Federal Home Loan Bank				10/21/2007	0.00		3,000,000.00	
3133XLMZ3	2036	Federal Home Loan Bank			5.450	07/23/2007	3,000,000.00		0.00	
3133XLMZ3	2036	Federal Home Loan Bank				01/23/2008	0.00		3,000,000.00	
3133XLT7	2037	Federal Home Loan Bank			5.550	07/30/2007	3,000,000.00		0.00	
3133XLYB3	2038	Federal Home Loan Bank			5.375	08/20/2007	3,000,000.00		0.00	
3133XLYB3	2038	Federal Home Loan Bank				11/20/2007	0.00		3,000,000.00	

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July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
3133XMXC0	2039	Federal Home Loan Bank			4.500	11/06/2007	1,000,000.00	0.00	
3133XMXC0	2039	Federal Home Loan Bank				05/06/2008	0.00	1,000,000.00	
3133XMX71	2042	Federal Home Loan Bank			4.500	11/14/2007	2,000,000.00	0.00	
3133XN6X2	2045	Federal Home Loan Bank			4.500	11/20/2007	2,000,000.00	0.00	
3133XN7B9	2046	Federal Home Loan Bank			4.400	11/28/2007	2,000,000.00	0.00	
3133XN7B9	2046	Federal Home Loan Bank				05/28/2008	0.00	2,000,000.00	
3133XN6R5	2047	Federal Home Loan Bank			4.500	11/28/2007	2,000,000.00	0.00	
3133XN6R5	2047	Federal Home Loan Bank				02/28/2008	0.00	2,000,000.00	
3133XNC56	2048	Federal Home Loan Bank			4.600	11/28/2007	2,000,000.00	0.00	
3133XNC56	2048	Federal Home Loan Bank				02/28/2008	0.00	2,000,000.00	
3133XNEF2	2049	Federal Home Loan Bank			4.600	11/26/2007	2,000,000.00	0.00	
3133XNEF2	2049	Federal Home Loan Bank				05/23/2008	0.00	2,000,000.00	
3133XNGT0	2050	Federal Home Loan Bank			4.500	12/04/2007	2,000,000.00	0.00	
3133XNGT0	2050	Federal Home Loan Bank				03/04/2008	0.00	2,000,000.00	
3133XNKN8	2051	Federal Home Loan Bank			4.300	12/10/2007	2,000,000.00	0.00	
3133XNKN8	2051	Federal Home Loan Bank				06/10/2008	0.00	2,000,000.00	
3133XNFC8	2052	Federal Home Loan Bank			4.500	12/07/2007	2,000,000.00	0.00	
3133XNFC8	2052	Federal Home Loan Bank				06/03/2008	0.00	2,000,000.00	
3133XNLN7	2053	Federal Home Loan Bank			4.300	12/11/2007	2,000,000.00	0.00	
3133XNLN7	2053	Federal Home Loan Bank				06/11/2008	0.00	2,000,000.00	
3133XNN47	2054	Federal Home Loan Bank			4.450	12/12/2007	2,000,000.00	0.00	
3133XNN47	2054	Federal Home Loan Bank				03/12/2008	0.00	2,000,000.00	
3133XNN62	2055	Federal Home Loan Bank			4.450	12/12/2007	2,000,000.00	0.00	
3133XNN62	2055	Federal Home Loan Bank				03/12/2008	0.00	2,000,000.00	
3133XNM63	2056	Federal Home Loan Bank			4.550	12/17/2007	2,000,000.00	0.00	
3133XNM63	2056	Federal Home Loan Bank				03/17/2008	0.00	2,000,000.00	
3133XNP52	2057	Federal Home Loan Bank			4.375	12/17/2007	2,000,000.00	0.00	
3133XNS42	2058	Federal Home Loan Bank			4.250	12/18/2007	2,000,000.00	0.00	
3133XNPR4	2059	Federal Home Loan Bank			4.350	12/24/2007	1,800,000.00	0.00	
3133XPDR2	2062	Federal Home Loan Bank			3.060	01/30/2008	2,000,000.00	0.00	
3133XPDS0	2063	Federal Home Loan Bank			3.250	01/30/2008	2,000,000.00	0.00	
3133XPWL4	2065	Federal Home Loan Bank			3.000	02/26/2008	2,000,000.00	0.00	
3133XPX90	2067	Federal Home Loan Bank			3.020	03/05/2008	2,000,000.00	0.00	
3133XPZN7	2068	Federal Home Loan Bank			3.350	03/03/2008	1,905,000.00	0.00	

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Activity Report
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133XQC91	2070	Federal Home Loan Bank			3.125	03/17/2008	2,000,000.00		0.00	
3133XQF23	2071	Federal Home Loan Bank			3.250	03/25/2008	2,000,000.00		0.00	
3133XQJ78	2072	Federal Home Loan Bank			3.150	04/14/2008	2,000,000.00		0.00	
3133XQMC3	2074	Federal Home Loan Bank			2.900	04/14/2008	2,000,000.00		0.00	
3133XQUX8	2075	Federal Home Loan Bank			3.100	04/29/2008	2,000,000.00		0.00	
3133XRNM8	2083	Federal Home Loan Bank			3.650	06/30/2008	2,000,000.00		0.00	
3133XRK74	2084	Federal Home Loan Bank			3.500	06/30/2008	2,000,000.00		0.00	
Subtotal and Balance				52,000,000.00			71,705,000.00	87,000,000.00		36,705,000.00
Federal Agency Issues - Coupon										
3133XMY62	2040	Federal Home Loan Bank			4.420	11/08/2007	2,000,000.00		0.00	
3133XMY62	2040	Federal Home Loan Bank				05/08/2008	0.00	2,000,000.00		
3133XMYS4	2041	Federal Home Loan Bank			4.500	11/14/2007	2,000,000.00		0.00	
3133XMYS4	2041	Federal Home Loan Bank				04/14/2008	0.00	2,000,000.00		
Subtotal and Balance				0.00			4,000,000.00	4,000,000.00		0.00
Issuer Subtotal				41.820%	52,000,000.00		75,705,000.00	91,000,000.00		36,705,000.00

Issuer: Federal Home Loan Mortgage

Federal Agency Issues- Callable										
3128X4K67	2000	Federal Home Loan Mortgage			5.250	12/07/2007	0.00	3,000,000.00		
3128X4DY4	2004	Federal Home Loan Mortgage			4.000	07/13/2007	0.00	3,000,000.00		
3128X5C55	2020	Federal Home Loan Mortgage			5.500	12/05/2007	0.00	3,000,000.00		
3128X5G93	2021	Federal Home Loan Mortgage			5.320	12/06/2007	0.00	3,000,000.00		
3128X5P51	2023	Federal Home Loan Mortgage			5.300	12/14/2007	0.00	3,000,000.00		
3128X5Z35	2026	Federal Home Loan Mortgage			5.300	10/09/2007	0.00	3,000,000.00		
3128X5Z35	2027	Federal Home Loan Mortgage			5.300	10/09/2007	0.00	5,000,000.00		
3128X5Z84	2028	Federal Home Loan Mortgage			5.400	10/17/2007	0.00	3,000,000.00		
3128X5Z84	2029	Federal Home Loan Mortgage			5.400	10/17/2007	0.00	5,000,000.00		
3128X7TT1	2079	Federal Home Loan Mortgage			3.625	06/02/2008	2,000,000.00		0.00	
3128X7YG3	2082	Federal Home Loan Mortgage			4.750	06/26/2008	2,000,000.00		0.00	
Subtotal and Balance				31,000,000.00			4,000,000.00	31,000,000.00		4,000,000.00
Issuer Subtotal				4.557%	31,000,000.00		4,000,000.00	31,000,000.00		4,000,000.00

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Activity Report
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
Issuer: Federal National Mortgage Assoc									
Federal Agency Issues- Callable									
31359MG31	1997	Federal National Mortgage Assoc			5.000	08/24/2007	0.00	3,000,000.00	
31398AKS0	2060	Federal National Mortgage Assoc			4.500	01/07/2008	2,000,000.00	0.00	
31398ANH1	2069	Federal National Mortgage Assoc			3.250	03/10/2008	2,000,000.00	0.00	
3136F9LP6	2076	Federal National Mortgage Assoc			3.000	04/28/2008	1,999,100.00	0.00	
3136F9NB5	2077	Federal National Mortgage Assoc			3.100	05/12/2008	2,000,000.00	0.00	
31398ARD6	2078	Federal National Mortgage Assoc			3.600	05/19/2008	2,000,000.00	0.00	
3136F9SA2	2080	Federal National Mortgage Assoc			3.265	06/10/2008	2,000,000.00	0.00	
3136F9TS2	2081	Federal National Mortgage Assoc			3.500	06/25/2008	2,000,000.00	0.00	
		Subtotal and Balance					13,999,100.00	3,000,000.00	13,999,100.00
		Issuer Subtotal	15.950%				13,999,100.00	3,000,000.00	13,999,100.00
Issuer: General Electric Capital									
Corporate Notes									
36962G2S2	2044	General Electric Capital			5.000	11/16/2007	2,000,000.00	0.00	
		Subtotal and Balance					2,000,000.00	0.00	2,000,000.00
		Issuer Subtotal	2.279%				2,000,000.00	0.00	2,000,000.00
Issuer: Neighborhood National Bank									
Certificates of Deposit - Bank									
1002812475	2061	Neighborhood National Bank			4.850	12/13/2007	1,000,000.00	0.00	
		Subtotal and Balance					1,000,000.00	0.00	1,000,000.00
		Issuer Subtotal	1.139%				1,000,000.00	0.00	1,000,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			3.375		12,071,173.34	0.00	
		Subtotal and Balance					12,071,173.34	0.00	12,177,099.49
		Issuer Subtotal	13.874%				12,071,173.34	0.00	12,177,099.49

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Activity Report
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Current Rate	Transaction Date	Par Value		Ending Balance
				Beginning Balance				Purchases or Deposits	Redemptions or Withdrawals	
		Total	100.000%	108,248,099.37				387,456,199.74	407,936,252.83	87,768,046.28

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GASB 31 Compliance Detail
Sorted by Fund - Investment Class
July 1, 2007 - June 30, 2008

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		8,885,705.10	0.00	913,732.05	913,732.05	0.00	4,039.27	10,788,476.42
LAIF COPS07	9009	99	Fair Value		9,119,906.33	0.00	315,597.20	8,000,000.00	0.00	4,079.58	1,439,583.11
UNION MONEY	9002	99	Amortized		85,307.59	0.00	1,614.20	76,904.86	0.00	0.00	10,016.93
PETTY CASH	9003	99	Amortized		2,800.00	0.00	0.00	0.00	0.00	0.00	2,800.00
UNION OPERATING	9004	99	Amortized		923,206.22	0.00	0.00	0.00	0.00	0.00	1,542,408.03
PAYROLL	9005	99	Amortized		25,135.14	0.00	0.00	757.88	0.00	0.00	24,377.26
2050003183R	1996	99	Amortized	01/22/2008	79,108.00	0.00	0.00	79,108.00	0.00	0.00	0.00
UNION IOC	9008	99	Amortized		12,808.95	0.00	601.50	13,410.45	0.00	0.00	0.00
1002812475	2061	99	Amortized	12/13/2008	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
205003183	2066	99	Amortized	01/22/2010	0.00	79,108.00	0.00	0.00	0.00	0.00	79,108.00
SD COUNTY POOL	9007	99	Fair Value		105,826.00	0.00	171,173.34	171,173.34	0.00	42,101.40	12,219,100.73
31359MG31	1997	99	Fair Value	08/24/2007	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XEMS5	1998	99	Fair Value	11/28/2007	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3128X4K67	2000	99	Fair Value	03/07/2008	2,996,487.12	0.00	0.00	3,000,000.00	0.00	3,512.88	0.00
3133XETX7	2001	99	Fair Value	09/14/2007	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XF2C9	2002	99	Fair Value	10/03/2007	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3128X4DY4	2004	99	Fair Value	07/13/2007	2,998,661.96	0.00	0.00	3,000,000.00	0.00	1,338.04	0.00
3133XJ2P2	2010	99	Fair Value	12/05/2007	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
31359M2L6	2012	99	Fair Value	06/11/2008	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3133XJ6Q6	2013	99	Fair Value	12/29/2008	2,989,687.50	0.00	0.00	2,983,125.00	0.00	-6,562.50	0.00
3133XJVV1	2015	99	Fair Value	07/10/2008	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3133XJR91	2016	99	Fair Value	01/30/2009	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XJSD1	2017	99	Fair Value	01/02/2008	2,996,250.00	0.00	0.00	3,000,000.00	0.00	3,750.00	0.00
3133XJU55	2019	99	Fair Value	02/23/2009	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3133XJVV7	2018	99	Fair Value	02/15/2008	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
3128X5C55	2020	99	Fair Value	03/05/2010	2,994,552.16	0.00	0.00	3,000,000.00	0.00	5,447.84	0.00
3128X5G93	2021	99	Fair Value	03/06/2009	2,994,197.84	0.00	0.00	3,000,000.00	0.00	5,802.16	0.00
3133XK3C7	2022	99	Fair Value	03/13/2009	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3128X5P51	2023	99	Fair Value	09/14/2009	2,990,516.97	0.00	0.00	3,000,000.00	0.00	9,483.03	0.00
3133XK6A8	2024	99	Fair Value	09/19/2008	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00

Portfolio OTAY
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GASB 31 Compliance Detail
Sorted by Fund - Investment Class

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
3128X5Z35	2026	99	Fair Value	10/09/2008	2,995,527.19	0.00	0.00	3,000,000.00	0.00	4,472.81	0.00
3128X5Z84	2028	99	Fair Value	04/17/2009	2,996,358.03	0.00	0.00	3,000,000.00	0.00	3,641.97	0.00
3133XKLA1	2030	99	Fair Value	05/01/2009	2,996,250.00	0.00	0.00	3,000,000.00	0.00	3,750.00	0.00
3133XKSS5	2032	99	Fair Value	05/09/2008	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
3133XLEW9	2034	99	Fair Value	07/02/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XKVD4	2035	99	Fair Value	05/21/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XLMZ3	2036	99	Fair Value	07/23/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XLT7	2037	99	Fair Value	07/30/2010	0.00	3,000,000.00	0.00	0.00	0.00	6,562.50	3,006,562.50
3133XLYB3	2038	99	Fair Value	08/20/2008	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XMXC0	2039	99	Fair Value	11/06/2008	0.00	1,000,000.00	0.00	1,000,000.00	0.00	0.00	0.00
3133XMY62	2040	99	Fair Value	05/08/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XMYS4	2041	99	Fair Value	04/14/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XMX71	2042	99	Fair Value	08/14/2009	0.00	2,000,000.00	0.00	0.00	0.00	4,375.00	2,004,375.00
31331YCZ1	2043	99	Fair Value	11/05/2009	0.00	2,998,860.00	0.00	3,000,000.00	0.00	1,140.00	0.00
36962G2S2	2044	99	Fair Value	12/01/2010	0.00	2,033,740.00	0.00	0.00	0.00	17,964.10	2,051,704.10
3133XN6X2	2045	99	Fair Value	08/20/2010	0.00	2,000,000.00	0.00	0.00	0.00	4,375.00	2,004,375.00
3133XN7B9	2046	99	Fair Value	05/28/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XN6R5	2047	99	Fair Value	11/28/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNC56	2048	99	Fair Value	11/28/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNEF2	2049	99	Fair Value	11/23/2010	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNGT0	2050	99	Fair Value	12/04/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNKN8	2051	99	Fair Value	12/10/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNFC8	2052	99	Fair Value	12/03/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNLN7	2053	99	Fair Value	06/11/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNN47	2054	99	Fair Value	06/12/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNN62	2055	99	Fair Value	03/12/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNM63	2056	99	Fair Value	12/17/2010	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNP52	2057	99	Fair Value	09/17/2010	0.00	2,000,000.00	0.00	0.00	0.00	6,250.00	2,006,250.00
3133XNS42	2058	99	Fair Value	06/18/2010	0.00	2,000,000.00	0.00	0.00	0.00	11,250.00	2,011,250.00
3133XNPR4	2059	99	Fair Value	12/24/2010	0.00	1,800,000.00	0.00	0.00	0.00	10,687.50	1,810,687.50
31398AKS0	2060	99	Fair Value	01/07/2011	0.00	2,000,000.00	0.00	0.00	0.00	12,500.00	2,012,500.00
3133XPDR2	2062	99	Fair Value	01/29/2010	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
3133XPDS0	2063	99	Fair Value	07/30/2010	0.00	2,000,000.00	0.00	0.00	0.00	-2,500.00	1,997,500.00
31398AMX7	2064	99	Fair Value	02/19/2010	0.00	2,000,000.00	0.00	0.00	0.00	-1,875.00	1,998,125.00
3133XPWL4	2065	99	Fair Value	02/26/2010	0.00	2,000,000.00	0.00	0.00	0.00	-3,125.00	1,996,875.00
3133XPX90	2067	99	Fair Value	03/05/2010	0.00	2,000,000.00	0.00	0.00	0.00	-2,500.00	1,997,500.00

Portfolio OTAY
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OTAY
GASB 31 Compliance Detail
Sorted by Fund - Investment Class

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
3133XPZN7	2068	99	Fair Value	09/03/2010	0.00	1,905,000.00	0.00	0.00	0.00	0.00	1,905,000.00
31398ANH1	2069	99	Fair Value	02/25/2011	0.00	2,000,000.00	0.00	0.00	0.00	-11,875.00	1,988,125.00
3133XQC91	2070	99	Fair Value	12/17/2010	0.00	2,000,000.00	0.00	0.00	0.00	-14,375.00	1,985,625.00
3133XQF23	2071	99	Fair Value	03/25/2011	0.00	2,000,000.00	0.00	0.00	0.00	-16,875.00	1,983,125.00
3133XQJ78	2072	99	Fair Value	04/14/2011	0.00	2,000,000.00	0.00	0.00	0.00	-34,375.00	1,965,625.00
31331YB74	2073	99	Fair Value	04/07/2011	0.00	2,000,000.00	0.00	0.00	0.00	-20,625.00	1,979,375.00
3133XQMC3	2074	99	Fair Value	10/14/2010	0.00	2,000,000.00	0.00	0.00	0.00	-20,000.00	1,980,000.00
3133XQUX8	2075	99	Fair Value	10/29/2010	0.00	2,000,000.00	0.00	0.00	0.00	-12,500.00	1,987,500.00
3136F9LP6	2076	99	Fair Value	04/28/2010	0.00	1,999,100.00	0.00	0.00	0.00	-5,622.47	1,993,477.53
3136F9NB5	2077	99	Fair Value	05/12/2010	0.00	2,000,000.00	0.00	0.00	0.00	-8,125.00	1,991,875.00
31398ARD6	2078	99	Fair Value	05/19/2011	0.00	1,999,080.00	0.00	0.00	0.00	-1,580.00	1,997,500.00
3128X7TT1	2079	99	Fair Value	06/02/2011	0.00	2,000,000.00	0.00	0.00	0.00	-2,489.93	1,997,510.07
3136F9SA2	2080	99	Fair Value	06/10/2010	0.00	2,000,000.00	0.00	0.00	0.00	625.00	2,000,625.00
3136F9TS2	2081	99	Fair Value	06/25/2010	0.00	2,000,000.00	0.00	0.00	0.00	3,125.00	2,003,125.00
3128X7YG3	2082	99	Fair Value	06/26/2013	0.00	2,000,000.00	0.00	0.00	0.00	6,940.00	2,006,940.00
3133XRNM8	2083	99	Fair Value	03/30/2010	0.00	2,000,000.00	0.00	0.00	0.00	11,250.00	2,011,250.00
3133XRK74	2084	99	Fair Value	12/30/2009	0.00	2,000,000.00	0.00	0.00	0.00	8,125.00	2,008,125.00
Subtotal					88,152,667.10	103,814,888.00	1,402,718.29	120,238,211.58	0.00	67,208.18	87,788,377.18
Fund: LAIF COPS 07 INVESTMENTS											
3128X5Z35	2027	COPS07	Fair Value	10/09/2008	4,992,545.32	0.00	0.00	5,000,000.00	0.00	7,454.68	0.00
3128X5Z84	2029	COPS07	Fair Value	04/17/2009	4,993,930.06	0.00	0.00	5,000,000.00	0.00	6,069.95	0.00
3133XKN50	2031	COPS07	Fair Value	11/07/2008	4,992,187.50	0.00	0.00	5,000,000.00	0.00	7,812.50	0.00
3133XL6E8	2033	COPS07	Fair Value	12/11/2008	4,996,875.00	0.00	0.00	5,000,000.00	0.00	3,125.00	0.00
Subtotal					19,975,537.88	0.00	0.00	20,000,000.00	0.00	24,462.13	0.00
Total					108,128,204.98	103,814,888.00	1,402,718.29	140,238,211.58	0.00	91,670.31	87,788,377.18

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 06/30/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
36962G2S2	2044	99	General Electric Capital	Fair	2,026,807.12	2,000,000.00	2,051,704.10	5.000	4.401	3.870	12/01/2010	2.255
3133XLT7	2037	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,006,562.50	5.550	5.550	5.101 c	07/30/2008	0.079
3133XNP52	2057	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,006,250.00	4.375	4.375	3.738 c	09/17/2008	0.000
3133XNPR4	2059	99	Federal Home Loan Bank	Fair	1,800,000.00	1,800,000.00	1,810,687.50	4.350	4.350	3.144 c	12/24/2008	0.482
3133XN6X2	2045	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,004,375.00	4.500	4.498	4.054 c	08/20/2008	0.000
3133XMX71	2042	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,004,375.00	4.500	4.496	4.054 c	08/14/2008	0.000
3133XNS42	2058	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,011,250.00	4.250	4.250	3.108 c	12/18/2008	0.465
3133XPDS0	2063	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,997,500.00	3.250	3.250	3.473 c	01/30/2009	0.562
31331YB74	2073	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,979,375.00	3.180	3.180	4.570 c	04/07/2009	0.741
31398AMX7	2064	99	FANNIE MAE	Fair	2,000,000.00	2,000,000.00	1,998,125.00	3.000	3.000	3.154 c	02/19/2009	0.615
3133XPX90	2067	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,997,500.00	3.020	3.020	3.212 c	03/05/2009	0.659
3133XPWL4	2065	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,875.00	3.000	3.000	3.248 c	02/26/2009	0.635
3133XPDR2	2062	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,000.00	3.060	3.060	3.063 c	01/29/2009	0.561
3133XPZN7	2068	99	Federal Home Loan Bank	Fair	1,905,000.00	1,905,000.00	1,905,000.00	3.350	3.350	3.350 c	09/03/2008	0.175
3133XQMC3	2074	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,980,000.00	2.900	2.900	4.211 c	04/14/2009	0.762
3128X7TT1	2079	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,510.07	3.625	3.625	3.767 c	06/02/2009	0.893
31398ARD6	2078	99	Federal National Mortgage Assoc	Fair	1,999,115.78	2,000,000.00	1,997,500.00	3.600	3.619	3.749 c	05/19/2009	0.858
3136F9LP6	2076	99	Federal National Mortgage Assoc	Fair	1,999,100.00	1,999,100.00	1,993,477.53	3.000	3.000	3.352 c	04/28/2009	0.804
31398ANH1	2069	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,988,125.00	3.250	3.250	4.191 c	02/25/2009	0.628
3136F9NB5	2077	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,991,875.00	3.100	3.100	3.585 c	05/12/2009	0.841
31398AKS0	2060	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,012,500.00	4.500	4.500	3.271 c	01/07/2009	0.497
3128X7YG3	2082	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,006,940.00	4.750	4.750	4.042 c	09/26/2008	0.000
3136F9SA2	2080	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,000,625.00	3.265	3.265	3.232 c	06/10/2009	0.918
3133XRK74	2084	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,008,125.00	3.500	3.500	2.677 c	12/30/2008	0.498
3133XQUX8	2075	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,987,500.00	3.100	3.100	3.879 c	04/29/2009	0.804
3133XRNM8	2083	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,011,250.00	3.650	3.648	2.891 c	03/30/2009	0.243
3133XQJ78	2072	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,965,625.00	3.150	3.150	5.419 c	04/14/2009	0.757
3136F9TS2	2081	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,003,125.00	3.500	3.500	3.183 c	09/25/2008	0.000
3133XQC91	2070	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,985,625.00	3.125	3.124	4.596 c	12/17/2008	0.463

Portfolio OTAY

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OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 06/30/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XQF23	2071	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,983,125.00	3.250	3.250	4.438 c	03/25/2009	0.709
205003183	2066	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.180	3.224	3.180	01/22/2010	1.517 †
1002812475	2061	99	Neighborhood National Bank	Amort	1,000,000.00	1,000,000.00	1,000,000.00	4.850	4.917	4.850	12/13/2008	0.444 †
Report Total					61,809,130.90	61,783,208.00	61,761,614.70			3.761		0.556 †

† = Duration can not be calculated on these investments due to incomplete Market price data.

20-Gallon Challenge Progress Update

July 24, 2008



Strategy Recap

- Phase One – May
 - Heavy rotation; grab attention -- “supplies have been cut”
- Phase Two – June-September
 - Continue heavy rotation; shift to tips/behaviors
 - Prompt public to take action during high-water-use months
- Phase Three – October-April
 - Lower volume of messaging
 - Lowering water use for fall, push long-term behaviors

Current Status

- Advertising campaign phase two under way
 - TV
 - Radio
 - Outdoor
 - Online
 - Print



"Hosing" Television ad



June billboard on Highway 78

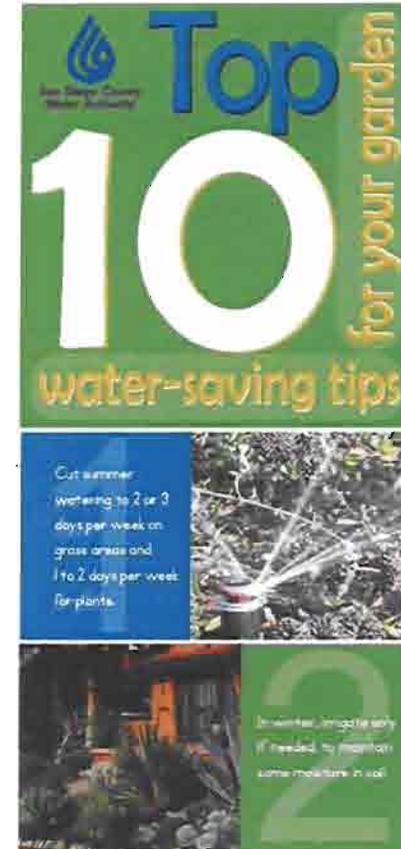
Other Community Activities

- Partnerships with museums with water exhibits
 - Natural History Museum (July 19)
 - Museum of Man (July 12)
- Media Relations
 - Approximately 190 reports/articles since June 2007
- Community Relations
 - 120+ presentations to date since June 2007
 - Booths at 40+ community events since Jan. 2008
 - Continuing to recruit community partners



Garden Collaborations

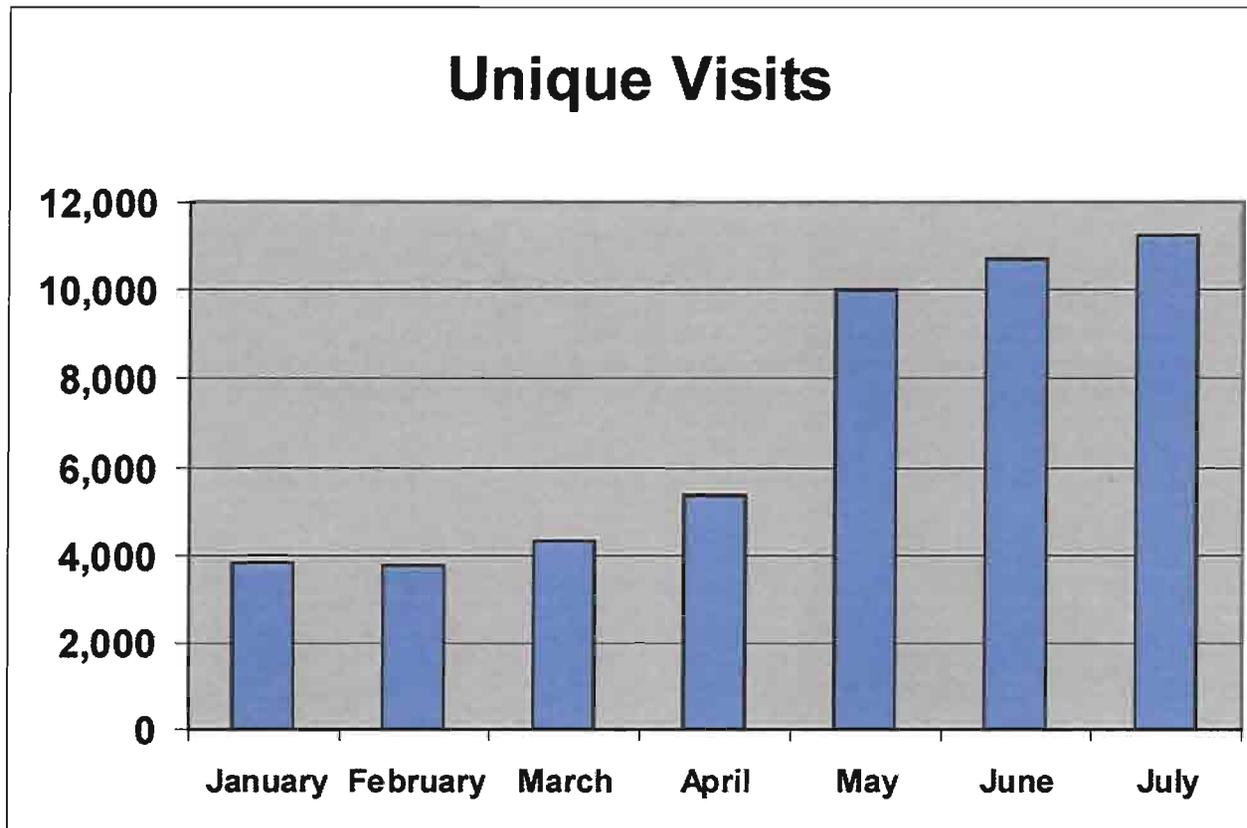
- Created new outdoor tips brochure in collaboration with Water Conservation Garden
- Worked with Quail Botanical Gardens on San Diego County Fair Display



Campaign Evaluation

- Primary metric: Regional water use levels
 - 4% to date (excluding IAWP reductions)
 - Need to see greater results over rest of high-water-use months
- Secondary metrics:
 - Website traffic levels/referrals
 - Tracking survey data
- Findings will help determine adjustments to advertising campaign

20gallonchallenge.com Traffic



Up 109%

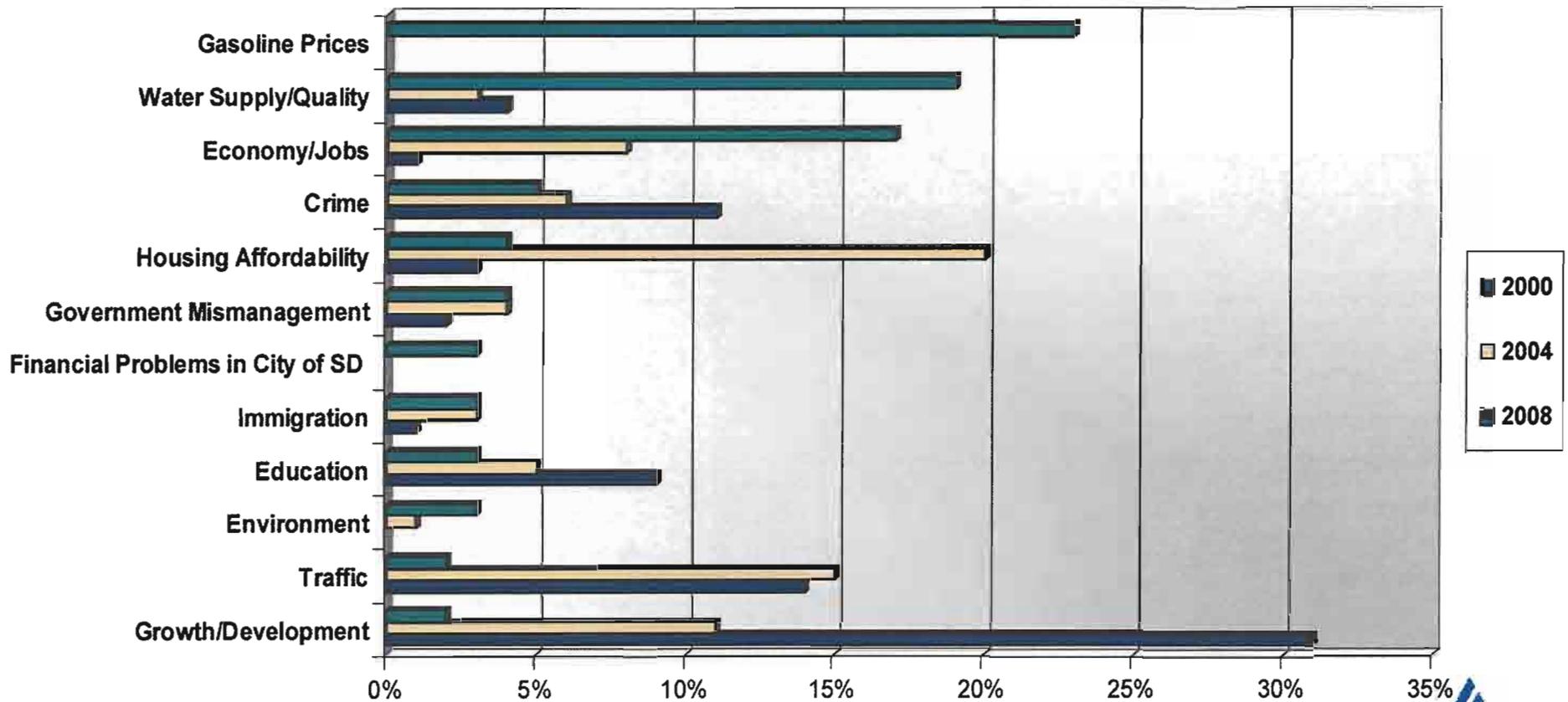
Tracking Poll

- Rea & Parker Research
- Conducted week of July 14
 - Halfway point of five-month heavy rotation
- 400+ households countywide
 - Margin of error +/- 4.8%
 - More than half homeowners with irrigated landscape
- Purpose
 - Track changes in perceptions of water situation
 - Changes in reported conservation behavior
 - Awareness/effectiveness of advertising

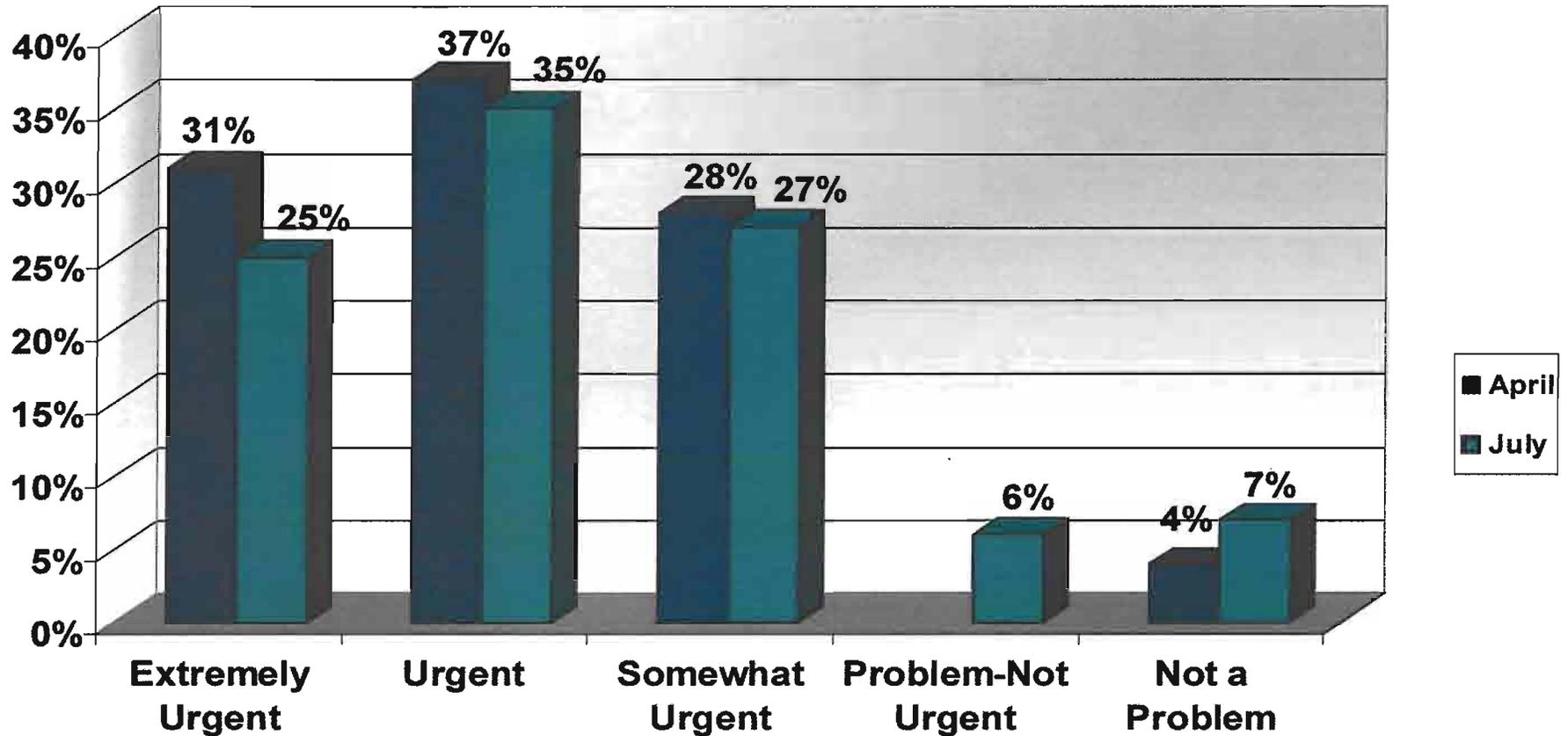


Most Important Issue Facing San Diego County Residents

Water supply/quality second to gas prices (19%)

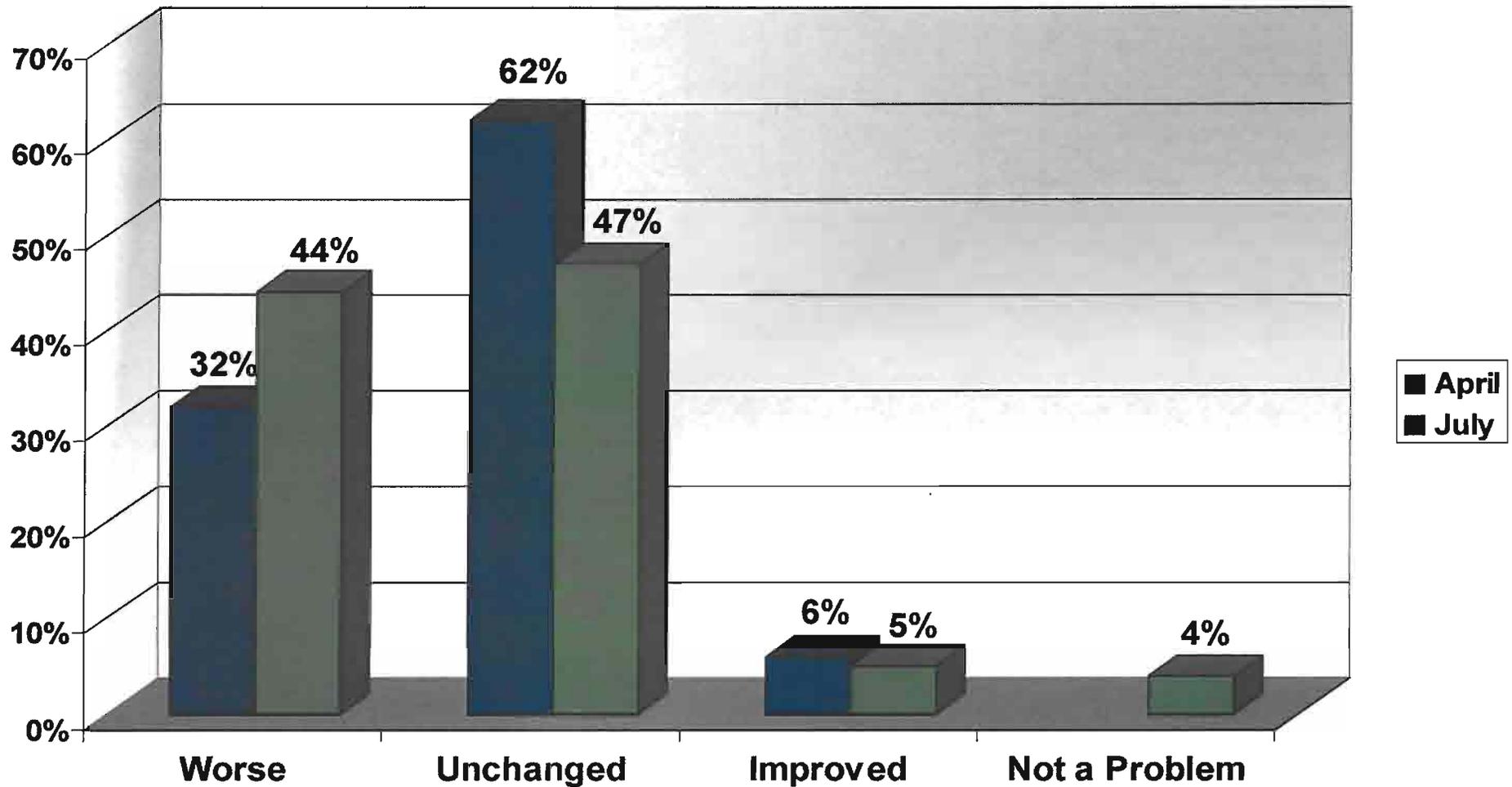


Urgency of San Diego Water Supply Problem



60% see issue as urgent/extremely urgent

Problem Worsened or Improved?

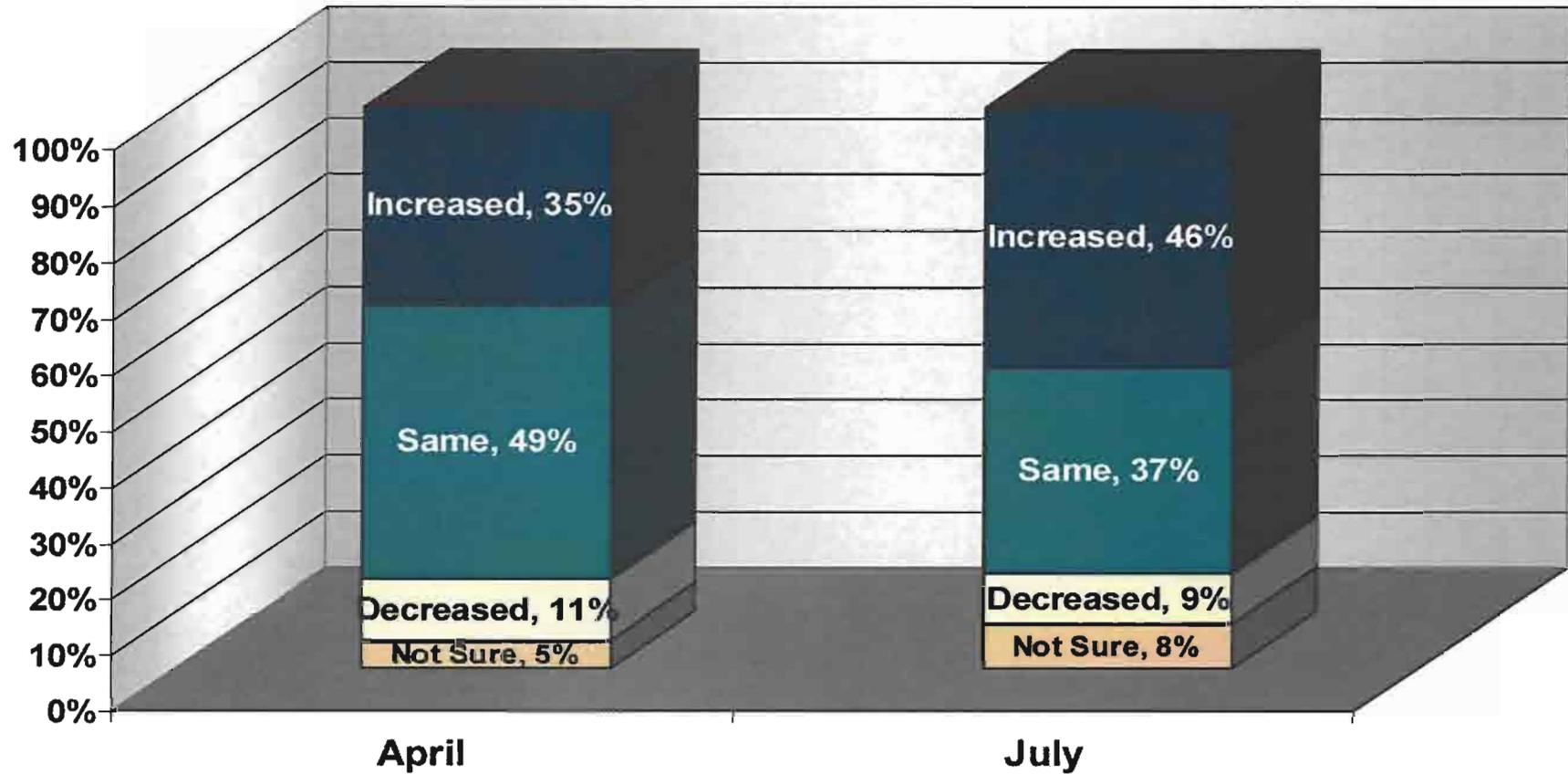


Respondents who feel water issues worsening up 12%



San Diego County
Water Authority

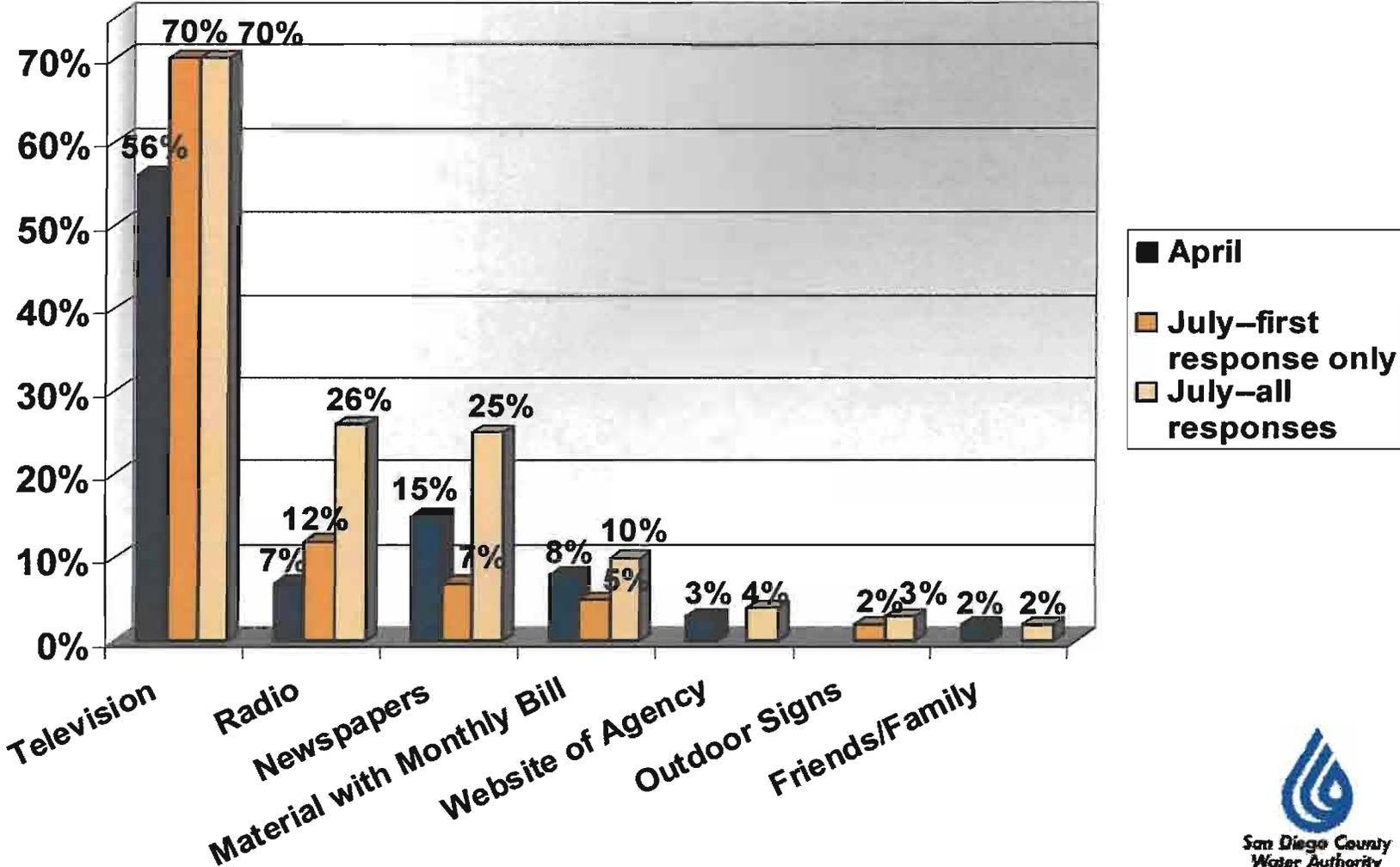
Changes in Conservation Efforts Last Six Months



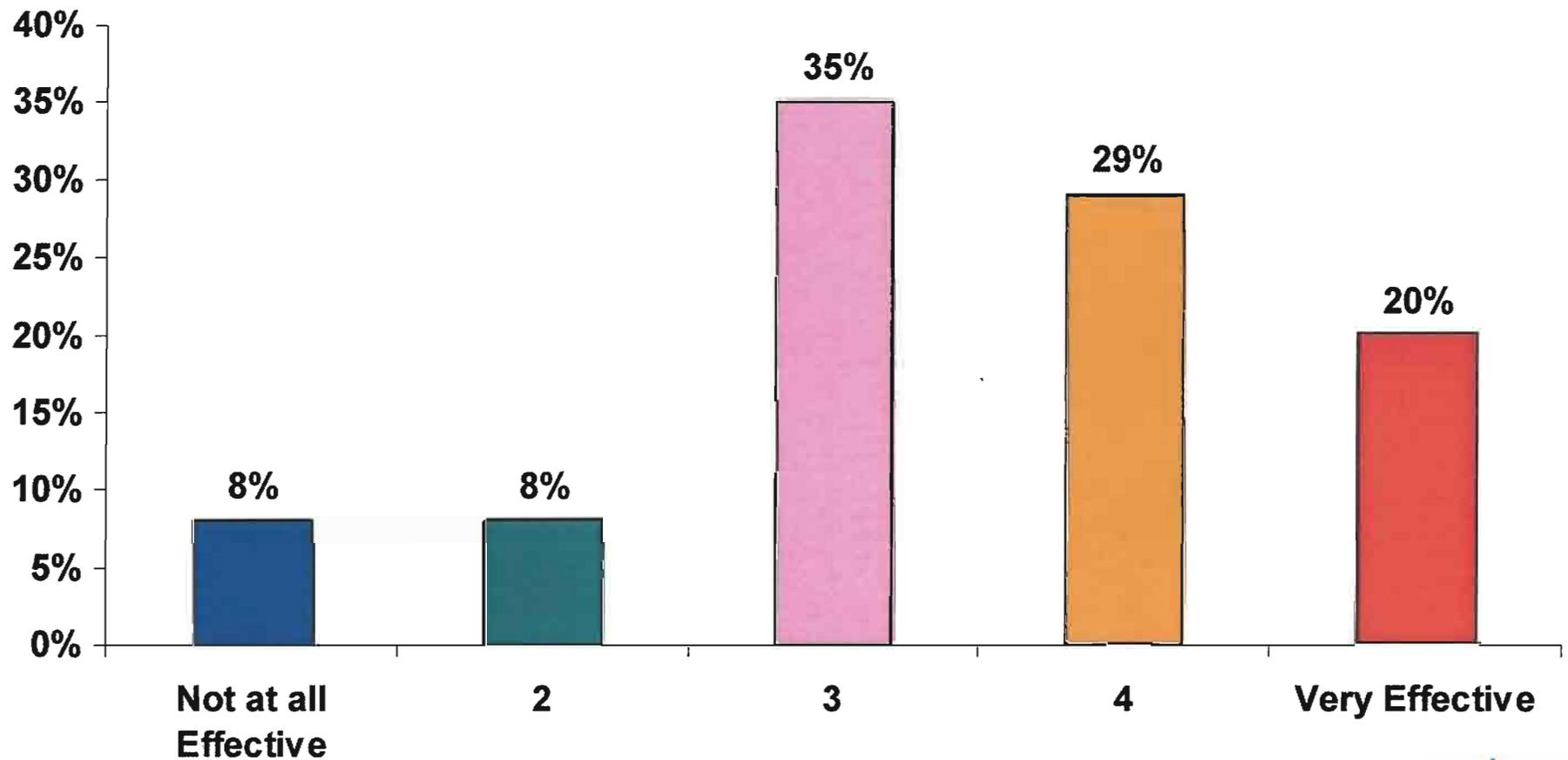
Respondents reporting increased conservation up 11%



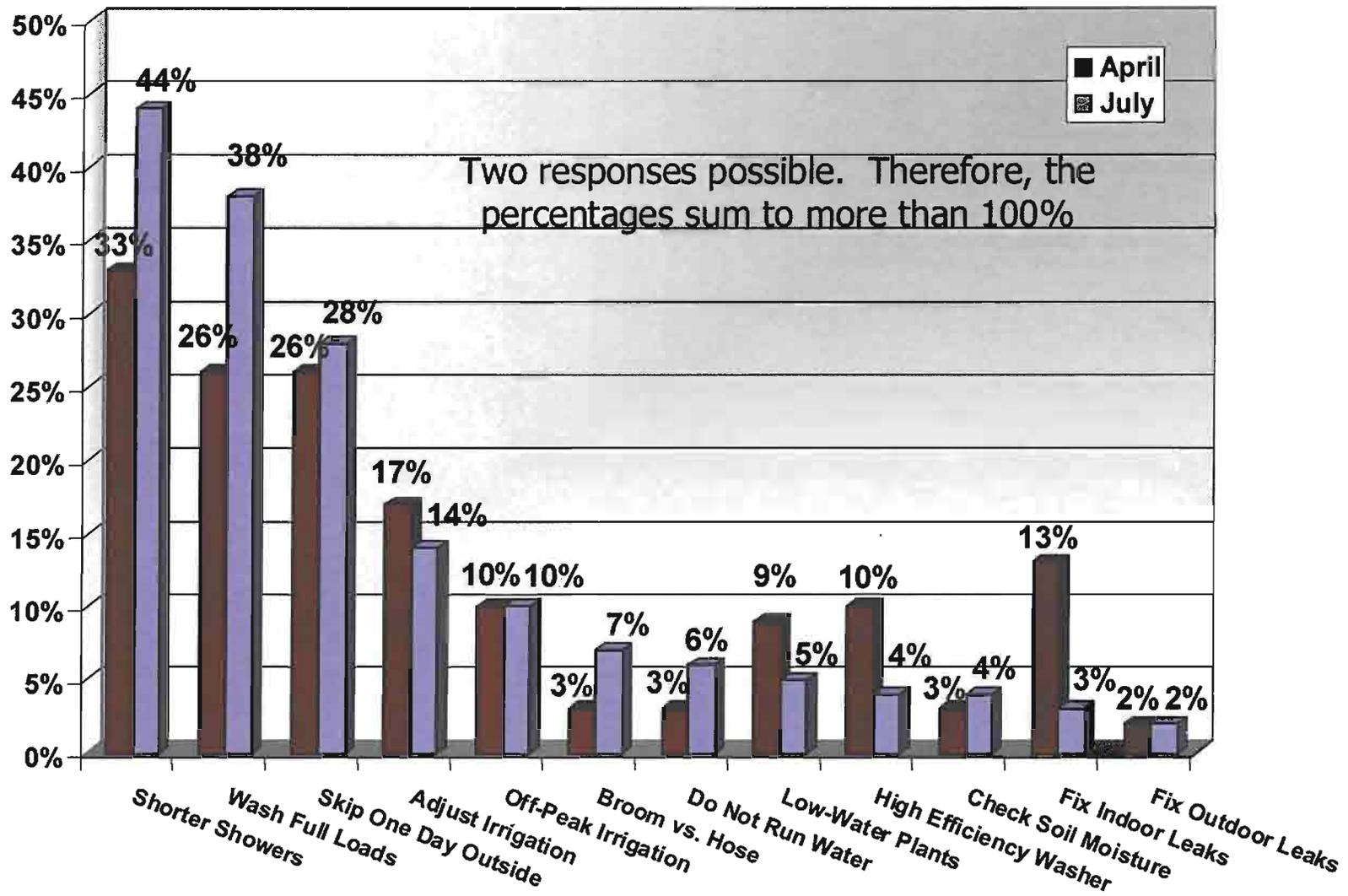
Where Conservation Messages Seen or Heard



Effectiveness of Messages in Motivating Conservation



Conservation Steps Taken in Response to Messages

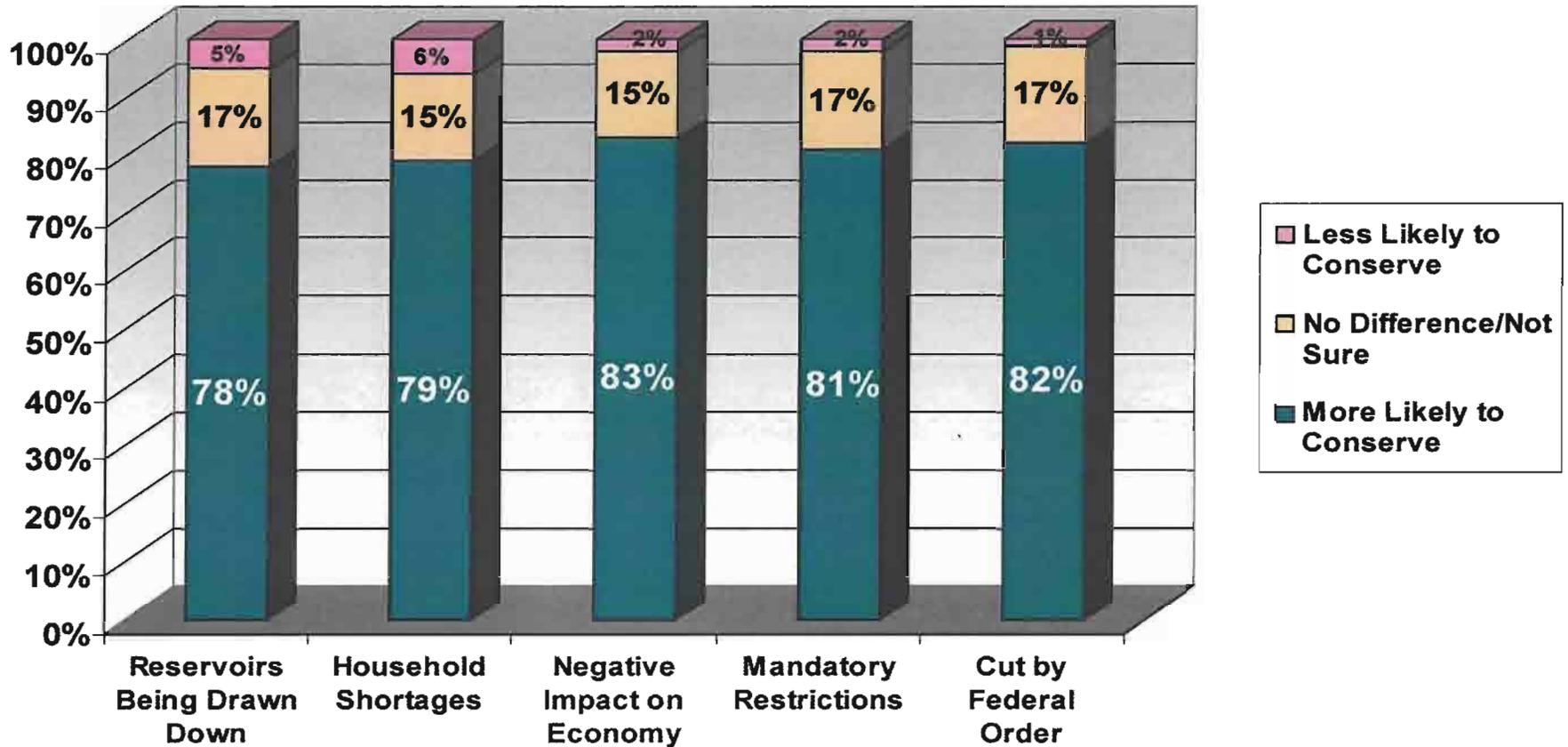


86% of those who heard messages responded in some way



San Diego County
Water Authority

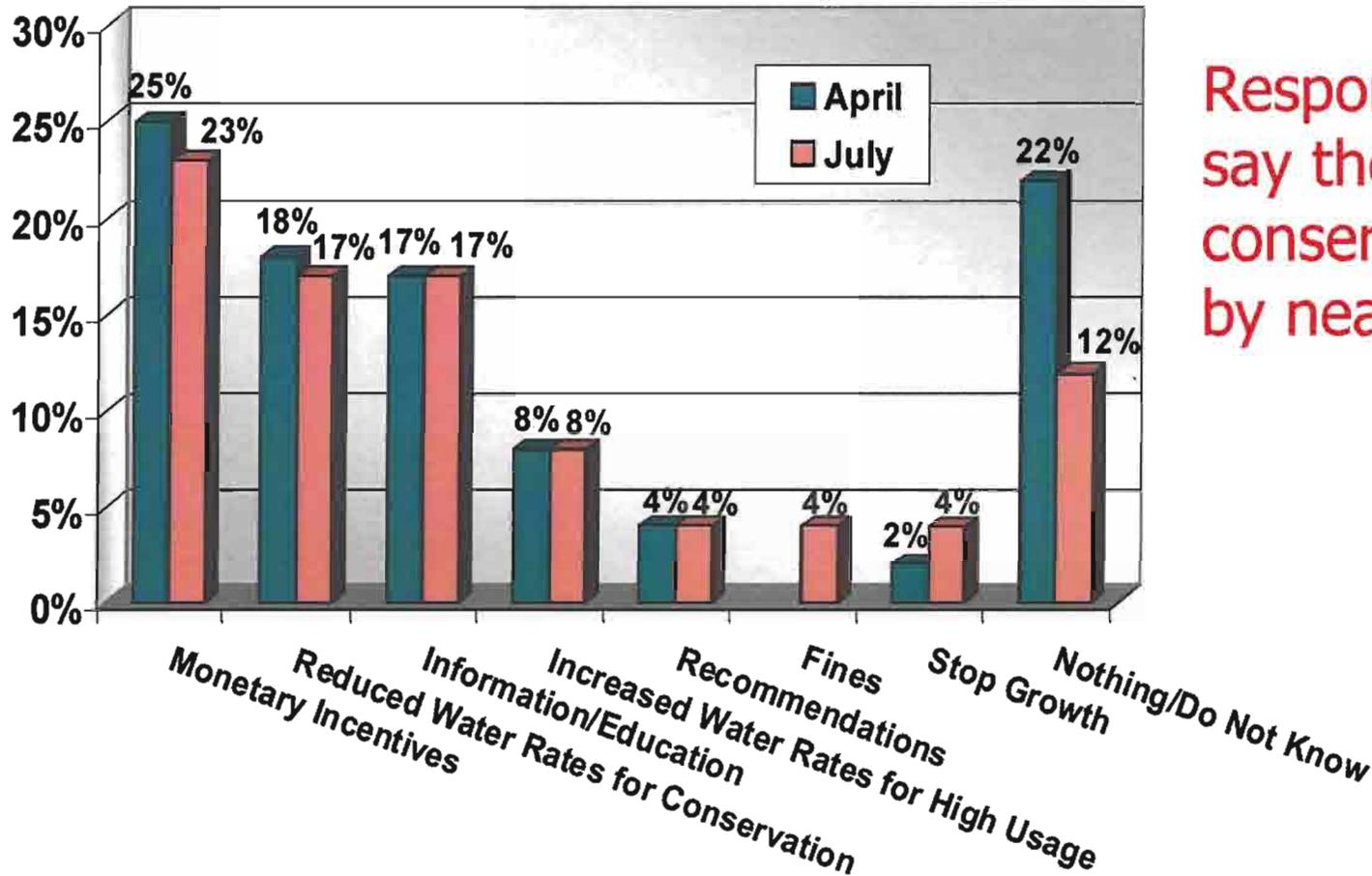
Likelihood of Increasing Conservation Efforts Under Various Scenarios



Consistent high levels of impact from urgent messages



One Thing That Water Authority Can Do to Motivate Conservation



Respondents who say they will not conserve dropped by nearly half

Most Important Thing Water Authority Should Do to Ensure Reliable Supply

- Pursue seawater desalination (21 percent)
- Import more water (14 percent)
- More public education (10 percent)
- Increase voluntary conservation (9 percent)
- Increase use of recycled water (9 percent)
- Build more reservoirs/storage (8 percent)
- Institute mandatory restrictions (7 percent)
- Stop building/growth (2 percent)



Action Plan/Campaign Adjustments

- Increase urgency of message
 - Drought, supply cuts taking toll on storage
 - Rationing is on horizon
- Stronger focus on tips that deliver major savings
 - Reduce outdoor watering (3 days a week or less)
 - Provide supporting information (incentives, rebates, etc.)
- Shift advertising resources
 - Increase cable TV share; reduce other media
 - Explore additional venues



New TV Ad Concept



NEWS from CPSC

U.S. Consumer Product Safety Commission

Office of Information and Public Affairs

Washington, DC 20207

FOR IMMEDIATE RELEASE

July 30, 2008

Release #08-348

CPSC Hotline: (800) 638-2772

CPSC Media Contacts: (301) 504-7908

CPSC Staff Finds Synthetic Turf Fields OK to Install, OK to Play On

WASHINGTON, D.C. - The U.S. Consumer Product Safety Commission (CPSC) staff today released its [evaluation \(pdf\)](#) of various synthetic athletic fields. The evaluation concludes that young children are not at risk from exposure to lead in these fields.

CPSC staff evaluation showed that newer fields had no lead or generally had the lowest lead levels. Although small amounts of lead were detected on the surface of some older fields, none of these tested fields released amounts of lead that would be harmful to children.

Lead is present in the pigments of some synthetic turf products to give the turf its various colors. Staff recognizes that some conditions such as age, weathering, exposure to sunlight, and wear and tear might change the amount of lead that could be released from the turf. As turf is used during athletics or play and exposed over time to sunlight, heat and other weather conditions, the surface of the turf may start to become worn and small particles of the lead-containing synthetic grass fibers might be released. The staff considered in the evaluation that particles on a child's hand transferred to his/her mouth would be the most likely route of exposure and determined young children would not be at risk.

Although this evaluation found no harmful lead levels, CPSC staff is asking that voluntary standards be developed for synthetic turf to preclude the use of lead in future products. This action is being taken proactively to address any future production of synthetic turf and to set a standard for any new entrants to the market to follow.

As an overall guideline, CPSC staff recommends young children wash their hands after playing outside, especially before eating.

A Video News Release will feature b-roll of synthetic turf in use, on-site and laboratory testing, and soundbites in English and Spanish.

Video Feed Satellite Coordinates

Wednesday, July 30, 2008

2:30 PM – 3:00PM ET

Galaxy 25

Transponder 13

C-Band

Downlink Freq: 3960V

Thursday, July 31, 2008

10:30 AM – 11:00AM ET

Galaxy 3

Transponder 21
C-Band
Downlink Freq: 4120H

For Technical Information, DURING FEED ONLY, contact Daniel Conboy at (800) 920-6397 x 221.

CPSC Staff¹ Analysis and Assessment of Synthetic Turf “Grass Blades”

CPSC staff identified synthetic turf products for analysis of total lead content and accessible lead. Staff obtained samples of turf that had been left over after installation or that became available when a field was dismantled. Staff also visited in-service synthetic turf fields, and used portable X-ray Fluorescence (XRF) testing equipment to detect the presence of lead in the product, as well as a portable field wiping apparatus to measure the exposure potential to the lead.

The staff considered that exposure to the lead present in some synthetic turf products could occur if some of the lead gets on children’s hands, perhaps when synthetic grass blades break or become worn and release small particles of lead-containing material. The lead on the children’s hands may then get transferred from their hands to their mouths through normal hand-to-mouth activity during or after playing on the field.

Analytical Methods

Lead Content

Small pieces of synthetic grass blades were dissolved in concentrated nitric acid using a microwave digestion. The digested sample solutions were then analyzed for lead content using inductively coupled plasma atomic emission spectroscopy.

Accessible Lead (Wipe Sampling)

Products found to contain lead were tested for accessibility of the lead; *i.e.*, whether children using the product could be exposed to the lead that is present.

Staff adapted the approach for estimating exposure to lead from contact with lead-containing synthetic turf fields from the approach used to assess children’s exposure to arsenic from playing on playground structures built using chromated copper arsenate (CCA) pressure-treated wood (Appendix A).

The wipe testing methodology developed for testing pressure-treated wood was used to measure transfer of lead from synthetic grass blades, with one modification. Ghost Wipe™ was used in place of the polyester cloth wipe used in the wipe sampling for wood. Ghost Wipe™ is a commercially available wiping material, 15 cm x 15 cm, pre-moistened with deionized water, and sold in individually sealed packets. Company literature indicates that the Ghost Wipe™ meets all ASTM E1792-96E² specifications for sampling materials for lead in surface dust.

The general method involves attaching a Ghost Wipe™ to a 1.1 kg weighted disk, 8 cm in diameter, installed in a device built to provide a standardized and consistent surface wiping. The disk is dragged down a 50-cm length of turf sample for 10 back and forth strokes. The wipe is then removed for analysis.

¹ These comments are those of the CPSC staff, have not been reviewed or approved by, and may not necessarily reflect the views of, the Commission.

² ASTM Standard E1792-96E, “Standard Specification for Wipe Sampling Materials for Lead in Surface Dust,” ASTM International, West Conshohocken, PA, www.astm.org.

Results

Several of the products obtained by staff contained lead in the synthetic grass with concentrations ranging from 0.09 percent lead by weight to 0.96 percent. The testing showed that lead content varied between synthetic turf installations, and also within a field depending on color.

The data show that wiping of the surface of lead-containing synthetic turf with firm pressure results in transfer of some lead or lead-containing material to the wipe medium (Ghost Wipe™).

Exposure Assessment and Results

If it is assumed that transfer of lead-containing residue from the surface of synthetic turf has similar characteristics to transfer of arsenic-containing residue from wood (Appendix A) (*i.e.*, that the amount of residue collected does not increase infinitely, but plateaus at some point during play), then the amount of lead that might collect on the hands of children as they play on turf fields can be estimated from laboratory studies of synthetic turf.

As discussed in Appendix A, the experimental wipe method using polyester cloths overestimated the amount of residue that might be transferred to a person's bare skin by a factor of between five and 13 times, depending on whether a wet or dry cloth was used. Although the relationship between surface residue removal by a Ghost Wipe™ and bare skin has not been fully characterized, preliminary tests indicate that the Ghost Wipe™ overestimates to a similar degree the transfer of material from the turf surface to bare hands.

The staff believes that dividing the results obtained through use of using Ghost Wipes™ by five is a reasonable approximation of the amount of lead-containing material that may transfer to children's hands.

The exposure assessment described above concerns the accessibility of the lead. Another important point to consider is the bioavailability of the lead, which relates to the amount of lead that is absorbed by the body. The staff assumed, in this case, that the bioavailability of lead from the material that transfers to skin from contact with lead-containing synthetic turf is the same as the bioavailability of lead from food and drink in the epidemiological studies of lead exposure.

The staff's approach, based on the assessment of exposure to arsenic in pressure-treated wood, is that during play, lead-containing residue is transferred to a child's hands and then a portion of that "handload" is transferred to the mouth during the day. The staff practice for assessing whether exposure to a product would result in excessive lead exposure is to assume that about half of the residue that collects on a child's hands ends up in their mouths (*i.e.*, transfer efficiency is 50 percent).

The staff used the wipe-testing data to estimate transfer of lead to children's hands during contact with a synthetic turf surface during play. Each wipe value was divided by five to correct the overestimation of transfer using the Ghost Wipe™, and divided by two to account for the amount of lead that is transferred from the hands to the mouth.

CPSC staff recognizes a level of 10 micrograms of lead per deciliter of blood (10 µg/dL) as a level of concern with respect to lead poisoning. To prevent children from exceeding this level, the staff suggests that chronic ingestion of lead from consumer products should not exceed

15 µg lead/day³. This value was determined from epidemiological studies of ingestion of lead through food and drink (as discussed above with respect to bioavailability).

The results (Table 1) for this set of tested synthetic turf fields show no case in which the estimated exposure for children playing on the field would exceed 15 µg lead/day.

Study Limitations

This assessment is subject to a number of limitations including the accuracy of the wipe sampling method for estimating exposure to lead-containing residue from touching or other contact with the synthetic turf surface; the accuracy of the assumptions about the capacity of bare skin to collect surface residues during a typical play event at a field; and the accuracy of the assumptions related to hand-to-mouth transfer of lead-containing residues. Further, the staff did not make adjustments in its assessment to account for the non-uniformity of lead content of synthetic turf fields; *i.e.*, some fields had striped areas that contained lead that constitute only a small part of the total playing surface of the field that otherwise had no detectable lead levels. Children playing on such fields might have some contact with the lead-containing striped areas, but most of their contact with the surface would be expected to be with the other parts of the turf (not lead-containing). Finally, the bioavailability of lead from synthetic turf may not be the same as it is for the food and drink exposures that were the basis of the dose-response assessment used to determine the staff's recommended 15 µg/day exposure limit for lead.

³ 16 C.F.R. § 1500.230. Codified Guidance Policy for Lead in Consumer Products (63 FR 70648; December 22, 1998).

Appendix A

The staff's previous assessment⁴ of children's exposure to arsenic from playing on playground structures built using chromated copper arsenate (CCA) pressure-treated wood informed the current approach to analysis of synthetic turf surfaces and the assessment of potential exposure to the lead contained in the turf "grass" fibers. Lessons learned from the CCA studies include:

- 1) Development of a treated wood sampling method: A saline-wetted polyester cloth wipe was attached to a 1.1 kg weighted disk, 8 cm in diameter. The disk was dragged down a 50-cm length of wood for 10 back and forth strokes. When compared to results of residue transfer using volunteers with bare hands, the polyester cloths picked up approximately 13 times more residue; the experimental values were multiplied by a conversion factor of 0.076 to get human skin equivalent handloadings. When the polyester cloths were used dry, they picked up, on average, about 5 times more residue than the volunteer's bare hands did.
- 2) Understanding of some of the characteristics of treated wood surface residues: Removal of surface residue arsenic correlated with several experimental design features including the material used to wipe the surface, whether the material was wetted or dry, the amount of force applied during wiping, and the area wiped. A key observation was that the amount of dislodged residue did not necessarily simply increase with changes in method that would likely remove more residue. Rather, the amount of dislodged residue approached a plateau, *i.e.*, it appeared that the transfer of material depended on the capacity of the transfer medium (whether the skin of hands of volunteers or wipes made of cloth or other materials) to collect residue, which was not infinite.
- 3) Understanding of the nature of children's contact with playground structures and potential exposure to surface residues: The data, in conjunction with activity analysis of children playing on playgrounds, led to the conclusion that despite the large variability in children's playground activities and time spent at a playground, their hands would likely collect surface residues from the wood structures they happened to touch fairly quickly in a play session—what the staff termed "maximum handloading". For the exposure and risk analysis, then, the staff assumed that a child's hands would become contaminated with an amount of arsenic as determined by the experimental study of residue transfer. Data from cloth wipes were adjusted for the finding that the cloth wipes always picked up more residue from the wood surfaces than the bare skin of volunteers.

⁴ Briefing Package, Petition to Ban Chromated Copper Arsenate (CCA)-Treated Wood in Playground Equipment (Petition HP 01-3), February 4, 2003.

Table 1. Turf Sample Exposure Results and Health Hazard Evaluation

Firm	Description	Subsample	Lead content (%)	Wipe Sampling Result (μg) *	Estimated daily ingestion of lead (μg) †‡
1	Green, installed 1999; removed 2008	1	0.54	65.8	6.6
		2	0.56	98.7	9.9
		3	0.55	39.9	4.0
		Average		68.1	6.8
1	Green, indoor field; installed 2000; in use		0.88	14.3	1.4
1	Green; new, 2008	1	0.1	1.2	0.12
		2	0.09	1.2	0.12
		3		0.9	0.09
		Average		1.1	0.11
1	Green; new, 2008	1	0.42	1.3	0.13
		2	0.47	0.4	0.04
		3		0.4	0.04
		Average		0.7	0.07
2	Green and other colors; installed 2005; in use		nd	nt	neg
2	Green; unused sample sent to lab for analysis		nd	nt	neg
2	Green; unused sample sent to lab for analysis		nd	nt	neg
2	Green; unused sample sent to lab for analysis		nd	nt	neg
2	Green; unused sample sent to lab for analysis		trace	nt	neg
2	Green; unused sample sent to lab for analysis		nd	nt	neg
2	Red; unused sample sent to lab for analysis		nd	nt	neg
2	Yellow stripes; field in use	Sideline,1	0.53	0.9	0.09
		Sideline,2		0.5	0.05
		Midfield		2.4	0.24
3	Green with yellow stripes; installed 2007; in use	Green	nd	nt	neg
		Yellow,18	0.96	0.7	0.07
		Yellow,19		1.4	0.14
		Yellow,20		0.8	0.08
		Yellow, Average		1.0	0.1
4	Green; white stripes; installed 2004; in use		nd	nt	neg

Note: nd = none detected; nt = not tested; neg = negligible

* Amount of lead collected on Ghost Wipe™ during wipe testing; if multiple wipes were conducted on a sample, the result of the first wipe is shown; all values are total lead removed during wipe.

† Laboratory wipe results divided by 5 to account for differences in lead residue removal efficiency of the Ghost Wipe™ and bare skin. The factor of 5 was taken from the staff's CCA studies; a similar trend was found in limited hand sampling of synthetic grass blades. Staff assumes that half of the residue that collects on a child's hands will be transferred to the mouth and ingested. Thus, the estimated daily ingestion of lead is the Ghost Wipe™ result divided by 5 divided by 2.

‡ The estimated daily ingestion of lead is an estimate of exposure for children playing on a synthetic turf field. Each estimate in this analysis may be compared to the 15 µg/day level that CPSC staff suggests not be exceeded in order to prevent young children from exceeding the 10 µg/dL blood lead level of concern.

AGENDA ITEM 11



STAFF REPORT

TYPE MEETING: Regular Board
SUBMITTED BY: Sean Prendergast, Finance *SP*
Supervisor, Payroll & AP
APPROVED BY: Joseph Beachem, Chief Financial Officer
(Chief)
APPROVED BY: German Alvarez, Assistant General Manager
(Asst. GM):
SUBJECT: Accounts Payable Demand List

MEETING DATE: August 6, 2008
W.O./G.F. NO: DIV. NO.

PURPOSE:

Attached is the list of demands for the Board's information.

FISCAL IMPACT:

<u>SUMMARY</u>	<u>NET DEMANDS</u>
CHECKS (2012537-2013151)	\$5,327,646.16
WIRE TO:	
CALPERS	\$846,000.00
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES	\$2,678,926.96
CITY TREASURER - RECLAIMED WATER PURCHASE MAY 08	\$157,371.62
DELTA HEALTH SYSTEMS - DENTAL & COBRA CLAIMS	\$6,064.07
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$30,016.20
SAN DIEGO COUNTY WATER AUTHORITY - WATER DELIVERIES	\$2,432,311.29
SAN DIEGO COUNTY WATER AUTHORITY - CAP FEES 4TH QTR	\$391,710.00
SPEC DIST RISK MGMT AUTH - HEALTH ADMIN SVCS AUG 08	\$177,883.16
UNION BANK - PAYROLL TAXES	\$297,762.85
TOTAL CASH DISBURSEMENTS	\$12,345,692.31

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2012537 THROUGH 2013151
RUN DATES 7/2/2008 TO 7/30/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2012612	07/02/08	01910	ABCANA INDUSTRIES	823539	06/09/08	BULK SODIUM HYPOCHLORITE	1,079.72	2,478.31
				823818	06/12/08	BULK SODIUM HYPOCHLORITE	783.01	
				823108	06/02/08	BULK SODIUM HYPOCHLORITE	615.58	
2012698	07/09/08	01910	ABCANA INDUSTRIES	824212	06/19/08	BULK SODIUM HYPOCHLORITE	1,015.71	2,793.51
				823989	06/16/08	BULK SODIUM HYPOCHLORITE	1,007.09	
				823988	06/16/08	BULK SODIUM HYPOCHLORITE	770.71	
2012849	07/16/08	01910	ABCANA INDUSTRIES	824438	06/23/08	BULK SODIUM HYPOCHLORITE	1,391.21	3,415.24
				824688	06/26/08	BULK SODIUM HYPOCHLORITE	1,063.73	
				824430	06/23/08	BULK SODIUM HYPOCHLORITE	541.71	
				824439	06/23/08	BULK SODIUM HYPOCHLORITE	418.59	
2012933	07/23/08	01910	ABCANA INDUSTRIES	825039	06/30/08	BULK SODIUM HYPOCHLORITE	1,415.83	3,826.44
				825038	06/30/08	BULK SODIUM HYPOCHLORITE	1,046.49	
				825375	07/03/08	BULK SODIUM HYPOCHLORITE	856.88	
				825371	07/03/08	BULK SODIUM HYPOCHLORITE	507.24	
2013093	07/30/08	01910	ABCANA INDUSTRIES	825701	07/09/08	BULK SODIUM HYPOCHLORITE	1,169.60	3,236.72
				825530	07/07/08	BULK SODIUM HYPOCHLORITE	1,104.35	
				825818	07/10/08	BULK SODIUM HYPOCHLORITE	962.77	
2012613	07/02/08	08488	ABLEFORCE INC	1276	06/24/08	CONSULTING SERVICES - IT DEPT	3,200.00	3,200.00
2012699	07/09/08	08488	ABLEFORCE INC	1287	07/01/08	CONSULTING SERVICES - IT DEPT	3,200.00	4,900.00
				1256	06/16/08	SHAREPOINT PROGRAMMING SERVICES	1,700.00	
2012850	07/16/08	08488	ABLEFORCE INC	1297	07/08/08	CONSULTING SERVICES - IT DEPT	2,560.00	4,090.00
				1270	06/23/08	SHAREPOINT PROGRAMMING SERVICES	1,530.00	
2012934	07/23/08	08488	ABLEFORCE INC	1307	07/15/08	CONSULTING SERVICES - IT SERVICES	3,200.00	4,220.00
				1282	06/30/08	SHAREPOINT PROGRAMMING SERVICES	1,020.00	
2013094	07/30/08	08488	ABLEFORCE INC	1315	07/22/08	CONSULTING SERVICES - IT DEPT	3,200.00	7,760.00
				1327	07/29/08	CONSULTING SERVICES - IT DEPT	3,200.00	
				1292	07/07/08	SHAREPOINT PROGRAMMING SERVICES	1,360.00	
2012614	07/02/08	07732	AIRGAS SPECIALTY PRODUCTS INC	131085537	06/11/08	BULK AQUA AMMONIA	1,132.56	2,087.30
				131085536	06/11/08	BULK AQUA AMMONIA	622.69	
				131085538	06/11/08	BULK AQUA AMMONIA	332.05	
2012935	07/23/08	07732	AIRGAS SPECIALTY PRODUCTS INC	131088266	06/30/08	BULK AQUA AMMONIA	996.14	996.14
2012936	07/23/08	00132	AIRGAS WEST	103113440	06/30/08	BREATHING AIR - TREATMENT PLANT	23.93	23.93
2012700	07/09/08	06300	AIR-TRAK INC	61204	05/27/08	GPS UNITS FOR DISTRICT VEHICLES	529.11	529.11

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2012537 THROUGH 2013151
RUN DATES 7/2/2008 TO 7/30/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2013043	07/30/08	08848	ALANA HAFFNER	Ref002387200	07/25/08	UB Refund Cst #0000072289	75.00	75.00
2012537	07/02/08	08764	ALEX LAMBORN	Ref002386440	07/01/08	UB Refund Cst #0000094008	118.06	118.06
2012790	07/16/08	08808	ALEXIS ROMERO	Ref002386948	07/15/08	UB Refund Cst #0000090618	35.42	35.42
2012538	07/02/08	08767	ALFREDO VELAZQUEZ	Ref002386443	07/01/08	UB Refund Cst #0000095636	40.33	40.33
2012615	07/02/08	01463	ALLIED ELECTRONICS INC	68219A00	06/10/08	640 RESV CIP PROJECT	40.22	40.22
2012851	07/16/08	01463	ALLIED ELECTRONICS INC	69387G00	06/25/08	640 RESV CIP PROJECT	197.48	197.48
2013095	07/30/08	01463	ALLIED ELECTRONICS INC	70332800	07/09/08	HONEYWELL ENCLOSED SWITCHES	1,269.65	1,269.65
2012852	07/16/08	02362	ALLIED WASTE SERVICES #509	0509003185689 0509003187126 0509003188028	06/25/08 06/25/08 06/25/08	TRASH REMOVAL SERVICES ASBESTOS DISPOSAL CONTAINER RENTAL TRASH REMOVAL SVCS - TREATMENT PLANT	758.30 189.72 131.20	1,079.22
2012937	07/23/08	05414	AMARR ENTERPRISES	000430	07/17/08	EMPLOYEE PROGRAM	346.25	346.25
2013044	07/30/08	08881	AMERICAN EAGLE REAL ESTATE	Ref002387237	07/25/08	UB Refund Cst #0000126241	272.83	272.83
2012701	07/09/08	06166	AMERICAN MESSAGING	L11095701G	07/01/08	PAGER SERVICES	386.19	386.19
2012938	07/23/08	00107	AMERICAN WATER WORKS	3000384277	07/02/08	SITE LICENSES	525.00	525.00
2012539	07/02/08	08727	ANDREW LYON	Ref002386403	07/01/08	UB Refund Cst #0000126715	36.76	36.76
2012791	07/16/08	08803	ANGELICA ESCOBAR	Ref002386943	07/15/08	UB Refund Cst #0000082308	12.94	12.94
2012540	07/02/08	08763	ANNIE ORY	Ref002386439	07/01/08	UB Refund Cst #0000092645	13.51	13.51
2013096	07/30/08	00002	ANSWER INC	000444	07/22/08	TELEPHONE ANSWERING SERVICES	1,000.00	1,000.00
2013097	07/30/08	02197	ANTHEM BLUE CROSS EAP	40687 40678	07/18/08 06/20/08	EMPLOYEE ASSISTANCE PROGRAM SERVICES EMPLOYEE ASSISTANCE PROGRAM SERVICES	482.63 473.96	956.59
2012541	07/02/08	08755	ANTHONY TRAN	Ref002386431	07/01/08	UB Refund Cst #0000085294	32.76	32.76
2012792	07/16/08	08792	ANTONIO JOSE	Ref002386931	07/15/08	UB Refund Cst #0000045903	79.97	79.97
2012702	07/09/08	02829	APPLIED TECHNOLOGY GROUP INC	186151	06/18/08	640 PROJECT - RADIO EQUIPMENT	12,436.68	12,436.68
2012939	07/23/08	08026	ARB INC	LF18828	06/30/08	R2081 - 20 INCH LANE AVENUE CONVERSION	56,062.35	56,062.35

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2012537 THROUGH 2013151
RUN DATES 7/2/2008 TO 7/30/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2013045	07/30/08	08870	ARDO MOHAMED	Ref002387226	07/25/08	UB Refund Cst #0000124105	29.81	29.81
2013046	07/30/08	08847	ARMANDO CAMPOS	Ref002387199	07/25/08	UB Refund Cst #0000052259	46.82	46.82
2012793	07/16/08	08795	ARMANDO NARVAEZ	Ref002386935	07/15/08	UB Refund Cst #0000068762	47.90	47.90
2012542	07/02/08	08750	ARNOLDO RODRIGUEZ	Ref002386426	07/01/08	UB Refund Cst #0000075579	40.09	40.09
2012940	07/23/08	05753	ARRIETA CONSTRUCTION INC	03	07/03/08	P2038/P2345/P2387 - PL-12 INCH UPSIZE	252,781.56	252,781.56
2013047	07/30/08	08880	ASHLON	Ref002387236	07/25/08	UB Refund Cst #0000126099	40.43	40.43
2012794	07/16/08	08827	ASSETLINK	Ref002386967	07/15/08	UB Refund Cst #0000124404	56.45	56.45
2012703	07/09/08	05758	AT&T	0821645728062506	06/25/08	OPT-E-MAN INTERNET BANDWIDTH	2,290.95	2,290.95
2012941	07/23/08	05758	AT&T	000424	07/07/08	PHONE SERVICE (HI HEAD P/S-SCADA)	32.37	32.37
2012942	07/23/08	07785	AT&T	000000182875	07/01/08	PHONE SERVICES	5,014.82	5,014.82
2013048	07/30/08	08869	ATLAS REO SERVICES	Ref002387222	07/25/08	UB Refund Cst #0000123213	56.05	56.05
2013049	07/30/08	08886	AUREL ALEGRADO	Ref002387242	07/25/08	UB Refund Cst #0000127781	35.52	35.52
2013050	07/30/08	08878	AURIEL ALGRADO	Ref002387234	07/25/08	UB Refund Cst #0000125373	26.21	26.21
2012704	07/09/08	08673	BACKFLOW SERVICES	2432	06/16/08	BACKFLOW REPAIRS & TESTING	3,887.38	3,887.38
2012853	07/16/08	08673	BACKFLOW SERVICES	2467	06/25/08	BACKFLOW SERVICES	1,488.16	1,488.16
2012943	07/23/08	08024	BACKGROUND PROFILES INC	5980000701081	07/01/08	BACKGROUND CHECKS	180.25	180.25
2012543	07/02/08	08740	BERENICE OSUNA	Ref002386416	07/01/08	UB Refund Cst #0000041286	92.42	92.42
2012944	07/23/08	08686	BIRMINGHAM PRESS	160184	07/01/08	OTAY SUMMER NEWSLETTER	5,677.75	5,677.75
2012616	07/02/08	02434	BLACK BOX CORPORATION	034998	06/10/08	640 RESV CIP PROJECT	112.00	112.00
2012544	07/02/08	08762	BLANCA VASQUEZ	Ref002386438	07/01/08	UB Refund Cst #0000092065	43.68	43.68
2012705	07/09/08	00559	BOYLE ENGINEERING CORPORATION	056641 056635 056604	06/16/08 06/16/08 06/13/08	PLAN CHECKS & INSPECTION SERVICE RECYCLED WATER PLAN CHECKING SERVICES P1438-AS NEEDED PLAN CHECK SERVICES	20,649.24 8,663.40 2,889.02	32,201.66
2013098	07/30/08	00559	BOYLE ENGINEERING CORPORATION	057427	07/10/08	PLAN CHECKING SERVICES	2,281.10	2,281.10

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2012854	07/16/08	03458	BREITFELDER, LARRY	70130508	05/11/08	REIMBURSE TRAVEL CONF EXPENSES	54.00	54.00
2012945	07/23/08	03458	BREITFELDER, LARRY	70130608	07/22/08	MILEAGE REIMBURSEMENT	121.68	121.68
2012545	07/02/08	08754	BRENDA URBINA	Ref002386430	07/01/08	UB Refund Cst #0000084189	44.55	44.55
2013099	07/30/08	03679	BRG CONSULTING INC	08062018	06/30/08	CONSULTANT CONTRACT FOR ENV SVCS	7,521.26	7,521.26
2012795	07/16/08	08825	BRIGHTON REO	Ref002386965	07/15/08	UB Refund Cst #0000123805	49.83	49.83
2013051	07/30/08	08825	BRIGHTON REO	Ref002387224	07/25/08	UB Refund Cst #0000123805	36.75	36.75
2012855	07/16/08	01232	BRODING'S BATTERY WAREHOUSE	28483A	06/05/08	SALES TAX	6.74	6.74
2012706	07/09/08	08156	BROWNSTEIN HYATT FARBER	422306	06/27/08	LEGISLATIVE ADVOCACY SERVICES	3,537.50	3,537.50
2013100	07/30/08	08156	BROWNSTEIN HYATT FARBER	422821	07/22/08	LEGISLATIVE ADVOCACY SERVICES	3,175.00	3,175.00
2012707	07/09/08	03721	BULLET LOGISTICS INC	06150803350	06/15/08	COURIER SERVICES FOR TREATMENT PLANT	455.40	455.40
2012856	07/16/08	00358	BURNS & SONS TRUCKING INC	200806326 200806325	06/25/08 06/25/08	EQUIPMENT MOVED EQUIPMENT MOVED	240.00 230.00	470.00
2012857	07/16/08	00223	C W MCGRATH INC	30031	06/23/08	CRUSHED ROCK	94.36	94.36
2012946	07/23/08	00223	C W MCGRATH INC	30118	07/01/08	CRUSHED ROCK	92.70	92.70
2012858	07/16/08	02486	CALIF DEPT OF PUBLIC HEALTH	10081658	07/02/08	LAB CERTIFICATE RENEWAL	2,811.00	2,811.00
2012947	07/23/08	08490	CALIFORNIA BANK & TRUST	03R	07/03/08	RETENTION FOR ARRIETA CONSTRUCTION	28,086.83	28,086.83
2013101	07/30/08	08690	CALIFORNIA BANK & TRUST	1	05/23/08	RETENTION FOR NEWCAST CONSTRUCTION	1,500.00	1,500.00
2012859	07/16/08	02920	CALIFORNIA COMMERCIAL	78195	06/20/08	ASPHALT	1,232.66	1,232.66
2012708	07/09/08	08654	CALIFORNIA METALS SUPPLY	24422	06/13/08	WELDING SUPPLIES	4,516.87	4,516.87
2012860	07/16/08	08654	CALIFORNIA METALS SUPPLY	24985	06/26/08	WELDING SUPPLIES	952.60	952.60
2012948	07/23/08	08654	CALIFORNIA METALS SUPPLY	25037	06/30/08	WELDING SUPPLIES	442.96	442.96
2012546	07/02/08	08720	CALIFORNIA PROPERTY INVESTMENT	Ref002386396	07/01/08	UB Refund Cst #0000125845	34.14	34.14
2012709	07/09/08	00192	CALIFORNIA WATER ENVIRONMENT	30308 000721208	07/07/08 07/07/08	CERTIFICATE RENEWAL FEE CERTIFICATE RENEWAL FEE	61.00 56.00	117.00

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2012949	07/23/08	00192	CALIFORNIA WATER ENVIRONMENT	000427	07/21/08	CERTIFICATE RENEWAL FEE	61.00	61.00
2012710	07/09/08	01243	CALIFORNIA-NEVADA SECTION	000395	07/07/08	SEMINAR REGISTRATION	200.00	200.00
2013102	07/30/08	01243	CALIFORNIA-NEVADA SECTION	000446	07/23/08	SEMINAR REGISTRATION	100.00	100.00
2012861	07/16/08	01004	CALOLYMPIC SAFETY	039686 041936	06/25/08 06/26/08	LUMIDOR GAS DETECTOR REPAIR CALIBRATION STICKERS	1,670.85 29.78	1,700.63
2012950	07/23/08	01004	CALOLYMPIC SAFETY	041780	06/27/08	OXYGEN SENSOR	191.31	191.31
2013103	07/30/08	01004	CALOLYMPIC SAFETY	041591 041985	06/30/08 06/30/08	TEST GAS FOR MICRO MAX PRO MICRO MAX PRO HOSE EXTENSION W/ FITTING	410.37 54.98	465.35
2013052	07/30/08	08866	CALVIN SLOCUMB	Ref002387219	07/25/08	UB Refund Cst #0000120782	22.14	22.14
2012617	07/02/08	04215	CAMP DRESSER & MCKEE INC	802876322	06/06/08	P2451- BI-NATIONAL OCEAN DESALINATION	7,612.50	7,612.50
2012951	07/23/08	08009	CANON BUSINESS SOLUTIONS INC	4000960113 4000960113A	07/01/08 07/01/08	COPIER MAINTENANCE COPIER MAINTENANCE	1,754.58 516.62	2,271.20
2013053	07/30/08	08867	CARLOS CEBALLOS	Ref002387220	07/25/08	UB Refund Cst #0000122024	32.06	32.06
2012711	07/09/08	03572	CARLTON DISANTE &	48321	06/30/08	LEGAL SERVICES	712.50	712.50
2012712	07/09/08	02758	CARMEL BUSINESS SYSTEMS INC	6780 6795	06/16/08 07/01/08	IMAGE SCANNING SERVICES TEMPORARY SERVICES - RECORDS	40,984.51 1,122.90	42,107.41
2012952	07/23/08	02758	CARMEL BUSINESS SYSTEMS INC	6794	07/01/08	STORAGE & DESTRUCTION OF DOCUMENTS	513.67	513.67
2012547	07/02/08	08725	CAROL DULL	Ref002386401	07/01/08	UB Refund Cst #0000126347	13.48	13.48
2012548	07/02/08	08615	CARRINGTON MORTGAGE LOAN TRUST	Ref002386385	07/01/08	UB Refund Cst #0000124475	50.41	50.41
2012618	07/02/08	03491	CASA DE ORO CAR WASH	384	06/10/08	VEHICLE WASHING	880.99	880.99
2012713	07/09/08	07734	CASINO ACE	000401	07/07/08	DEPOSIT FOR EMPLOYEE HOLIDAY EVENT	250.00	250.00
2012714	07/09/08	03232	CDW GOVERNMENT INC	KTR0546	06/19/08	POWER CABLE	137.50	137.50
2012862	07/16/08	03232	CDW GOVERNMENT INC	KVB1337	06/23/08	POWER CABLE	206.23	206.23
2012953	07/23/08	04349	CHAMBERS, JONATHAN	000436	07/21/08	EDUCATION/TUITION REIMBURSEMENT	65.00	65.00
2012796	07/16/08	08836	CHANGGOO KANG	Ref002386978	07/15/08	UB Refund Cst #0000126533	21.99	21.99

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2012549	07/02/08	08722	CHASE BANK	Ref002386398	07/01/08	UB Refund Cst #0000125895	83.99	83.99
2012550	07/02/08	08758	CHRIS COOPER	Ref002386434	07/01/08	UB Refund Cst #0000089323	93.27	93.27
2012715	07/09/08	06519	CHULA VISTA POLICE DEPT	0812681	07/02/08	TRAFFIC COLLISION REPORT	10.00	10.00
2013104	07/30/08	06519	CHULA VISTA POLICE DEPT	0812304	07/24/08	TRAFFIC COLLISION REPORT	10.00	10.00
2012954	07/23/08	02593	CITY OF CHULA VISTA	071060PU0040708	07/01/08	UTILITY PERMITS	5,400.00	5,400.00
2013054	07/30/08	08859	CLAYTON ABELS	Ref002387211	07/25/08	UB Refund Cst #0000091885	24.28	24.28
2012716	07/09/08	07292	CMH SOFTWARE, INC	25897	06/18/08	ELECTRICAL/PI&D DRAWING SOFTWARE	1,283.50	1,283.50
2013105	07/30/08	08160	COMPLETE OFFICE OF CALIFORNIA	10618810	07/03/08	BOOKCASE	160.55	160.55
2012619	07/02/08	04398	CONSTRUCTION MANAGEMENT	000375	06/30/08	SEMINAR REGISTRATION	55.00	55.00
2012955	07/23/08	03307	CONSTRUCTION MANAGEMENT	000440 000431	07/22/08 07/15/08	2008 MEMBERSHIP DUES REGISTRATION FEE	900.00 55.00	955.00
2012863	07/16/08	03706	CONSUMERS PIPE & SUPPLY CO	S1067008001	06/25/08	AIR RELEASE PARTS	4,888.57	4,888.57
2013106	07/30/08	03624	COPY LINK INC	AR89661 AR89660 AR89662	07/09/08 07/09/08 07/09/08	SERVICE FOR SHARP COPIERS SERVICE FOR SHARP COPIERS SERVICE FOR SHARP COPIERS	1,645.38 742.71 353.18	2,741.27
2012797	07/16/08	08807	COREY JOHNS	Ref002386947	07/15/08	UB Refund Cst #0000088189	59.96	59.96
2012717	07/09/08	02612	COUNCIL OF WATER UTILITIES	000403	07/08/08	MONTHLY MEETING	75.00	75.00
2013055	07/30/08	08862	COUNTRY WIDE HOME LOANS	Ref002387214	07/25/08	UB Refund Cst #0000095328	61.81	61.81
2012551	07/02/08	08705	COUNTRYWIDE	Ref002386380	07/01/08	UB Refund Cst #0000122946	35.99	35.99
2012552	07/02/08	08710	COUNTRYWIDE	Ref002386386	07/01/08	UB Refund Cst #0000124499	21.17	21.17
2012864	07/16/08	00134	COUNTY OF SAN DIEGO	12179	07/01/08	COUNTY ASSESSOR DATA	58.24	58.24
2012865	07/16/08	00184	COUNTY OF SAN DIEGO	DEH080513D11 DEH080510D11 DEH080511D11 DEH080512D11 000417 DEH080509D11	06/27/08 06/27/08 06/27/08 06/27/08 06/17/08 06/27/08	RECLAIMED WATER TEST BILLING RECLAIMED WATER TEST BILLING RECLAIMED WATER TEST BILLING RECLAIMED WATER TEST BILLING PERMIT #HK07132137/HAZ MATERIALS RECLAIMED WATER TEST BILLING	1,150.00 747.50 690.00 690.00 549.00 230.00	4,056.50

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2013107	07/30/08	00134	COUNTY OF SAN DIEGO	000455	07/29/08	FILING & PROCESSING FEE	1,926.75	1,926.75
2013108	07/30/08	00134	COUNTY OF SAN DIEGO	000454	07/29/08	FILING & PROCESSING FEE	1,926.75	1,926.75
2013109	07/30/08	00184	COUNTY OF SAN DIEGO	HK07104908	07/29/08	GENERAL HAZMAT PERMIT FEE	1,850.00	1,850.00
2012866	07/16/08	00099	COUNTY OF SAN DIEGO - DPW	84066	05/06/08	EXCAVATION PERMITS	341.25	341.25
2012956	07/23/08	00099	COUNTY OF SAN DIEGO - DPW	86579 89318	06/05/08 07/03/08	EXCAVATION PERMITS EXCAVATION PERMITS	8,278.39 1,999.83	10,278.22
2012867	07/16/08	08387	COUNTY OF SD-LANDFILL MGMNT	200806	07/10/08	MICROTURBINE POWER GENERATION	5,338.63	5,338.63
2013056	07/30/08	08872	COUNTY PROPERTIES	Ref002387228	07/25/08	UB Refund Cst #0000124415	17.33	17.33
2013057	07/30/08	08877	COUNTY PROPERTIES	Ref002387233	07/25/08	UB Refund Cst #0000125099	56.07	56.07
2012957	07/23/08	07601	CREATIVE BENEFITS INC	64739	07/01/08	FLEXIBLE SPENDING ACCT ADMINISTRATION	577.20	577.20
2012718	07/09/08	06415	CUMMINS CAL PACIFIC LLC	00459787 00459656	06/17/08 06/13/08	APCD RETROFIT APCD ENGINE RETROFIT	13,003.38 13,003.38	26,006.76
2012868	07/16/08	06415	CUMMINS CAL PACIFIC LLC	00460139	06/24/08	APCD RETROFIT	13,003.38	13,003.38
2012958	07/23/08	06415	CUMMINS CAL PACIFIC LLC	00460391	06/30/08	APCD RETROFIT	13,003.38	13,003.38
2012798	07/16/08	07372	DAMACIO SANCHEZ	Ref002386925	07/15/08	UB Refund Cst #0000027381	20.00	20.00
2013110	07/30/08	08780	DATAPROSE	50251 50250	07/09/08 07/09/08	POSTAGE BILLING PRINT SERVICES	15,491.57 8,529.42	24,020.99
2012620	07/02/08	03354	DATAPROSE INC	50090 50089	06/11/08 06/11/08	POSTAGE BILLING PRINT SERVICES	16,754.52 8,302.98	25,057.50
2012959	07/23/08	04550	DATATREE LLC	90034068	06/30/08	MAP PURCHASING SERVICE	99.00	99.00
2012621	07/02/08	08691	DAVID SIMMONS	000374	06/30/08	SMART CONTROLLER REBATE	350.00	350.00
2012869	07/16/08	03606	DCSE INC	1 3	06/26/08 06/22/08	MOBILE TECHNOLOGY OPTIMIZATION STUDY GIS SOFTWARE LIC & INTEGRATION SVCS	23,600.00 19,306.90	42,906.90
2012622	07/02/08	01797	DELL ENTERPRISES	183751	06/06/08	NAMEPLATE	10.62	10.62
2012719	07/09/08	02603	DELL MARKETING LP	XCP5W18W7	06/19/08	SCADA SERVER UPGRADE	129.41	129.41
2012870	07/16/08	02603	DELL MARKETING LP	XCP6DC624	06/20/08	SCADA SERVER UPGRADE	802.30	

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				XCP6F8969	06/20/08	SCADA SERVER UPGRADE	543.04	1,345.34
2012871	07/16/08	07680	DELTA HEALTH SYSTEMS	P080702	07/02/08	EMPLOYEE HEALTH ADMINISTRATION SVCS	1,364.10	1,364.10
2013058	07/30/08	08136	DENNIS DESOUZA C/O REMAX ASSO	Ref002387225	07/25/08	UB Refund Cst #0000123908	43.08	43.08
2012720	07/09/08	02733	DEPARTMENT OF CONSUMER AFFAIRS	9300808	07/08/08	CPA LICENSE RENEWAL	200.00	200.00
2013111	07/30/08	03744	DEPARTMENT OF JUSTICE	689540	06/30/08	FINGERPRINT ANALYSIS SERVICES	51.00	51.00
2012553	07/02/08	08699	DIANE FEJERAN	Ref002386373	07/01/08	UB Refund Cst #0000119340	27.93	27.93
2012623	07/02/08	03417	DIRECTV	805284460	06/19/08	SATELLITE TV SERVICE	4.99	4.99
2012960	07/23/08	03417	DIRECTV	814792567	07/05/08	SATELLITE TV SERVICE	9.98	9.98
2013112	07/30/08	03417	DIRECTV	823598071	07/19/08	SATELLITE TV SERVICE	4.99	4.99
2012961	07/23/08	08535	DNSSTUFF, LLC	2150	07/01/08	PROFESSIONAL TOOL SET LICENSE	119.00	119.00
2013113	07/30/08	08888	DOMINIC CALMA	RF626095501	07/28/08	REFUND PAYMENT	800.00	800.00
2012624	07/02/08	08695	DOUGLAS NERAT	000370	06/30/08	ARTIFICIAL TURF REBATE	1,000.00	1,000.00
2012554	07/02/08	08711	DOWNEY SAVINGS	Ref002386387	07/01/08	UB Refund Cst #0000124541	50.41	50.41
2012799	07/16/08	08821	DOWNEY SAVINGS	Ref002386961	07/15/08	UB Refund Cst #0000123272	120.59	120.59
2013059	07/30/08	08821	DOWNEY SAVINGS	Ref002387223	07/25/08	UB Refund Cst #0000123272	11.70	11.70
2012962	07/23/08	06523	DURAN, PATRICIA	000437	07/21/08	EDUCATION/TUITION REIMBURSEMENT	355.00	355.00
2013060	07/30/08	08876	ED LANDSBURG	Ref002387232	07/25/08	UB Refund Cst #0000124946	11.86	11.86
2012555	07/02/08	08718	ED PREHODEN	Ref002386394	07/01/08	UB Refund Cst #0000125628	32.66	32.66
2012721	07/09/08	02447	EDCO DISPOSAL CORPORATION	000396	06/30/08	RECYCLING SERVICES	85.00	85.00
2012963	07/23/08	00230	EDP PRODUCTS INC	805661	06/27/08	CARTRIDGE STORAGE/RETRIEVAL	212.40	212.40
2012800	07/16/08	08814	EDWARD TRACY	Ref002386954	07/15/08	UB Refund Cst #0000097442	16.34	16.34
2013061	07/30/08	08814	EDWARD TRACY	Ref002387215	07/25/08	UB Refund Cst #0000097442	90.40	90.40
2012801	07/16/08	08784	ELIAS TESFAI	Ref002386922	07/15/08	UB Refund Cst #0000018996	16.31	16.31

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2013062	07/30/08	08853	ELIZABETH MELENDEZ	Ref002387205	07/25/08	UB Refund Cst #0000083355	9.35	9.35
2012802	07/16/08	08799	ELIZABETH TORRES	Ref002386939	07/15/08	UB Refund Cst #0000075124	124.21	124.21
2013063	07/30/08	08843	ELMER TYLER	Ref002387195	07/25/08	UB Refund Cst #0000018935	57.68	57.68
2012872	07/16/08	07938	EMCOM ELECTRONICS SYSTEMS INC	00010172	06/24/08	DVR FOR SECURITY SYSTEM	8,789.81	8,789.81
2012803	07/16/08	08805	ENRIQUE DOMINGUEZ	Ref002386945	07/15/08	UB Refund Cst #0000084735	97.03	97.03
2012964	07/23/08	08376	ENTERPRISE SECURITY INC	3365	06/27/08	ACCESS CONTROL GATES	14,599.00	14,599.00
2012965	07/23/08	03725	ENVIRONMENTAL SYSTEMS RESEARCH	91775600	06/27/08	UPGRADE SOFTWARE	21,550.00	
				91773161	06/27/08	PROFESSIONAL DATABASE SUPPORT	8,804.00	
				91775601	06/27/08	ARC GIS SOFTWARE MAINTENANCE	1,616.25	31,970.25
2013064	07/30/08	08849	ERIKA SOSA	Ref002387201	07/25/08	UB Refund Cst #0000072716	64.84	64.84
2012625	07/02/08	08688	EVIN MCDONEL	000365	06/25/08	ARTIFICIAL TURF REBATE	320.00	320.00
2012556	07/02/08	08697	FAVIOLA HERRERA	Ref002386371	07/01/08	UB Refund Cst #0000119099	49.11	49.11
2012873	07/16/08	00645	FEDEX	279343359	07/04/08	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	11.95	11.95
2012626	07/02/08	03546	FERGUSON WATERWORKS	0271606	06/12/08	REDUCING SOW	638.42	
				0272583	06/10/08	INVENTORY	415.70	1,054.12
2012722	07/09/08	03546	FERGUSON WATERWORKS	0274277	06/19/08	INVENTORY	1,831.75	
				0271733	06/16/08	ADAPTERS AND COUPLERS	644.65	2,476.40
2012874	07/16/08	03546	FERGUSON WATERWORKS	02696592	06/27/08	INVENTORY	3,280.99	
				0272714	06/23/08	CLOW PORT & O-RING	131.73	
				0272809	06/23/08	REDUCING FLANGE	137.60	3,550.32
2012557	07/02/08	08719	FIELD ASSET SERVICES	Ref002386395	07/01/08	UB Refund Cst #0000125658	57.18	57.18
2013114	07/30/08	08769	FILINGSUPPLIES.COM	1254	06/18/08	FOLDER LABELS	130.04	130.04
2013115	07/30/08	08005	FIRST AMERICAN CORELOGIC INC	4044056	07/09/08	REALQUEST BUNDLE FOR GIS	1,800.00	
				12309940	07/10/08	REALQUEST BUNDLE FOR GIS	1,100.00	2,900.00
2012558	07/02/08	08701	FIRST AMERICAN LOANSTAR	Ref002386376	07/01/08	UB Refund Cst #0000121817	58.67	58.67
2012804	07/16/08	08804	FIRST AMERICAN TITLE	Ref002386944	07/15/08	UB Refund Cst #0000083580	183.95	183.95
2012627	07/02/08	04066	FIRST CHOICE SERVICES - SD	297978	06/06/08	COFFEE SUPPLIES	177.79	177.79

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2012723	07/09/08	04066	FIRST CHOICE SERVICES - SD	297997	06/13/08	COFFEE SUPPLIES	211.08	211.08
2012966	07/23/08	04066	FIRST CHOICE SERVICES - SD	298506	06/27/08	COFFEE SUPPLIES	280.67	280.67
2012967	07/23/08	00035	FISHER SCIENTIFIC	4801314	06/30/08	LABORATORY SUPPLIES	50.98	50.98
2012628	07/02/08	01327	FRANK & SON PAVING INC	069 074	06/10/08 06/10/08	PAVING SERVICES PAVING SERVICES	5,400.00 1,300.00	6,700.00
2012629	07/02/08	07224	FRAZEE INDUSTRIES INC	069610 069611	06/11/08 06/11/08	PAINT PAINT	901.87 177.14	1,079.01
2012724	07/09/08	03094	FULLCOURT PRESS	18055	06/04/08	JUNE BILLING INSERT	1,448.24	1,448.24
2012875	07/16/08	03094	FULLCOURT PRESS	18122	06/24/08	PRINTING CONSUMER CONFIDENCE REPORT	9,756.22	9,756.22
2012559	07/02/08	08753	GABRIELA NAVARRO	Ref002386429	07/01/08	UB Refund Cst #0000082006	78.42	78.42
2012725	07/09/08	06291	GARCIA CALDERON & RUIZ LLP	1839	06/30/08	LEGAL SERVICES	30,790.12	30,790.12
2012968	07/23/08	08840	GARY CREASON	000434	07/10/08	SMART CONTROLLER REBATE	259.71	259.71
2012805	07/16/08	08834	GARY KENT AND ASSOCIATES	Ref002386976	07/15/08	UB Refund Cst #0000126105	58.15	58.15
2012560	07/02/08	08723	GARY SOPATA	Ref002386399	07/01/08	UB Refund Cst #0000125991	52.04	52.04
2013065	07/30/08	08879	GARY SOPATA	Ref002387235	07/25/08	UB Refund Cst #0000125948	46.09	46.09
2012561	07/02/08	08707	GEM	Ref002386382	07/01/08	UB Refund Cst #0000123326	692.89	692.89
2012630	07/02/08	03537	GHA TECHNOLOGIES INC	494684	06/11/08	MISC IT SUPPLIES	103.22	103.22
2012726	07/09/08	03537	GHA TECHNOLOGIES INC	494719	06/13/08	TONER	618.02	618.02
2012876	07/16/08	03537	GHA TECHNOLOGIES INC	496924 496992	06/23/08 06/25/08	PLANTRONICS POWER ADAPTER KEYBOARD	609.33 13.34	622.67
2012969	07/23/08	03537	GHA TECHNOLOGIES INC	498563	06/30/08	MISC IT SUPPLIES	76.50	76.50
2012806	07/16/08	08835	GILBERTO SANTANA	Ref002386977	07/15/08	UB Refund Cst #0000126206	51.58	51.58
2012807	07/16/08	08816	GLORIA CHAVEZ	Ref002386956	07/15/08	UB Refund Cst #0000119871	158.80	158.80
2012562	07/02/08	08717	GMAC	Ref002386393	07/01/08	UB Refund Cst #0000125480	56.91	56.91

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2012808	07/16/08	08801	GOSNELL BUILDERS OF CALIFORNIA	Ref002386941	07/15/08	UB Refund Cst #0000079468	596.24	596.24
2012809	07/16/08	08806	GOSNELL BUILDERS OF CALIFORNIA	Ref002386946	07/15/08	UB Refund Cst #0000084880	596.24	596.24
2012970	07/23/08	08665	GRAHAM RESEARCH CONSULTANTS	000383	06/30/08	DISTRICT MANAGEMENT TRAINING	4,500.00	4,500.00
2012971	07/23/08	00101	GRAINGER INC	9678914640	07/03/08	WAREHOUSE SUPPLIES	519.03	
				9678664179	07/03/08	WAREHOUSE SUPPLIES	277.87	
				9678914657	07/03/08	SPRINKLER PARTS	265.20	
				9678664187	07/03/08	FAN BELT	1.93	1,064.03
2012631	07/02/08	01576	GRAYBAR ELECTRIC CO INC	934629367	06/11/08	REMOTE PLC COMMUNICATION CABLE	1,034.50	
				934602964	06/10/08	DATA CENTER CABLES	335.15	1,369.65
2012632	07/02/08	02187	GREENSCAPE	1937	06/06/08	LANDSCAPE WOOD CHIPS	420.00	420.00
2012972	07/23/08	02187	GREENSCAPE	1951	07/01/08	LANDSCAPING SERVICES	6,090.00	6,090.00
2012877	07/16/08	05515	GREENTREE APPLIED SYSTEMS INC	0050802IN	06/23/08	SERIAL CABLES	112.95	112.95
2012973	07/23/08	03773	GTC SYSTEMS INC	27920	06/30/08	TECHNICAL SUPPORT FOR CITRIX	317.47	317.47
2012563	07/02/08	08729	GUADALUPE MARMON	Ref002386405	07/01/08	UB Refund Cst #0000126771	24.04	24.04
2012633	07/02/08	08487	GUERREIRO, JUAN	000380	07/01/08	EDUCATION/TUITION REIMBURSEMENT	1,373.00	1,373.00
2012564	07/02/08	08739	GURKIRPAL MORROW	Ref002386415	07/01/08	UB Refund Cst #0000038603	122.79	122.79
2012878	07/16/08	02630	HAAKER EQUIPMENT COMPANY	D02493	06/23/08	REPAIR PARTS	975.26	975.26
2012974	07/23/08	02630	HAAKER EQUIPMENT COMPANY	C62064	06/30/08	REPAIR PART	1,341.85	1,341.85
2012634	07/02/08	00174	HACH COMPANY	5758364	06/09/08	LABORATORY SUPPLIES	135.55	135.55
2012879	07/16/08	00174	HACH COMPANY	5756086	06/06/08	CHLORINE & AMMONIA ANALYZER	1,958.36	1,958.36
2012880	07/16/08	02629	HANSON AGGREGATES INC	565445	06/20/08	CRUSHED AGGREGATES & ROCK	204.36	
				565598	06/23/08	CRUSHED AGGREGATES & ROCK	183.28	387.64
2012727	07/09/08	03639	HARRIS & ASSOCIATES INC	14002	06/16/08	CIP P2009 - 36 INCH PIPELINE VALVE ENGG	1,450.00	1,450.00
2012635	07/02/08	00169	HAWTHORNE POWER SYSTEMS	PS100050351	03/24/08	REPAIR PARTS	1,711.80	
				PS100050350	03/24/08	REPAIR PARTS	224.27	1,936.07
2012728	07/09/08	00169	HAWTHORNE POWER SYSTEMS	PS100054397	06/16/08	REPAIR PART	191.73	
				PS100054398	06/16/08	REPAIR PART	41.52	233.25

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2012975	07/23/08	00169	HAWTHORNE POWER SYSTEMS	PC100006474		CREDIT MEMO	(6,299.99)	
				PC100006475		CREDIT MEMO	(3,096.92)	
				PC100006566		CREDIT MEMO	(1,867.68)	
				PC100006198		CREDIT MEMO	(1,244.56)	
				PC100006565		CREDIT MEMO	(687.49)	
				PC100006567		CREDIT MEMO	(373.54)	
				PC100006563		CREDIT MEMO	(197.53)	
				PC100006582		CREDIT MEMO	(196.03)	
				PC100006564		CREDIT MEMO	(171.87)	
				PC100006581		CREDIT MEMO	(124.28)	
				PC100006584		CREDIT MEMO	(92.38)	
				PC100006583		CREDIT MEMO	(26.69)	
				PC100006581		CREDIT MEMO	(5.75)	
				PS100047884	01/31/08	REPAIR PARTS	8,715.46	
				PS100047883	01/31/08	REPAIR PARTS	5,723.51	
				PS100052943	05/14/08	REPAIR PARTS	5,508.40	
				PS100047881	01/31/08	REPAIR PARTS	1,941.81	
				PS100052951	05/14/08	REPAIR PARTS	1,044.67	
				PS100047882	01/31/08	REPAIR PARTS	684.68	
				PS100054981	06/30/08	REPAIR PARTS	187.27	
				PS100052955	05/14/08	REPAIR PARTS	112.17	
				PS100052965	05/14/08	REPAIR PARTS	11.51	
				PS100052963	05/14/08	REPAIR PARTS	4.35	9,549.12
2012881	07/16/08	06640	HD SUPPLY WATERWORKS LTD	7275931	06/27/08	INVENTORY	3,331.63	3,331.63
2012976	07/23/08	06640	HD SUPPLY WATERWORKS LTD	7433205	06/27/08	FLANGES	290.93	290.93
2012810	07/16/08	08833	HECTOR CORDOVA	Ref002386975	07/15/08	UB Refund Cst #0000126047	53.15	53.15
2012729	07/09/08	00713	HEWLETT-PACKARD COMPANY	44430483		CREDIT MEMO	(12,421.42)	
				44422853	06/14/08	HP BLADE SYSTEM	22,520.83	
				44447105	06/19/08	DATA CENTER EQUIPMENT	10,783.19	
				44413902	06/12/08	HP CAREPACK HARDWARE SUPPORT	732.00	
				4407121	06/11/08	CAREPACK HARDWARE SUPPORT	654.00	
				44384149	06/06/08	CAREPACK HARDWARE SUPPORT	654.00	22,922.60
2012882	07/16/08	00713	HEWLETT-PACKARD COMPANY	44454135	06/20/08	DATA CENTER GIS SERVERS	10,418.99	
				44466275	06/23/08	SCADA HARD DRIVES	2,346.80	12,765.79
2013116	07/30/08	00713	HEWLETT-PACKARD COMPANY	44541879	07/09/08	USB KEYBOARDS	431.00	431.00
2012730	07/09/08	06843	HI-TECH AIR CONDITIONING	3269	06/13/08	DATA CENTER AC MAINTENANCE	375.00	375.00
2012977	07/23/08	01109	HOME DEPOT CREDIT SERVICES	9198369	07/10/08	PAINT SUPPLIES	89.73	89.73

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2012565	07/02/08	08713	HOMEQ SERVICING INC	Ref002386389	07/01/08	UB Refund Cst #0000124818	5.35	5.35
2012566	07/02/08	08728	HOT CAKES INC	Ref002386404	07/01/08	UB Refund Cst #0000126722	778.93	778.93
2012567	07/02/08	08704	HSBC BANK	Ref002386379	07/01/08	UB Refund Cst #0000122793	55.41	55.41
2012731	07/09/08	06301	HVAC ENGINEERING INC	5358	06/03/08	PUMP STATION REPLACEMENT	3,843.00	3,843.00
2012636	07/02/08	03743	HYDROTEX	552077	06/10/08	HYDRAULIC OIL	475.75	475.75
2012883	07/16/08	03743	HYDROTEX	5552745	06/26/08	OIL	1,272.76	1,272.76
2013066	07/30/08	08861	IAN ROSS	Ref002387213	07/25/08	UB Refund Cst #0000092543	29.26	29.26
2012811	07/16/08	08813	IDELFONSO BAYON	Ref002386953	07/15/08	UB Refund Cst #0000093643	48.12	48.12
2012732	07/09/08	01649	IDEXX DISTRIBUTION INC	231144089	06/09/08	LABORATORY SUPPLIES	1,769.41	1,769.41
2013117	07/30/08	02203	IKON OFFICE SOLUTIONS	24052711	07/08/08	SCANNER SOFTWARE LICENSES	22,738.48	22,738.48
2012812	07/16/08	08831	INDIMAC BANK	Ref002386973	07/15/08	UB Refund Cst #0000125451	58.98	58.98
2012733	07/09/08	07485	INFO-HOLD INC	78588	05/27/08	INFO-HOLD CUSTOMIZED MESSAGING	595.00	595.00
2013118	07/30/08	03280	INFRASTRUCTURE ENGINEERING	3708	06/27/08	CONST CONSULTANTS/640-1 RESERVOIR	2,548.25	2,548.25
2012734	07/09/08	01982	INTEGRATED OFFICE SYSTEMS	3011	05/20/08	ANNUAL FACSIMILE MAINTENANCE	1,145.00	1,145.00
2012978	07/23/08	02028	INTERACTIVE DATA PRICING AND	05572068	06/30/08	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2012979	07/23/08	02372	INTERIOR PLANT SERVICE INC	28158	06/30/08	PLANT SERVICE	169.00	169.00
2012686	07/09/08	02267	INTERNAL REVENUE SERVICE	Ben2386746	07/10/08	PAYROLL DEDUCTION	50.00	50.00
2012884	07/16/08	03250	INTERNATIONAL PUBLIC	000407 000406	07/09/08 07/09/08	MEMBERSHIP RENEWAL MEMBERSHIP RENEWAL	55.00 40.00	95.00
2012735	07/09/08	06630	J C HEDEN AND ASSOCIATES INC	OWD020	05/31/08	AS NEEDED ENGINEERING DRAFTING SERVICE:	4,987.00	4,987.00
2012980	07/23/08	06630	J C HEDEN AND ASSOCIATES INC	OWD021 OWD019	06/30/08 05/06/08	AS NEEDED ENGINEERING DRAFTING SERVICE: AS NEEDED ENGINEERING DRAFTING SERVICE:	5,050.75 4,975.00	10,025.75
2013067	07/30/08	08864	JACK ARCHER	Ref002387217	07/25/08	UB Refund Cst #0000119446	16.61	16.61
2012885	07/16/08	00646	JACKSON-HIRSH INC	0705492	06/23/08	LAMINATING SHEETS	81.62	81.62

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2012568	07/02/08	08715	JAIME PENUELA	Ref002386391	07/01/08	UB Refund Cst #0000125151	26.36	26.36
2012569	07/02/08	08747	JAKE RHO	Ref002386423	07/01/08	UB Refund Cst #0000070410	59.14	59.14
2012570	07/02/08	08746	JAMES SCOTT	Ref002386422	07/01/08	UB Refund Cst #0000068569	37.46	37.46
2013119	07/30/08	02290	JAMES, KENNETH E	000456	07/30/08	REIMB SAFETY BOOTS & RENEWAL FEES	316.00	316.00
2012571	07/02/08	08732	JAN PERRY	Ref002386408	07/01/08	UB Refund Cst #0000007288	80.39	80.39
2012813	07/16/08	08797	JANETH GUZMAN	Ref002386937	07/15/08	UB Refund Cst #0000072573	91.65	91.65
2013068	07/30/08	08863	JENNIFER ENGLISH	Ref002387216	07/25/08	UB Refund Cst #0000104368	9.65	9.65
2013120	07/30/08	08779	JIFFY MACHINE	12489	07/09/08	REPAIR PART	600.00	600.00
2013069	07/30/08	08844	JOE GUTIERREZ	Ref002387196	07/25/08	UB Refund Cst #0000020169	242.75	242.75
2012572	07/02/08	08756	JOHN NOBEL	Ref002386432	07/01/08	UB Refund Cst #0000088286	18.76	18.76
2012573	07/02/08	08744	JOHN SEOG LEE	Ref002386420	07/01/08	UB Refund Cst #0000067576	55.88	55.88
2012814	07/16/08	08744	JOHN SEOG LEE	Ref002386934	07/15/08	UB Refund Cst #0000067576	80.00	80.00
2012574	07/02/08	08733	JOHN STENCIL	Ref002386409	07/01/08	UB Refund Cst #0000009102	121.94	121.94
2012575	07/02/08	08731	JOHN THOMAS	Ref002386407	07/01/08	UB Refund Cst #0000006147	134.84	134.84
2012637	07/02/08	03172	JONES & STOKES ASSOCIATES	0053727 0053737 0053734	06/11/08 06/11/08 06/11/08	HABITAT MGMT ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	14,720.11 903.05 501.25	16,124.41
2013121	07/30/08	03172	JONES & STOKES ASSOCIATES	0052706	05/12/08	ON-CALL ENVIRONMENTAL SVCS	145.00	145.00
2012815	07/16/08	08789	JOSE CASTILLO	Ref002386928	07/15/08	UB Refund Cst #0000030901	49.47	49.47
2013070	07/30/08	08871	JOSE RIVERA	Ref002387227	07/25/08	UB Refund Cst #0000124190	40.17	40.17
2012816	07/16/08	08822	JOSEPH DAVILA	Ref002386962	07/15/08	UB Refund Cst #0000123314	18.52	18.52
2012638	07/02/08	02449	JOSEPH G POLLARD CO INC	1226279IN	06/11/08	EQUIPMENT FOR WATER OPERATIONS	572.61	572.61
2012886	07/16/08	02449	JOSEPH G POLLARD CO INC	1227317IN	06/25/08	EQUIPMENT FOR WATER OPERATIONS	182.65	182.65
2013071	07/30/08	08873	JOSEPH RAMOS	Ref002387229	07/25/08	UB Refund Cst #0000124515	107.57	107.57

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2012817	07/16/08	08786	JUAN MOTA	Ref002386924	07/15/08	UB Refund Cst #0000022295	88.50	88.50
2012576	07/02/08	08759	JUAN ZAPIEN	Ref002386435	07/01/08	UB Refund Cst #0000089837	75.00	75.00
2012577	07/02/08	08702	KAREN FRISON	Ref002386377	07/01/08	UB Refund Cst #0000121903	33.60	33.60
2012578	07/02/08	08703	KAYCI BARTON	Ref002386378	07/01/08	UB Refund Cst #0000121913	13.19	13.19
2012736	07/09/08	07493	KEITH OLIVER & ASSOCIATES	1107	06/18/08	EMISSION ENGINE RETROFIT FILTER	4,695.32	4,695.32
2012818	07/16/08	08817	KELLY HA	Ref002386957	07/15/08	UB Refund Cst #0000121648	35.34	35.34
2012579	07/02/08	08768	KEVIN WHALEN	Ref002386444	07/01/08	UB Refund Cst #0000097383	5.25	5.25
2012580	07/02/08	08696	KHISRO KERIM	Ref002386370	07/01/08	UB Refund Cst #0000097480	19.09	19.09
2012581	07/02/08	08716	KIM KOESNER	Ref002386392	07/01/08	UB Refund Cst #0000125291	46.64	46.64
2012887	07/16/08	05840	KIRK PAVING INC	3989	06/24/08	PAVING SERVICES	4,380.00	13,676.00
				3988	06/24/08	PAVING SERVICES	4,682.00	
				3987	06/24/08	PAVING SERVICES	4,614.00	
2012639	07/02/08	04996	KNOX ATTORNEY SERVICE INC	401730	06/07/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	28.50
2012737	07/09/08	04996	KNOX ATTORNEY SERVICE INC	403401	06/13/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	199.50
				403402	06/13/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				403404	06/13/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				403405	06/13/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				404303	06/19/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				404302	06/19/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				404301	06/19/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
2012888	07/16/08	04996	KNOX ATTORNEY SERVICE INC	405936	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	199.50
				406111	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				406112	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				405948	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				405933	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				405934	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				405935	06/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
2013122	07/30/08	04996	KNOX ATTORNEY SERVICE INC	408176	07/06/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	142.50
				408175	07/06/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				408174	07/06/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				408173	07/06/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				408172	07/06/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	

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2013123	07/30/08	01859	LA PRENSA SAN DIEGO	22407	07/25/08	JOB POSTING	48.00	48.00
2013072	07/30/08	08852	LACRESHA GETTER	Ref002387204	07/25/08	UB Refund Cst #0000080623	12.78	12.78
2012889	07/16/08	06497	LAKESIDE LAND COMPANY	213147	06/23/08	ASPHALT	40.00	40.00
2012981	07/23/08	08841	LAURA SANCHEZ	000435	07/10/08	SMART CONTROLLER REBATE	350.00	350.00
2012640	07/02/08	08693	LAVINA RILLING	000372	06/30/08	ARTIFICIAL TURF REBATE	930.00	930.00
2013073	07/30/08	08857	LAWRENCE PAYNE	Ref002387209	07/25/08	UB Refund Cst #0000088152	30.79	30.79
2012738	07/09/08	03607	LEE & RO INC	83503 83408	06/09/08 06/09/08	AS NEEDED ENGINEERING DESIGN SERVICES AS NEEDED ENGINEERING DESIGN SERVICES	34,165.93 5,302.35	39,468.28
2012582	07/02/08	08765	LEON LEONTE	Ref002386441	07/01/08	UB Refund Cst #0000095044	28.54	28.54
2012583	07/02/08	08751	LETICIA WILLIAMS	Ref002386427	07/01/08	UB Refund Cst #0000079264	13.46	13.46
2012982	07/23/08	03123	LEWIS ENGRAVING	23399	07/01/08	640 RESV CIP PROJECT	15.00	15.00
2012641	07/02/08	00491	LIGHTHOUSE INC	2084067	04/29/08	LED LIGHTING	991.30	991.30
2012890	07/16/08	00491	LIGHTHOUSE INC	2108714 2108713	06/25/08 06/25/08	APCD ANTI IDLING L.E.D. RETROFIT APCD ANTI IDLING L.E.D. RETROFIT	2,528.72 1,030.10	3,558.82
2012819	07/16/08	08812	LINDO LERMA	Ref002386952	07/15/08	UB Refund Cst #0000093308	75.00	75.00
2012642	07/02/08	05220	LOGICALIS INTEGRATION SOLUTION	S819106	06/11/08	IT DATA CENTER SERVICES	13,650.00	13,650.00
2012739	07/09/08	05220	LOGICALIS INTEGRATION SOLUTION	S819123	06/16/08	IT DATA CENTER SERVICES	17,750.00	17,750.00
2013124	07/30/08	05220	LOGICALIS INTEGRATION SOLUTION	S819279	06/30/08	NETWORK INFRASTRUCTURE CONSULTING	3,339.66	3,339.66
2012820	07/16/08	08826	LORENA DOMINGUEZ	Ref002386966	07/15/08	UB Refund Cst #0000124102	13.29	13.29
2012821	07/16/08	08809	LORENA PEINADO	Ref002386949	07/15/08	UB Refund Cst #0000090641	20.14	20.14
2012740	07/09/08	03015	LORMAN EDUCATION SERVICES	000384	07/03/08	SEMINAR REGISTRATION	658.00	658.00
2012584	07/02/08	08735	LOUISE JULIEN	Ref002386411	07/01/08	UB Refund Cst #0000025989	21.20	21.20
2012822	07/16/08	08785	LYNELL DURGAN	Ref002386923	07/15/08	UB Refund Cst #0000019209	22.55	22.55
2012891	07/16/08	01054	LYNN'S LOCKSMITH SERVICE	259518	06/20/08	RE-KEY NEW OFFICE	85.00	85.00

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2012585	07/02/08	08766	M ELIZABETH CABEZAS	Ref002386442	07/01/08	UB Refund Cst #0000095216	65.38	65.38
2012643	07/02/08	01464	MAG SYSTEMS INC	160474879	06/11/08	640 RESV CIP PROJECT	1,485.99	1,485.99
2012892	07/16/08	00628	MANHATTAN NAT'L LIFE INS CO	000420	07/15/08	VOLUNTARY LIFE INSURANCE	474.29	474.29
2013074	07/30/08	08875	MANNY LOPEZ	Ref002387231	07/25/08	UB Refund Cst #0000124677	28.88	28.88
2013075	07/30/08	08874	MARC CARPENTER & ASSOC	Ref002387230	07/25/08	UB Refund Cst #0000124543	19.36	19.36
2012823	07/16/08	08828	MARC CARPENTER & ASSOCIATES	Ref002386969	07/15/08	UB Refund Cst #0000124554	63.30	63.30
2012586	07/02/08	08714	MARC CARPENTER AND ASSOCIATES	Ref002386390	07/01/08	UB Refund Cst #0000124927	47.56	47.56
2012824	07/16/08	08714	MARC CARPENTER AND ASSOCIATES	Ref002386971	07/15/08	UB Refund Cst #0000124927	16.15	16.15
2012587	07/02/08	07724	MARIA ESTHER RAMIREZ	Ref002386375	07/01/08	UB Refund Cst #0000120580	100.24	100.24
2012588	07/02/08	08752	MARIA GONCALVES	Ref002386428	07/01/08	UB Refund Cst #0000080536	26.39	26.39
2013125	07/30/08	02902	MARSTON+MARSTON INC	20087	07/01/08	PUBLIC RELATIONS SERVICES	7,365.00	7,365.00
2012825	07/16/08	08798	MARTHA RODRIGUEZ	Ref002386938	07/15/08	UB Refund Cst #0000073677	6.24	6.24
2013126	07/30/08	08890	MARY A CARRILLO	000453	07/30/08	UB REFUND	82.53	82.53
2012589	07/02/08	08700	MARY UN	Ref002386374	07/01/08	UB Refund Cst #0000119366	6.00	6.00
2012741	07/09/08	05329	MASTER METER INC	0140957IN	06/17/08	INVENTORY	108,027.82	108,027.82
2012893	07/16/08	05329	MASTER METER INC	0141233IN	06/24/08	INVENTORY	27,819.43	27,819.43
2013076	07/30/08	08884	MATT CHELLI	Ref002387240	07/25/08	UB Refund Cst #0000126662	54.54	54.54
2012644	07/02/08	02882	MAYER REPROGRAPHICS INC	0033240IN	06/12/08	REPROGRAPHICS SERVICES	2,297.08	2,297.08
2012742	07/09/08	02882	MAYER REPROGRAPHICS INC	0033241IN	06/12/08	REPROGRAPHICS SERVICES	1,278.13	1,278.13
2012894	07/16/08	02882	MAYER REPROGRAPHICS INC	0033783IN	06/25/08	REPROGRAPHICS SERVICES	895.07	895.07
2012983	07/23/08	02882	MAYER REPROGRAPHICS INC	0034000IN 0034110IN	06/30/08 07/02/08	REPROGRAPHICS SERVICES REPROGRAPHICS SERVICES	354.50 59.26	413.76
2012645	07/02/08	01183	MCMaster-CARR SUPPLY CO	89674404 89631565	06/12/08 06/11/08	SOLENOID VALVE MAINTENANCE ITEMS	755.45 243.60	

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				89640165	06/11/08	REPAIR PART	93.97	1,093.02
2012984	07/23/08	01183	MCMASTER-CARR SUPPLY CO	91845356	07/03/08	VALVE MAINTENANCE ITEMS	611.74	611.74
2012895	07/16/08	07787	MCMILLIN LAND DEVELOPMENT	000415	07/07/08	CIP REIMBURSEMENT (R2033-001103)	325,383.45	325,383.45
2012896	07/16/08	08781	MCMILLIN LAND DEVELOPMENT	000411	07/07/08	CIP REIMBURSEMENT (P2134-001103)	185,047.80	185,047.80
2012646	07/02/08	08403	MCR TECHNOLOGIES INC	18927	06/11/08	LEVEL TRANSDUCER	562.11	562.11
2013077	07/30/08	08885	MCS	Ref002387241	07/25/08	UB Refund Cst #0000127720	36.19	36.19
2012590	07/02/08	08712	MDS CONTRACTING ING	Ref002386388	07/01/08	UB Refund Cst #0000124660	655.95	655.95
2012591	07/02/08	08738	MICHAEL BULLARD	Ref002386414	07/01/08	UB Refund Cst #0000036790	40.49	40.49
2013078	07/30/08	08856	MICHAEL STEWART	Ref002387208	07/25/08	UB Refund Cst #0000086326	20.91	20.91
2012592	07/02/08	08737	MICHAEL SWEET	Ref002386413	07/01/08	UB Refund Cst #0000035644	79.47	79.47
2013079	07/30/08	08860	MICHAEL VALLARELLI	Ref002387212	07/25/08	UB Refund Cst #0000092526	75.05	75.05
2012743	07/09/08	01577	MINARIK CORPORATION	10581844DD 10581842DD	06/19/08 06/19/08	GE PLC EQUIPMENT PLC EQUIPMENT AND MODULES	9,833.64 4,140.81	13,974.45
2012897	07/16/08	01577	MINARIK CORPORATION	10583565DD	06/25/08	HMI DISPLAY	4,215.61	4,215.61
2012898	07/16/08	04943	MITCHELL INSTRUMENT CO INC	062408M01	06/24/08	INSTRUMENT CALIBRATOR	5,547.98	5,547.98
2012647	07/02/08	03393	MOBILE MINI LLC - CA	904127919	06/08/08	RENTAL 40' METERS STORAGE CONTAINER	164.90	164.90
2013127	07/30/08	03393	MOBILE MINI LLC - CA	904129836 904134153	06/16/08 07/06/08	RENTAL 40' METER STORAGE CONTAINERS RENTAL 40' METER STORAGE CONTAINERS	170.88 164.90	335.78
2012744	07/09/08	03401	MODULAR MERCHANTS	1797 1796 1795	06/19/08 06/19/08 06/19/08	FINANCE DEPT RECONFIGURATION FINANCE DEPT RECONFIGURATION FINANCE DEPT RECONFIGURATION	13,310.56 941.57 779.77	15,031.90
2013080	07/30/08	08845	MONTOHIDE SAKURATANI	Ref002387197	07/25/08	UB Refund Cst #0000026290	70.12	70.12
2013128	07/30/08	03623	MWH AMERICAS INC	1176291 1195377	03/30/08 06/29/08	PROFESSIONAL SERVICES RENDERED PROFESSIONAL SERVICES RENDERED	6,570.56 1,312.11	7,882.67
2012648	07/02/08	02037	MWH LABORATORIES	239225LI	06/10/08	REGULATORY ANALYSES	2,005.00	2,005.00
2012899	07/16/08	02037	MWH LABORATORIES	243071LI	06/25/08	OUTSIDE LABORATORY SERVICES	308.00	

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				241698LI	06/19/08	OUTSIDE LABORATORY SERVICES	300.00	608.00
2012687	07/09/08	03523	NATIONAL DEFERRED COMPENSATION	Ben2386742	07/10/08	DEFERRED COMP PLAN	9,827.79	9,827.79
2012985	07/23/08	03523	NATIONAL DEFERRED COMPENSATION	Ben2387115	07/24/08	DEFERRED COMP PLAN	9,837.80	9,837.80
2012649	07/02/08	03733	NEC UNIFIED SOLUTIONS INC	VSH10257909	06/11/08	LABOR FOR PHONES SVCS	118.00	118.00
2012986	07/23/08	03733	NEC UNIFIED SOLUTIONS INC	VSH10258699 VSH10258700	06/30/08 06/30/08	LABOR FOR PHONES SVCS LABOR FOR PHONES SVCS	295.00 118.00	413.00
2012745	07/09/08	03487	NETWORK INSIGHT	NINMS200800953	05/31/08	NETWORK MONITORING SERVICES	14,750.00	14,750.00
2012987	07/23/08	03487	NETWORK INSIGHT	NINMS200800982	06/30/08	OUTSIDE SUPPORT	615.00	615.00
2012826	07/16/08	08824	NEW CENTURY HOME EQUITY LOAN	Ref002386964	07/15/08	UB Refund Cst #0000123801	142.52	142.52
2012650	07/02/08	00745	NEWARK	15435534 16004179 16004974	 06/10/08 06/10/08	CREDIT MEMO 640 RESV CIP PROJECT 640 RESV CIP PROJECT	(56.74) 952.51 771.42	1,667.19
2012746	07/09/08	00745	NEWARK	16037385	06/17/08	640 RESV CIP PROJECT	61.87	61.87
2013129	07/30/08	00745	NEWARK	16164116	07/16/08	MULTICONDUCTOR CABLE	750.80	750.80
2013130	07/30/08	08531	NEWEST CONSTRUCTION	1	05/23/08	S2015 - CALAVO SEWER LIFT STATION	13,500.00	13,500.00
2012988	07/23/08	05494	NEXTEL OF CALIFORNIA	901500243022	07/12/08	GIS (AIR-TRAK) CELLULAR SERVICE	3,541.82	3,541.82
2012747	07/09/08	03571	NEXTLEVEL INTERNET INC	15894	06/14/08	INTERNET WEB HOSTING	416.00	416.00
2013081	07/30/08	08850	NICOLE HOBSON	Ref002387202	07/25/08	UB Refund Cst #0000073997	101.27	101.27
2012593	07/02/08	08741	NOEL SILVERIO	Ref002386417	07/01/08	UB Refund Cst #0000044642	54.03	54.03
2012827	07/16/08	08788	NOEL VALCARCEL	Ref002386927	07/15/08	UB Refund Cst #0000027589	43.89	43.89
2012594	07/02/08	08761	NORMA AMAR	Ref002386437	07/01/08	UB Refund Cst #0000091821	12.26	12.26
2012748	07/09/08	08777	NORMAN KNIGHT	000394	07/07/08	SMART CONTROLLER REBATE	224.08	224.08
2012989	07/23/08	08382	NORTH COUNTY FORD	1F81237 1F81236 1F81234	06/30/08 06/30/08 06/30/08	2008 FORD F-250 TRUCK 2008 FORD F-250 TRUCK 2008 FORD F-250 TRUCK	17,362.69 17,362.69 17,362.69	52,088.07
2012828	07/16/08	08832	OAK TREE REALTY	Ref002386974	07/15/08	UB Refund Cst #0000125921	75.00	75.00

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2012829	07/16/08	08820	OAKTREE REALTY	Ref002386960	07/15/08	UB Refund Cst #0000123271	59.40	59.40
2013131	07/30/08	02867	OCE	986482649	07/09/08	SERVICE DUAL ROLL PRINTER W/SCANNER	1,997.64	1,997.64
2012749	07/09/08	00510	OFFICE DEPOT INC	433284632001	06/18/08	OFFICE SUPPLIES	2,120.37	
				434020742001	06/18/08	OFFICE SUPPLIES	298.55	
				433480176001	06/18/08	OFFICE SUPPLIES	106.45	
				433893463001	06/18/08	OFFICE SUPPLIES	75.94	
				433856823001	06/18/08	OFFICE SUPPLIES	19.17	2,620.48
2012900	07/16/08	00510	OFFICE DEPOT INC	434698653001	06/25/08	OFFICE SUPPLIES	253.34	
				434367552001	06/25/08	OFFICE SUPPLIES	182.27	
				434020819001	06/25/08	OFFICE SUPPLIES	24.23	459.84
2012990	07/23/08	00510	OFFICE DEPOT INC	434548102001	07/02/08	BOOKCASES FOR FINANCE DEPT	374.08	
				434892401001	07/02/08	OFFICE SUPPLIES	192.04	
				435101012001	07/02/08	OFFICE SUPPLIES	172.52	
				435101081001	07/02/08	OFFICE SUPPLIES	90.18	828.82
2012991	07/23/08	07945	OLIN CORP - CHLOR ALKALI	1042521	07/02/08	CHLORINE FOR TREATMENT PLANT	2,187.55	2,187.55
2012651	07/02/08	07945	OLIN CORPORATION	1034365	06/11/08	CHLORINE FOR TREATMENT PLANT	2,187.55	2,187.55
2012652	07/02/08	08392	ON TRAC	6106923	06/07/08	SHIPPING FOR SCADA COMPUTERS	112.95	
				6093837	05/31/08	SHIPPING FOR SCADA COMPUTERS	3.95	116.90
2012750	07/09/08	00496	ONESOURCE DISTRIBUTORS LLC	S2931183001	06/18/08	ETHERNET SWITCH	3,203.97	3,203.97
2012992	07/23/08	06856	ORPAK USA INC	27737	06/01/08	FUEL-O-MAT SYSTEM MAINTENANCE	11,138.56	11,138.56
2012751	07/09/08	02334	OTAY LANDFILL	006707	06/15/08	WASTE DISPOSAL SERVICES	43.00	43.00
2012993	07/23/08	02334	OTAY LANDFILL	006753	06/30/08	WASTE DISPOSAL SERVICES	508.90	508.90
2012595	07/02/08	08730	OTAY PROJECT LP	Ref002386406	07/01/08	UB Refund Cst #0000000624	633.04	633.04
2012688	07/09/08	03101	OTAY WATER DISTRICT	Ben2386744	07/10/08	PAYROLL DEDUCTION - ASSN DUES	826.00	826.00
2012994	07/23/08	03101	OTAY WATER DISTRICT	Ben2387117	07/24/08	PAYROLL DEDUCTION - ASSN DUES	826.00	826.00
2012995	07/23/08	07499	PACIFIC BUILDING MAINTENANCE	15631	06/30/08	JANITORIAL SERVICES ADMIN, WH, TP & OPS	2,795.00	2,795.00
2012996	07/23/08	06646	PACIFIC HYDROTECH CORPORATION	4591	06/30/08	CONSTRUCTION SERVICES	768,246.00	768,246.00
2012653	07/02/08	03017	PACIFIC SAFETY COUNCIL	64548	05/31/08	ANNUAL MEMBERSHIP RENEWAL	365.00	365.00

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2012596	07/02/08	08736	PAMELA KELLEY	Ref002386412	07/01/08	UB Refund Cst #0000029352	68.40	68.40
2012654	07/02/08	08689	PATRICIA CHAMBERLIN	000364	06/25/08	ARTIFICIAL TURF REBATE	469.00	469.00
2012597	07/02/08	08734	PATRICIA DAVIS	Ref002386410	07/01/08	UB Refund Cst #0000020121	13.41	13.41
2012997	07/23/08	05497	PAYPAL INC	2150335	06/30/08	ON-LINE PAYMENT SERVICES	388.40	388.40
2012901	07/16/08	03308	PBS&J	1011486 1011117	06/25/08 06/23/08	2009 MASTER PLAN UPDATE CIP P2089-RECYCLED WATER CONCEPT STUDY	51,445.95 11,691.08	63,137.03
2012998	07/23/08	03308	PBS&J	1011108	06/27/08	GIS UPDATES	37,085.00	37,085.00
2012655	07/02/08	00138	PEARSON FORD CO	886921	06/12/08	REPAIR PART	148.49	148.49
2012999	07/23/08	03790	PENHALL COMPANY	19044	06/30/08	FLAT SAW CUTTING SERVICES	315.00	315.00
2013132	07/30/08	03790	PENHALL COMPANY	19111	07/10/08	FLAT SAW CUTTING SERVICES	195.00	195.00
2012656	07/02/08	00593	PEPPER OIL COMPANY INC	607260 607261	06/27/08 06/27/08	DIESEL FUEL UNLEADED FUEL	18,327.16 16,461.26	34,788.42
2013000	07/23/08	03457	PERSONAL TOUCH WEST	20563	06/30/08	WATER CONSERVATION PROMOTIONAL ITEMS	2,159.72	2,159.72
2012657	07/02/08	08694	PETER PALLOTTO	000371	06/30/08	ARTIFICIAL TURF REBATE	444.00	444.00
2012689	07/09/08	00137	PETTY CASH CUSTODIAN	000404	07/08/08	PETTY CASH REIMBURSEMENT	760.67	760.67
2013001	07/23/08	00137	PETTY CASH CUSTODIAN	000438	07/21/08	PETTY CASH REIMBURSEMENT	527.15	527.15
2013082	07/30/08	08883	PHERLINDA RYAN INC	Ref002387239	07/25/08	UB Refund Cst #0000126360	82.38	82.38
2012902	07/16/08	04850	PHIL'S B.B.Q.	000408	07/09/08	CATERING SVCS/EMPLOYEE LUNCHEON	3,340.86	3,340.86
2013002	07/23/08	00053	PITNEY BOWES INC	392521 392522	07/01/08 07/01/08	POSTAL SERVICES POSTAL SERVICES	1,626.00 178.00	1,804.00
2012830	07/16/08	08810	POINTE BUILDERS	Ref002386950	07/15/08	UB Refund Cst #0000091550	982.76	982.76
2012831	07/16/08	08790	POINTE GOSNELL BUILDERS	Ref002386929	07/15/08	UB Refund Cst #0000034571	1,225.70	1,225.70
2012658	07/02/08	05499	PRAXAIR DISTRIBUTION INC	29604805 29402396 29576136	05/20/08 04/25/08 05/20/08	WELDING SUPPLIES & EQUIPMENT WELDING SUPPLIES & EQUIPMENT INSPECTION SUPPLIES	537.77 480.74 31.57	1,050.08

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2012903	07/16/08	05499	PRAXAIR DISTRIBUTION INC	29913575	06/20/08	WELDING SUPPLIES & EQUIPMENT	620.33	620.33
2013003	07/23/08	02976	PRE-PAID LEGAL SERVICES INC	000442	07/23/08	LEGAL SERVICES	73.75	73.75
2012752	07/09/08	01733	PRICE TRONCONE &	11846	05/16/08	DISTRICT RADIO REPEATER SITE RENTAL	3,396.00	3,396.00
2012659	07/02/08	07860	PROTECTIVE LIFE INSURANCE CO	000361	06/25/08	LIFE INSURANCE PREMIUM	1,565.00	1,565.00
2012660	07/02/08	06641	PRUDENTIAL OVERALL SUPPLY	8285605	06/12/08	UNIFORMS	308.55	
				8285604	06/12/08	MATS, TOWELS & SUPPLIES	116.78	
				8285606	06/12/08	MATS, TOWELS & SUPPLIES	95.84	
				8254347	06/04/08	MATS, TOWELS & SUPPLIES	89.00	
				8280326	06/11/08	MATS, TOWELS & SUPPLIES	89.00	
				8280325	06/11/08	UNIFORMS	75.26	
				8254346	06/04/08	UNIFORMS	75.26	
				8285607	06/12/08	UNIFORMS	71.60	921.29
2012753	07/09/08	06641	PRUDENTIAL OVERALL SUPPLY	8311622	06/19/08	UNIFORMS	262.85	
				8311621	06/19/08	MATS, TOWELS & SUPPLIES	116.78	
				8311623	06/19/08	MATS, TOWELS & SUPPLIES	95.84	
				8306380	06/18/08	MATS, TOWELS & SUPPLIES	89.00	
				8306379	06/18/08	UNIFORMS	75.26	
				8311624	06/19/08	UNIFORMS	71.60	711.33
2012904	07/16/08	06641	PRUDENTIAL OVERALL SUPPLY	8337555	06/26/08	UNIFORMS	260.85	
				8337554	06/26/08	MATS, TOWELS & SUPPLIES	116.78	
				8337556	06/26/08	MATS, TOWELS & SUPPLIES	95.84	
				8332304	06/25/08	MATS, TOWELS & SUPPLIES	89.00	
				8332303	06/25/08	UNIFORMS	75.26	
				8337557	06/26/08	UNIFORMS	71.60	709.33
2013004	07/23/08	06641	PRUDENTIAL OVERALL SUPPLY	8363471	07/03/08	UNIFORMS	260.85	
				8363470	07/03/08	MATS, TOWELS & SUPPLIES	116.78	
				8363472	07/03/08	MATS, TOWELS & SUPPLIES	95.84	
				8358237	07/02/08	MATS, TOWELS & SUPPLIES	89.00	
				8358236	07/02/08	UNIFORMS	75.26	
				8363473	07/03/08	UNIFORMS	71.60	709.33
2013133	07/30/08	06641	PRUDENTIAL OVERALL SUPPLY	On Account		CREDIT MEMO	(35.00)	
				9097915		CREDIT MEMO	(8.80)	
				9098957		CREDIT MEMO	(8.80)	
				8389287	07/10/08	UNIFORMS	290.80	
				8389286	07/10/08	MATS, TOWELS & SUPPLIES	116.78	
				8389288	07/10/08	MATS, TOWELS & SUPPLIES	95.84	
				8384046	07/09/08	MATS, TOWELS & SUPPLIES	89.00	
				8384045	07/09/08	UNIFORMS	75.26	

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				8389289	07/10/08	UNIFORMS	63.47	678.55
2012661	07/02/08	02917	PTO SALES CORPORATION	9280500015	02/19/08	VEHICLE REPAIR PART	201.57	201.57
2012662	07/02/08	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2386226	06/26/08	PERS CONTRIBUTION	120,147.30	120,147.30
2012905	07/16/08	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2386738	07/10/08	PERS CONTRIBUTION	121,339.21	121,339.21
2013134	07/30/08	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2387111	07/24/08	PERS CONTRIBUTION	124,766.72	124,766.72
2012754	07/09/08	01342	R J SAFETY SUPPLY CO INC	25045800 25112800	06/18/08 06/18/08	SAFETY EQUIPMENT SAFETY	1,459.22 461.33	1,920.55
2012755	07/09/08	08331	RABO BANK NA	280202R	06/04/08	RETENTION FOR SPIESS CONSTRUCTION	37,437.50	37,437.50
2013005	07/23/08	08331	RABO BANK NA	280203R	07/02/08	RETENTION FOR SPIESS CONSTRUCTION	13,741.00	13,741.00
2012663	07/02/08	07403	RADIOSHACK CORP	109831	06/10/08	13.8V DC 3 AMP POWER SUPPLY	66.26	66.26
2012664	07/02/08	08029	RANCHO SAN DIEGO-JAMUL	000379	06/30/08	REGISTRATION/MARK ROBAK	10.00	10.00
2012832	07/16/08	08794	RANDY YOUNIS	Ref002386933	07/15/08	UB Refund Cst #0000063521	7.34	7.34
2012665	07/02/08	00766	RANROY PRINTING COMPANY	094010 093974	06/11/08 06/11/08	LETTERHEAD AND ENVELOPES BUSINESS CARDS	2,242.28 165.94	2,408.22
2013006	07/23/08	00766	RANROY PRINTING COMPANY	094158	06/30/08	POSTCARDS	637.88	637.88
2012666	07/02/08	02041	RBF CONSULTING	8050015	06/06/08	CIP P2009 - 36 INCH PIPELINE	5,185.00	5,185.00
2012756	07/09/08	02041	RBF CONSULTING	8050014 8041284	06/06/08 05/30/08	P2185-CONST MGMT SVCS R2053-RECLAM. PLANT/RECYCLE WTR OFFICE	56,010.00 31,259.15	87,269.15
2013135	07/30/08	02041	RBF CONSULTING	8060054	07/07/08	CIP P2185-CONST MGMT SVCS	59,795.00	59,795.00
2012667	07/02/08	00021	RCP BLOCK & BRICK INC	4327498	06/11/08	CONCRETE	185.87	185.87
2013007	07/23/08	00021	RCP BLOCK & BRICK INC	4328106	07/02/08	PEA-GRAVEL / PORTLAND	427.77	427.77
2013008	07/23/08	04552	REA & PARKER RESEARCH	000398 000386	06/30/08 06/30/08	2008 GENERAL CUSTOMER SURVEY 2008 EMPLOYEE SURVEY	9,000.00 4,000.00	13,000.00
2012598	07/02/08	08706	RECONSTRUCT CO NA	Ref002386381	07/01/08	UB Refund Cst #0000123073	113.37	113.37
2012906	07/16/08	06645	RELIABLE ELEVATOR INC	12321	04/01/08	ELEVATOR SERVICE & MAINTENANCE	390.00	390.00

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2013009	07/23/08	06645	RELIABLE ELEVATOR INC	13308	07/01/08	ELEVATOR SERVICE & MAINTENANCE	416.01	416.01
2012833	07/16/08	08796	REYNALDO GONZALES	Ref002386936	07/15/08	UB Refund Cst #0000070842	79.46	79.46
2012757	07/09/08	08776	RICARDO REYES	000393	07/07/08	SMART CONTROLLER REBATE	350.00	350.00
2012907	07/16/08	08782	RICHARD BOELTER	000412	07/10/08	SMART CONTROLLER REBATE	336.31	336.31
2013010	07/23/08	01789	RIPPERGER, RONALD H	13620608	06/12/08	TRAVEL EXPENSE REIMBURSEMENT	926.30	926.30
2013083	07/30/08	08865	RITA NITSCHKE	Ref002387218	07/25/08	UB Refund Cst #0000120447	32.66	32.66
2013011	07/23/08	04068	ROADONE TOWING	277497	06/24/08	TOWING CHARGE	150.20	150.20
2012908	07/16/08	04542	ROBAK, MARK	70140608	06/30/08	REIMBURSE MILEAGE EXPENSE	16.16	16.16
2012758	07/09/08	08775	ROBERT CAMPBELL	000392	07/07/08	SMART CONTROLLER REBATE	350.00	350.00
2012599	07/02/08	08760	RODRIGO PERAZA	Ref002386436	07/01/08	UB Refund Cst #0000090774	28.62	28.62
2012668	07/02/08	08770	RON WAGNER	000378	06/30/08	SPONSORSHIP	500.00	500.00
2012834	07/16/08	08783	RONALD BASSETT	Ref002386921	07/15/08	UB Refund Cst #0000013657	32.05	32.05
2012600	07/02/08	08743	RONALD WHITE	Ref002386419	07/01/08	UB Refund Cst #0000067011	33.99	33.99
2012835	07/16/08	08823	ROY MONTES	Ref002386963	07/15/08	UB Refund Cst #0000123677	100.00	100.00
2012759	07/09/08	08149	RPI COATING INC	011812	04/04/08	CIP P1077/458-1 RES. INTERIOR COATING	17,299.40	17,299.40
2012669	07/02/08	05322	RUSSELL PLUMBING & SUPPLIES	13331	06/09/08	PLUMBING REPAIR	1,481.27	1,481.27
2012601	07/02/08	08708	RUTH REYES	Ref002386383	07/01/08	UB Refund Cst #0000123416	52.95	52.95
2012909	07/16/08	00217	RW LITTLE CO INC	88398	06/25/08	SANDBLASTING/POWDERCOAT SVCS	250.00	250.00
2013136	07/30/08	00217	RW LITTLE CO INC	88597	07/10/08	POWDER COATING	100.00	100.00
2012760	07/09/08	00362	RYAN HERCO PRODUCTS CORP	6378888	06/19/08	40 CAPS SLIP FOR RESERVOIRS	422.27	422.27
2012836	07/16/08	08815	SABRI JAMOU	Ref002386955	07/15/08	UB Refund Cst #0000119369	30.42	30.42
2012910	07/16/08	05130	SAFARI MICRO INC	165987	06/24/08	PRINTER & MATERIALS	2,006.31	2,006.31
2012837	07/16/08	08819	SAID SIPO	Ref002386959	07/15/08	UB Refund Cst #0000122950	626.99	626.99

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2012670	07/02/08	04661	SAN DIEGO COUNTY WATER	000376	06/26/08	MEETING REGISTRATION	30.00	150.00
				000368	07/01/08	BUSINESS MEETING	30.00	
				000377	06/30/08	MEETING REGISTRATION	90.00	
2012911	07/16/08	00003	SAN DIEGO COUNTY WATER	6674	07/09/08	WASHER VOUCHER PROGRAM	8,064.00	12,399.74
				6691	07/09/08	TOILET VOUCHER PROGRAM	4,296.00	
				6709	07/09/08	CII VOUCHER PROGRAM	39.74	
2013137	07/30/08	00003	SAN DIEGO COUNTY WATER	6728	07/17/08	SMART LANDSCAPE PROGRAM	2,707.50	2,707.50
2012761	07/09/08	00247	SAN DIEGO DAILY TRANSCRIPT	100489	06/13/08	MATERIAL STORAGE BINS AD	60.05	60.05
2013138	07/30/08	00247	SAN DIEGO DAILY TRANSCRIPT	103922	07/10/08	BID ADVERTISEMENT	58.55	58.55
2012671	07/02/08	00121	SAN DIEGO GAS & ELECTRIC	000360	06/23/08	UTILITY EXPENSES	658.29	36,987.50
				000362	06/25/08	UTILITY EXPENSES	36,329.21	
2012762	07/09/08	00121	SAN DIEGO GAS & ELECTRIC	000363	06/26/08	UTILITY EXPENSES	57,644.63	105,625.79
				000388	07/02/08	UTILITY EXPENSES	47,895.55	
				000400	07/03/08	UTILITY EXPENSES	85.61	
2012912	07/16/08	00121	SAN DIEGO GAS & ELECTRIC	000409	07/03/08	UTILITY EXPENSES	37,108.91	38,835.35
				000410	07/02/08	UTILITY EXPENSE	1,726.44	
2013012	07/23/08	00121	SAN DIEGO GAS & ELECTRIC	000432	07/18/08	UTILITY EXPENSES	38,392.72	38,450.56
				000426	07/17/08	UTILITY EXPENSES	57.84	
2013139	07/30/08	00121	SAN DIEGO GAS & ELECTRIC	000447	07/24/08	UTILITY EXPENSES	34,975.28	67,358.78
				000443	07/18/08	UTILITY EXPENSES	32,383.50	
2012838	07/16/08	08830	SAN DIEGO REALTY	Ref002386972	07/15/08	UB Refund Cst #0000125052	21.72	21.72
2012602	07/02/08	08709	SAN DIEGO REALTY INC	Ref002386384	07/01/08	UB Refund Cst #0000124458	102.28	102.28
2012839	07/16/08	08709	SAN DIEGO REALTY INC	Ref002386968	07/15/08	UB Refund Cst #0000124458	42.58	42.58
2012840	07/16/08	08800	SAN MIGUEL RANCH	Ref002386940	07/15/08	UB Refund Cst #0000075876	50.80	50.80
2013013	07/23/08	01679	SANCHEZ, EDUARDO	000338	06/19/08	SAFETY BOOTS REIMBURSEMENT	150.00	150.00
2012603	07/02/08	08749	SANDY TADEO	Ref002386425	07/01/08	UB Refund Cst #0000072718	55.91	55.91
2012763	07/09/08	05321	SCHIFF ASSOCIATES	02148	05/31/08	CIP P1043-CATHODIC PROTECTION PROGRAM	29,511.50	52,732.14
				02047	04/30/08	CIP P1043-CATHODIC PROTECTION PROGRAM	17,912.66	
				02162	05/31/08	CATHODIC PROTECTION DESIGN & INSP SVCS	5,307.98	

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2013014	07/23/08	05321	SCHIFF ASSOCIATES	02237	06/30/08	CIP P1043-CATHODIC PROTECTION PROGRAM	48,665.20	48,665.20
2013084	07/30/08	08887	SCOTT VINSON	Ref002387243	07/25/08	UB Refund Cst #0000128069	36.19	36.19
2012913	07/16/08	07783	SCRIPPS CENTER FOR EXECUTIVE	17001	06/25/08	EXECUTIVE PHYSICAL	3,634.00	3,634.00
2012604	07/02/08	08698	SEIICHIRO SAITO	Ref002386372	07/01/08	UB Refund Cst #0000119187	47.75	47.75
2012841	07/16/08	08793	SHANE LASHGARI	Ref002386932	07/15/08	UB Refund Cst #0000052813	24.23	24.23
2013140	07/30/08	01651	SHARP REES-STEALY MEDICAL CTRS	202A 202	07/24/08 07/24/08	NEW HIRE PHYSICAL PRE-PLACEMENT	163.00 163.00	326.00
2012672	07/02/08	05421	SHERWIN-WILLIAMS CO	63673	06/10/08	PAINT	475.34	475.34
2012842	07/16/08	08837	SHILLING CORPORATION	Ref002386979	07/15/08	UB Refund Cst #0000127294	29.84	29.84
2012673	07/02/08	05983	SIEMENS WATER	7823321	06/12/08	BIOXIDE	710.01	710.01
2012764	07/09/08	05983	SIEMENS WATER	2481510 2485832	06/13/08 06/18/08	AMMONIA GAS MONITOR ACUTECH 35 POWER SUPPLY MODULE	2,846.76 829.65	3,676.41
2013015	07/23/08	05983	SIEMENS WATER	2495663	06/27/08	PM V 75 CHLORINATORS AND INJECTORS	3,476.47	3,476.47
2013141	07/30/08	00258	SLOAN ELECTRIC CO	0054065 0054064	07/08/08 07/08/08	VIBRATION TEST/TRIM BALANCE MOTOR VIBRATION TEST/TRIM BALANCE MOTOR	1,170.00 700.00	1,870.00
2012674	07/02/08	03103	SOUTHCOAST HEATING &	C37157	06/11/08	AIR CONDITIONING MAINTENANCE	857.00	857.00
2013142	07/30/08	03103	SOUTHCOAST HEATING &	C37424	07/10/08	AIR CONDITIONING MAINTENANCE	908.00	908.00
2012675	07/02/08	03760	SPANKY'S PORTABLE SERVICES INC	738289 738288 738287 738286 738564	06/06/08 06/06/08 06/06/08 06/06/08 06/09/08	PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL	79.96 79.96 79.96 79.96 79.96	399.80
2012765	07/09/08	03760	SPANKY'S PORTABLE SERVICES INC	739709	06/18/08	PORTABLE TOILET RENTAL	79.96	79.96
2012914	07/16/08	03760	SPANKY'S PORTABLE SERVICES INC	740730	06/26/08	PORTABLE TOILET RENTAL	98.15	98.15
2013143	07/30/08	03760	SPANKY'S PORTABLE SERVICES INC	742130 742131 742132 742133 742238	07/04/08 07/04/08 07/04/08 07/04/08 07/07/08	PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL	79.96 79.96 79.96 79.96 79.96	399.80

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2012766	07/09/08	03516	SPECIAL DISTRICT RISK	000405	06/26/08	PROPERTY & LIABILITY PREMIUM	480,161.49	480,161.49
2013016	07/23/08	03516	SPECIAL DISTRICT RISK	0025938IN	07/01/08	WORKERS' COMPENSATION PROGRAM	61,630.00	61,630.00
2012768	07/09/08	03184	SPIESS CONSTRUCTION CO INC	280202	06/04/08	P2191 - 850-4 RESERVOIR (CONSTRUCTION)	292,320.00	292,320.00
2013017	07/23/08	03184	SPIESS CONSTRUCTION CO INC	280203	07/02/08	P2191 - 850-4 RESERVOIR (CONSTRUCTION)	123,669.00	123,669.00
2012915	07/16/08	01717	SPRING VALLEY CHAMBER OF	2907	07/11/08	SPONSORSHIP	350.00	350.00
2012676	07/02/08	03600	SPRINT	000348	06/13/08	WIRELESS CARDS SERVICE - INTERNET	59.99	59.99
2013018	07/23/08	03600	SPRINT	000425	07/13/08	WIRELESS CARDS SERVICE - INTERNET	62.99	62.99
2013019	07/23/08	08839	STAN CANARIS	000433	07/10/08	SMART CONTROLLER REBATE	316.93	316.93
2013020	07/23/08	01499	STANDARD AND POOR'S	10184526	07/08/08	ANALYTICAL SERVICES	3,500.00	3,500.00
2012769	07/09/08	02354	STANDARD ELECTRONICS	11137	06/16/08	SECURITY SERVICE & REPAIRS	218.49	218.49
2013021	07/23/08	02354	STANDARD ELECTRONICS	11177	06/27/08	PUMP STATION SECURITY DESIGN WORK	3,100.00	3,100.00
2012770	07/09/08	08772	STANLEY K DVORAK	000385	07/03/08	SMART CONTROLLER REBATE	350.00	350.00
2012771	07/09/08	00480	STATE BOARD OF EQUALIZATION	000399	06/30/08	CALIFORNIA SALES USE TAX	977.34	977.34
2012772	07/09/08	01560	STATE CHEMICAL MFG CO, THE	93822679	06/13/08	SHOP SUPPLIES	524.62	524.62
2012690	07/09/08	06295	STATE DISBURSEMENT UNIT	Ben2386750	07/10/08	PAYROLL DEDUCTION	294.46	294.46
2012691	07/09/08	06299	STATE DISBURSEMENT UNIT	Ben2386748	07/10/08	PAYROLL DEDUCTION	237.69	237.69
2012692	07/09/08	06303	STATE DISBURSEMENT UNIT	Ben2386756	07/10/08	PAYROLL DEDUCTION	614.76	614.76
2012693	07/09/08	08533	STATE DISBURSEMENT UNIT	Ben2386752	07/10/08	PAYROLL DEDUCTION	841.01	841.01
2013022	07/23/08	06295	STATE DISBURSEMENT UNIT	Ben2387123	07/24/08	PAYROLL DEDUCTION	206.00	206.00
2013023	07/23/08	06299	STATE DISBURSEMENT UNIT	Ben2387121	07/24/08	PAYROLL DEDUCTION	237.69	237.69
2013024	07/23/08	06303	STATE DISBURSEMENT UNIT	Ben2387127	07/24/08	PAYROLL DEDUCTION	614.76	614.76
2013025	07/23/08	08533	STATE DISBURSEMENT UNIT	Ben2387125	07/24/08	PAYROLL DEDUCTION	841.01	841.01
2012694	07/09/08	02261	STATE STREET BANK & TRUST CO	Ben2386740	07/10/08	DEFERRED COMP PLAN	7,518.27	7,518.27

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2013026	07/23/08	02261	STATE STREET BANK & TRUST CO	Ben2387113	07/24/08	DEFERRED COMP PLAN	7,547.13	7,547.13
2012773	07/09/08	08486	STELLAR BUILDERS	101	06/19/08	REMODEL FINANCE OFFICE	6,450.00	6,450.00
2013085	07/30/08	08858	STEVE FRAZIER	Ref002387210	07/25/08	UB Refund Cst #0000091257	27.66	27.66
2012605	07/02/08	08724	STEVE FRIESEN	Ref002386400	07/01/08	UB Refund Cst #0000126132	75.00	75.00
2012606	07/02/08	08726	STEVE LEMACK	Ref002386402	07/01/08	UB Refund Cst #0000126421	48.22	48.22
2012843	07/16/08	08829	STEVE LEMACK	Ref002386970	07/15/08	UB Refund Cst #0000124799	10.69	10.69
2012607	07/02/08	08721	STEVE YARBROUGH	Ref002386397	07/01/08	UB Refund Cst #0000125850	12.59	12.59
2012774	07/09/08	03738	STEVEN ENTERPRISES INC	0220894IN	06/17/08	CARRIER STRIPS	458.64	458.64
2012916	07/16/08	07678	STREAMLINE FORMS & GRAPHICS	34223	06/25/08	DOOR HANGERS	227.35	227.35
2012844	07/16/08	08802	SUMMER ALAYIAN	Ref002386942	07/15/08	UB Refund Cst #0000081687	18.44	18.44
2013086	07/30/08	08846	SUSAN HOLT	Ref002387198	07/25/08	UB Refund Cst #0000029257	150.00	150.00
2012608	07/02/08	08748	SUSAN MONCRIEF	Ref002386424	07/01/08	UB Refund Cst #0000071214	46.72	46.72
2012917	07/16/08	01554	SWANSON INSURANCE AGENCY	000416	07/14/08	NOTARY PUBLIC BOND APPLICATION FEE	85.00	85.00
2012775	07/09/08	00408	SWEETWATER AUTHORITY	000389	07/07/08	HEW COST REIMBURSEMENT	120.67	120.67
2013144	07/30/08	01736	SWIGGERS, JULIE M	000448 000450 000449	07/24/08 07/24/08 07/24/08	MEMBERSHIP RENEWAL REIMBURSEMENT CERT RENEWAL REIMBURSEMENT CERT RENEWAL REIMBURSEMENT	154.00 130.00 56.00	340.00
2012918	07/16/08	01905	SYMPRO INC	04246	05/02/08	ANNUAL SUPPORT/FIXED INCOME MODULE	6,544.13	6,544.13
2012677	07/02/08	02799	TARULLI TIRE INC - SAN DIEGO	20034539	06/06/08	TIRE REPAIR SERVICES	370.78	370.78
2013027	07/23/08	01834	TC CONSTRUCTION INC	20771	06/30/08	WARRANTY FOR STEEL TANK	13,000.00	13,000.00
2012776	07/09/08	02376	TECHKNOWSION INC	2071	06/18/08	640 PROJECT PHASE I SCADA DEVELOPMENT	7,933.00	7,933.00
2012920	07/16/08	02376	TECHKNOWSION INC	2072	06/26/08	CONVERT 4 SCADA PS SITES TO ETHERNET	4,558.00	4,558.00
2012921	07/16/08	03608	TELLIARD CONSTRUCTION	1	06/26/08	R2053-RECLAM. PLANT/RECYCLE WTR OFFICE	125,109.81	125,109.81
2012845	07/16/08	08791	TETSUYA MACHIDA	Ref002386930	07/15/08	UB Refund Cst #0000038698	9.25	9.25

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2013087	07/30/08	08842	THOMAS ENDERWICK	Ref002387194	07/25/08	UB Refund Cst #0000002256	88.69	88.69
2012678	07/02/08	08771	THOMAS GEAIRN	000381	06/26/08	DAMAGE CLAIM PROPERTY	215.00	215.00
2012846	07/16/08	08811	THOMAS MURRAY	Ref002386951	07/15/08	UB Refund Cst #0000092302	54.19	54.19
2012777	07/09/08	02498	THOMPSON, CHAD	000402	07/07/08	CLASS A DRIVER LICENSE RENEWAL	6.00	6.00
2013028	07/23/08	02498	THOMPSON, CHAD	000429	07/21/08	SAFETY BOOTS REIMBURSEMENT	149.95	149.95
2012922	07/16/08	08778	THOMSON TAX & ACCOUNTING	11244343	06/23/08	PPC GASB REFERENCE MATERIAL	855.00	855.00
2012919	07/16/08	04977	T-MOBILE	415086045	07/05/08	CELL PHONE & BLACKBERRIES SERVICE	1,307.68	1,307.68
2012609	07/02/08	08757	TODD DREW	Ref002386433	07/01/08	UB Refund Cst #0000089183	74.87	74.87
2013088	07/30/08	08868	TOM BACHMAN	Ref002387221	07/25/08	UB Refund Cst #0000123000	94.98	94.98
2012679	07/02/08	08692	TOM MCFARLANE	000373	06/30/08	SMART CONTROLLER REBATE	350.00	350.00
2012610	07/02/08	08745	TONI GUZMAN	Ref002386421	07/01/08	UB Refund Cst #0000068523	129.89	129.89
2013145	07/30/08	07569	TRIAD PROPERTIES	RF626059410	07/24/08	REFUND TO ORIGINAL PAYEE	56.45	56.45
2013029	07/23/08	02273	TRUCKIN STUFF	23501	06/30/08	BUMPER	317.86	317.86
2013030	07/23/08	06264	TYLER TECHNOLOGIES INC	000439	07/23/08	REGISTRATION FEES	1,250.00	1,250.00
2012680	07/02/08	07674	U S BANK CORPORATE PAYMENT	000366 000369	05/22/08 06/23/08	DISTRICT EXPENSES DISTRICT EXPENSES	3,707.43 205.42	3,912.85
2012681	07/02/08	06829	U S SECURITY ASSOCIATES INC	172544 197904	04/24/08 05/22/08	AFTER HOURS SECURITY SVCS AFTER HOURS SECURITY SVCS	527.05 110.00	637.05
2012778	07/09/08	00340	UNION BANK OF CALIFORNIA	6 20	06/25/08 06/25/08	ADM FEES FOR '93 CERTS OF PARTICIPATION ADM FEES FOR GEN OBLIGATION BONDS	1,872.00 634.46	2,506.46
2012923	07/16/08	00075	UNION TRIBUNE PUBLISHING CO	0010072373	07/09/08	BID ADVERTISEMENT	327.25	327.25
2013031	07/23/08	00075	UNION TRIBUNE PUBLISHING CO	0010027388	05/06/08	BID ADVERTISEMENT	307.20	307.20
2013146	07/30/08	00075	UNION TRIBUNE PUBLISHING CO	0010085220	07/25/08	BID ADVERTISEMENT/1485-1 PS	599.25	599.25
2012779	07/09/08	08262	UNITED RENTALS NORTHWEST INC	74545386001 74572995001	06/18/08 06/19/08	CONCRETE CONCRETE	179.47 159.47	338.94

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2012695	07/09/08	05417	UNITED STATES DEPARTMENT	Ben2386758	07/10/08	PAYROLL DEDUCTION	100.00	100.00
2013032	07/23/08	05417	UNITED STATES DEPARTMENT	Ben2387129	07/24/08	PAYROLL DEDUCTION	100.00	100.00
2012924	07/16/08	00350	UNITED STATES POSTAL SERVICE	000421	07/16/08	REIMBURSE POSTAGE MACHINE	1,650.00	1,650.00
2013033	07/23/08	07662	UNITEDHEALTHCARE SPECIALTY	000441	07/23/08	BASIC LIFE/AD&D & SUPP LIFE INS	5,134.11	5,134.11
2012780	07/09/08	06268	UNIV OF SO CALIF-FOUNDATION	3871	06/02/08	MEMBERSHIP RENEWAL	500.00	500.00
2013034	07/23/08	03212	UNUM LIFE INSURANCE	Ben2387109	07/24/08	LONG TERM DISABILITY	6,541.26	6,541.26
2012611	07/02/08	08742	UPS SUPPLY CHAIN SOLUTION	Ref002386418	07/01/08	UB Refund Cst #0000063508	167.27	167.27
2012781	07/09/08	07674	US BANK CORPORATE PAYMENT	000387	06/23/08	DISTRICT EXPENSES	170.23	170.23
2012925	07/16/08	07674	US BANK CORPORATE PAYMENT	000418 000414 000413	06/23/08 06/23/08 06/23/08	DISTRICT EXPENSES DISTRICT EXPENSES DISTRICT EXPENSES	7,615.40 4,517.76 1,459.29	13,592.45
2013147	07/30/08	07674	US BANK CORPORATE PAYMENT	000451 000452	07/22/08 07/22/08	DISTRICT EXPENSES DISTRICT EXPENSES	523.28 65.75	589.03
2012926	07/16/08	04345	US CONCRETE PRECAST GROUP	0131262IN 0131263IN	06/25/08 06/25/08	PURPLE METER LIDS 30 X 48 VAULT	4,772.79 1,486.52	6,259.31
2013148	07/30/08	04345	US CONCRETE PRECAST GROUP	0131438IN	07/04/08	RECLAIM LIDS (PURPLE)	4,772.79	4,772.79
2013035	07/23/08	06829	US SECURITY ASSOCIATES INC	227865	06/30/08	AFTER HOURS SECURITY SVCS	680.70	680.70
2012927	07/16/08	02674	USA BLUE BOOK	622324	06/26/08	MV STANDARDS FOR ORP PROBE IN CCB	54.99	54.99
2012696	07/09/08	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2386736	07/10/08	DEFERRED COMP PLAN	11,644.69	11,644.69
2012697	07/09/08	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2386754	07/10/08	401A PLAN	2,456.35	2,456.35
2013036	07/23/08	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2387119	07/24/08	DEFERRED COMP PLAN	6,638.09	6,638.09
2012782	07/09/08	03329	VERIZON WIRELESS	0667582093	06/21/08	WIRELESS DATA SERVICES	6,758.10	6,758.10
2013089	07/30/08	08854	VICTOR OSUNA	Ref002387206	07/25/08	UB Refund Cst #0000085519	89.73	89.73
2013037	07/23/08	08380	VILLA FORD	J825707281 8FC22952	06/30/08 06/30/08	2008 FORD RANGERS 2008 FORD RANGERS & F-150 PICK-UPS	40,447.37 17,911.75	58,359.12

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2012682	07/02/08	00101	W W GRAINGER INC	9659274121	06/09/08	SOLENOID VALVES	854.85	2,128.73
				9659421565	06/09/08	WAREHOUSE & PAINT SUPPLIES	582.48	
				9659873476	06/10/08	SWITCHES & CONTACT BLOCKS	357.83	
				9661573429	06/11/08	BOLT CUTTERS	333.57	
2012783	07/09/08	00101	W W GRAINGER INC	9668089403	06/19/08	640 RESV CIP PROJECT ESSENTIAL TOOLS	1,998.49	3,132.93
				9668671655	06/19/08	VARIOUS ELECTRICAL MATERIAL	688.67	
				9668089395	06/19/08	SHOP TOOLS UPGRADE	278.88	
				9668544787	06/19/08	BATTERIES	136.68	
				9668089411	06/19/08	CONDUIT STRAPS	30.21	
2012928	07/16/08	00101	W W GRAINGER INC	9671799667	06/25/08	640 RESV CIP PROJECT	241.73	436.65
				9673900222	06/26/08	SHOP TOOLS UPGRADE	106.48	
				9668837215	06/20/08	VARIOUS ELECTRICAL MATERIAL	88.44	
2012784	07/09/08	08541	WALLS INSPECTION COMPANY INC	5671	06/19/08	INSPECTION SERVICES	880.00	880.00
2012929	07/16/08	00262	WATER AGENCIES ASSOCIATION	000422	07/15/08	MEETING REGISTRATIONS	180.00	180.00
2013149	07/30/08	02700	WATER CONSERVATION GARDEN	OTAY10809	07/09/08	OPERATING COSTS FOR WATER GARDEN	19,687.50	19,687.50
2013038	07/23/08	00014	WAXIE SANITARY SUPPLY	70723434	07/03/08	JANITORIAL SUPPLIES	1,883.43	1,883.43
2012683	07/02/08	01343	WE GOT YA PEST CONTROL	48764	06/12/08	BEE REMOVAL	115.00	115.00
2012930	07/16/08	01343	WE GOT YA PEST CONTROL	48886	06/20/08	BEE REMOVAL	230.00	230.00
2013039	07/23/08	01343	WE GOT YA PEST CONTROL	49155	07/02/08	PEST CONTROL - BEE REMOVAL	115.00	230.00
				49156	07/02/08	PEST CONTROL - BEE REMOVAL	115.00	
2013150	07/30/08	01343	WE GOT YA PEST CONTROL	49236	07/08/08	PEST CONTROL - BEE REMOVAL	115.00	230.00
				48791	06/13/08	PEST CONTROL - BEE REMOVAL	115.00	
2012847	07/16/08	08818	WELLS FARGO	Ref002386958	07/15/08	UB Refund Cst #0000122552	13.29	13.29
2012931	07/16/08	00190	WEST PAYMENT CENTER	816206887	06/20/08	LEGAL LIBRARY UPDATES	495.14	495.14
2013151	07/30/08	00190	WEST PAYMENT CENTER	816396247	07/20/08	LEGAL LIBRARY UPDATES	303.88	303.88
2013040	07/23/08	00125	WESTERN PUMP INC	0068211IN	06/27/08	APCD TESTING	538.00	538.00
2012785	07/09/08	03692	WESTIN ENGINEERING INC	30867	06/13/08	CIP P1210 - ASSET MANAGEMENT PLAN	22,761.45	22,761.45
2012932	07/16/08	03692	WESTIN ENGINEERING INC	30635	06/26/08	WWTP AUTO ENHANCEMENTS ASSESSMENT	9,833.00	9,833.00
2013041	07/23/08	07941	WESTTURF LANDSCAPE MGMT INC	12391	07/02/08	WATER METER BOX CLEAN OUT	1,980.00	1,980.00

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2013042	07/23/08	03437	WIENHOFF DRUG TESTING INC	19747	07/01/08	RANDOM TESTING	585.00	585.00
2012786	07/09/08	08774	WILLIAM SCHNEIDER	000391	07/07/08	ARTIFICIAL TURF RESIDENTIAL REBATE	414.00	414.00
2012848	07/16/08	08787	WILLIAM SMITH	Ref002386926	07/15/08	UB Refund Cst #0000027485	13.06	13.06
2012684	07/02/08	02725	WILLIAMS SCOTSMAN INC	82449601	06/12/08	28' TRAILER RENTAL @ TREATMENT PLANT	293.85	293.85
2012787	07/09/08	02725	WILLIAMS SCOTSMAN INC	82591641	06/18/08	MOBILE OFFICE RENTAL	288.74	288.74
2012788	07/09/08	08773	WINDSOR VIEW HOA	000390	07/07/08	ARTIFICIAL TURF HOA REBATE	450.00	450.00
2012685	07/02/08	04574	WRA & ASSOCIATES INC	1	04/01/08	TRAINING	4,743.75	4,743.75
2013090	07/30/08	08855	YONG JUN NA	Ref002387207	07/25/08	UB Refund Cst #0000085524	92.26	92.26
2013091	07/30/08	08851	YOUNG ACTORS THEATRE INC	Ref002387203	07/25/08	UB Refund Cst #0000080291	24.47	24.47
2012789	07/09/08	06288	ZONDIROS CORPORATION	9	06/10/08	1 905 UTILITY RELOCATIONS	52,128.40	52,128.40
2013092	07/30/08	08882	ZULEMA MALDONADO	Ref002387238	07/25/08	UB Refund Cst #0000126306	52.83	52.83
GRAND TOTAL							5,327,646.16	5,327,646.16