

OTAY WATER DISTRICT  
FINANCE, ADMINISTRATION AND COMMUNICATIONS  
COMMITTEE MEETING  
and  
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
BOARDROOM

**TUESDAY**  
**August 25, 2009**  
**11:30 A.M.**

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

**AGENDA**

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

**DISCUSSION ITEMS**

3. UPDATE REPORT ON DIRECTORS' EXPENSES FOR THE 4<sup>TH</sup> QUARTER OF FISCAL YEAR 2009 (PRENDERGAST) [5 minutes]
4. ANNUAL REVIEW OF INVESTMENT POLICY (POLICY NO. 27) AND DELEGATION OF AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION 53607 (CUDLIP) [5 minutes]
5. INFORMATIONAL REPORT ON THE USE OF SPECIAL WATER RATES FOR VARIOUS SUBSETS OF CUSTOMERS (BEACHEM) [5 minutes]
6. APPROVE AMENDMENTS TO THE HUMAN RESOURCES DISCIPLINE POLICY; AND ADOPT RESOLUTION NO. 4146 TO REVISE BOARD OF DIRECTORS POLICIES 48, ADA/FEHA DISABILITY AND RECRUITMENT POLICY; 47, POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE; AND 24, RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY [WILLIAMSON] (5 minutes)

7. AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE A CONSULTANT CONTRACT WITH REA AND PARKER RESEARCH, INC. IN AN AMOUNT NOT-TO-EXCEED \$57,000 TO PERFORM THE 2009 THROUGH 2011 CUSTOMER SERVICE AND CALL CENTER SURVEYS (BUELNA) [10 minutes]
8. APPROVE IN CONCEPT THE TRANSITION OF THE OPERATION OF THE WATER CONSERVATION GARDEN TO BECOME A NON-PROFIT 501(c)3 ENTITY AND AUTHORIZE SUPPLEMENTAL FUNDING OF \$7,750 IN FISCAL YEAR 2010 TO SUPPORT THE WATER CONSERVATION GARDEN'S TRANSITION TO A NON-PROFIT ORGANIZATION (WATTON) [10 minutes]
9. CONSIDER DESIGNATING A REPRESENTATIVE AND ALTERNATE TO ATTEND THE BOARD OF DIRECTORS MEETINGS OF THE SOUTH COUNTY ECONOMIC DEVELOPMENT COUNCIL (BUELNA) [5 minutes]
10. CONSIDER CASTING VOTES TO ELECT A CHAIR, VICE CHAIR AND FIVE (5) BOARD MEMBER REPRESENTATIVES TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD REPRESENTING REGION 10 (WATTON) [5 minutes]
11. CONSIDER CASTING A VOTE TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS, REGION 6, SEAT A (WATTON) [5 minutes]
12. UPDATE ON SACRAMENTO-SAN JOAQUIN BAY DELTA WATER LEGISLATION (WATTON)
13. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Jaime Bonilla, Chair  
Jose Lopez

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

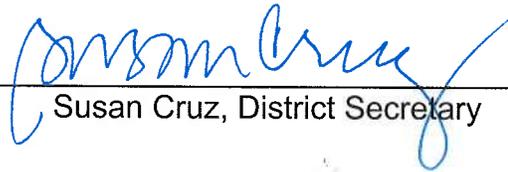
The Agenda, and any attachments containing written information, are available at the District's website at [www.otaywater.gov](http://www.otaywater.gov). Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

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

#### Certification of Posting

I certify that on August 21, 2009 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on August 21, 2009.

  
\_\_\_\_\_  
Susan Cruz, District Secretary



# AGENDA ITEM 3

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Sean Prendergast, Payroll/AP Supervisor	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem,  Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez,  Assistant General Manager, Administration and Finance		
SUBJECT:	Director's Expenses for the 4th Quarter of Fiscal Year 2009		

**GENERAL MANAGER'S RECOMMENDATION:**

This is an informational item only.

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

Please see Attachment A.

**PURPOSE:**

To inform the Board of the Director's expenses for the 4<sup>th</sup> quarter of Fiscal Year 2009.

**ANALYSIS:**

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

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

None.

**STRATEGIC GOAL:**

Prudently manage District funds.

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

Compliance with State law.



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

Attachments:

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



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Director's Expenses for the 4th Quarter of Fiscal Year 2009
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### COMMITTEE ACTION:

This is an informational item only.

### NOTE:

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

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

**FINANCE, ADMINISTRATION, AND  
COMMUNICATIONS COMMITTEE MEETING  
AUGUST 25, 2009**

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

- Fiscal Year 2009, 4th Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance, Administration, and Communications Committee on August 25, 2009.

Board of Directors' Expenses and Per-Diems  
Fiscal Year 2009 Quarter 4 (Apr 09- Jun 09)

• Director Bonilla	\$0.00
• Director Breitfelder	\$1,380.20
• Director Croucher	\$1,635.00
• Director Lopez	\$1,091.00
• Director Robak	<u>\$2,507.20</u>
• Total	\$6,613.40

# Director Bonilla

## Fiscal Year 2009 Quarter 4

	Apr 09	May 09	June 09	Qtr 4
• Mileage Commute				
• Mileage Business				
• Travel and Seminars				
• Business Meetings				
• Director's Fees				
Monthly Totals	0.00	0.00	0.00	
Quarterly Total				0.00
• Meetings Attended				
• Meetings Paid*				
• Fiscal Year-to-Date 2009 (Jul 08-Jun 09)				\$4,111.90

\*Director Bonilla does not request per-diem reimbursements

# Director Breitfelder

## Fiscal Year 2009 Quarter 4

	Apr 09	May 09	June 09	Qtr 4
• Mileage Commute	66.00	33.00		
• Mileage Business	68.20	33.00		
• Travel and Seminars			60.00	
• Business Meetings	70.00	25.00	25.00	
• Director's Fees	600.00	400.00		
Monthly Totals	804.20	491.00	85.00	
Quarterly Total				\$1,380.20
• Meetings Attended	7	11		
• Meetings Paid	6	4		
• Fiscal Year-to-Date 2009 (Jul 08-Jun 09)				\$8,414.35

# Director Croucher

## Fiscal Year 2009 Quarter 4

	Apr 09	May 09	June 09	Qtr 4
• Mileage Commute				
• Mileage Business				
• Travel and Seminars			90.00	
• Business Meetings	45.00			
• Director's Fees	400.00	600.00	500.00	
Monthly Totals	445.00	600.00	590.00	
Quarterly Total				\$1,635.00
• Meetings Attended	4	6	5	
• Meetings Paid	4	6	5	
• Fiscal Year-to-Date 2009 (Jul 08-Jun 09)				\$9,502.56

# Director Lopez

## Fiscal Year 2009 Quarter 4

	Apr 09	May 09	June 09	Qtr 4
• Mileage Commute	11.00	11.00	11.00	
• Mileage Business	19.80		13.20	
• Travel and Seminars				
• Business Meetings		25.00		
• Director's Fees	300.00	300.00	400.00	
Monthly Totals	330.80	336.00	424.20	
Quarterly Total				\$1,091.00
• Meetings Attended	3	3	4	
• Meetings Paid	3	3	4	
• Fiscal Year-to-Date 2009 (Jul 08-Jun 09)				\$8,751.99

# Director Robak

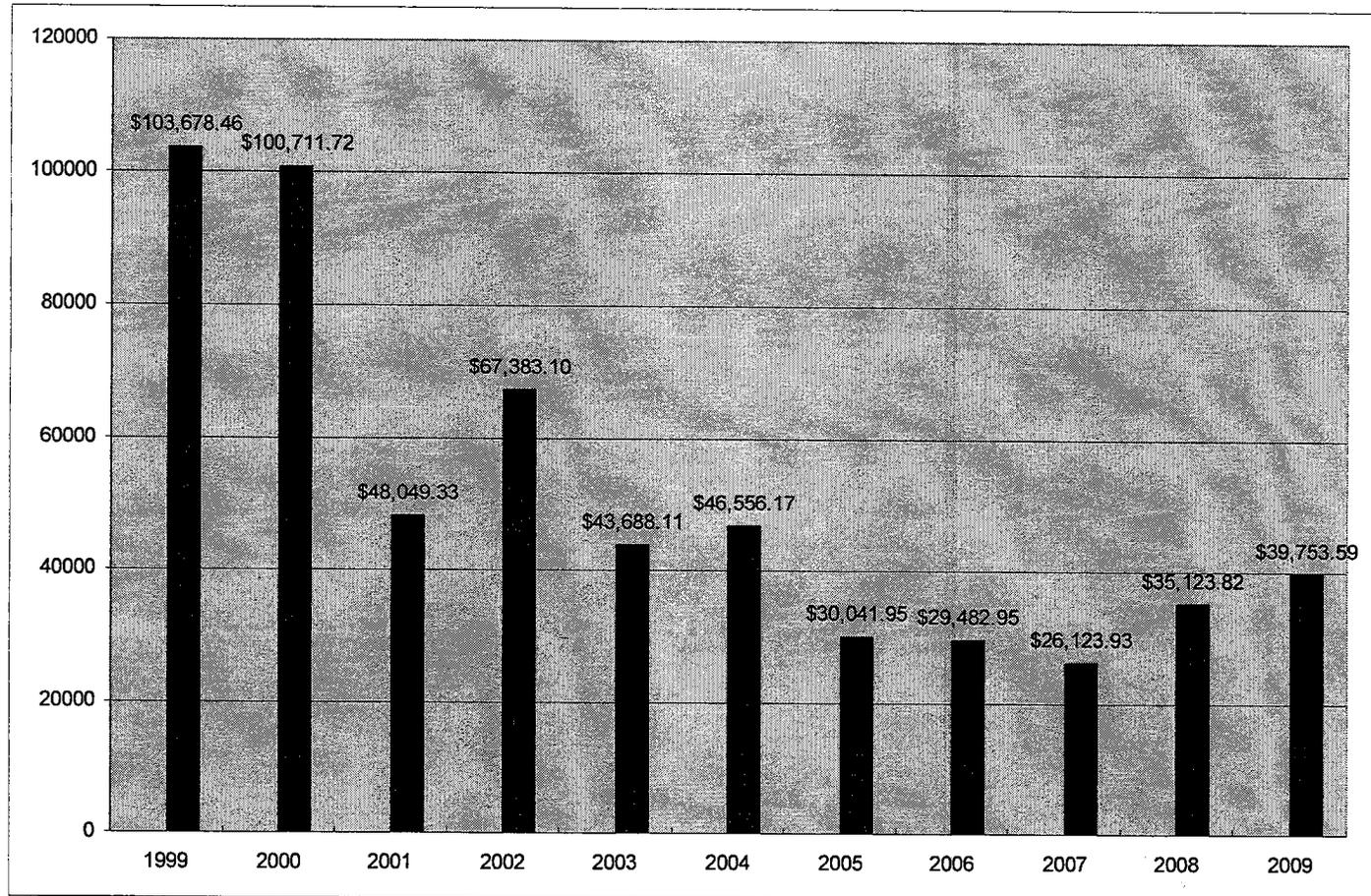
## Fiscal Year 2009 Quarter 4

	Apr 09	May 09	June 09	Qtr 4
• Mileage Commute	2.20	4.68	2.20	
• Mileage Business	25.85	24.57	62.70	
• Travel and Seminars			960.00	
• Business Meetings		25.00		
• Director's Fees	400.00	400.00	600.00	
Monthly Totals	428.05	454.25	1,624.90	
Quarterly Total				\$2,507.20
• Meetings Attended	5	9	7	
• Meetings Paid	4	4	6	
• Fiscal Year-to-Date 2009 (Jul 08-Jun 09)				\$8,972.79

Board of Directors' Expenses and Per Diems  
Fiscal Year 2009 to Date (Jul 08- Jun 09)

• Director Bonilla	\$4,111.90
• Director Breitfelder	\$8,414.35
• Director Croucher	\$9,502.56
• Director Lopez	\$8,751.99
• Director Robak	<u>\$8,972.79</u>
• Total	\$39,753.59

# Board of Directors' Expenses and Per Diems Fiscal Years 1999-2009



OTAY WATER DISTRICT  
ADMINISTRATIVE EXPENSES - BOARD  
July 1, 2008 - June 30, 2009

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
	1	2	3	4	5	6	7	8	9	10	11	12	
<b>JAIME BONILLA (DETAILED IN SECTION D):</b>													
5211	Mileage - Commuting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5211	Mileage - Business	-	-	-	-	-	-	-	-	-	-	-	-
5212	Travel	-	-	-	-	-	-	-	-	-	-	-	-
5214	Business meetings	-	-	-	-	-	-	-	3,369.15	-	-	-	3,369.15
5281	Director's fees	-	-	-	-	-	-	-	-	-	-	-	-
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	-	-	-	-	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	742.75	\$ -	\$ -	\$ -	742.75
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,111.90	\$ -	\$ -	\$ -	4,111.90
<b>LARRY BREITFELDER (DETAILED IN SECTION E):</b>													
5211	Mileage - Commuting	\$ -	\$ 58.50	\$ 35.10	\$ 17.55	\$ 17.55	\$ 52.65	\$ -	\$ 16.50	\$ 66.00	\$ 66.00	\$ 33.00	\$ 362.85
5211	Mileage - Business	-	72.54	184.86	46.80	72.54	49.14	-	89.10	134.20	68.20	33.00	750.38
5212	Travel	-	-	788.12	-	-	-	-	-	-	-	-	788.12
5214	Business meetings	70.00	127.00	77.00	-	237.00	-	25.00	62.00	25.00	70.00	25.00	743.00
5281	Director's fees	-	500.00	800.00	400.00	300.00	300.00	-	500.00	1,000.00	600.00	400.00	4,800.00
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	685.00	-	-	-	-	-	-	-	-	-
	Total	\$ 70.00	\$ 758.04	\$ 2,570.08	\$ 464.35	\$ 627.09	\$ 401.79	\$ 50.00	\$ 667.60	\$ 1,425.20	\$ 804.20	\$ 491.00	\$ 8,414.35
	Total	\$ 70.00	\$ 758.04	\$ 2,570.08	\$ 464.35	\$ 627.09	\$ 401.79	\$ 50.00	\$ 667.60	\$ 1,425.20	\$ 804.20	\$ 491.00	\$ 8,414.35
<b>GARY D. CROUCHER (DETAILED IN SECTION F):</b>													
5211	Mileage - Commuting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5211	Mileage - Business	-	-	105.30	-	-	-	-	-	-	-	-	105.30
5212	Travel	-	-	607.95	-	-	-	-	-	-	-	-	607.95
5214	Business meetings	-	-	-	-	-	-	1,395.31	-	-	-	-	1,395.31
5281	Director's fees	500.00	400.00	600.00	100.00	400.00	600.00	300.00	900.00	500.00	400.00	600.00	5,800.00
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	735.00	-	-	-	-	-	-	-	-	735.00
	Total	\$ 500.00	\$ 400.00	\$ 2,048.25	\$ 100.00	\$ 400.00	\$ 600.00	\$ 300.00	\$ 3,019.31	\$ 500.00	\$ 445.00	\$ 600.00	\$ 9,502.56
	Total	\$ 500.00	\$ 400.00	\$ 2,048.25	\$ 100.00	\$ 400.00	\$ 600.00	\$ 300.00	\$ 3,019.31	\$ 500.00	\$ 445.00	\$ 600.00	\$ 9,502.56
<b>JOSE LOPEZ (DETAILED IN SECTION G):</b>													
5211	Mileage - Commuting	\$ -	\$ 11.70	\$ 11.70	\$ 11.70	\$ 23.40	\$ 11.70	\$ 11.00	\$ 11.00	\$ 22.00	\$ 11.00	\$ 11.00	\$ 147.20
5211	Mileage - Business	-	-	22.23	-	22.23	9.36	-	13.20	46.20	19.80	-	146.22
5212	Travel	-	-	-	-	-	-	-	-	-	-	-	-
5214	Business meetings	-	-	37.00	-	37.00	-	-	3,263.31	-	-	-	3,263.31
5281	Director's fees	100.00	300.00	300.00	300.00	300.00	300.00	200.00	400.00	1,000.00	300.00	300.00	4,200.00
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	-	-	-	-	-	-	859.26	-	-	859.26
	Total	\$ 100.00	\$ 311.70	\$ 370.93	\$ 311.70	\$ 382.63	\$ 321.06	\$ 211.00	\$ 461.20	\$ 5,190.77	\$ 330.80	\$ 336.00	\$ 8,751.99
	Total	\$ 100.00	\$ 311.70	\$ 370.93	\$ 311.70	\$ 382.63	\$ 321.06	\$ 211.00	\$ 461.20	\$ 5,190.77	\$ 330.80	\$ 336.00	\$ 8,751.99
<b>MARK ROBAK (DETAILED IN SECTION H):</b>													
5211	Mileage - Commuting	\$ 2.34	\$ 4.68	\$ 4.68	\$ 4.68	\$ 2.34	\$ 7.02	\$ 2.20	\$ 2.20	\$ 2.20	\$ 4.68	\$ 2.20	\$ 41.42
5211	Mileage - Business	15.21	9.36	21.65	17.55	23.99	181.35	19.25	74.80	34.10	25.85	24.57	510.37
5212	Travel	-	-	-	-	-	510.90	-	-	723.10	-	-	1,234.00
5214	Business meetings	-	-	-	-	37.00	15.00	-	37.00	-	-	-	89.00
5281	Director's fees	300.00	300.00	500.00	400.00	200.00	800.00	200.00	400.00	600.00	400.00	600.00	5,100.00
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	10.00	-	-	-	-	-	-	-	-	-
5231	Books, Periodicals and Subscriptions	-	-	-	-	-	628.00	-	-	400.00	-	960.00	1,998.00
	Total	\$ 317.55	\$ 314.04	\$ 536.33	\$ 422.23	\$ 263.33	\$ 2,142.27	\$ 221.45	\$ 514.00	\$ 1,759.40	\$ 428.05	\$ 429.25	\$ 8,972.79
	Total	\$ 317.55	\$ 314.04	\$ 536.33	\$ 422.23	\$ 263.33	\$ 2,142.27	\$ 221.45	\$ 514.00	\$ 1,759.40	\$ 428.05	\$ 429.25	\$ 8,972.79
<b>TOTALS:</b>													
5211	Mileage - Commuting	\$ 2.34	\$ 74.88	\$ 51.48	\$ 33.93	\$ 43.29	\$ 71.37	\$ 13.20	\$ 29.70	\$ 90.20	\$ 79.20	\$ 48.68	\$ 551.46
5211	Mileage - Business	15.21	81.90	334.04	64.35	118.76	239.85	19.25	177.10	214.50	113.85	57.57	1,512.27
5212	Travel	-	-	1,396.07	-	-	510.90	-	1,395.31	7,355.56	-	-	10,657.84
5214	Business meetings	70.00	127.00	114.00	-	311.00	15.00	25.00	173.00	25.00	115.00	50.00	1,050.00
5281	Director's fees	900.00	1,500.00	2,200.00	1,200.00	1,200.00	2,000.00	700.00	2,200.00	3,100.00	1,700.00	1,700.00	19,900.00
5241	Telephone	-	-	-	-	-	-	-	-	-	-	-	-
5213	Seminars and conferences	-	-	1,430.00	-	-	-	25.00	687.00	2,202.01	-	-	6,082.01
5231	Books, Periodicals and Subscriptions	-	-	-	-	-	628.00	-	-	-	-	1,110.00	6,082.01
	Total	\$ 987.55	\$ 1,783.78	\$ 5,525.59	\$ 1,298.28	\$ 1,673.05	\$ 3,465.12	\$ 782.45	\$ 4,662.11	\$ 12,987.27	\$ 2,008.05	\$ 1,856.25	\$ 39,753.59
	Total	\$ 987.55	\$ 1,783.78	\$ 5,525.59	\$ 1,298.28	\$ 1,673.05	\$ 3,465.12	\$ 782.45	\$ 4,662.11	\$ 12,987.27	\$ 2,008.05	\$ 1,856.25	\$ 39,753.59

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BONILLA, JAIME**

**ATTACHMENT D  
SECTION D**

Account Name	Date	Descriptions	Amount
<b>Seminars and conferences</b>			
	<b>3/26/2009</b>	REGISTRATION FEE - 2009 BINATIONAL DROUGHT SCIENCE CONFERENCE	\$ 200.00
	<b>3/22/2009</b>	REGISTRATION FEE - ATTENDANCE TO WORLD WATER FORUM 3/16/09-3/22/09	542.75
<b>Seminars and conferences Total</b>			<b>742.75</b>
<b>Travel</b>			
	<b>3/31/2009</b>	HOTEL - 3/15/09-3/22/09 WORLD WATER FORUM	2,217.84
	<b>3/14/2009</b>	AIRFARE - WORLD WATER FORUM	1,151.31
<b>Travel Total</b>			<b>\$ 3,369.15</b>
<b>Grand Total</b>			<b>\$ 4,111.90</b>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E  
SECTION E**

Account Name	Date	Descriptions	Amount
<b>Business meetings</b>			
	7/15/2008	COUNCIL OF WATER UTILITIES	\$ 25.00
	7/17/2008	WATER AGENCIES ASSOCIATION	45.00
	8/19/2008	COUNCIL OF WATER UTILITIES	25.00
	8/21/2008	CALIFORNIA SPECIAL DISTRICTS	37.00
	8/24/2008	WATER CONSERVATION GARDEN COMMITTEE MEETING	65.00
	9/16/2008	COUNCIL OF WATER UTILITIES	25.00
	9/18/2008	CALIFORNIA SPECIAL DISTRICTS	37.00
	9/26/2008	RANCHO SAN DIEGO-JAMUL MEETING	15.00
	11/13/2008	REGISTRATION FEE - ASIAN BUSINESS ASSOCIATION ANNUAL AWARDS	175.00
	11/18/2008	COUNCIL OF WATER UTILITIES	25.00
	11/20/2008	CALIFORNIA SPECIAL DISTRICTS	37.00
	2/19/2009	CALIFORNIA SPECIAL DISTRICTS	37.00
	2/17/2009	COUNCIL OF WATER UTILITIES	25.00
	3/17/2009	COUNCIL OF WATER UTILITIES	25.00
	1/20/2009	COUNCIL OF WATER UTILITIES	25.00
	4/21/2009	COUNCIL OF WATER UTILITIES	25.00
	4/30/2009	WATER AGENCIES ASSOCIATION - APRIL 16, 2009	45.00
	5/12/2009	COUNCIL OF WATER UTILITIES	25.00
	6/16/2009	COUNCIL OF WATER UTILITIES	25.00
<b>Business meetings Total</b>			<b>743.00</b>
<b>Director's Fee</b>			
	8/5/2008	CSDA BOARD MEETING	100.00
	8/6/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E  
SECTION E**

Account Name	Date	Descriptions	Amount
Director's Fee	8/19/2008	COUNCIL OF WATER UTILITIES	100.00
	8/20/2008	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/21/2008	CSDA BOARD MEETING	100.00
	9/3/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/15/2008	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/16/2008	COUNCIL OF WATER UTILITIES	100.00
	9/18/2008	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	9/25/2008	CSDA ANNUAL CONFERENCE SEPT. 22-25, 2008	400.00
	10/9/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/16/2008	WATER AGENCIES ASSOCIATION	100.00
	10/20/2008	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	10/28/2008	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/13/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/18/2008	COUNCIL OF WATER UTILITIES	100.00
	11/20/2008	CSDA BOARD MEETING	100.00
	12/1/2008	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/9/2008	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/15/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	1/7/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	2/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	2/19/2009	CSDA BOARD MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E  
SECTION E**

Account Name	Date	Descriptions	Amount
	<b>1/26/2009</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	
	<b>2/3/2009</b>	CSDA BOARD MEETING	100.00
	<b>2/10/2009</b>	DIRECTOR CROUCHER & GM MEETING	100.00
	<b>2/17/2009</b>	COUNCIL OF WATER UTILITIES	100.00
	<b>3/3/2009</b>	CSDA BOARD MEETING	100.00
	<b>3/4/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>3/9/2009</b>	CONSERVATION ACTION COMMITTEE MEETING	100.00
	<b>3/10/2009</b>	TOUR CIP PROJECT 850-4 RESERVOIR	100.00
	<b>3/12/2009</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	<b>3/17/2009</b>	COUNCIL OF WATER UTILITIES	100.00
	<b>3/24/2009</b>	CONSERVATION ACTION COMMITTEE MEETING	100.00
	<b>3/26/2009</b>	WEF BINATIONAL DROUGHT SCIENCE CONFERENCE	100.00
	<b>3/27/2009</b>	WEF BINATIONAL DROUGHT SCIENCE CONFERENCE	100.00
	<b>3/30/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>4/1/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>4/16/2009</b>	WATER AGENCIES ASSOCIATION	100.00
	<b>4/21/2009</b>	COUNCIL OF WATER UTILITIES	100.00
	<b>4/22/2009</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	<b>4/28/2009</b>	BOARD AGENDA REVIEW	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E  
SECTION E**

Account Name	Date	Descriptions	Amount
<b>Director's Fee</b>	<b>4/29/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>5/4/2009</b>	CONSERVATION ACTION COMMITTEE MEETING	100.00
	<b>5/13/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>5/21/2009</b>	OTAY ANNUAL BOARD WORKSHOP	100.00
	<b>5/26/2009</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
<b>Director's Fee Total</b>			<b>4,800.00</b>
<b>Mileage - Business</b>			
	<b>9/31/2008</b>	MEETING - SEPTEMBER 16, 18, 22, 23, 24, & 25, 2008	184.86
	<b>8/31/2008</b>	MEETING - AUG. 19 & 21, 2008	72.54
	<b>10/31/2008</b>	MEETING - OCT. 16 & 20, 2008	46.80
	<b>11/20/2008</b>	MEETING - NOV. 18 & 20, 2008	72.54
	<b>12/16/2008</b>	MEETING - DEC. 16, 2008	49.14
	<b>2/28/2009</b>	MEETING - FEBRUARY 3, 10 & 17, 2009	89.10
	<b>3/31/2009</b>	MEETING - MARCH 9, 17, 24, 26 & 27, 2009	134.20
	<b>4/30/2009</b>	MEETING - APRIL 1, 16, 21, 22, 28 & 29, 2009	68.20
	<b>5/31/2009</b>	MEETING - MAY 4 & 21, 2009	33.00
<b>Mileage - Business Total</b>			<b>750.38</b>
<b>Mileage - Commuting</b>			
	<b>9/31/2008</b>	MEETING - SEPTEMBER 3 & 15, 2008	35.10
	<b>8/31/2008</b>	MEETING - AUG. 5, 6 & 20, 2008	58.50
	<b>10/9/2008</b>	MEETING - OCT. 9, 2008	17.55
	<b>11/13/2008</b>	MEETING - NOV. 13, 2008	17.55
	<b>12/15/2008</b>	MEETING - DEC. 1, 9 & 15, 2008	52.65
	<b>2/28/2009</b>	MEETING - FEBRUARY 3, 2009	16.50

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E  
SECTION E**

Account Name	Date	Descriptions	Amount
	<b>3/31/2009</b>		
		MEETING - MARCH 4, 10, 12, & 30, 2009	66.00
	<b>1/31/2009</b>		
		MEETING - JANUARY 7 & 26, 2009	
	<b>4/30/2009</b>		
		MEETING - APRIL 1, 22, 28 & 29, 2009	66.00
	<b>5/31/2009</b>		
		MEETING - MAY 13 & 26, 2009	33.00
<b>Mileage - Commuting Total</b>			<b>362.85</b>
<b>Seminars and conferences</b>			
	<b>9/22/2008</b>		
		REGISTRATION FEE - CSDA ANNUAL CONFERENCE 9/22-25/08	425.00
		REGISTRATION FEE - CSDA GOVERNANCE FOUNDATIONS WORKSHOP SEPT. 22, 2008	225.00
	<b>9/24/2008</b>		
		REGISTRATION FEE - CSDA CALIFORNIA WOMEN LEAD PANEL	35.00
	<b>3/26/2009</b>		
		REGISTRATION FEE - 2009 BINATIONAL DROUGHT SCIENCE CONFERENCE	200.00
	<b>1/29/2009</b>		
		THE ASIAN BUSINESS ASSOCIATION ANNUAL LUNAR EVENT	25.00
	<b>5/22/2009</b>		
		13TH ANNUAL WATER REUSE & DESALINATION RESEARCH CONFERENCE MAY 18-19, 2009	60.00
<b>Seminars and conferences Total</b>			<b>970.00</b>
<b>Travel</b>			
	<b>9/25/2008</b>		
		HOTEL - CSDA ANNUAL CONFERENCE IRVINE CA ON SEPT 22-25, 2008	788.12
<b>Travel Total</b>			<b>788.12</b>
<b>Grand Total</b>			<b>\$ 8,414.35</b>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

**ATTACHMENT F  
SECTION F**

Account Name	Date	Descriptions	Amount
<b>Business meetings</b>			
	2/19/2009		
	4/30/2009	CALIFORNIA SPECIAL DISTRICTS	\$ 37.00
		WATER AGENCIES ASSOCIATION - APRIL 16, 2009	45.00
<b>Business meetings Total</b>			<b>82.00</b>

Account Name	Date	Descriptions	Amount
<b>Director's Fee</b>			
	7/2/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/16/2008	COMMITTEE AGENDA REVIEW	100.00
	7/22/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	7/23/2008	LEGAL AND LEGISLATIVE COMMITTEE MEETING	100.00
	7/28/2008	BOARD AGENDA REVIEW	100.00
	8/6/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/18/2008	COMMITTEE AGENDA REVIEW	100.00
	8/19/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	8/22/2008	AD HOC - GM PERFORMANCE REVIEW COMMITTEE	100.00
	9/3/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/4/2008	SEMINAR - SPECIAL DISTRICT & LOCAL GOVERNMENT INSTITUTE	100.00
	9/5/2008	SEMINAR - SPECIAL DISTRICT & LOCAL GOVERNMENT INSTITUTE	100.00
	9/6/2008	SEMINAR - SPECIAL DISTRICT & LOCAL GOVERNMENT INSTITUTE	100.00
	9/17/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	9/18/2008	SPECIAL BOARD OF DIRECTORS MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

**ATTACHMENT F  
SECTION F**

Account Name	Date	Descriptions	Amount
Director's Fee	10/28/2008	LEGAL AND LEGISLATIVE COMMITTEE MEETING	100.00
	11/3/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	11/13/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/20/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	12/1/2008	LEGAL AND LEGISLATIVE COMMITTEE MEETING	100.00
	12/8/2008	BOARD AGENDA REVIEW	100.00
	12/9/2008	CSDA BOARD MEETING	100.00
	12/10/2008	MEETING WITH MAYOR SANDERS	100.00
	12/12/2008	LEGAL AND LEGISLATIVE COMMITTEE MEETING	100.00
	12/15/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/4/2008	BOARD AGENDA REVIEW	100.00
	2/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	2/11/2009	WATER CONSERVATION JPIA MONTHLY MEETING	100.00
	2/19/2009	CSDA QUARTERLY MEETING	100.00
	1/23/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	1/26/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	2/3/2009	CSDA BOARD MEETING	100.00
	3/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	3/10/2009	TOUR CIP PROJECT 850-4 RESERVOIR	100.00
	3/12/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

**ATTACHMENT F  
SECTION F**

Account Name	Date	Descriptions	Amount
Director's Fee	3/26/2009	SPECIAL DISTRICTS ASSOCIATION MEETING	100.00
	1/17/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	2/20/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	2/23/2009	ACWA LEGISLATIVE WORKSHOP	100.00
	2/24/2009	ACWA LEGISLATIVE WORKSHOP	100.00
	2/25/2009	ACWA LEGISLATIVE WORKSHOP	100.00
	2/27/2009	JAMUL CHAMBER OF COMMERCE MEETING	100.00
	3/11/2009	WATER REUSE MEETING AT OTAY WATER DISTRICT	100.00
	4/1/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	4/22/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	4/28/2009	OTAY BUDGET WORKSHOP - ANNUAL BUDGET FY 09-10	100.00
	5/13/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	5/26/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	6/1/2009	AD HOC COMMITTEE MEETING - DISCUSSION FENTON	100.00
	6/3/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	5/12/2009	AGENDA REVIEW WITH GM AND COUNCIL	100.00
	5/18/2009	DROUGHT & RATES COMMITTEE MEETING	100.00
	6/12/2009	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	6/19/2009	SPECIAL DISTRICTS ADVISORY COMMITTEE TO LAFCO	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

**ATTACHMENT F  
SECTION F**

Account Name	Date	Descriptions	Amount
	<b>6/30/2006</b>	AGENDA REVIEW WITH GM AND COUNCIL	100.00
	<b>4/20/2009</b>	AGENDA REVIEW WITH GM AND COUNCIL	100.00
	<b>5/28/2009</b>	BOARD COMMITTEE ISSUES	100.00
	<b>5/29/2009</b>	AGENDA REVIEW WITH GM AND COUNCIL	100.00
<b>Director's Fee Total</b>			<b>5,800.00</b>
<b>Mileage - Business</b>			
	<b>9/31/2008</b>	MEETING - SEPT. 4 & 6, 2008	105.30
<b>Mileage - Business Total</b>			<b>105.30</b>
<b>Seminars and conferences</b>			
	<b>9/5/2008</b>	REGISTRATION FEE - SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE SEPT. 4-6, 2008	735.00
	<b>2/23/2009</b>	MEAL - PER DIEM	61.00
	<b>2/24/2009</b>	REGISTRATION FEE - ACWA LEGISLATIVE WORKSHOP	565.00
	<b>2/24/2009</b>	MEAL - PER DIEM	61.00
	<b>6/30/2009</b>	SAN DIEGO EAST COUNTY - GOLF TOURNAMENT REGISTRATION	90.00
<b>Seminars and conferences Total</b>			<b>1,512.00</b>
<b>Travel</b>			
	<b>12/8/2008</b>	HOTEL - SPECIAL DISTRICT LOCAL GOVERNMENT INSTITUTE FINANCE CONFERENCE FALL CONFERENCE SEPT. 3 - 6, 2008	607.95
	<b>2/23/2009</b>	AIRFARE - WASHINGTON ATTENDED ACWA LEGISLATIVE WORKSHOP	361.20
	<b>2/24/2009</b>	TRANSPORTATION - HOTEL TO CONFERENCE	8.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

**ATTACHMENT F  
SECTION F**

Account Name	Date	Descriptions	Amount
	2/25/2009	SHUTTLE-HOTEL TO BALTIMORE/WASHINGTON AIRPORT	23.37
	2/28/2009	HOTEL - ACWA CONFERENCE FEBRUARY 22, 23 & 24, 2009	982.41
	2/21/2009	SHUTTLE-BALTIMORE/WASHINGTON AIRPORT TO HOTEL	20.33
<b>Travel Total</b>			<b>2,003.26</b>
<b>Grand Total</b>			<b>\$ 9,502.56</b>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: LOPEZ, JOSE**

**ATTACHMENT G  
SECTION G**

Account Name	Date	Descriptions	Amount
<b>Business meetings</b>			
	9/18/2008	CALIFORNIA SPECIAL DISTRICTS	\$ 37.00
	11/20/2008	CALIFORNIA SPECIAL DISTRICTS	37.00
	2/19/2009	CALIFORNIA SPECIAL DISTRICTS	37.00
	5/12/2009	COUNCIL OF WATER UTILITIES	25.00
<b>Business meetings Total</b>			<b>136.00</b>

<b>Director's Fee</b>			
	7/22/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	8/4/2008	CITY OF CHULA VISTA INTERAGENCY WATER TASK FORCE	100.00
	8/6/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/22/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	9/3/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/17/2008	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	9/18/2008	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/9/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/16/2008	DEVELOPERS/BUSINESS MEETING	100.00
	10/27/2008	CHULA VISTA WATER AGENCIES TASK FORCE MEETING	100.00
	11/3/2008	ENGINEERING, OPERATION & WATER RESOURCE	100.00
	11/13/2008	REGULAR BOARD OF DIRECTORS MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: LOPEZ, JOSE**

**ATTACHMENT G  
SECTION G**

Account Name	Date	Descriptions	Amount
	<b>11/20/2008</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	<b>12/12/2008</b>	ENGINEERING, OPERATION & WATER RESOURCE COMMITTEE MEETING	100.00
	<b>12/15/2008</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>12/19/2008</b>	MEETING WITH ASSEMBLYWOMAN MARY SALAS REGARDING WATER ISSUES	100.00
	<b>1/7/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>2/4/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>2/11/2009</b>	STATE OF THE SD COUNTY ADDRESS	100.00
	<b>2/19/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>1/23/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>2/2/2009</b>	AD HOC - MEETING WITH BOB FILNER	100.00
	<b>3/3/2009</b>	MEETING WITH GENERAL MANAGER & BOARD PRESIDENT	100.00
	<b>3/4/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>3/10/2009</b>	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	<b>3/17/2009</b>	5TH WORLD WATER FORUM	100.00
	<b>3/26/2009</b>	WEF BINATIONAL DROUGHT SCIENCE CONFERENCE	100.00
	<b>3/27/2009</b>	WEF BINATIONAL DROUGHT SCIENCE CONFERENCE	100.00
	<b>3/30/2009</b>	QUARTERLY CHULA VISTA WATER TASK FORCE	100.00
	<b>3/5/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: LOPEZ, JOSE**

**ATTACHMENT G  
SECTION G**

Account Name	Date	Descriptions	Amount
<b>Director's Fee</b>	<b>3/16/2009</b>		
		5TH WORLD WATER FORUM	100.00
	<b>3/18/2009</b>	5TH WORLD WATER FORUM	100.00
	<b>4/1/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>4/28/2009</b>	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	<b>4/23/2009</b>	ANNUAL AWARDS CEREMONY - OTAY WATER DISTRICT RECIPIENT	100.00
	<b>5/13/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>5/21/2009</b>	OTAY BUDGET WORKSHOP - ANNUAL BUDGET FY 09-10	100.00
	<b>6/3/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>6/10/2009</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>6/23/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>6/29/2009</b>	STRAT PLANNING WORKSHOP CUYAMACA COLLEGE	100.00
	<b>5/18/2009</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
<b>Director's Fee Total</b>			<b>4,200.00</b>
<b>Mileage - Business</b>			
	<b>9/18/2008</b>	MEETING - SEPT. 18, 2008	22.23
	<b>11/20/2008</b>	MEETING - NOV. 20, 2008	22.23
	<b>12/19/2008</b>	MEETING - DEC. 16, 2009	9.36
	<b>2/11/2009</b>	MEETING - FEBRUARY 11, 2009	13.20
	<b>3/31/2009</b>	MEETING - MARCH 26 & 27, 2009	46.20

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME: LOPEZ, JOSE**

**ATTACHMENT G  
SECTION G**

Account Name	Date	Descriptions	Amount
<b>Mileage - Business</b>	<b>4/23/2009</b>	MEETING - APRIL 23, 2009	19.80
	<b>6/10/2009</b>	MEETING - JUNE 10, 2009	13.20
<b>Mileage - Business Total</b>			<b>146.22</b>
<b>Mileage - Commuting</b>	<b>8/6/2008</b>	MEETING - AUGUST 6, 2008	11.70
	<b>9/3/2008</b>	MEETING - SEPT. 3, 2008	11.70
	<b>10/16/2008</b>	MEETING - OCT. 16, 2008	11.70
	<b>11/20/2008</b>	MEETING - NOV. 13 & 20, 2008	23.40
	<b>12/15/2008</b>	MEETING - DEC. 15, 2008	11.70
	<b>1/7/2009</b>	MEETING - JANUARY 7, 2009	11.00
	<b>2/4/2009</b>	MEETING - FEBRUARY 4, 2009	11.00
	<b>3/31/2009</b>	MEETING - MARCH 4 & 10, 2009	22.00
	<b>4/1/2009</b>	MEETING - APRIL 01, 2009	11.00
	<b>5/31/2009</b>	MEETING - MAY 13, 2009	11.00
	<b>6/3/2009</b>	MEETING - JUNE 3, 2009	11.00
<b>Mileage - Commuting Total</b>			<b>147.20</b>
<b>Seminars and conferences</b>	<b>3/26/2009</b>	REGISTRATION FEE - 2009 BINATIONAL DROUGHT SCIENCE CONFERENCE	200.00
	<b>3/23/2009</b>	REGISTRATION FEE - WORLD WATER FORUM	659.26
<b>Seminars and conferences Total</b>			<b>859.26</b>
<b>Travel</b>	<b>3/31/2009</b>	HOTEL - MARCH 15 - 22, 2009 ATTENDED WORLD WATER FORUM	2,112.00
	<b>3/14/2009</b>	AIRFARE - WORLD WATER FORUM	1,151.31
<b>Travel Total</b>			<b>3,263.31</b>
<b>Grand Total</b>			<b>\$ 8,751.99</b>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME:      ROBAK, MARK**

**ATTACHMENT H  
SECTION H**

Account Name	Date	Descriptions	Amount
<b>Business meetings</b>			
	<b>11/20/08</b>	CSDA BOARD MEETING	\$    37.00
	<b>12/12/08</b>	REGISTRATION FEE - RANCHO SAN DIEGO-JAMUL	15.00
	<b>02/19/09</b>	CALIFORNIA SPECIAL DISTRICTS	37.00
<b>Business meetings Total</b>			<b>89.00</b>
<b>Director's Fee</b>			
	<b>07/02/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>07/09/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>07/21/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>08/06/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>08/20/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>08/21/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>09/03/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>09/10/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>09/15/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>09/18/08</b>	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	<b>09/19/08</b>	ANNUAL JOINT MEETING WITH BOARD OF DIRECTORS FROM HELIX, LAKESIDE, PADRE DAM & SWEETWATER	100.00
	<b>10/07/08</b>	WATER CONSERVATION GARDEN AUDIT COMMITTEE MEETING	100.00
	<b>10/08/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>10/09/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME:      ROBAK, MARK**

**ATTACHMENT H  
SECTION H**

Account Name	Date	Descriptions	Amount
	<b>10/28/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>11/12/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>11/13/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>12/01/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>12/02/08</b>	ANNUAL LUNCHEON RECOGNIZING NON-PROFIT INNOVATION & EXCELLENCE - ATTENDED WITH GARDEN EXECUTIVE DIRECTOR	100.00
	<b>12/03/08</b>	ASSOCIATION OF CALIFORNIA WATER AGENCIES - LONG BEACH	100.00
	<b>12/04/08</b>	ASSOCIATION OF CALIFORNIA WATER AGENCIES - LONG BEACH	100.00
	<b>12/05/08</b>	ASSOCIATION OF CALIFORNIA WATER AGENCIES - LONG BEACH	100.00
	<b>12/09/08</b>	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	<b>12/10/08</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>12/15/08</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>01/07/09</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>01/08/09</b>	ECONOMIC TRENDS EVENT- TOWN & COUNTRY CONVENTION CENTER	100.00
	<b>02/04/09</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>02/09/09</b>	WATER CONSERVATION GARDEN - COX CONSERVES HEROES EVENT	100.00
	<b>02/11/09</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>02/19/09</b>	CSDA BOARD MEETING	100.00
	<b>03/04/09</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME:      ROBAK, MARK**

**ATTACHMENT H  
SECTION H**

Account Name	Date	Descriptions	Amount
	<b>03/24/09</b>	CALIFORNIA WATER REUSE ASSOCIATION	100.00
	<b>03/11/09</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>03/23/09</b>	CALIFORNIA WATER REUSE ASSOCIATION	100.00
	<b>03/22/09</b>	CALIFORNIA WATER REUSE ASSOCIATION	100.00
	<b>03/20/09</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>4/1/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>4/21/2009</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>4/28/2009</b>	OTAY ANNUAL BOARD WORKSHOP	100.00
	<b>4/8/2009</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	<b>5/13/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>5/21/2009</b>	OTAY BUDGET WORKSHOP - ANNUAL BUDGET FY 09-10	100.00
	<b>6/1/2009</b>	ANNUAL WATER SUMMIT DEALING WITH WATER CONSERVATION	100.00
	<b>6/3/2009</b>	REGULAR BOARD OF DIRECTORS MEETING	100.00
	<b>6/15/2009</b>	AWWA ACE09 ANNUAL CONFERENCE - SAN DIEGO	400.00
	<b>5/5/2009</b>	MEETING WITH STRATEGIC PLANNER LANCE DECKER & EXECUTIVE DIRECTOR	100.00
	<b>5/14/2009</b>	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00

<b>Director's Fee Total</b>	<b>5,100.00</b>
-----------------------------	-----------------

**Mileage - Business**

<b>9/31/2008</b>	MEETING - SEPT. 6,10,15,18 & 19, 2008	21.65
<b>07/31/08</b>	MEETING - JULY 2, 9 & 21, 2008	15.21
<b>08/31/08</b>	MEETING - AUGUST 6, 20 & 21 2008	9.36

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME:      ROBAK, MARK**

**ATTACHMENT H  
SECTION H**

Account Name	Date	Descriptions	Amount
	<b>10/31/08</b>	MEETING - OCT. 7, 8, 9 & 28, 2008	17.55
	<b>11/30/08</b>	MEETING - NOV. 12, 13, & 20, 2008	23.99
	<b>12/31/08</b>	MEETING - DEC. 1, 2, 3, 5, 9, 10 & 15, 2008	181.35
	<b>02/28/09</b>	MEETING - FEBRUARY 4, 9, 11 & 19, 2009	74.80
	<b>03/31/09</b>	MEETING - MARCH 4, 11, 20, 22, 23 & 24, 2009	34.10
	<b>01/31/09</b>	MEETING - JANUARY 7 & 8, 2009	19.25
	<b>4/30/2009</b>	MEETING - APRIL 1, 8, 21, 25 & 28, 2009	25.85
	<b>5/31/2009</b>	MEETING - MAY 5, 13, 14 & 21, 2009	24.57
	<b>6/30/2009</b>	MEETING - JUNE 1, 3, 15, 16, 17 & 18, 2009	62.70
<b>Mileage - Business Total</b>			<b>510.37</b>

**Mileage - Commuting**

<b>9/31/2008</b>	MEETING - SEPT. 3 & 15, 2008	4.68
<b>07/31/08</b>	MEETING - JULY 4, 2008	2.34
<b>08/31/08</b>	MEETING - AUGUST 6 & 20, 2008	4.68
<b>10/31/08</b>	MEETING - OCT. 9 & 28, 2008	4.68
<b>11/13/08</b>	MEETING - NOV. 13, 2008	2.34
<b>12/31/08</b>	MEETING - DEC. 1, 9, & 15, 2008	7.02
<b>1/7/2009</b>	MEETING - JANUARY 7, 2009	2.20
<b>02/04/09</b>	MEETING - FEBRUARY 4, 2009	2.20
<b>03/31/09</b>	MEETING - MARCH 4, 2009	2.20

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

**DIRECTOR'S NAME:      ROBAK, MARK**

**ATTACHMENT H  
SECTION H**

Account Name	Date	Descriptions	Amount
	4/1/2009	MEETING - APRIL 1, 2009	2.20
	5/31/2009	MEETING - MAY 13 & 21, 2009	4.68
	6/3/2009	MEETING - JUNE 3, 2009	2.20
<b>Mileage - Commuting Total</b>			<b>41.42</b>
<b>Seminars and conferences</b>			
	09/26/08	RANCHO SAN DIEGO-JAMUL MEETING	10.00
	12/05/08	2008 ACWA FALL CONFERENCE DEC. 2-5, 2008	628.00
	03/23/09	REGISTRATION FEE - WATER REUSE CONFERENCE	400.00
	6/30/2009	REGISTRATION AWWA CONFERENCE - JUNE 14-18, 2009	850.00
		SAN DIEGO EAST COUNTY - GOLF TOURNAMENT REGISTRATION	90.00
	6/5/2009	SAN DIEGO EAST COUNTY - REGISTRATION ON WATER CRISIS & HOW IT AFFECTS YOU 6/5/09	20.00
<b>Seminars and conferences Total</b>			<b>1,998.00</b>
<b>Travel</b>			
	12/08/08	HOTEL - ACWA FALL CONFERENCE LONG BEACH CA ON DEC 3-6, 2008	510.90
	3/24/2009	SHUTTLE HOTEL TO AIRPORT AIRPORT PARKING	20.00 22.00
	03/22/09	SHUTTLE AIRPORT TO HOTEL AIRFARE - SAN FRANCISCO ATTENDED WATER REUSE CONFERENCE HOTEL - 3/22/09-3/24/09 WATER REUSE CONFERENCE2	20.00 155.20 505.90
<b>Travel Total</b>			<b>1,234.00</b>
<b>Grand Total</b>			<b>\$ 8,972.79</b>



EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 4-1 To: 4-30-09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	4-1	OWD Board		30	
2.	4	Highway Chamber Dinner			
✓ 3.	16	OWD			40
✓ 4.	21	Council of Water Utilities			84
✓ 5.	22	OWD Eng.		30	
✓ 6.	28	OWD Board Workshop		30	
✓ 7.	29	OWD Finance		30	
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$ 600.00  
(\$100 per meeting)

Total Mileage Claimed: 244 miles

7 attend 6 paid

[Signature]  
(Director's Signature)

Receipt  
GM Approval: [Signature] 5-22-09

Date: \_\_\_\_\_

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_



EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 5-1 To: 5-30-09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	5-1	Monday			
2.	5-4	CoPAC			
3.	5-4	Conservation Action Group (CAG)			40
4.	11	Rec			
5.	12	CVCL			
6.	15	OWD Bd Mtg		30	
7.	18	S West Canal			
8.	18	YR SDSU			
9.	21	OWD Budget Workshop			40
10.	21	FACE			
11.	26	OWD Eng		30	
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$ 400.00  
(\$100 per meeting)

Total Mileage Claimed: 120 miles

11 attend 4 paid

Larry Breitfelder  
(Director's Signature)

Receipt  
GM Approval: [Signature]

Date: 5-29-09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

AB000-1133000-2101-528101

400.00



EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: 4-1-09 To: 4-30-09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	4-1	Board	Req. Board Meeting		
✓ 2	4-20	gm	Agenda Review		
✓ 3	4-22	Committee	Engineering & Operations		
✓ 4	4-28	Board	Board Workshop		
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					

Total Meeting Per Diem: \$ 400  
(\$100 per meeting)

Rec'd 6-12-09  
DJSC

Total Mileage Claimed: 0 miles

Handed Hand

(Director's Signature)

✓ #0  
6-18-09

GM Receipt: [Signature]

Date: 6-16-09

09 JUN 17 AM 8:52

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

Payroll  
D

AG000-103000-2101-528101 600.00

EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: 5-1-09 To: 5-31-09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	5-13	Board	Reg. Board Meeting		
✓ 2	5-12	gm	Agenda Briefing		
✓ 3	5-18	Committee	Drought + Rates Committee		
✓ 4	5-26	Committee	Engineering + Operation Committee		
5	<del>5-21</del>	<del>Board</del>	<del>Board Meeting</del>		
✓ 5	5-28	President	Board Committee Issues		
✓ 6	5-29	gm	Agenda Briefing		
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					

Total Meeting Per Diem: \$ 600  
(\$100 per meeting)

rec'd 6-12-09  
by SC

Total Mileage Claimed: \_\_\_\_\_ miles

6 agenda board

  
(Director's Signature)

w/ 10  
6-12-09

GM Receipt: 

Date: 6-16-09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

'09 JUN 17 AM 8:52 payroll





OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

EXHIBIT B  
709 MAY 14 AM 10:37

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

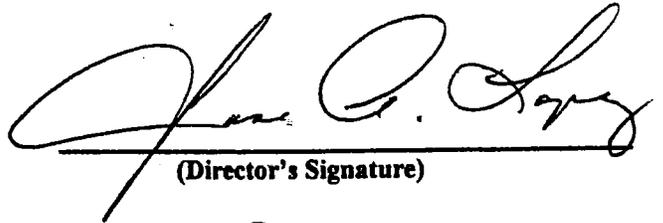
From: 04/01/09 To: 04/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	04/01	OWD	Regular Board Meeting	20	
2.	04/23	CMAA	Otay Water District receipt of annual awards		36
3.	04/28	OWD	Special Board Meeting		0
4.					
5.					
6.					
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14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$ 300  
(\$100 per meeting)

Total Mileage Claimed: 5 miles

3a 3p

  
(Director's Signature)

GM Receipt: \_\_\_\_\_ Date: \_\_\_\_\_

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_



A15000 · 1154000 · 2101 · 528101 500.00  
 B3000 · 1154000 · 2101 · 52110 11.00  
**EXHIBIT B**

**OTAY WATER DISTRICT  
 BOARD OF DIRECTORS  
 PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 05/01/09 To: 05/31/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	05/13/09	OWD	Board Meeting	20	
✓ 2.	05/18/09	OWD	Finance/Admin Committee Meeting	0	
✓ 3.	05/21/09	OWD	OWD Budget Workshop	0	
4.					
5.					
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13.					
14.					
15.					
16.					
17.					
18.					

*Per Diem*

*Mileage*

0 \* \*  
 3 \* \*  
 100 \* 00 =  
 300 \* 00 \* ✓  
 0 \* \*  
 20 \* \*  
 0 \* 55 =  
 11 \* 00 \* ✓

Total Meeting Per Diem: \$300  
(\$100 per meeting)

Total Mileage Claimed: 20 miles

3a

(Director's Signature)

GM Receipt:

Date: 7.10.2009

09 JUL 14 PM 1:04

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_



AB000 . 1B4000 . 2101 - 528101 400.00  
AB000 . 1B4000 . 2101 . 521102 24.20  
EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 06/01/09 To: 06/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	06/03/09	OWD	Board Meeting	20	
✓ 2.	06/10/09	WCG	Water Conservation Garden Monthly meeting	<del>24</del> → 24	
✓ 3.	06/23/09	OWD	Finance/Admin Committee Meeting	0	
✓ 4.	06/29/09	WCG	Strat Planning Workshop Cuyamaca College		0
5.					
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14.					
15.					
16.					
17.					
18.					

\* per S. Cruz 7-21-09

Total Meeting Per Diem: \$300  
(\$100 per meeting)

Total Mileage Claimed: 20 44 miles

per S. Cruz 7-21-09

4 a 4 p.m.

(Director's Signature)

GM Receipt:

Date: 7.10.2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

✓ 20 7-26-09





**OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Mark Robak

Period Covered:

Employee Number: 70140509

From: 5-1-09 To: 5-31-09

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1	5-1	East County Chamber First Friday Breakfast	Prosperity Month Kick-off – <b>No Charge</b>	0	0
✓ 2	5-5	Water Conservation Garden	Meeting & Lunch with Strategic Planner Lance Decker & Executive Director	0	12
3	5-13	Water ReUse Association Monthly Meeting	Annual Regulators Meeting – Rueben H. Fleet Science Center – <b>No Charge</b>	0	9
✓ 4	5-13	Monthly Otay Board Meeting	General District Business	4	6
✓ 5	5-14	Water Conservation Garden	Monthly Meeting / General Business (See Exhibit A - Agenda)	0	9
6	5-15	Water Agency Standards Golf Tournament – Singing Hills	Benefit Tournament for local Water Brigades Chapter at SDSU – <b>No Charge</b>	0	0
7	5-16	Water Conservation Garden	Annual California Friendly Landscape Contest Winners & Meadow Exhibit Grand Opening – <b>No Charge</b>	0	0
8	5-16	Cuyamaca College Annual Scholarship Event	Annual Fundraising event for College Foundation – <b>No Charge</b>	0	0
✓ 9	5-21	Otay Budget Workshop	Discussion of Annual Budget FY 09-10	4	6
				8	42

Total Meeting Per Diem: \$400  
(\$100 per meeting)

Total Mileage Claimed: 50 miles  
*9 a 4 paid*

Receipt  
GM Approval: *[Signature]*

*Mark Robak*

(Director's Signature)

Date: 6-30-2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

'09 JUL 6 PM 1:15





# AGENDA ITEM 4

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	James Cudlip, Finance Manager <i>J. Cudlip</i>	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Joseph R. Beauchem, Chief financial Officer <i>JRB</i> (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager <i>GA</i> (Asst. GM):		
SUBJECT:	Annual Review of Investment Policy (Policy No. 27) and Delegation of Authority		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board receives the District's Investment Policy (Policy #27) for review, and to re-delegate authority for all investment related activities to the Chief Financial Officer (CFO) in accordance with Government Code Section 53607.

### COMMITTEE ACTION: \_\_\_\_\_

See Attachment A.

### PURPOSE:

Government Code Section 53646 recommends that the District's Investment Policy be rendered to the Board on an annual basis for review. In addition, Government Code Section 53607 requires that for the CFO's delegation of authority to remain effective, the governing board must re-delegate authority over investment activities on an annual basis.

### ANALYSIS:

The primary goals of the investment policy are to assure compliance with the California Government Code, Sections 53600 et seq, and to protect the principal of the funds. The code provides a broad range of investment options for local agencies, including Federal Treasuries, Federal Agencies, Callable Federal Agencies, the State Pool, the County Pool, high-grade corporate debt, and others. Over the past two years, the size of the District's portfolio has fluctuated between \$108 million and \$78 million due to large outlays for construction projects, and the influx of bond proceeds from the COPS-2007 funding.

There have been no changes to the policy since the Board's previous annual review at the September 3, 2008 regular board meeting. Because of the District's adherence to a conservative range of authorized investments, we have been able to maintain a healthy and diversified portfolio with no investment losses despite an extended period of turmoil and instability in the national financial markets. The policy is consistent with the current law and the overall objectives of the policy are being met.

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

None.

**STRATEGIC GOAL:**

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

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

None.



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

**Attachments:**

- A) Committee Staff Report
- B) Investment Policy #27
- C) Portfolio Management: Portfolio Summary, June 30, 2008
- D) Copy of Investment Policy Presentation Slides



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Annual Review of Investment Policy (Policy No. 27) and Delegation of Authority
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### COMMITTEE ACTION:

The Finance, Administration, and Communications Committee receives the Investment Policy (Policy No. 27) for review, and to re-delegate authority for all investment related activities to the Chief Financial Officer in accordance with California Government Code Section 53607.

### NOTE:

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

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

**1.0: POLICY**

It is the policy of the Otay Water District to invest public funds in a manner which will provide maximum security with the best interest return, while meeting the daily cash flow demands of the entity and conforming to all state statues governing the investment of public funds.

**2.0: SCOPE**

This investment policy applies to all financial assets of the Otay Water District. The District pools all cash for investment purposes. These funds are accounted for in the District's audited Comprehensive Annual Financial Report (CAFR) and include:

- 2.1) General Fund
- 2.2) Capital Project Funds
  - 2.2.1) Designated Expansion Fund
  - 2.2.2) Restricted Expansion Fund
  - 2.2.3) Designated Betterment Fund
  - 2.2.4) Restricted Betterment Fund
  - 2.2.5) Designated Replacement Fund
- 2.3) Other Post Employment Fund (OPEB)
- 2.4) Debt Reserve Fund

Exceptions to the pooling of funds do exist for tax-exempt debt proceeds and deferred compensation funds. Funds received from the sale of general obligation bonds, certificates of participation or other tax-exempt financing vehicles are segregated from pooled investments and the investment of such funds are guided by the legal documents that govern the terms of such debt issuances.

**3.0: PRUDENCE**

Investments should be made with judgment and care, under current prevailing circumstances, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "Prudent Person" and/or "Prudent Investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes,

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4.0: OBJECTIVE**

As specified in the California Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1) Safety: Safety of principal is the foremost objective of the investment program. Investments of the Otay Water District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.
- 4.2) Liquidity: The Otay Water District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
- 4.3) Return on Investment: The Otay Water District's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

**5.0 DELEGATION OF AUTHORITY**

Authority to manage the Otay Water District's investment program is derived from the California Government Code, Sections 53600 through 53692. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer (CFO), who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the CFO. The CFO shall establish written investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CFO.

**6.0: ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the General Manager any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

**7.0: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Chief Financial Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the District with the following, as appropriate:

- Audited Financial Statements.

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- Proof of National Association of Security Dealers (NASD) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read the District's Investment Policy.
- Evidence of adequate insurance coverage.

As annual review of the financial condition and registrations of qualified bidders will be conducted by the CFO. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

**8.0: AUTHORIZED AND SUITABLE INVESTMENTS**

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The District is governed by the California Government Code, Sections 53600 through 53692, to invest in the following types of securities, as further limited herein:

8.01) United States Treasury Bills, Bonds, Notes or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

8.02) Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, may be used up to the maximum permitted by State Law (currently \$40 million). The District may also invest bond proceeds in LAIF with the same but independent maximum limitation.

8.03) Bonds, debentures, notes and other evidence of indebtedness issued by any of the following government agency issuers:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")
- Government National Mortgage Association (GNMA or "Ginnie Mae")
- Student Loan Marketing Association (SLMA or "Sallie Mae")
- Federal Farm Credit Bank (FFCB)

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There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

8.04) Interest-bearing demand deposit accounts and Certificates of Deposit (CD) will be made only in Federal Deposit Insurance Corporation (FDIC) insured accounts. For deposits in excess of the insured maximum of \$100,000, approved collateral shall be required in accordance with California Government Code, Section 53652. Investments in CD's are limited to 15 percent of the District's portfolio.

8.05) Commercial paper, which is short-term, unsecured promissory notes of corporate and public entities. Purchases of eligible commercial paper may not exceed 10 percent of the outstanding paper of an issuing corporation, and maximum investment maturity will be restricted to 270 days. Investment is further limited as described in California Government Code, Section 53601(g). Purchases of commercial paper may not exceed 15 percent of the District's portfolio.

8.06) Medium-term notes defined as all corporate debt securities with a maximum remaining maturity of five years or less, and that meet the further requirements of California Government Code, Section 53601(j). Investments in medium-term notes are limited to 15 percent of the District's portfolio.

8.07) Money market mutual funds that invest only in Treasury securities and repurchase agreements collateralized with Treasury securities, and that meet the further requirements of California Government Code, Section 53601(k). Investments in money market mutual funds are limited to 15 percent of the District's portfolio.

8.08) The San Diego County Treasurer's Pooled Money Fund, which is a County managed investment pool, may be used by the Otay Water District to invest excess funds. There is no percentage limitation of the portfolio which can be invested in this category.

8.09) Under the provisions of California Government Code 53601.6, the Otay Water District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity. Also, the

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borrowing of funds for investment purposes, known as leveraging, is prohibited.

**9.0: INVESTMENT POOLS/MUTUAL FUNDS**

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc., utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds, and/or will it accept such proceeds?

**10.0 COLLATERALIZATION**

Collateralization will be required on certificates of deposit. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

**11.0: SAFEKEEPING AND CUSTODY**

All security transactions entered into by the Otay Water District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the District and evidenced by safekeeping receipts.

**12.0: DIVERSIFICATION**

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The Otay Water District will diversify its investments by security type and institution, with limitations on the total amounts invested in each security type as detailed in Paragraph 8.0, above, so as to reduce overall portfolio risks while attaining benchmark average rate of return. With the exception of U.S. Treasury securities, government agencies, and authorized pools, no more than 50% of the District's total investment portfolio will be invested with a single financial institution.

**13.0: MAXIMUM MATURITIES**

To the extent possible, the Otay Water District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. However, for time deposits with banks or savings and loan associations, investment maturities will not exceed two years. Investments in commercial paper will be restricted to 270 days.

**14.0: INTERNAL CONTROL**

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

**15.0: PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The Otay Water District's investment strategy is passive. Given this strategy, the basis used by the CFO to determine whether market yields are being achieved shall be the State of California Local Agency Investment Fund (LAIF) as a comparable benchmark.

**16.0: REPORTING**

The Chief Financial Officer shall provide the Board of Directors monthly investment reports which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies. Schedules in the quarterly report should include the following:

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- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value, amortized book value, and market value.
- Percentage of the portfolio represented by each investment category.

**17.0: INVESTMENT POLICY ADOPTION**

The Otay Water District's investment policy shall be adopted by resolution of the District's Board of Directors. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

**18.0: GLOSSARY**

See Appendix A.

**OTAY WATER DISTRICT  
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**APPENDIX A: GLOSSARY**

**ACTIVE INVESTING:** Active investors will purchase investments and continuously monitor their activity, often looking at the price movements of their stocks many times a day, in order to exploit profitable conditions. Typically, active investors are seeking short term profits.

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.

**BANKERS' ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BROKER/DEALER:** Any individual or firm in the business of buying and selling securities for itself and others. Broker/dealers must register with the SEC. When acting as a broker, a broker/dealer executes orders on behalf of his/her client. When acting as a dealer, a broker/dealer executes trades for his/her firm's own account. Securities bought for the firm's own account may be sold to clients or other firms, or become a part of the firm's holdings.

**CERTIFICATE OF DEPOSIT (CD):** A short or medium term, interest bearing, FDIC insured debt instrument offered by banks and savings and loans. Money removed before maturity is subject to a penalty. CDs are a low risk, low return investment, and are also known as "time deposits", because the account holder has agreed to keep the money in the account for a specified amount of time, anywhere from a few months to several years.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMMERCIAL PAPER:** An unsecured short-term promissory note, issued by corporations, with maturities ranging from 2 to 270 days.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report for the Otay Water District. It includes detailed financial information prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual

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provisions, extensive introductory material, and a detailed statistical section.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a set date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures deposits in member banks and thrifts, currently up to \$100,000 per deposit.

**FEDERAL FARM CREDIT BANK (FFCB):** The Federal Farm Credit Bank system supports agricultural loans and issues securities and bonds in

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financial markets backed by these loans. It has consolidated the financing programs of several related farm credit agencies and corporations.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANK (FHLB):** Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac):** A stockholder owned, publicly traded company chartered by the United States federal government in 1970 to purchase mortgages and related securities, and then issue securities and bonds in financial markets backed by those mortgages in secondary markets. Freddie Mac, like its competitor Fannie Mae, is regulated by the United States Department of Housing and Urban Development (HUD).

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** A government owned agency which buys mortgages from lending institutions, securitizes them, and then sells them to investors. Because the payments to investors are guaranteed by the full faith and credit of the U.S. Government, they return slightly less interest than other mortgage-backed securities.

**INTEREST-ONLY STRIPS:** A mortgage backed instrument where the investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive, and cash flows vary between

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interest periods. Also, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

**INVERSE FLOATER:** A bond or note that does not earn a fixed rate of interest. Rather, the interest rate is tied to a specific interest rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the index. An inverse floater increases the market rate risk and modified duration of the investment.

**LEVERAGE:** Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MUTUAL FUNDS:** An open-ended fund operated by an investment company which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds raise money by selling shares of the fund to the public. Mutual funds then take the money they receive from the sale of their shares (along with any money made from previous investments) and use it to purchase

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various investment vehicles, such as stocks, bonds, and money market instruments.

**MONEY MARKET MUTUAL FUNDS:** An open-end mutual fund which invests only in money markets. These funds invest in short term (one day to one year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD):** A self-regulatory organization of the securities industry responsible for the operation and regulation of the NASDAQ stock market and over-the-counter markets. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

**PASSIVE INVESTING:** An investment strategy involving limited ongoing buying and selling actions. Passive investors will purchase investments with the intention of long term appreciation and limited maintenance, and typically don't actively attempt to profit from short term price fluctuations. Also known as a buy-and-hold strategy.

**PRIMARY DEALER:** A designation given by the Federal Reserve System to commercial banks or broker/dealers who meet specific criteria, including capital requirements and participation in Treasury auctions. These dealers submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker/dealers, banks, and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**PUBLIC SECURITIES ASSOCIATION (PSA):** A trade organization of dealers, brokers, and bankers who underwrite and trade securities offerings.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

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**RANGE NOTE:** An investment whose coupon payment varies and is dependent on whether the current benchmark falls within a pre-determined range.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**REGIONAL DEALER:** A securities broker/dealer, registered with the Securities & Exchange Commission (SEC), who meets all of the licensing requirements for buying and selling securities.

**REPURCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding securities issues following their initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15C3-1:** See Uniform Net Capital Rule.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.), and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**STUDENT LOAN MARKETING ASSOCIATION (SLMA or Sallie Mae):** A federally established, publicly traded corporation which buys student loans from colleges and other lenders, pools them, and sells them to investors.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

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**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**OTAY**  
**Portfolio Management**  
**Portfolio Summary**  
**June 30, 2009**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Corporate Notes	4,000,000.00	4,120,680.00	4,044,596.41	5.31	877	525	1.973	2.000
Federal Agency Issues- Callable	22,000,000.00	22,048,400.00	21,999,059.72	28.89	722	628	1.793	1.818
Certificates of Deposit - Bank	3,079,108.00	3,079,108.00	3,079,108.00	4.04	373	199	2.794	2.832
Local Agency Investment Fund (LAIF)	7,480,183.45	7,489,943.17	7,480,183.45	9.82	1	1	1.358	1.377
San Diego County Pool	39,534,302.21	39,756,639.66	39,534,302.21	51.93	1	1	1.500	1.521
	<b>76,093,593.66</b>	<b>76,494,770.83</b>	<b>76,137,249.79</b>	<b>100.00%</b>	<b>271</b>	<b>218</b>	<b>1.648</b>	<b>1.671</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	2,624,817.15	2,624,817.15	2,624,817.15		1	1	0.185	0.188
<b>Total Cash and Investments</b>	<b>78,718,410.81</b>	<b>79,119,587.98</b>	<b>78,762,066.94</b>		<b>271</b>	<b>218</b>	<b>1.648</b>	<b>1.671</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	107,362.52	2,265,045.62	2,265,045.62
<b>Average Daily Balance</b>	<b>77,552,012.91</b>	<b>80,430,871.65</b>	
<b>Effective Rate of Return</b>	<b>1.68%</b>	<b>2.82%</b>	

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on September 6, 2006. 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



# DISTRICT INVESTMENT POLICY

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**Policy # 27**

**September 2, 2009**



# **POLICY REVIEW**

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- **Purpose:**

- Annual Review
- Delegation of Investment Authority

- **Analysis:**

- No policy changes at this time
- Policy last changed 09-06-06



# **INVESTMENT POLICY GUIDELINES**

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## **A. California Government Code:**

- Sections 53600 through 53692

## **B. Investment Policy Certification:**

- Association of Public Treasurers of the United States & Canada (APT US&C)



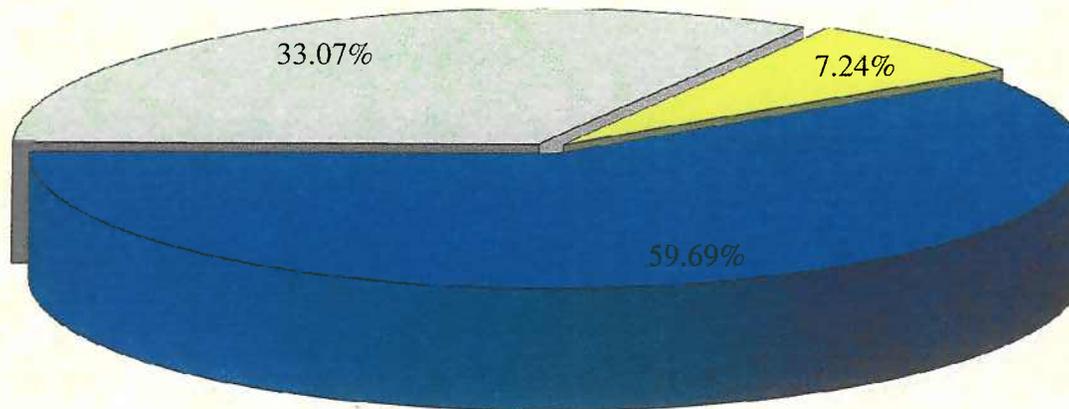
# INVESTMENT PORTFOLIO: 6/30/09

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	<u>\$('000s)</u>	<u>Auth \$ / %</u>	<u>Actual %</u>
➤ LAIF (State of California)	\$ 7,480	\$40 Mil	9.50%
➤ Govt. Agency Bonds	\$22,000	100%	27.95%
➤ Corporate Notes	\$ 4,000	30%	5.08%
➤ Bank Deposits & CDs	\$ 5,704	15%	7.25%
➤ San Diego County Pool	<u>\$39,534</u>	50%	50.22%
<b>Total:</b>	<b>\$78,718</b>		

# INVESTMENT PORTFOLIO: 6/30/09

**Otay Water District  
Investment Portfolio: 06/30/09**



■ Banks (Passbook/Checking/CD)   ■ Pools (LAIF & County)   ■ Agencies & Corporate Notes



# INVESTMENT PERFORMANCE

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## Fund Objectives

- Safety
- Liquidity
- Return on Investment

<b>Fund Performance:</b>	<b><u>FY-08</u></b>	<b><u>FY-08</u></b>
➤ OTAY:	2.82%	4.54%
➤ LAIF:	2.22%	4.33%



## **REQUESTED BOARD ACTION**

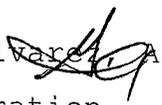
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Re-delegate authority for all investment related activities to the Chief Financial Officer (CFO), in accordance with Government Code Section 53607.



# AGENDA ITEM 5

## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Joseph R. Beachem,  Chief Financial Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
(Chief)			
APPROVED BY:	German Alvarez,  (Asst. GM):	Assistant General Manager, Finance and Administration	
SUBJECT:	Use of Special Water Rates for Various Subsets of Customers		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board receive this informational item explaining why it is not recommended to use special water rates for subsets of customers, such as low income customers, disabled customers, veterans, or any other select customer group.

### COMMITTEE ACTION:

See Attachment A.

### PURPOSE:

To present to the Board information regarding the use of special water rates for various subsets of customers.

### ANALYSIS:

The District's practice related to special water rates is in compliance with advice from the District's legal counsel. Also, after reviewing and comparing District practices to other water purveyors in the county, the District's handling of special water rates is consistent with other agencies.

One key deterrent to implementing special rates is the language within Proposition 218. In the District's survey of water agencies on the use of special rates, many agencies pointed to Proposition 218 as a reason why they cannot offer discounted rates to subsets of customers. Proposition 218 requires that a charge imposed upon any parcel shall not exceed the proportional cost of the service attributable to the parcel. The District's legal counsel indicated that if a special rate were established, there would be a good argument that by artificially lowering

costs of service for low income customers, the District disproportionately raises the costs for other customers, thus violating Proposition 218.

Even if special rates met the legal requirements, practicality is a significant reason why special rates have not been a common practice in the industry. In the survey of all water providers within San Diego County, staff found that none of the water providers currently offers a special rate to low income or other select customer groups. This finding is not surprising to PBS&J, the District's consultant on water rates. According to Karyn Keese of PBS&J, a practical problem with lowering rates for low income customers is that most low income customers do not own their home and often do not pay the water bill directly. Therefore, from a practical standpoint, they are not direct customers and it would be difficult to ensure that they receive the benefit of a reduced water rate.

Staff confirmed that the District's rates are consistent or lower than the average water District when it comes to low water usage customers. Staff updated the survey of water rates and prepared a comparison at low water usage of 10 units per month and a comparison at very low water usage of 5 units per month. These charts (Attachments B & C) show that the District is charging an average rate at very low usage, and a below average rate at low usage.

**FISCAL IMPACT:** 

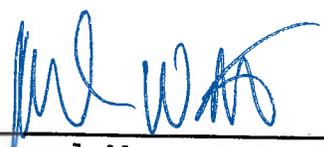
This is an informational item only and does not have a financial impact on the District.

**STRATEGIC GOAL:**

Prudently manage District funds.

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

None.

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

Attachments:

- A) Committee Action Form
- B) Rate Comparison at 10 Units
- C) Rate Comparison at 5 Units



## ATTACHMENT A

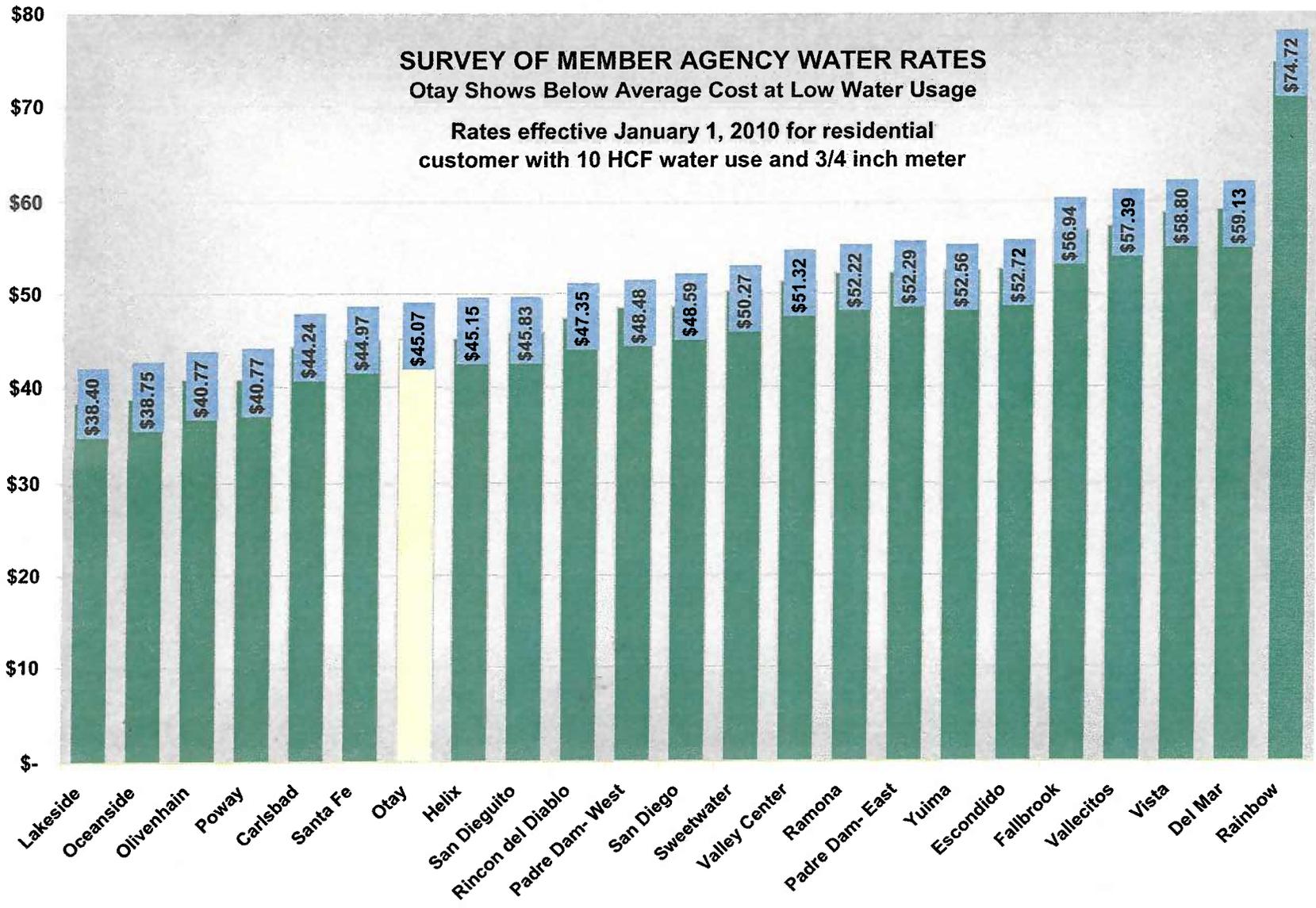
<b>SUBJECT/PROJECT:</b>	Use of Special Water Rates for Various Subsets of Customers
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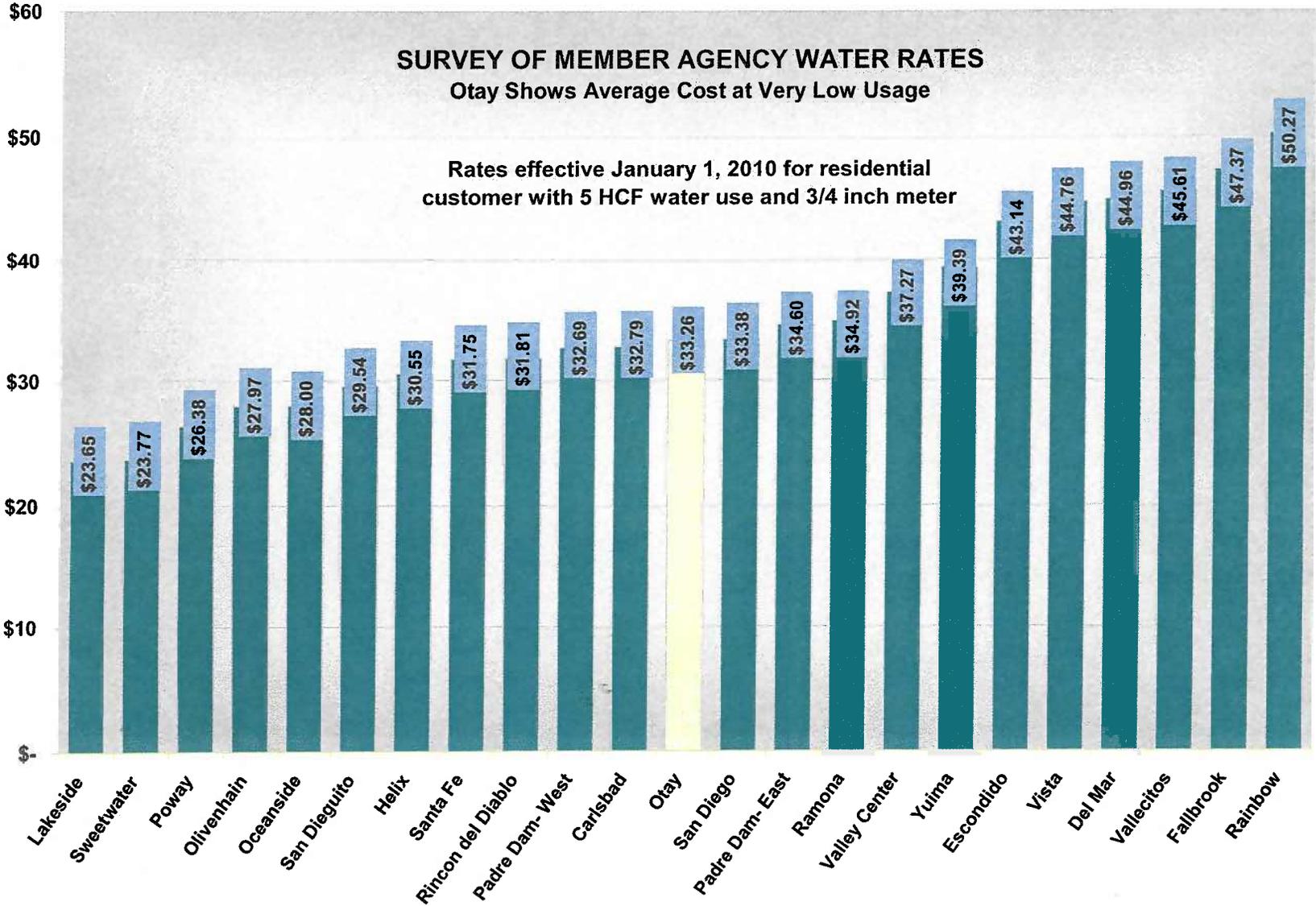
### COMMITTEE ACTION:

This is an informational item only.

### NOTE:

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







**ANALYSIS:**

As a part of the District's Workers' Compensation and Liability coverage with the Special District Risk Management Association (SDRMA), the District is provided discounts for completing certain tasks related to safety and liability coverages. To earn points toward discounts, the District is required to have Legal Counsel conduct a legal review and that the Board of Directors re-affirm the following four policies on a bi-annual basis. The following policies include minor revisions as deemed appropriate by District staff and Legal Counsel and have been reviewed and agreed to by the Employee Association:

Discipline Policy (Attachment B)

ADA/FEHA Disability Policy Board Policy #48 (Attachment C)

Policy Against Discrimination and Harassment and Complaint Procedure Board Policy #47 (Attachment D)

Recruitment, Selection, and Employment Board Policy #24 (Attachment E)

Resolution #4146 (Attachment F)

It is requested that the Board of Directors adopt Resolution #4146 in support of the proposed revisions to the above-referenced Policies.

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

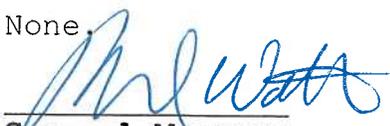
None.

**STRATEGIC GOAL:**

Optimize the District's Operating Efficiency.

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

None.

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

- Attachment A - Committee Action
- Attachment B - Discipline Policy
- Attachment C - ADA/FEHA Disability Policy Board Policy #48
- Attachment D - Policy Against Discrimination and Harassment and  
Complaint Procedure Board Policy #47
- Attachment E - Recruitment, Selection, and Employment Board  
Policy #24
- Attachment F - Resolution #4146



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	<ol style="list-style-type: none"><li>1. Approve Revisions to the Human Resources Discipline Policy and Procedures; and</li><li>2. Adopt Resolution #4146 to Revise the ADA/FEHA Board Policy #48, Policy Against Discrimination and Harassment and Complaint Procedure Board Policy #47, and Recruitment, Selection, and Employment Board Policy #24</li></ol>
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### COMMITTEE ACTION:

The Finance, Administration & Communications Committee met on August 25, 2009 and supports Staff's recommendations to:

1. Approve revisions to the Human Resources Discipline Policy and Procedures; and
2. Adopt Resolution #4146 to Revise the ADA/FEHA Disability Board Policy #48, Policy Against Discrimination and Harassment and Complaint Procedure Board Policy #47, and Recruitment, Selection, and Employment Board Policy #24.

### NOTE:

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



**Otay Water District  
Human Resources Policies  
and Procedures**

**Effective Date:  
September 2, 2009**

**Page 1 of 7**

**Section Title:**

**DISCIPLINE POLICY AND  
PROCEDURES**

**PURPOSE**

The purpose of this policy is to present a progressive approach to employee discipline which uses consistent and equitable procedures for reflecting employee job performance and general conduct.

**POLICY**

It is the policy of Otay Water District to maintain an atmosphere of positive motivation and discipline with its employees; to treat all employees fairly; and to administer disciplinary action, when necessary, in a manner that is both fair and corrective.

Disciplinary action is primarily intended to be corrective and progressive, directed at obtaining compliance with District rules, orders, procedures, standards of conduct, and expected job performance. However, disciplinary action may also serve a punitive purpose, particularly in the case of severe or repetitive misconduct. The District may impose discipline, including a first disciplinary action, commensurate with the nature and circumstances of an employee's misconduct. Appropriate disciplinary action may include counseling, oral warning, written reprimand, suspension, reduction in pay, demotion, and/or dismissal.

**STANDARDS OF CONDUCT**

All employees are expected to act in a positive and professional manner in performing their duties and in their relationships with other employees and the public.

Individual departments may adopt rules specifically based on the needs of the department. In such cases, these rules must be written, approved by the Assistant General Manager, and distributed to all affected employees.

Employees may be disciplined for the following misconduct:

1. Fraud in securing employment or promotion;
2. Incompetence, including loss, revocation, suspension, or conditions of probation of a license or certificate that is a condition of the position, that prevent an employee from performing work at the District, or the uninsurability of an employee to drive a District vehicle when driving is a condition of the position;

3. Failure to perform the duties of the position;
4. Inefficiency;
5. Insubordination;
6. Discourteous conduct;
7. Violation of safety rules, policies, standards, and/or regulations, or failure to promptly report the same;
8. Violation of the general rules, regulations, policies, and practices of the District or the employee's department;
9. Dishonesty;
10. Absence or tardiness without leave;
11. Working while intoxicated or illegally under the influence of controlled substances;
12. Consuming alcoholic beverages or illegally using controlled substances while on duty or during breaks;
13. \*Conviction of a felony;
14. \*Conviction of a misdemeanor involving moral turpitude and/or crimes involving firearms, explosives, violence, dishonesty and/or requiring registration under Penal Code 290;
15. Gambling on District property or while on duty;
16. Bringing or possessing firearms on District property;
17. Unauthorized use, removal, or negligent care of District property/resources, or willful or reckless damage or destruction of District property;
18. Fighting with or assaulting, harassing, threatening, or intimidating any person during working hours or on District property;
19. Immoral conduct;
20. Unlawful discrimination;
21. Attempting to overthrow the government of the United States or the State of California by force, violence, or other unlawful means or assisting persons or organizations making such attempt.

\* A "conviction" includes any sentence, suspended sentence, probation or other resolution following a verdict, plea (including a no contest plea) or other finding of guilt.

## LEVELS OF DISCIPLINE

**Counseling** – Counseling includes any discussion with an employee designed to assist the employee in clarifying and remedying a problem. The counseling discussion brings performance issues to an employee's attention when they are small, and assists the employee to correct them.

Counseling is normally given by the immediate supervisor.

**Oral Warning** – An oral warning notifies the employee that his/her performance or behavior must be improved for cases involving greater performance issues or when previous counseling has not changed behavior or performance.

An oral warning defines the areas in which improvement is required, sets up goals leading to improvement, and notifies the employee that failure to improve will result in more serious action.

An oral warning is normally given by the immediate supervisor. This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee.

A written summary of an oral warning is kept by the supervisor, given to the employee, and placed in the supervisor's file and retained for a period of 18 months after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if the oral warning is for violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy, or Sexual Harassment Policy, it shall be permanently retained in the file.

**Letter of Reprimand** – A letter of reprimand is a notice to the employee that further disciplinary action may be taken unless performance or behavior improves and is generally given in cases of misconduct or when previous discipline has not changed behavior or performance.

A letter of reprimand admonishes an employee for misconduct and advises him/her of the consequences of failing to improve his/her performance or behavior. It should contain the following information:

- a. What occurred.
- b. Date and time of the event which is the cause of the reprimand.
- c. Specific rule or policy broken or violated.
- d. Reference to previous conversations, counseling and/or oral warnings regarding the problem.
- e. What the employee is expected to do to correct the situation.
- f. An outline of subsequent meetings or assignments to ensure that the employee has followed the directions for corrective action.

A letter of reprimand is normally given by the immediate manager. This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee.

Copies of letters of reprimands are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file and retained for a period of 3 years after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if a reprimand is for a violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy or Sexual Harassment Policy, it shall be permanently retained in the file.

**Suspension** – Suspension is the temporary removal of an employee from his/her duties without pay. Suspensions are normally given in cases involving serious misconduct or chronic behavioral problems for which previous discipline has not changed behavior or performance.

A suspension is usually given by the Department Chief. This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee..

Copies of suspension notices are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file.

Suspensions for 3 days or less shall be retained for a period of 3 years after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if a suspension is for a violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy or Sexual Harassment Policy, it shall be permanently retained in the file.

Suspensions for more than 3 days shall be retained in the employee's permanent personnel file.

**Demotion or Reduction in Pay** – Demotion to a position with a lower salary range or a reduction in salary within the current salary range. This type of discipline is normally imposed in response to an employee's failure to maintain minimum job requirements, incompetence or an inability to perform the essential duties of a position. However, it may be used for any other form of misconduct if deemed appropriate.

A demotion or reduction in pay is usually given by the Department Chief. This action shall only be imposed after review and approval by the Assistant General Manager, Department Chief, in consultation with the Human Resources Manager or designee, and finalized as a written notice or discipline approved by the General Manager.

Copies of demotions and reductions in pay are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file.

**Dismissal** – Action to permanently terminate an employee’s employment with the District for cases involving grave performance issues or when previous discipline has not changed behavior or performance.

A dismissal is usually given by the Department Chief. This action shall only be imposed after review and approval by the Assistant General Manager, Department Chief, in consultation with the Human Resources Manager or designee, and finalized as a written notice of discipline approved by the General Manager.

Copies of dismissal notices are kept by the supervisor, given to the employee, and placed in the employee’s permanent personnel file.

## **PRE-DISCIPLINE PROCESS**

### **ELIGIBILITY**

This process applies to any person holding regular status as a District employee. “Regular status” includes all District employees except temporary, probationary employees, or executive positions (Assistant General Managers and Department Chiefs).

#### **A. Notice of Intent to Discipline**

When a recommendation that a suspension of more than five (5) days, demotion, reduction in pay, or dismissal be imposed on an employee has been approved by the General Manager or designee, a Notice of Intent to Discipline shall be prepared and delivered to the employee at least five (5) working days before the date on which the proposed disciplinary action will become effective.

The Notice of Intent to Discipline shall include the following information:

1. A description of the proposed disciplinary action;
2. The date on which that action will become effective;
3. A statement of the charge(s) upon which the proposed action is based, including a description of the events constituting the alleged misconduct and reference to or description of the specific District rule or policy violated;
4. A statement that the employee has a right to meet with the General Manager or designee, and respond to the charges either orally or in writing, at any time before the proposed disciplinary action is to become effective; and
5. Copies of any known written materials, reports, or documents upon which the proposed action is based.

#### **B. Notice of Discipline**

If the employee elects not to meet with the General Manager or designee or respond to the charges before the effective date, the proposed action shall be imposed on the effective date.

If the employee meets with the General Manager or designee or submits a response to the charges and the General Manager or designee decides that the proposed action or modified

disciplinary action should be imposed, the General Manager or designee shall issue a Notice of Discipline to the employee.

The Notice of Discipline shall include the following information:

1. A description of the disciplinary action to be taken;
2. The date on which that action will become effective; and
3. A statement whether any of the charges, descriptions of events, or alleged violations of District rule or policy in the Notice of Intent to Discipline were not sustained.

## **APPEAL**

### Represented Employees

Represented employees shall have the right to appeal disciplinary action taken against them in accordance with and to the extent provided by an applicable collective bargaining agreement. A "represented employee" is an employee who is a member of a bargaining unit for which there is a recognized employee organization.

## **ADMINISTRATIVE LEAVE**

Leave Pending Investigation – The District may place an employee on paid Administrative Leave pending investigation of an alleged violation of law, policy, regulation, or standard of conduct.

Leave Pending Disciplinary Action – The District may place an employee on paid Administrative Leave, pending issuance of charges and pending an employee's response to a Notice of Intent to Discipline and determination whether disciplinary action will be imposed.

## **EMERGENCY**

In extraordinary circumstances, where an emergency situation exists that has the potential to harm District property, employees or members of the public or can result in harm to the employee, the District may remove the employee from the workplace immediately. An investigation will be conducted as soon as possible. After the emergency is passed, and if disciplinary action against the employee is contemplated, the guidelines for disciplinary action set forth herein shall be followed. If no discipline is imposed, the employee will be repaid for any time off without pay.

## **AUTOMATIC RESIGNATION**

An employee is considered to have resigned his/her employment when the employee fails to report to work for two (2) or more consecutive work days without leave to be absent, whether such absence is voluntary or involuntary. Such resignation shall be effective as of the last day actually worked by the employee. The District shall notify the employee of his/her resignation. Although the District's acceptance of an employee's automatic resignation is not a disciplinary action, the District shall include the following in the notice of resignation:

- a. A description of the facts upon which the resignation is based;
- b. A statement that the employee has the right to meet with the General Manager or designee, and respond to the description of facts either orally or in writing, within five days of receiving the notice of resignation, unless longer notice is indicated in the applicable Memorandum of Understanding and;
- c. A statement that if the employee does not provide sufficient justification for his/her absence within five days of receiving the notice of resignation, his/her resignation shall be effective as of his/her last day actually worked.

If the General Manager or designee concludes that the employee's absence was justified, he/she shall order the employee reinstated without back pay.

### **TIME EXTENSIONS**

Any time limitations or requirements, as set forth in this Policy and Procedure, may be extended or changed by mutual agreement of all parties.

### **EMPLOYEE ACKNOWLEDGEMENT**

The District may require an employee to sign a document indicating the date on which the employee received a Notice of Intent to Discipline or a Notice of Discipline. If the employee refuses to sign the document, the person serving the document on the employee should note the date of service and that the employee declined to sign.



Otay Water District  
Human Resources Policies  
and Procedures

Effective Date:  
~~September 5, 2007~~  
September 2, 2009

Page 1 of 7

Section Title:

**DISCIPLINE POLICY AND  
PROCEDURES**

**PURPOSE**

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**POLICY**

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Disciplinary action is primarily intended to be corrective and progressive, directed at obtaining compliance with District rules, orders, procedures, standards of conduct, and expected job performance. However, disciplinary action may also serve a punitive purpose, particularly in the case of severe or repetitive misconduct. The District may impose discipline, including a first disciplinary action, commensurate with the nature and circumstances of an employee's misconduct. Appropriate disciplinary action may include counseling, oral warning, written reprimand, suspension, reduction in pay, demotion, and/or dismissal.

**STANDARDS OF CONDUCT**

All employees are expected to act in a positive and professional manner in performing their duties and in their relationships with other employees and the public.

Individual departments may adopt rules specifically based on the needs of the department. In such cases, these rules must be written, approved by the Assistant General Manager, and distributed to all affected employees.

Employees may be ~~informally or formally~~ disciplined for the following misconduct:

1. Fraud in securing employment or promotion;
2. Incompetence, including loss, revocation, suspension, or conditions of probation of a license or certificate that is a condition of the position, that prevent an employee from performing work at the District, or the uninsurability of an employee to drive a District vehicle when driving is a condition of the position;

3. Failure to perform the duties of the position;
4. Inefficiency;
5. Insubordination;
6. Discourteous conduct;
7. Violation of safety rules, policies, standards, and/or regulations, or failure to promptly report the same;
8. Violation of the general rules, regulations, policies, and practices of the District or the employee's department;
9. Dishonesty;
10. Absence or tardiness without leave;
11. Working while intoxicated or illegally under the influence of controlled substances;
12. Consuming alcoholic beverages or illegally using controlled substances while on duty or during breaks;
13. \*Conviction of a felony;
14. \*Conviction of a misdemeanor involving moral turpitude and/or crimes involving firearms, explosives, violence, dishonesty and/or requiring registration under Penal Code 290;
15. Gambling on District property or while on duty;
16. Bringing or possessing firearms on District property;
17. Unauthorized use, ~~or~~ removal, or negligent care of District property/~~resources~~, or willful or reckless damage ~~to~~ or destruction of District property;
18. Fighting with or assaulting, harassing, threatening, or intimidating any person during working hours or on District property;
19. Immoral conduct;
20. Unlawful discrimination;
21. ~~Membership in any organization that~~ Attempting to ~~advocates the~~ overthrow of the government of the United States or the ~~at~~ State of California by force, violence, or other unlawful means or assisting persons or organizations making such attempt.

\* A "conviction" includes any sentence, suspended sentence, probation or other resolution following a verdict, plea (including a no contest plea) or other finding of guilt.

## LEVELS OF DISCIPLINE

### A. Informal Discipline

**Counseling** – Counseling includes any ~~informal~~-discussion with an employee designed to assist the employee in clarifying and remedying a problem to fully develop skills and abilities. The counseling discussion brings performance issues to an employee's attention when they are small, and assists the employee to correct them. ~~may clarify standards, evaluate the employee's strengths and weaknesses, or seek information.~~

Counseling is normally given by the immediate supervisor, ~~but it may be given by any departmental supervisory staff up to and including the General Manager.~~

**Oral Warning** – An oral warning notifies the employee that his/her performance or behavior must be improved for cases involving greater performance issues or when previous counseling has not changed behavior or performance.

An oral warning defines the areas in which improvement is required, sets up goals leading to improvement, and notifies the employee that failure to improve will result in more serious action.

An oral warning is normally given by the immediate supervisor, ~~but it may be given by any departmental supervisory staff up to and including the General Manager.~~ This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee.

A written summary of an oral warning is kept by the supervisor, given to the employee, and placed in the supervisor's file and retained for a period of 18 months after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if the oral warning is for violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy, or Sexual Harassment Policy, it shall be permanently retained in the file.

### B. Formal Discipline

**Letter of Reprimand** – A ~~written letter of~~ reprimand is a ~~formal~~-notice to the employee that further disciplinary action may be taken unless performance or behavior improves and is generally given in cases of misconduct or when previous discipline has not changed behavior or performance.

A ~~written letter of~~ reprimand admonishes an employee for misconduct and advises him/her of the consequences of failing to improve his/her performance or behavior. It should contain the following information:

- a. What occurred.
- b. Date and time of the event which is the cause of the reprimand.
- c. Specific rule or policy broken or violated.

- d. Reference to previous conversations, counseling and/or oral warnings regarding the problem.
- e. What the employee is expected to do to correct the situation.
- f. An outline of subsequent meetings or assignments to ensure that the employee has followed the directions for corrective action.

A written letter of reprimand is normally given by the immediate manager, ~~but it may be given by any departmental supervisory staff up to and including the General Manager.~~ This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee.

Copies of written letters of reprimands are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file and retained for a period of 3 years after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if a reprimand is for a violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy or Sexual Harassment Policy, it shall be permanently retained in the file.

**Suspension** – Suspension is the temporary removal of an employee from his/her duties without pay. Suspensions are normally taken given in cases involving serious misconduct or chronic behavioral problems for which previous discipline has not changed behavior or performance ~~there seems to be no other appropriate response.~~

A suspension is usually given by the Department Chief, ~~but may be given by any departmental supervisory staff up to and including the General Manager.~~ This action shall only be imposed upon review and approval of the Department Chief, in consultation with the Assistant General Manager, General Manager and Human Resources Manager or designee, ~~and finalized as a written notice of discipline approved by the Assistant General Manager.~~

Copies of suspension notices are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file.

Suspensions for 3 days or less shall be retained for a period of 3 years after which it is removed at the employee's request, unless other disciplinary problems have occurred within that time. However, if a suspension is for a violation of the Violence in the Workplace Policy, the Drug and Alcohol Policy or Sexual Harassment Policy, it shall be permanently retained in the file.

Suspensions for more than 3 days shall be retained in the employee's permanent personnel file.

**Demotion or Reduction in pay** – Demotion to a position with a lower salary range or a reduction in salary within the current salary range. This type of discipline is normally imposed in response to an employee's failure to maintain minimum job requirements, incompetence or an inability to perform the essential duties of a position. However, it may be used for any other form of misconduct if deemed appropriate.

A demotion or reduction in pay is usually given by the Department Chief, ~~but may be given by any departmental supervisory staff up to and including the General Manager.~~ This action shall only be imposed after review and approval by the Assistant General Manager, Department Chief, in consultation with the Human Resources Manager or designee, and finalized as a written notice or discipline approved by the General Manager.

Copies of demotions and reductions in pay are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file.

**Dismissal** – Action to permanently terminate an employee's employment with the District for cases involving grave performance issues or when previous discipline has not changed behavior or performance.

A dismissal is usually given by the Department Chief, ~~but may be given by any departmental supervisory staff up to and including the General Manager.~~ This action shall only be imposed after review and approval by the Assistant General Manager, Department Chief, in consultation with the Human Resources Manager or designee, and finalized as a written notice of discipline approved by the General Manager.

Copies of dismissal notices are kept by the supervisor, given to the employee, and placed in the employee's permanent personnel file.

## PRE-DISCIPLINE ~~DUE~~ PROCESS

### ELIGIBILITY

~~This~~ ~~ese~~ ~~proce~~ ~~ss~~ ~~dures~~ ~~applies~~ to any person holding regular status as a District employee. "Regular status" includes all District employees except temporary, probationary employees, or executive positions (Assistant General Managers and Department Chiefs) ~~at-will employees, part-time employees working less than 20 hours per week, and temporary employees.~~

### A. Notice ~~o~~ ~~f~~ Intent ~~t~~ ~~o~~ Discipline

When a recommendation that a suspension of more than five (5) days, demotion, reduction in pay, or dismissal be imposed on an employee has been approved by the General Manager or designee, a Notice of Intent to Discipline shall be prepared and delivered to the employee at least five (5) working days before the date on which the proposed disciplinary action will become effective.

The Notice of Intent to Discipline shall include the following information:

1. A description of the proposed disciplinary action;
2. The date on which that action will become effective;
3. A statement of the charge(s) upon which the proposed action is based, including a description of the events constituting the alleged misconduct and reference to or description of the specific District rule or policy violated;

4. A statement that the employee has a right to meet with the General Manager or designee, and respond to the charges either orally or in writing, at any time before the proposed disciplinary action is to become effective; and
5. Copies of any known written materials, reports, or documents upon which the proposed action is based.

## **B. Notice of Discipline**

If the employee elects not to meet with the General Manager or designee or respond to the charges before the effective date, the proposed action shall be imposed on the effective date.

If the employee meets with the General Manager or designee or submits a response to the charges and the General Manager or designee decides that the proposed action or modified disciplinary action should be imposed, the General Manager or designee shall issue a Notice of Discipline to the employee.

The Notice of Discipline shall include the following information:

1. A description of the disciplinary action to be taken;
2. The date on which that action will become effective; and.
3. A statement whether any of the charges, descriptions of events, or alleged violations of District rule or policy in the Notice of Intent to Discipline were not sustained.

## **APPEAL**

### Represented Employees

Represented employees shall have the right to appeal disciplinary action taken against them in accordance with and to the extent provided by an applicable collective bargaining agreement. A "represented employee" is an employee who is a member of a bargaining unit for which there is a recognized employee organization.

## **ADMINISTRATIVE LEAVE**

Leave Pending Investigation – The District may place an employee on paid Administrative Leave pending investigation of an alleged violation of law, policy, regulation, or standard of conduct.

Leave Pending Disciplinary Action – The District may place an employee on paid Administrative Leave, pending issuance of charges and pending an employee's response to a Notice of Intent to Discipline and determination whether disciplinary action will be imposed.

## **EMERGENCY**

In extraordinary circumstances, where an emergency situation exists that has the potential to harm District property, employees or members of the public or can result in harm to the employee, the District may remove the employee from the workplace immediately. An investigation will be conducted as soon as possible. After the emergency is passed, and if

disciplinary action against the employee is contemplated, the guidelines for disciplinary action set forth herein shall be followed. If no discipline is imposed, the employee will be repaid for any time off without pay.

## **AUTOMATIC RESIGNATION**

An employee is considered to have resigned his/her employment when the employee fails to report to work for two (2) or more consecutive work days without leave to be absent, whether such absence is voluntary or involuntary. Such resignation shall be effective as of the last day actually worked by the employee. The District shall notify the employee of his/her resignation. Although the District's acceptance of an employee's automatic resignation is not a disciplinary action, the District shall include the following in the notice of resignation:

- a. A description of the facts upon which the resignation is based;
- b. A statement that the employee has the right to meet with the General Manager or designee, and respond to the description of facts either orally or in writing, within five days of receiving the notice of resignation, unless longer notice is indicated in the applicable Memorandum of Understanding and;
- c. A statement that if the employee does not provide sufficient justification for his/her absence within five days of receiving the notice of resignation, his/her resignation shall be effective as of his/her last day actually worked.

If the General Manager or designee concludes that the employee's absence was justified, he/she shall order the employee reinstated without back pay.

## **TIME EXTENSIONS**

Any time limitations or requirements, as set forth in this Policy and Procedure, may be extended or changed by mutual agreement of all parties.

## **EMPLOYEE ACKNOWLEDGEMENT**

The District may require an employee to sign a document indicating the date on which the employee received a Notice of Intent to Discipline or a Notice of Discipline. If the employee refuses to sign the document, the person serving the document on the employee should note the date of service and that the employee declined to sign.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
ADA/FEHA Disability Policy	48	05/03/06	9/2/09

PURPOSE

To provide policies to encourage a bias free environment for disabled employees or for disabled persons who seek employment with the Otay Water District (District).

STATEMENT OF POLICY

It is the policy of the District not to discriminate on the basis of disability for employment or the provision of services. It is the intent of the District to provide disabled employees a bias free work environment. The District will provide reasonable accommodation in compliance with the Americans with Disabilities Act (ADA) and the Fair Employment and Housing Act (FEHA), including prompt and equitable resolution of complaints alleging discrimination on the basis of a disability.

POLICY

General Provisions

The District has a commitment to ensure equal opportunities for disabled District employees. Every reasonable effort will be made to provide an accessible work environment. The District will not discriminate against disabled employees or applicants in its employment practices (e.g. hiring, training, testing, transfer, promotion, compensation, benefits, termination).

Interactive Process

The District will engage in the interactive process, as defined by the ADA and the FEHA, to determine whether an applicant or employee is able to perform his/her essential functions. Such interactive process may include an invitation to meet with the employee or applicant, the District, and, if necessary, the employee or applicant's health care provider. During the interactive process the District will examine possible reasonable accommodations that would allow the employee or applicant to continue to perform the essential functions in his/her position or, if appropriate, be otherwise employed by the District.

Complaints

Any District employee who believes that they have been discriminated against because of a physical or mental disability may file a discrimination complaint pursuant to the District's Policy 47, entitled "Policy Against Discrimination and Harassment and Complaint Procedure".

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
ADA/FEHA Disability Policy	48	05/03/06	9/2/09

Any applicant who believes that they have been discriminated against because of a physical or mental disability may file a discrimination complaint by writing a formal letter to the District's Human Resources Manager.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
ADA/FEHA Disability Policy	48	05/03/06	9/2/09

PURPOSE

To provide policies to encourage a bias free environment for disabled employees or for disabled persons who seek employment with the Otay Water District (~~the "District"~~).

STATEMENT OF POLICY

It is the policy of the District not to discriminate on the basis of disability for employment or the provision of services. It is the intent of the District to provide disabled employees a bias free work environment. The District will provide reasonable accommodation in compliance with the Americans with Disabilities Act ("ADA") and the Fair Employment and Housing Act ("FEHA"), including prompt and equitable resolution of complaints alleging discrimination on the basis of a disability.

POLICY

General Provisions

The District has a commitment to ensure equal opportunities for disabled District employees. Every reasonable effort will be made to provide an accessible work environment. The District will not discriminate against disabled employees or applicants in its employment practices (e.g. hiring, training, testing, transfer, promotion, compensation, benefits, termination).

Interactive Process

The District will engage in the interactive process, as defined by the ADA and the FEHA, to determine whether an applicant or employee is able to perform his/her essential functions. ~~If the employee or applicant cannot perform the essential functions of his/her position, the District will examine possible reasonable accommodations that will make it possible for the employee or applicant to so perform.~~ Such interactive process ~~will~~ may include an invitation to meeting with the employee or applicant, the District, and, if necessary, the employee or applicant's health care provider. ~~The employee may choose to have a third party of his/her choice present for support but shall give reasonable advance notice to the District that he/she intends to have such a person present.~~ During the interactive process the District will examine possible reasonable accommodations that would make it possible allow for the employee or applicant to continue to work perform the essential functions in his/her position or, if appropriate, be otherwise employed by the District.

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OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
ADA/FEHA Disability Policy	48	05/03/06	9/2/09

~~Reasonable accommodation can include, but is not limited to job restructuring, reassignment to a vacant position for which the employee is qualified, and making facilities accessible.~~

Complaints

Any District employee who believes that they have been discriminated against because of a physical or mental disability may file a discrimination complaint pursuant to the District's Policy 47, entitled "Policy Against — Discrimination and Harassment and Complaint Procedure".

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Any applicant who believes that they have been discriminated against because of a physical or mental disability may file a discrimination complaint by writing a formal letter to the District's Human Resources Manager.

applicant

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<b>OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY</b>			
<b>Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE</b>	<b>Policy Number</b>	<b>Date Adopted</b>	<b>Date Revised</b>
	47	10/11/05	9/2/09

PURPOSE

The purposes of this policy are to (i) advise all employees that the District disapproves of and will not tolerate unlawful discrimination or harassment of its employees, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing) is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, and to all vendors conducting business with the District.

DEFINITIONS

Discrimination - Any decision or action that is based on an individual's status as a member of a protected class that adversely affects a District employee or the employee's work conditions, terms of employment, or work environment.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

<b>Subject:</b> POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	<b>Policy Number</b>	<b>Date Adopted</b>	<b>Date Revised</b>
	47	10/11/05	9/2/09

Harassment - Any decision or action that is based on a District employee's status as a member of a protected class, made for the purpose or having the effect of adversely affecting that employee's work conditions, terms or employment, or work environment. Harassment may include, but is not limited to:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Protected Class - Any class of persons who share a common sex, race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other "protected class" recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. For purposes of this definition, "sex" includes gender, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation - Any decision or action that is based on the fact that a District employee has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee's complaint under this Policy, made for the purpose of adversely affecting the employee's conditions of employment, terms of employment, or work environment.

Sexual Harassment - A form of harassment that is based on an employee's gender but which objectively and subjectively creates an

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BOARD OF DIRECTORS POLICY**

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adverse impact on the employee regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by a District employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District's Discrimination and Harassment Complaint Form. An employee may make a complaint to any of the following:

- Human Resources;
- Any supervisor, manager, Department Chief, Assistant General Manager, or General Manager;
- Complaints against the General Manager should be directed to the President of the Board of Directors.

Applicants may make a complaint to any of the following:

- Human Resources or;
- General Manager.

Any person described above shall forward each written discrimination complaint to the General Manager or designee immediately of receiving the complaint or having knowledge of the complaint. If a complaint is made verbally, the person receiving the complaint shall notify Human Resources immediately.

If any manager, supervisor, Department Chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee or applicant, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee,

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

**Subject:** POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE

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or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. This shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her, however. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and including termination for an employee who has violated this Policy or sanctions for a vendor who has violated this Policy.

Every District employee has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees are encouraged to report in good faith discrimination, harassment, or retaliation. However, reports made maliciously or in bad faith may subject an employee to disciplinary action appropriate to the circumstances up to and including termination.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate State or Federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at (213)

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894-1000 or the Department of Fair Employment and Housing at (800) 884-1684.

**POLICY HISTORY**

Human Resources Policy and Procedure, Effective August 4, 1993.  
Board Policy adopted October 11, 2005.

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PURPOSE

The purposes of this policy are to (i) advise all employees that the District disapproves of and will not tolerate unlawful discrimination or harassment of its employees, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

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The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing) is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, and to all vendors ~~conducting~~ ~~doing~~ business with the District.

DEFINITIONS

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Discrimination - Any decision or action that is based on an individual's status as a member of a protected class that adversely

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affects a District employee or the employee's work conditions, terms of employment, or work environment.

Harassment - Any decision or action that is based on a District employee's status as a member of a protected class, made for the purpose or having the effect of adversely affecting that employee's work conditions, terms or employment, or work environment. Harassment may include, but is not limited to:

- | • Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- | • Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- | • Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- | • Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

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Protected Class - Any class of persons who share a common sex, race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other "protected class" recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. For purposes of this definition, "sex" includes gender, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation - Any decision or action that is based on the fact that a District employee has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee's complaint under this Policy, made for the purpose of adversely affecting the employee's work conditions of employment, terms of ~~employment~~, or work environment.

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Sexual ~~H~~harassment - A form of harassment that is based on an employee's gender but which objectively and subjectively creates an adverse impact on the employee regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

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An employee or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by a District ~~another~~ employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District's Discrimination and Harassment Complaint Form. An employee may make a complaint to any of the following:

- ~~The Human Resources Office;~~
- ~~Employee's immediate supervisor;~~
- ~~Employee's immediate manager;~~
- ~~Employee's department Chief;~~
- Any supervisor, manager, Department Chief, ~~or~~ Assistant General Manager, or General Manager;
- ~~General Manager~~
- ~~President of the Board of Directors (only for eComplaints against the General Manager should be directed to the President of the Board of Directors).~~

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Applicants may make a complaint to any of the following:

- ~~The Human Resources Office~~ or;
- ~~The Office of Administrative Services; or~~
- General Manager.

Any person ~~or office~~ described above shall forward each written discrimination complaint to the General Manager or designee immediately within two business days of receiving the complaint or having knowledge of the complaint. If a complaint is made verbally, the person ~~or office~~ receiving the complaint shall notify Human Resources immediately. ~~provide written documentation of the~~

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~~complaint, secure the complainant's signature if possible, and forward the written complaint to the General Manager or designee within five business days of receiving the verbal complaint.~~

If any manager, supervisor, Department Chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee or applicant, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. This shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her, however. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and

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including termination for an employee who has violated this Policy or sanctions for a vendor who has violated this Policy.

Every District employee has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees are encouraged to report in good faith discrimination, harassment, or retaliation. However, reports made maliciously or in bad faith may subject an employee to disciplinary action appropriate to the circumstances up to and including termination.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate State or Federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at (213) 894-1000 or the Department of Fair Employment and Housing at (800) 884-1684.

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993.

~~Revised March 15, 2000.~~

Board Policy adopted October 11, 2005.

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**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	09/02/09

**PURPOSE**

It is the purpose of this policy to provide guidelines for the recruitment and selection of regular, student intern, temporary and/or contract employees.

**POLICY**

It is the policy of the Otay Water District (District) to recruit and select the best qualified applicants on the basis of job-related standards of experience, education, training, ability, and merit; to encourage members of the communities which we serve to apply for employment opportunities with the District; to encourage District employees to apply for positions for which they believe they qualify, to assure that qualified internal applicants are given fair and adequate consideration; and to advance regular District employees when it is determined that they are the best qualified.

**EQUAL EMPLOYMENT OPPORTUNITY**

The District is an equal opportunity employer. All employees and applicants shall receive equal consideration and treatment. The District shall recruit, hire, and promote the best qualified individuals without regard to race, color, religion, sex, national origin, ancestry, age, physical or mental disability, medical condition, marital status, sexual orientation, or membership in any other "protected class" recognized by California or Federal law or regulation.

**AUTHORITY OF THE GENERAL MANAGER**

Section 2.01, of the Otay Water District's Code of Ordinance provides that pursuant to §71362 and §71363 of the California Water Code the General Manager has the authority to manage and operate the affairs of the District. This authority includes the employment, discharging and fixing of compensation for all employees and assistants, except those referred to in §71340, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

The General Manager's authority also includes making appointments of temporary or contract employees needed to perform District work resulting from such matters as interim vacancies, peak workload, and special projects so long as he/she operates within Board-approved budgeted appropriation levels. Contract or temporary appointments are not subject to amount limits for agreements, contracts, or other documents as defined in §2.01(C), or to formal competition, selection and advertisement requirements identified herein.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

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RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	09/02/09

**DEFINITIONS**

- A. Applicant: A person applying for a position, including a District employee who seeks appointment to a different position.
- B. Appointment: The employment of a person in a position, whether on a regular or temporary basis.
- C. Closed/Promotional Recruitment: A recruitment open only to qualified regular District employees, or open only to qualified regular District employees in a particular classification, unit or division.
- D. Conviction: Any sentence, suspended sentence, probation or other resolution followed by a verdict, plea (including a no contest plea) or other finding of guilt.
- E. Eligible List: A list of qualified applicants who remain eligible for consideration for a position.
- F. Employment Announcement: A formal notice by the District of an employment opportunity.
- G. Open/Competitive Recruitment: A recruitment open to all interested qualified applicants.
- H. Promulgation: The date Human Resources certifies the list of eligible applicants for consideration.
- I. Qualified Applicant: An applicant who has passed all elements of the selection process, would be at least 18 years old at the time of appointment and remains eligible for appointment.
- J. Recruitment and Selection Plan: A planned process to establish an adequate pool of qualified applicants which shall consist of an open/competitive or a closed/promotional recruitment.
- K. Regular Appointment: An appointment to a regular authorized position with benefits.
- L. Regular Vacancy: A vacancy in an authorized position.
- M. Temporary Appointment: An appointment made for a specific duration, generally not to exceed one year. Temporary appointments may be exempt from the formal recruitment and selection process.

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**BOARD OF DIRECTORS POLICY**

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RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	09/02/09

**RECRUITMENT AND SELECTION PROCESS**

All regular vacancies shall be filled through an open/competitive recruitment and selection plan unless otherwise approved by the General Manager. This is consistent with best practice and expected to maximize community participation, competition, diversity, and the number of highly qualified applicants available for consideration for employment. However, the General Manager may authorize a closed/promotional recruitment and selection plan given the requirements of the position and the quality of the internal applicant pool.

All applicants for regular positions shall submit to the same recruitment and selection plan for that position. The General Manager may approve revising the recruitment and selection plan in order to better meet the needs of the District.

**A. Notice of Employment Opportunities**

Human Resources shall post employment opportunities for regular vacancies consistent with the approved recruitment and selection plan.

1. The employment announcement shall include the following:

- a. Classification Title
- b. Salary Rate and/or Range
- c. Essential Functions
- d. Minimum Qualifications
- e. Selection/Examination Plan
- f. Application Filing Instructions
- g. Equal Employment Opportunity Employer Statement

**B. Disqualification of Applicants**

1. Applicants may be disqualified at any time during the process for any of the following reasons:

- a. The applicant is found to lack any of the minimum job requirements established for the position.
- b. The applicant has made a false statement of material fact in the application or has committed fraud or deception in the selection process or in securing eligibility for appointment.
- c. The applicant has a history of less than satisfactory employment.
- d. The applicant uses or attempts to use any personal or political influence to further eligibility.

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- e. The applicant has without authorization directly or indirectly obtained information regarding examinations.
- f. The applicant fails to submit his or her application correctly or within the prescribed time limits.
- g. The applicant has taken part in the compilation, administration, or correction of the examinations for the position for which he/she is an applicant.
- h. Any other reason deemed by the General Manager to protect the best interests of the District.

**C. Examination Content**

The recruitment and selection plan shall be job-related in order to determine the ability of applicants to perform the duties of the job classification. The plan may provide for one or more of the following types of examinations:

- 1. Review of Employment Application and/or Required Supplementary Material(s)
- 2. Written Examination
- 3. Physical Agility and/or Performance Skill Examination
- 4. Oral Interview

**D. Eligible Lists**

Eligible lists may be maintained to fill current and future vacancies. The eligible list may be valid for up to twelve (12) months from date of promulgation. Human Resources may pull applicants from any eligible list in lieu of posting a position or to augment the applicant pool for other similar classifications with related skills and abilities.

**E. Conditions of Appointment**

Once an applicant is determined to be the best qualified, but prior to appointment, the applicant shall meet and agree to the terms and conditions of employment specified for a particular position. Failure of such pre-employment examinations may cause the applicant to be disqualified for employment. Conditions of employment may include, but are not limited to the following:

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1. Physical Fitness/Medical Examination
2. Drug/Alcohol Screening
3. Verification of lawful work status under Immigration rules
4. Verification of employment, education, certificates, licenses, driving, and criminal history including fingerprinting

F. Evaluation of Criminal Conviction Information

Upon receipt of the criminal conviction information, the District shall determine if the information shall disqualify the applicant. There shall be an automatic disqualification for employment for any of the following:

- a. Any felony conviction;
- b. Any misdemeanor conviction within one year preceding the date of application for any offense(s) considered to be crimes of moral turpitude by any court of the state, and/or crimes involving, firearms, explosives, violence, dishonesty and/or requiring registration under Penal Code §290;
- c. Intentionally failing to disclose a prior conviction of any type.

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RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	<del>09/05/07</del> 09/02/09

**PURPOSE**

It is the purpose of this policy to provide guidelines for the recruitment and selection of regular, student intern, temporary and/or contract employees.

**POLICY**

It is the policy of the Otay Water District (District) to recruit and select the best qualified applicants on the basis of job-related standards of experience, education, training, ability, and merit; to encourage members of the communities which we serve to apply for employment opportunities with the District; to encourage District employees to apply for positions for which they believe they qualify, to assure that qualified internal applicants are given fair and adequate consideration; and to advance regular ~~district~~-District employees when it is determined that they are the best qualified.

**EQUAL EMPLOYMENT OPPORTUNITY**

The District is an equal opportunity employer. All employees and applicants shall receive equal consideration and treatment. The District shall recruit, hire, and promote the best qualified individuals without regard to race, color, religion, sex, national origin, ancestry, age, physical or mental disability, medical condition, marital status, sexual orientation, or membership in any other "protected class" recognized by California or Federal law or regulation.

**AUTHORITY OF THE GENERAL MANAGER**

Section 2.01, of the Otay Water District's Code of Ordinance provides that pursuant to §71362 and §71363 of the California Water Code the General Manager has the authority to manage and operate the affairs of the District. This authority includes the employment, discharging and fixing of compensation for all employees and assistants, except those referred to in §71340, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

The General Manager's authority also includes making appointments of temporary or contract employees needed to perform District work resulting from such matters as interim vacancies, peak workload, and special projects so long as he/she operates within Board-approved budgeted appropriation levels. Contract or temporary appointments are not subject to amount limits for agreements, contracts, or other documents as defined in §2.01(C), or to formal competition, selection and advertisement requirements identified herein.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	<del>09/05/07</del> 09/02/09

**DEFINITIONS**

- A. Applicant: A person applying for a position, including a District employee who seeks appointment to a different position.
- B. Appointment: The employment of a person in a position, whether on a regular or temporary basis.
- C. Closed/Promotional Recruitment: A recruitment open only to qualified regular District employees, or open only to qualified regular District employees in a particular classification, unit or division.
- D. Conviction: Any sentence, suspended sentence, probation or other resolution followed by a verdict, plea (including a no contest plea) or other finding of guilt.
- E. Eligible List: A list of qualified applicants who remain eligible for consideration for a position.
- F. Employment Announcement: A formal notice by the District of an employment opportunity.
- G. Open/Competitive Recruitment: A recruitment open to all interested qualified applicants.
- H. Promulgation: The date Human Resources certifies the list of eligible applicants for consideration.
- I. Qualified Applicant: An applicant who has passed all elements of the selection process, would be at least 18 years old at the time of appointment and remains eligible for appointment.
- J. Recruitment and Selection Plan: A planned process to establish an adequate pool of qualified applicants which shall consist of an open/competitive or a closed/promotional recruitment.
- K. Regular Appointment: An appointment to a regular authorized position with benefits.
- L. Regular Vacancy: A vacancy in an authorized position.
- M. Temporary Appointment: An appointment made for a specific duration, generally not to exceed one year. Temporary appointments may be exempt from the formal recruitment and selection process.

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	<del>09/05/07</del> 09/02/09

**RECRUITMENT AND SELECTION PROCESS**

All regular vacancies shall be filled through an open/competitive recruitment and selection plan unless otherwise approved by the General Manager. This is consistent with best practice and expected to maximize community participation, competition, diversity, and the number of highly qualified applicants available for consideration for employment. However, the General Manager may authorize a closed/promotional recruitment and selection plan given the requirements of the position and the quality of the internal applicant pool.

All applicants for regular positions shall submit to the same recruitment and selection plan for that position. The General Manager may approve revising the recruitment and selection plan in order to better meet the needs of the District.

**A. Notice of Employment Opportunities**

Human Resources shall post employment opportunities for regular vacancies consistent with the approved recruitment and selection plan.

1. The employment announcement shall include the following:

- a. Classification Title
- b. Salary Rate and/or Range
- c. Essential Functions
- d. Minimum Qualifications
- e. Selection/Examination Plan
- f. Application Filing Instructions
- g. Equal Employment Opportunity Employer Statement

**B. Disqualification of Applicants**

1. Applicants may be disqualified at any time during the process for any of the following reasons:

- a. The applicant is found to lack any of the minimum job requirements established for the position.
- b. The applicant has made a false statement of material fact in the application or has committed fraud or deception in the selection process or in securing eligibility for appointment.
- c. The applicant has a history of less than satisfactory employment.
- d. The applicant uses or attempts to use any personal or political influence to further eligibility.

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	<del>09/05/07</del> 09/02/09

- e. The applicant has without authorization directly or indirectly obtained information regarding examinations.
- f. The applicant fails to submit his or her application correctly or within the prescribed time limits.
- g. The applicant has taken part in the compilation, administration, or correction of the examinations for the position for which he/she is an applicant.
- h. Any other reason deemed by the General Manager to protect the best interests of the District.

**C. Examination Content**

The recruitment and selection plan shall be job-related in order to determine the ability of applicants to perform the duties of the job classification. The plan may provide for one or more of the following types of examinations:

1. Review of Employment Application and/or Required Supplementary Material(s)
2. Written Examination
3. Physical Agility and/or Performance Skill Examination
4. Oral Interview

**D. Eligible Lists**

Eligible lists may be maintained to fill current and future vacancies. The eligible list may be valid for up to twelve (12) months from date of promulgation. Human Resources may pull applicants from any eligible list in lieu of posting a position or to augment the applicant pool for other similar classifications with related skills and abilities.

**E. Conditions of Appointment**

Once an applicant is determined to be the best qualified, but prior to appointment, ~~all~~ the applicants shall meet and agree to the terms and conditions of employment specified for a particular position. Failure of such pre-employment examinations may cause the applicant to be disqualified for employment. Conditions of employment may include, but are not limited to the following:

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
RECRUITMENT, SELECTION, AND EMPLOYMENT POLICY	24	11/04/98	<del>09/05/07</del> 09/02/09

1. Physical Fitness/Medical Examination
2. Drug/Alcohol Screening
3. Verification of lawful work status under Immigration rules
4. Verification of employment, education, certificates, licenses, driving, and criminal history including fingerprinting

F. Evaluation of Criminal Conviction Information

Upon receipt of the criminal conviction information, the District shall determine if the information shall disqualify the applicant. There shall be an automatic disqualification for employment for any of the following:

- a. Any felony conviction;
- b. Any misdemeanor conviction within one year preceding the date of application for any offense(s) considered to be crimes of moral turpitude by any court of the state, and/or crimes involving, firearms, explosives, violence, dishonesty and/or requiring registration under Penal Code §290;
- c. Intentionally failing to disclose a prior conviction of any type.

# ATTACHMENT F

## RESOLUTION NO. 4146

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY  
WATER DISTRICT  
TO REVISE POLICY 48 CONCERNING COMPLIANCE  
WITH ADA/FEHA PROVISIONS, POLICY 47 CONCERNING  
POLICY AGAINST DISCRIMINATION AND HARASSMENT AND  
COMPLAINT PROCEDURE, AND POLICY 24 CONCERNING  
RECRUITMENT, SELECTION, AND EMPLOYMENT OF  
REGULAR, TEMPORARY, AND CONTRACT EMPLOYEES

WHEREAS, the Board of Directors of Otay Water District wishes to clearly communicate the District's position regarding recruitment, selection and employment of regular, temporary, and contract employees, while being supportive of employees and applicants with disabilities, and discouraging discrimination and harassment by clearly stating the complaint procedure; and

WHEREAS, it is the intent of the District to provide reasonable accommodation in compliance with the Americans with Disabilities Act ("ADA") and the Fair Employment and Housing Act ("FEHA"); and

WHEREAS, the District desires to provide for a work environment free of unlawful discrimination, harassment and retaliation and that prohibits discrimination, harassment and retaliation based on sex (including gender, pregnancy, child birth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing); and

WHEREAS, it is the policy of the District to provide a clear policy against discrimination and harassment and complaint procedure, and communicate the District's policy on recruitment, selection, and employment of regular, temporary, and contract employees.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District revise Policy 48, "ADA/FEHA Disability Policy"; Policy 47, "Policy Against Discrimination and Harassment and Complaint Procedure"; and Policy 24, "Recruitment, Selection, and Employment" in the form presented to the Board at this meeting; and

BEING FURTHER RESOLVED that the Board directs the staff of the District to comply with the provisions of Policy 48 and with the provisions of the ADA and FEHA concerning non-discrimination on the basis of disability, revised Policy 47 "Policy Against Discrimination and Harassment and Complaint Procedure", and revised Policy 24 "Recruitment, Selection, and Employment of Regular, Temporary and Contract Employees".

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 2<sup>nd</sup> of September, 2009.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



# AGENDA ITEM 7

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Armando Buelna, <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	Customer Service, Satisfaction and Awareness, and Call Center Surveys		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors authorize the General Manager to negotiate a consultant contract with Rea and Parker Research Inc. in an amount not to exceed \$57,000 to perform the 2009 through 2011 Customer Service and Call Center Surveys.

### COMMITTEE ACTION: \_\_\_\_\_

See Attachment A.

### PURPOSE:

To obtain the Board of Directors authorization for the General Manager to negotiate a consultant contract with Rea and Parker Research Inc. in an amount not to exceed \$57,000 to perform the 2009 through 2011 Customer Service, and the 2010 Call Center Surveys.

### BACKGROUND:

The Otay Water District's Strategic Plan calls for developing a program to "Capture customers' attitudes and awareness through a repeatable customer survey program." In addition, it is important to note that many performance measures linked to Strategic Plan are based on information derived from the customer surveys.

For the three previous customer surveys, each year staff issued a Request for Proposals to identify and select a consultant to perform the project. Since the need for the data from the surveys will be ongoing, staff is proposing to issue a three-year contract for the survey consulting services. The three-year contract will include a general Customer Attitude and Awareness survey in years 2009 through 2011, and a separate Call Center survey in 2010, for a total of four surveys.

Staff has solicited proposals for survey consultants. RFPs were sent to six local consulting firms. The requests were mailed on June 25, 2009, with a due date of July 13, 2009. Three proposals were received. The District evaluated the proposals based upon the data presented in response to the RFP and interviewed the consultant firms on August 6, 2009.

The proposals were evaluated based on specific experience and qualifications, completeness of the RFP, the number of questions (and open-ended questions), the length of the survey, and pricing. The panel then rated the proposals according to which firm best met the District's requirements.

Name	Rating	Price
Rea and Parker Research Inc.	1	\$ 57,000
Competitive Edge Research	2	\$ 54,000
Luth Research	3	\$ 52,875

While not the lowest cost proposal of the three, the interview panel felt that Rea and Parker Research Inc. was the best choice and the most qualified respondent. This was based on their overall knowledge and experience, detailed familiarity with public sector water issues, experience working with other local water agencies, and their outstanding track record working the District.

Rea and Parker Research Inc. has proposed a not-to-exceed price for survey consulting services of \$57,000 for the four surveys. Staff recommends that the Board support the recommendation to authorize the General Manager to negotiate and execute a contract with Rea and Parker Research Inc. for a price not-to-exceed \$57,000.

**FISCAL IMPACT:**



Funding for the 2009 Customer Satisfaction survey is included in the General Manager's approved budget and is sufficient to cover the costs of the contract. Funding for the 2010 and 2011 surveys will be included in those respective budget requests.

**STRATEGIC GOAL:**

This project is consistent with the following Strategic Plan goal:

- 1.1.1.1 "Capture customers' attitudes and awareness through a repeatable customer survey program."

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

None.

A handwritten signature in blue ink, appearing to be 'M. J. White', written over a horizontal line.

**General Manager**

*Attachments:*

A - Committee Statement



## ATTACHMENT A

**SUBJECT/PROJECT:**

Customer Service, Satisfaction and Awareness, and Call Center Surveys

**COMMITTEE ACTION:**

The Finance, Administration and Communications Committee reviewed this item at the meeting held on August 25, 2009.

**Note:**

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

**OTAY WATER DISTRICT  
SURVEY PROPOSAL ANALYSIS  
RATINGS SUMMARY  
Jul-09**

<b>Totals</b>		<b>Qualitative - 2/3</b>				<b>Cost - 1/3</b>		<b>Total</b>	<b>Comments</b>
<b>Firm Name</b>	<b>Completeness</b>	<b>Experience/ Qualifications</b>	<b>Approach</b>	<b>Deliverables</b>	<b>Interviews</b>	<b>X 2 Cost</b>			
Competitive Edge	12	13	11	12	12	13	86		
						26			
Luth Research	11	9	10	12	9	13	77		
						26			
Rea & Parker Research	13	15	13	14	15	10	90		
						20			

**OTAY WATER DISTRICT  
SURVEY PROPOSAL ANALYSIS  
RATINGS SUMMARY  
Jul-09**

<b>Andrea Carey</b>		<b>Qualitative - 2/3</b>					<b>Cost - 1/3</b>		
<b>Firm Name</b>	<b>Completeness</b>	<b>Experience/ Qualifications</b>	<b>Approach</b>	<b>Deliverables</b>	<b>Interviews</b>	<b>X 2 Cost</b>	<b>Total</b>	<b>Comments</b>	
Competitive Edge	5	4	3	4	4	5	30	Information on deliverables but not a lot of detail to determine depth. Liked resumes attached. Only 6 min. Call Center survey.	
						10			
Luth Research	4	3	4	5	3	4	27	Very little info about team. Good info on deliverables Pricing can fluctuate +/- 10%	
						8			
Rea & Parker Research	4	5	3	4	5	3	27	Little information on deliverables or approach. Well qualified. High price.	
						6			

**Scoring: 1 - 5, with 5 = highest**

**OTAY WATER DISTRICT  
SURVEY PROPOSAL ANALYSIS  
RATINGS SUMMARY  
Jul-09**

Armando Buelna		Qualitative - 2/3					Cost - 1/3	Total	Comments
Firm Name	Completeness	Experience/ Qualifications	Approach	Deliverables	Interviews	X 2 Cost			
Competitive Edge	4	5	4	4	4	4	29	Brought A-Team. Good pricing. Good presentation.	
						8			
Luth Research	4	3	3	4	3	5	27	Didn't bring top people in org. Shortest survey. Few open-ended questions. Interesting level of analysis. Addl costs?	
						10			
Rea & Parker Research	4	5	5	5	5	4	32	Excellent experience working with them. Excellent quality of reports. Highest price of the three.	
						8			

**Scoring: 1 - 5, with 5 = highest**

**OTAY WATER DISTRICT  
SURVEY PROPOSAL ANALYSIS  
RATINGS SUMMARY  
Jul-09**

<b>Geoff Stevens</b>		<b>Qualitative - 2/3</b>				<b>Cost - 1/3</b>		<b>Total</b>	<b>Comments</b>
<b>Firm Name</b>	<b>Completeness</b>	<b>Experience/ Qualifications</b>	<b>Approach</b>	<b>Deliverables</b>	<b>Interviews</b>	<b>X 2 Cost</b>			
Competitive Edge	3	4	4	4	4	4	27	Good but not great. 3	
						8			
Luth Research	3	3	3	3	3	4	23	Good but not great. 2	
						8			
Rea & Parker Research	5	5	5	5	5	3	31	Best overall approach/great. Most in depth analysis. Best grasp of water issues.	
						6			

**Scoring: 1 - 5, with 5 = highest**



# AGENDA ITEM 8

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	Proposed Change of Governance for the Water Conservation Garden		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors approve in concept the transition of the operation of the Water Conservation Garden (Garden) to become a nonprofit 501(c)(3) entity (Nonprofit) as outlined in the following staff report. Authorize supplemental funding of \$7,750 in FY 2010 to support the Water Conservation Garden's transition to become a Nonprofit.

### PURPOSE:

The purpose of the proposed change in governance of the Water Conservation Garden is to bring about a new model of governance that combines the benefits of financial stability and support from its member agencies, while allowing the Garden to operate more autonomously under a traditional nonprofit organization structure.

The Garden, as a nonprofit organization, will continue to provide the valuable water conservation training, education, and physical demonstration needed by the water agencies throughout the region while being allowed to operate under the direction of a board of directors with the sole purpose of advancing water conservation.

Members of the Conservation Garden Authority (JPA) funded the construction of the Garden and continue to fund a majority of its operational costs. Future long-term financial support of the Garden by members of the JPA under this new model provides valuable water conservation programs and will continue to utilize the facilities constructed at the Garden as intended by its founders.

### COMMITTEE ACTION:

See Attachment A

## **BACKGROUND**

Currently, the operation of the Garden is managed within a Joint Powers Authority (JPA) consisting of the Otay Water District, Helix Water District, San Diego County Water Authority, City of San Diego, Sweetwater Authority (Water Agencies) and Cuyamaca College. Otay Water District and Helix Water District provided approximately \$2 million each to construct the Garden on land donated by Cuyamaca College. To fund the annual operation of the Garden, the Water Agencies provide various levels of financial support. Financial support for the Garden is also obtained by the "Garden Partners" program, grants, gifts, memberships, sponsorships, and donations.

The JPA Board of Directors (Board) is completing a strategic plan that has focused on the governance of the Garden and is exploring alternatives to the current JPA model. The proposed model would transition the governance and operation of the Garden to become a 501(c)(3) nonprofit entity such as the Friends of the Garden. Long-term funding for the Garden is expected to continue in part from the Water Agencies in the JPA, but the day-to-day operation of the Garden would be the responsibility of the new nonprofit organization.

The JPA and the Nonprofit would enter into a facilities use agreement to define roles and responsibilities with specific performance standards detailed. The ownership of the Garden remains with the JPA, and the Garden will be operated by the Nonprofit. Financial support and transition details will be identified in the facilities use agreement. The belief is that the Nonprofit will be better able to raise additional funds for the operation and capital needs beyond reliance on its JPA members.

To better understand the components of the transition plan, the following framework elements are proposed.

### **Calendar**

The following draft calendar would outline the major milestones and events in the framework plan:

- |                  |   |
|------------------|---|
| 8/2009 - 9/2009  | Completion of the Strategic Plan.   |
| 8/2009 - 12/2009 | Facilities use agreement prepared for the Nonprofit. In addition, the existing incorporation documents for the Nonprofit will be reviewed to determine if amendments are necessary in order to assume operational responsibility of the Garden. |
| 1/2010 -12/2010  | The first twelve months will be the transitional and formative year for the Nonprofit to  |

recruit and develop additional board members and hire a development director exclusively for fundraising. The JPA maintains an active role on the Board through the transition year.

1/2011 - 6/2011 The Nonprofit assumes all management responsibilities of the Garden including maintenance, education, outreach, and development. The JPA reduces the number of positions on the Board. The Nonprofit controls the majority of new Board's positions. Funding is defined in the facilities use agreement. The Nonprofit and the JPA determine the appropriate level of long-term financial support by JPA members and amends the facilities use agreement as necessary.

7/2011 The Nonprofit assumes full management of the Garden.

#### **Governance Transition**

12/2009 The JPA approves an eighteen-month budget covering January 2010 through June 2011, and executes the facilities use agreement with the Nonprofit.

1/2010 - 12/2010 Nonprofit Board of Directors (First year of the transition)- Up to fifteen members consisting of the following:

- Six members of JPA.
- Up to nine board members from the Nonprofit and new appointees as approved by the Nonprofit Board. The Nonprofit Board will need at least a total of eight members to function.
- For the first year, the officers on the Nonprofit Board will be comprised of a JPA member as president, a JPA member treasurer, a Nonprofit board member as vice president, and a Nonprofit board member as secretary.

1/2011 - 12/2011 Nonprofit Board of Directors - Up to fifteen members consisting of the following:

- Three JPA members picked by the JPA to best represent the collective interests of the JPA.

- Up to twelve seats filled by the Nonprofit Board. No additional JPA members will be allowed on Nonprofit Board beyond the three listed above.

### **Staffing - January 2010**

- The current positions remain funded at existing levels.
- The development director position will be a contract employee. In addition, any contract clerical support will be funded within the line item for the development director. The development director will be supervised and function under the authority and direction of the Nonprofit's executive director.
- On January 1, 2011, the Nonprofit will officially be responsible for the Garden employees.

### **JPA Funding Plan during the Eighteen-Month Transition Period (Budget Elements for Revenue Contributions 1/10-6/11)**

- Basic Operational Funding - JPA members will provide basic funding for the second half of FY 2009-2010 at current budget levels. Otay's share in FY 2009-2010 is \$78,750.
- JPA members commit to funding for FY 2010-2011 at 5% over FY 2009-2010.
- Supplemental Funding (additional funding over the basic operational funding)
  - San Diego County Water Authority (CWA) - \$93,000 over eighteen months (A total of \$246,000 including the development director.)
  - Non CWA JPA members - \$93,000 over eighteen months (Otay's share will be \$7,750 for FY 2010 and \$7,750 for FY 2011.)
- Development Director - Funded by CWA at \$153,000 over eighteen months as a contract employee including clerical support. Office space will be provided at the Helix Water District for eighteen months.
- Formation Costs - Funded by JPA Reserves.
- JPA Reserves - Remain with and under the control of the JPA until 7/1/2011.
- Long-term funding by the JPA for the Garden after 7/1/2011 will be determined during the transition period and incorporated in the facilities use agreement.

### **FISCAL IMPACT:**

Funding for \$7,750 for the transition is available from the Conservation Section's Garden Budget (\$4,750), Conservation Incentives Budget (\$2,000), and the General Manager's Awards, Sponsorships and Recognition Budget (\$1,000).

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

None.

A handwritten signature in blue ink, appearing to read "Mel Watts", is written over a horizontal line.

**General Manager**

**Attachments**

Attachment A - *Committee Action Report*



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Proposed Change of Governance for the Water Conservation Garden
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at its meeting held on August 25, 2009.

### NOTE:

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



# AGENDA ITEM 9

## STAFF REPORT

TYPE MEETING:	Finance, Administration, and Communications Committee	MEETING DATE:	August 25, 2009
SUBMITTED BY:	Armando Buelna, Communications Officer	W.O./G.F. NO:	
		DIV. NO.	All
APPROVED BY:			
SUBJECT:	Designating a Representative and Alternate to the South County Economic Development Council		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Finance, Administration and Communications Committee designate a representative and an alternate to attend the Board of Directors meetings of the South County Economic Development Council.

### PURPOSE:

To designate a representative and alternate to attend the Board of Directors meetings of the South County Economic Development Council.

### COMMITTEE ACTION:

See Attachment A

### BACKGROUND

At the August 5, 2009, Board of Directors meeting, the Board voted unanimously to rejoin the South County Economic Development Council (SCEDC) at the \$750 or Contributing Member level. The SCEDC has in turn asked that the Otay Water District designate a representative and alternate to attend its Board of Directors meetings.

The SCEDC meets on the first Tuesday of the month at 7:30 a.m. for networking, with the Board of Directors meeting starting at 8:00 a.m. These meetings are open to all SDEDC members, and representatives can participate on any of the SCEDC's committees including those dealing with such issues as public policy, transportation and infrastructure, or finance. The SCEDC Board of Directors meets at 1111 Bay Blvd., Suite #E, in Chula Vista, CA. Board meetings run approximately 1.5 hours.

The goal of the SCEDC is promote education and encourage economic development in the South San Diego County Region. Its member agencies include elected officials from the cities of Chula Vista, Coronado, Imperial Beach, National City, and San Diego. The County of San Diego County and the Port of San Diego are also members of the SCEDC's board.

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

None.

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

None.

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

**Attachments**

Attachment A - Committee Action Report



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Designating a Representative and Alternate to the South County Economic Development Council
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at the meeting held on August 25, 2009.

### NOTE:

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



# AGENDA ITEM 10

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F.NO:	DIV.NO. All
APPROVED BY:			
SUBJECT:	Association of California Water Agencies Region 10 Election		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board consider casting votes to elect a Chair, Vice Chair, and five (5) board member representatives to the Association of California Water Agencies (ACWA) Board representing Region 10.

### COMMITTEE ACTION: \_\_\_\_\_

See Attachment A.

### PURPOSE:

To elect a Chair, Vice Chair and five (5) Board member representative to the ACWA Board representing Region 10.

### ANALYSIS:

ACWA is holding an election to fill the seats of Chair, Vice Chair and five (5) board members to represent Region 10. The elected representatives (Chair, Vice Chair and Board members) will serve on ACWA's board of directors for the next two years commencing on January 1, 2010 to December 31, 2011 and will represent and communicate the issues, concerns and needs of ACWA members in Region 10.

Attached is a copy of the mail-in ballot which notes the recommendations of the nominating committee and correspondence from Santa Margarita Water District's General Manager, Mr. John Schatz, and Irvine Ranch Water District's President, Mr. Douglas Reinhart, requesting the Board's support of their candidates Ms. Sandra Jacobs and Mr. Peer Swan respectively. Ms. Jacobs and Mr. Swan are both seeking re-election to the ACWA Region 10 board of directors and election as President of ACWA's board. Ms. Jacobs' statement of qualifications is also attached to Mr. Schatz' correspondence. The ballot must be mailed and received by ACWA by Wednesday, September 30, 2009.

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

None.

**STRATEGIC GOAL:**

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

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

None.



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

Attachments:

- Attachment A: Committee Action
- ACWA Correspondence and Ballot
- Santa Margarita Water District Correspondence
- Irvine Ranch Water District Correspondence



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Association of California Water Agencies Region 10 Election
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at their meeting held on August 25, 2009 and recommended presentation to the full board.



Association of California Water Agencies

Leadership. Advocacy. Service. Since 1910

August 7, 2009

TO: ACWA REGION 10 MEMBER AGENCY BOARD PRESIDENT

FROM: TIFFANY GIAMMONA, ACWA REGIONAL AFFAIRS  
REPRESENTATIVE

SUBJECT: REGION 10 ELECTION FOR THE 2010-2011 TERM

It is time to elect the 2010-2011 ACWA Region 10 officers and board members who will represent and serve the members of Region 10. Enclosed, you will find the official ballot which includes the Region 10 Nominating Committee's recommended slate as well as individual candidates running for the Region 10 Board.

**Your agency is entitled to cast only one vote.** Please review the enclosed ballot and have your agency's authorized representative cast its vote for the slate as recommended by the Region 10 Nominating Committee or cast its vote for a Region 10 chair, vice chair and three to five board members.

**Return the ballot to ACWA by SEPTEMBER 30, 2009\***

Attention: Katie Dahl, ACWA Region Coordinator

Please e-mail to [katied@acwa.com](mailto:katied@acwa.com) or fax to 916-561-7124 or mail to:

Association of California Water Agencies

910 K Street, Suite 100

Sacramento, CA 95814

***\*Ballots received after September 30 will not be accepted.***

**REMEMBER, YOUR VOTE IS IMPORTANT.** Region 10 board members are elected to represent the issues, concerns and needs of your region. The Region 10 chair and vice chair will serve on ACWA's board of directors for the next two year-term of office beginning January 1, 2010. Additionally, the newly elected chair and vice chair will make the Region 10 committee appointment recommendations to the ACWA president for the 2010-2011 term. Also, either the chair or vice chair will hold a seat on the ACWA Finance Committee.

If you have questions, please contact me at [tiffanyg@acwa.com](mailto:tiffanyg@acwa.com) or call me at 916-441-4545. Thank you for your careful consideration and participation in the Region 10 election process.

Enclosure: ACWA Region 10 Ballot

# Region 10 Board Ballot 2010-2011 TERM



Association  
of California  
Water Agencies  
Since 1910  
Leadership  
Advocacy  
Information

Please return completed ballot  
by September 30, 2009

E-mail: kated@acwa.com  
Fax: 916-561-7124  
Mail: ACWA  
910 K Street, Suite 100  
Sacramento, CA 95814

## General Voting Instructions:

1. Please complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures. Region 10 Rules and Regulations "require the Board President's signature for approval."
2. You may either vote for the slate recommended by the Region 10 Nominating Committee or vote for individual region board members. Please mark the appropriate box to indicate your decision.

## Region 10 Nominating Committee's Recommended Slate

- I concur with the Region 10 Nominating Committee's recommended slate below.

### Chair:

Peer Swan, Irvine Ranch Water District

### Vice Chair:

Keith Lewinger, Fallbrook Public Utility District

### Board Members:

Jan Debay, Orange County Water District

Sandra Jacobs, Santa Margarita Water District

Darrell W. Gentry, Vallecitos Water District

Richard L. Vasquez, Vista Irrigation District

## Region 10 Individual Board Candidate Nominations

- I do not concur with the Region 10 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

### Candidates for Chair: (Choose one)

- Sandra Jacobs, Santa Margarita Water District  
 Peer Swan, Irvine Ranch Water District

### Candidates for Vice Chair: (Choose one)

- Darrell W. Gentry, Vallecitos Water District  
 Keith Lewinger, Fallbrook Public Utility District

### Candidates for Board Members: (Max of 5 choices)

- Jan Debay, Orange County Water District  
 Sandra Jacobs, Santa Margarita Water District  
 Darrell W. Gentry, Vallecitos Water District  
 Peer Swan, Irvine Ranch Water District  
 Richard L. Vasquez, Vista Irrigation District

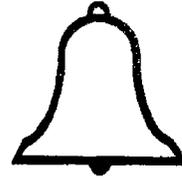
AGENCY NAME

AUTHORIZED REPRESENTATIVE

BOARD PRESIDENT SIGNATURE

DATE

BOARD OF DIRECTORS  
BETTY H. OLSON, PH.D. CHARLEY WILSON  
SAUNDRA F. JACOBS BILL LAWSON  
ROGER FAUBEL JOHN J. SCHATZ  
GENERAL MANAGER



## Santa Margarita Water District

August 12, 2009

Board of Directors  
Otay Water District  
2554 Sweetwater Springs Road  
Spring Valley, California 91978

RE: SUPPORT FOR SAUNDRA JACOBS - REGION 10 BOARD MEMBER

Dear Board of Directors:

Your support and vote is requested for Sandra Jacobs' re-election to the Region 10 (Orange and San Diego Counties) Board of Directors representing your District on the Association of California Water Agencies (ACWA). Sandra is part of the Region 10 Nominating Committee's recommended slate of candidates which appears on your ballot.

As the former Region 10 Chairperson and Board member over the last several years, Sandra is very familiar with the issues important to your District and ACWA's role in addressing those issues.

Sandra has been heavily involved in the water community since her election to the Santa Margarita Water District Board of Directors in 1996. Underscoring her extensive knowledge, commitment and advocacy on your behalf, she serves as an officer for the Independent Special Districts of Orange County (ISDOC), Orange County Water Association, Urban Water Research Center (UC Irvine), and the ACWA Communications Committee (presently) and ACWA Finance Committee (previously).

With the increasingly critical nature of State and regional water resource issues, Sandra's comprehensive knowledge and familiarity with key decision-makers in the industry will continue to serve your District well. Your vote for the Nominating Committee's recommended slate of candidates that includes Sandra is requested.

Thank you for your consideration. Sandra looks forward to continuing to serve you. Sandra's detailed biography is attached.

Sincerely,

John J. Schatz  
General Manager

## **Saundra Frances Jacobs**

**Candidate for the Association of California Water Agencies (ACWA)  
Region 10 Board Member 2010-2011**

### **Statement**

I'm asking for your support for my re-election to the Association of California Water Agencies, Region 10 Board for Orange County. I will remain dedicated and a hard worker for purposes of promoting sound and well-reasoned ACWA policies and positions. Most importantly, I will make sure we fully communicate issues to our member agencies and actively encourage your participation. Thank you for your support.

### **Biography**

OCCUPATION: Environmental Planner, Business Owner

Saundra's background and career for the past 20 years has been as an environmental planner. She was educated as an environmental planner at UC Santa Barbara and graduated with a BA in Geography. She is currently Principal of SFC Consultants, an environmental consulting firm which she founded in 1997. Certified in California as a Registered Environmental Assessor, Saundra has extensive experience in environmental analysis and assessment, and CEQA documentation. In addition, she is OSHA-certified in hazardous materials management. Throughout her career, which has included both public and private-sector employment, she has specialized in Master Planned Communities and the environmental impacts associated with them. Saundra has dealt extensively with water resource and wastewater related issues.

### **Qualifications**

**Santa Margarita Water District:** Saundra Jacobs currently serves as President of the Board of Directors of the Santa Margarita Water District. She was initially elected to the Board in 1996 and re-elected in 1998, 2002 and 2006. Saundra has previously served as Vice-President, Treasurer, and as Board President in 1999 and 2005. She has and continues to provide leadership in the water industry concerning cost-savings, efficiency and accountability to ratepayers.

**Association of California Water Agencies:** Saundra Jacobs currently serves as a Region 10 Board member. From 2006 to 2007, Ms. Jacobs served as Region 10 Chair and represented Region 10 on the ACWA board in Sacramento. During this time period, Ms. Jacobs was actively involved in ACWA's participation in Prop. 84, the Delta Vision preparation, the SWP shut down, and the difficult transition between former Executive Director Steve Hall to Tim Quinn. Ms. Jacobs has also served on the ACWA Finance Committee and currently serves on the ACWA Communications Committee. She regularly participates in regular

and special meetings, Board meetings and conference calls. Sandra participated in meetings leading to the publication of *"No Time to Waste, A Blueprint For California Water"*, and was an active participant in providing comments to the draft of this important document. To encourage full participation of Region 10's San Diego and Orange County members, she has facilitated meetings at SMWD's office in south Orange County.

**Santiago Aqueduct Commission:** Sandra currently serves as an Alternate on the Board of Directors of the Santiago Aqueduct Commission (SAC) which oversees the Baker pipeline, paralleling the Allen-McColloch Pipeline in south Orange County.

**ISDOC:** Sandra serves as President on the Executive Committee of the Independent Special Districts of Orange County (ISDOC) which, in conjunction with the California Special Districts Association (CSDA), actively advocates regarding water-related matters and monitors pending legislation which may affect local water agencies. Through ISDOC, she has most recently been involved with updating the LAFCO funding formula used in Orange County for special districts, Prop 1-A issues and Orange County Council of Governments issues.

**UWRC:** Sandra is a member of the Executive Committee of the Urban Water Research Center (UWRC), a UC Irvine based organization dedicated to water science and policy.

**OCWA:** Sandra has been actively involved with the Orange County Water Association (OCWA) since 1996 and is currently Editor of the OCWA newsletter "Water Matters". Ms. Jacobs has previously served in all board member capacities.

**Other Non-Water Organizations:** Sandra has been involved with the Mission Viejo Chamber of Commerce since 1996, is an active member of the Orange County Chapter of the American Planning Association and the Association of Environmental Professionals, and is a member of the Community Association Institute and Building Industry Association. During the years 1993 through 1996, Ms. Jacobs was formally Secretary, Vice-President and then President of the Lake Mission Viejo Association, the largest association in the City of Mission Viejo with over 20,000 members.



## IRVINE RANCH WATER DISTRICT

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • [www.irwd.com](http://www.irwd.com)

August 13, 2009

Mr. Mark W. Watton  
Otay WD  
2554 Sweetwater Springs Blvd  
Spring Valley, CA 91978

Subject: IRWD Director Peer Swan's Nomination as ACWA Vice President

Dear Mr. Mark W. Watton:

On July 13, 2009, The Irvine Ranch Water District (IRWD) Board of Directors unanimously approved a resolution supporting the nomination of Director Peer Swan as Vice President of the Association of California Water Agencies (ACWA). On behalf of the Board, I respectfully request that you join us in supporting Peer Swan by adopting a similar resolution. Director Swan is a committed statewide leader in the water industry with 30 years of experience and is uniquely qualified for the position of ACWA Vice President. Director Swan's deep knowledge and understanding of critical water issues facing California would be a great benefit to the ACWA community.

As Vice President, Director Swan has committed to work with the ACWA President, the ACWA Board of Directors and ACWA management staff on the following three key objectives:

**Implement Actions to Accomplish the "Blueprint:"** Complete a performance evaluation of ACWA's effectiveness in achieving the "*Blueprint for California's Water: No Time to Waste.*" Identify and prioritize areas for improvement, and identify specific staff resources and member support needed to accomplish the Blueprint's objectives.

**Provide Strong Leadership for a Delta Solution:** Pursue the historic opportunity available to ACWA to provide a central leadership role in a comprehensive solution for the Delta that resolves and sustains water supply, water quality, and environmental objectives through the Bay-Delta Conservation Plan, legislative actions and other processes.

**Support Member Agencies' Water Resource and Energy Management Objectives:** Provide assistance to ACWA's member agencies by identifying funding opportunities and providing regulatory advocacy for local resource development, meaningful and effective water use efficiency programs, and energy/greenhouse gas reduction measures.

Director Swan is seeking the office of Vice President after serving as Vice Chair of ACWA's Region 10 Board of Directors, and as such is a member of the ACWA Board of Directors. Swan has served on the ACWA Finance Committee, the Groundwater Committee and has recently

Otay WD – IRWD Director Peer Swan's  
Vice President  
August 13, 2009  
Page 2

Nomination as ACWA

been active in proposing and developing innovative statewide solutions to critical water supply conveyance issues now faced by the California Bay-Delta estuary.

Director Swan was first elected to the Irvine Ranch Water District Board of Directors in 1979. After a term as Vice President of the Board his fellow Directors elected him President, a position he held from December 1981 until December 1995 and again in 2006. He currently serves as chairman of the Finance and Personnel Committee, serves on the Water Banking Committee and is a member of several Ad Hoc Committees. Director Swan was re-elected to the IRWD Board without opposition in 2006 and his current term runs through 2010. Further, Director Swan's current list of community and professional involvement includes membership as the President of the Board of the Water Advisory Committee of Orange County, the President of the Board of the San Joaquin Wildlife Sanctuary, and member of the Steering Committee of the Southern California Water Dialog Committee.

For your convenience, attached is a sample resolution in support of Director Swan. Resolutions are due by September 12, 2009, and should be sent to the Association of California Water Agencies, 910 K Street, Suite 100, Sacramento, CA 95814-3577. ACWA elections will take place at the ACWA Fall Conference in San Diego, CA. If elected, Director Swan would begin his two-year term as ACWA Vice President on January 1, 2010.

On behalf of the Irvine Ranch Water District Board, thank you for your support for Director Swan's nomination. If we can be of further assistance, please do not hesitate to contact me or General Manager Paul Jones at 949-453-5310.

Sincerely,

A handwritten signature in black ink, appearing to read 'DJR', with a long horizontal flourish extending to the right.

Douglas J. Reinhart  
President

**- SAMPLE RESOLUTION -**

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
PLACING IN NOMINATION PEER A. SWAN AS VICE PRESIDENT OF THE  
ASSOCIATION OF CALIFORNIA WATER AGENCIES**

WHEREAS, the Board of Directors of the \_\_\_\_\_ has been made aware of the call for nominations for Vice President of the Association of California Water Agencies, and;

WHEREAS, Irvine Ranch Water District's Director Peer A. Swan has indicated a desire to serve as Vice President of the Association of California Water Agencies; and

WHEREAS, if elected Director Swan plans to work with the ACWA President, the ACWA Board of Directors and ACWA management staff to implement actions to accomplish the goals of the ACWA Blueprint; provide strong leadership for a Delta solution that resolves and achieves the co-equal goals of sustaining water supply and quality and protecting environmental objectives; and to support member agencies water resource and energy management objectives by identifying funding opportunities and providing regulatory and legislative advocacy for local resource development and effective water use efficiency programs.

WHEREAS, Director Swan is seeking the office of Vice President after serving as Vice Chair of the Association of California Water Agencies' Region 10 Board of Directors and as such is a member of the Association of California Water Agencies Board of Directors; and

WHEREAS, over the years Director Swan has served on several Association of California Water Agencies Committees including its Finance Committee and Water Management Committee, and has recently been active in two task forces developing innovative statewide solutions to the critical water supply conveyance and conservation issues now faced in California; and

WHEREAS, Director Swan is a committed and experienced leader in the water industry and his in-depth knowledge and understanding of critical water issues facing California would be a great benefit to the Association; and

WHEREAS, Director Swan has further demonstrated his leadership experience by serving on a wide variety of Boards in his community including the YMCA of Orange County; the Orange Coast College Foundation, where he was the founding Treasurer of the Board; the Orange County Sanitation District where he served as Vice Chairman for six years; and Founding Director of the Board of the National Water Research Institute.

WHEREAS, the Association of California Water Agencies is the largest coalition of public water agencies in the country and the premier water organization in California.

NOW, THEREFORE, the Board of Directors of the \_\_\_\_\_ DOES  
HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. Affirms its support for the nomination of Peer A. Swan for Vice  
President of the Association of California Agencies, and the Secretary is hereby directed to  
forward a certified copy of this resolution to the Association of California Water Agencies.

ADOPTED, SIGNED AND APPROVED this \_\_\_ day of \_\_\_\_, 2009.

\_\_\_\_\_  
President, \_\_\_\_\_ and of the Board of  
Directors thereof



# AGENDA ITEM 11

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 2, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	California Special Districts Association (CSDA) Region 6 Board Election		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board consider casting a vote to elect a representative to the California Special Districts Association (CSDA) Board of Directors, Region 6, Seat A.

### PURPOSE:

To present for the board's consideration the ballot to elect a representative to Region 6, Seat A, of CSDA's Board of Directors.

### COMMITTEE ACTION: \_\_\_\_\_

N/A

### ANALYSIS:

CSDA is holding an election to fill Seat A of Region 6 on its Board of Directors. Ms. Jo MacKenzie of Vista Irrigation District, the only candidate, is the incumbent and is seeking re-election. There are a total of six [6] regions with each region having three seats on the Board.

Attached is a copy of the mail-in ballot. The ballot must be mailed and received by CSDA by 5:00 p.m. on Wednesday, September 16, 2009.

### FISCAL IMPACT: \_\_\_\_\_

None.

### STRATEGIC GOAL:

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

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

None.

A handwritten signature in blue ink, appearing to read 'M. J. White', is written over a horizontal line.

**General Manager**

## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	California Special Districts Association (CSDA) Region 6 Board Election
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on August 25, 2009 and supported presentation to the full board.



## CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

### 2009 BOARD ELECTIONS

#### MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in Region 6, Seat A. Each of CSDA's six (6) regional divisions has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your geographic region. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its region.

We have enclosed the candidate statements for each candidate who submitted one. Please vote for **only one** candidate to represent your region in Seat A and be sure to sign, date and fill in your member district information (*in some regions, there may only be one candidate*). If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Wednesday, September 16, 2009**.

If you do not use the enclosed envelope, please mail in your ballot to:

**California Special Districts Association**

**Attn: 2009 Board Elections**

**1112 I Street, Suite 200**

**Sacramento, CA 95814**

Please contact Diana Zavala toll-free at 877.924.CSDA or [dianaz@csla.net](mailto:dianaz@csla.net) with any questions.



**REGION SIX**

●  
*Seat A - term  
ends 2012*

**CSDA BOARD OF DIRECTORS  
ELECTION 2009**

ALL FIELDS MUST BE COMPLETED FOR BALLOT TO BE COUNTED.  
*(Please vote for only one.)*

**Jo MacKenzie\***  
*Vista Irrigation District*

*\* incumbent*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Member District: \_\_\_\_\_

**Must be received by 5pm, September 16, 2009 CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814**



# AGENDA ITEM 12

## STAFF REPORT

TYPE MEETING:	Finance, Administration and Communications Committee	MEETING DATE:	August 25, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	Sacramento-San Joaquin Bay Delta Water Legislative Update		

### GENERAL MANAGER'S RECOMMENDATION:

This is an information only item for the Administration, Finance and Communications Committee regarding legislative actions in California relating to the Sacramento-San Joaquin Bay Delta Water.

### PURPOSE:

To update the Administration, Finance and Communications Committee regarding legislative actions in California relating to the Sacramento-San Joaquin Bay Delta Water.

### COMMITTEE ACTION:

See Attachment A

### BACKGROUND

The Sacramento-San Joaquin Bay Delta has been the recipient of significant attention and activity through the years. Recently, the drought has put additional focus on the water supply, reliability of the Bay Delta system, the environmental effects and the resulting lawsuits that placed additional restrictions on water exports.

Proposition 50 and Proposition 84 were approved by the voters of California based on the promise of "fixing" the Bay Delta. In reality, much of the bond funding went to environmental purposes rather than to projects to protect or enhance water supply and reliability.

The current legislative session has numerous Bay Delta related bills introduced from members of the Assembly and Senate. None of the bills introduced, thus far, appears to address Southern California's concerns about water supply and reliability in a meaningful way (please see Attachment B for a brief outline of the bills).

The Legislature plans hearings on the Bay Delta commencing August 18. The format for these hearings is unconventional in that not all of the affected parties are invited to the table.

Left out of the discussions are the Northern California stakeholders that have farming interests in the Bay Delta and water rights holders. As a result, it appears the hearings are really intended to push a certain set of policy choices and not gather public testimony and input.

The Assembly Water, Parks and Wildlife Committee staff has prepared a background paper for one of the hearings (please see Attachment C). This paper fairly outlines some of the key issues.

The land and water rights holders in the Delta are not pleased about being left on the sidelines for these hearings. They will bring their case to the public in various forums. Included as an attachment is a Powerpoint presentation that will be used for this purpose (see attachment D). This presentation is in a rough form and is subject to change. Though in rough form, it nevertheless contains the arguments that will be used against the proposed canal solutions for the Bay Delta.

In the coming weeks, there will be extensive coverage of the legislative hearings and point/counterpoint on all the arguments related to the Bay Delta. It is important to note there needs to be significant movement and amendments to any of the proposed bills to answer the real needs of the Southern California exporters as well as the Northern California Delta farmers, land owners, water rights holders, and environmental interests.

There will also be building pressure to support a multibillion dollar "water" bond to pay for the various fixes to the Bay Delta. Such a bond issue will need a thorough examination by water agencies (including ACWA, MWD and CWA) to avoid the "blind" support we have seen in years past for bond measures that are not focused on water supply and reliability improvements.

**FISCAL IMPACT:**



This item is informational only and has no fiscal impact.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



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

**Attachments**

- Attachment A - *Committee Action Report*
- Attachment B - *2009 California Delta-Water Bill Package*
- Attachment C - 2009 Proposed Delta/Water Legislation:  
    *Perspective on the Package*
- Attachment D - *Peripheral Canal Alone Exports Less Water*



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Sacramento-San Joaquin Bay Delta Water Legislative Update
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### COMMITTEE ACTION:

#### Note:

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

## 2009 California Delta-Water Bill Package Summary - July 31, 2009

### **Delta Conservancy and Delta Protection Commission (Wolk)**

- Delta Conservancy – creation & authority
- Delta Protection Commission – modifications

### **Delta Governance (Simitian)**

- General Provisions – policies & definitions (Div. 35, Part 1)
- Early Actions – before adoption of Delta Plan (Div. 35, Part 2)
- Delta Stewardship Council – creation & authority (Div. 35, Part 3)
- Delta Water Master – creation & authority
- Delta Independent Science Board – creation & authority
- Delta Finance (Div. 35, Part 5)

### **The Delta Plan (Huffman)**

- General Provisions – policies & definitions (Div. 35, Part 1)
- Early Actions – before adoption of Delta Plan (Div. 35, Part 2)
- Delta Plan Development – completed by 2011 (Div. 35, Part 4)
- Bay Delta Conservation Plan Requirements

### **Water Use Reporting (Pavley)**

- Water Diversion & Use Reporting – requirements & enforcement
- Civil Liability for Water Trespass - modifications
- Groundwater Elevation Monitoring

### **Water Conservation and Sustainable Management (Feuer/Huffman)**

- Urban Water Conservation – 20% by 2020
- Agricultural Water Management Plans
- Sustainable Regional Water Resource Management

**2009 PROPOSED DELTA/WATER LEGISLATION:  
PERSPECTIVES ON THE PACKAGE**

**BACKGROUND PAPER: ISSUES FOR LEGISLATIVE ACTION**

**ASSEMBLY WATER, PARKS & WILDLIFE COMMITTEE  
SENATE NATURAL RESOURCES AND WATER COMMITTEE  
HEARING – AUGUST 18, 2009**

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            • *Delta as Place*

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            • *Statewide Water Management*

            • *Delta Water Infrastructure*

            • *Levee Risk Reduction & Emergency Preparedness*

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# **2009 PROPOSED DELTA/WATER LEGISLATION: PERSPECTIVES ON THE PACKAGE**

## **BACKGROUND PAPER: ISSUES FOR LEGISLATIVE ACTION**

### **ASSEMBLY WATER, PARKS & WILDLIFE COMMITTEE SENATE NATURAL RESOURCES AND WATER COMMITTEE HEARING – AUGUST 18, 2009**

The Sacramento–San Joaquin River Delta (Delta) forms the centerpiece for this year's legislative actions related to water. While this year's bills relate to more than just the Delta, the most significant legislation has some connection to the Delta, direct or indirect. The water conservation bills, for example, arise from the Delta debate, in order to reduce reliance on water imports from the Delta. This paper therefore concentrates attention on the Delta.

#### **I. Introduction: The Delta**

The Delta ecosystem is the most valuable estuary ecosystem on the west coast of North or South America, a natural resource of hemispheric importance. Created by the confluence of the Sacramento and San Joaquin rivers as they flow into San Francisco Bay from the north and south, respectively, the estuary is a maze of tributaries, sloughs, and islands. It contains the largest brackish estuarine marsh on the West Coast. The Delta ecosystem, the largest wetland habitat in the western United States, supports more than 750 wildlife species and more than 120 species of fish, as well as one of the state's largest commercial and recreational fisheries. The Delta estuary also provides migration corridors for two-thirds of the state's salmon and nearly half of the waterfowl and shorebirds along the Pacific flyway.

The Delta also serves as the heart and a critical crossroads of California's water supply and delivery structure. California's precipitation falls predominantly north and upstream of the Delta, whereas much of the state's urban and agricultural water uses occur south of the Delta. The state's two major water projects, the federal Central Valley Project (CVP) and California's State Water Project (SWP), store water in major reservoirs upstream of the Delta, convey water through the Delta, and export the Delta's water south from project pumps in the south Delta. As the water flows from the Sierra toward the Delta, cities and farmers draw water from the system.

The Delta's value as an ecological resource and its role in meeting California's water supply needs have resulted in inherent conflict. The disparate functions and values of the Delta and the competing demands for its resources have long been sources of bitter conflicts and profound challenges for stakeholders and policy makers. Between the state and federal governments, at least twenty agencies share and sometimes contest responsibility for Delta issues. Local entities within the Delta's watershed multiply that number several fold. Affected stakeholders number in the hundreds. These interests have engaged in conflict for decades.

*[NOTE: This introduction comes from "California's Delta: Challenges of Collaboration," by David Nawi and Alf W. Brandt, in Large-scale Ecosystem Restoration: Five Case Studies from the United States.]*

## II. The Delta Crisis

The Delta has suffered from multiple crises for several years – ecosystem, water supply, levee stability, water quality, policy, program, and litigation. The first public symptom of the current Delta Crisis occurred in June 2004. A privately owned levee unexpectedly failed, not in the middle of a flood, but on a clear day in June. When the State initially refused to repair the levee, local advocates convinced Governor Schwarzenegger, on a helicopter visit to the levee break, to use state funds to fix the private levee. The State spent nearly \$100 million to fix the levee and restore an island whose property value was far less. The Department of Water Resources (DWR) subsequently released an analysis showing the substantial risk of cataclysmic failure of multiple Delta levees and began development of a "Delta Risk Management Strategy" to further assess levee risks and set a strategy for Delta levee programs.

*Ecosystem Crisis:* In early 2005, the Department of Fish & Game (DFG) reported a trend showing severe decline in the Delta fishery and the food web on which the fishery depends. DFG and other agencies began an investigation of this "Pelagic Organism Decline" or "POD." The POD investigation identified three *categories* of causes for the decline – state/federal water project operations in the Delta, invasive species, and contaminants – but did not attribute the decline to one particular source of the problems. The ecosystem continued its decline, with record-low reports of fish populations. Between 2006 and 2007, a population index for Delta smelt, which are unique to the Delta and listed as "threatened" under the federal Endangered Species Act, dropped from 341 to 25, when the index had been in the thousands just a few years earlier. Salmon, which pass through the delta between the ocean and spawning grounds, have suffered such a serious decline that, for the first time in history, sport and commercial fishing for salmon has shut down completely, throwing thousands out of work – two years in a row.

*Delta Program Crisis:* In 2005, the CALFED Bay-Delta Program, which had relied on bond funding, reported dwindling financial resources. In response, the Legislature cut the CALFED budget and the Governor initiated a wide-ranging program, governance and fiscal audit, which revealed substantial deficiencies. The Little Hoover Commission published a comprehensive report on CALFED and Delta governance – *Still Imperiled, Still Important* – in late 2005. The following year, the Legislature reorganized CALFED programs and funding under the Resources Agency Secretary, and required development of a new long-term "vision" for the Delta. The California Bay-Delta Authority, which has legal responsibility for oversight of CALFED has not met in several years, as the State considers new directions for the Delta.

*Water Supply Crisis:* In 2007, a federal judge, acting under the federal Endangered Species Act, declared certain federal biological opinions about near-extinct fish illegal and restricted water exports from the Delta, to the San Francisco Bay Area, the San Joaquin Valley and Southern California. Those restrictions limit water flowing backwards toward the pump and impose other limits to protect the fishery. As a result, the federal Central Valley Project (CVP) and the State Water Project (SWP) suffer limits on pumping to refill reservoirs and deliver water for agricultural and urban uses. Shortly after the judge restricted pumping, the Governor called the Legislature into an extraordinary session on water, but the Legislature only passed a water project appropriation bill. Compounding the export limitations, the Delta watershed has suffered a serious drought for the last several years, leading to a comparatively small segment of agricultural water contractors suffering substantial cuts in water deliveries from the Delta. The

judge's restrictions on pumping have been replaced by new federal biological opinions for delta smelt and salmon, which adopted similar restrictions.

*Delta Levee Crisis:* The State's response to the June 2004 Jones Tract levee failure underscored the risks of Delta levee failures. Delta agriculture, after 150 years of plowing peat and releasing carbon, has led to substantial subsidence, with some islands as much as 30 feet below the adjacent water level. After the Governor overruled DWR's decision against fixing the private levee protecting Jones Tract, the State spent approximately \$100 million to fix the levee and restore the island. DWR then began studying and developing new policies for how to respond to Delta levee failures. Hurricane Katrina's devastation added urgency, and shortly thereafter DWR unveiled a scenario where an earthquake could destroy 30 Delta islands and create a deep inland sea, due to inundation from San Francisco Bay. Growing concerns about mass Delta levee failure risks have led to fundamental re-examination of Delta policy.

*Water Quality Crisis:* The quality of Delta water also continues to decline. There are two categories of water quality challenges in the Delta – salinity and contaminants. As a river estuary, salinity naturally pushes upstream from the San Francisco Bay. Since the 1930's, California has developed a freshwater barrier to that salinity, with upstream reservoir releases that push back salinity and feed fresh Sacramento River water to South Delta water export pumps. With sea-level rise, that barrier becomes more difficult to maintain. This year, in order to preserve water supply, federal and state water projects did not make certain 2009 water releases from project reservoirs, leading to violations of Delta water quality standards. Salinity and other contaminants also come downstream, from the burgeoning Central Valley communities and economy. Both agricultural and urban communities contribute contaminants. Recent reports on Delta contaminants have noted the significant contributions from the Sacramento region, including home pesticide-laden runoff and ammonia from the regional water treatment facility.

*Litigation Crisis:* Since the Delta Ecosystem Crisis emerged in 2005, parties on all sides of the Delta debate have filed numerous lawsuits. Environmental groups filed lawsuits that led to the 2007 state and federal court decisions limiting water exports. Agricultural and urban water users have filed suits against the new ESA biological opinions. In-Delta parties have filed suit against state agencies, regarding investigations of the Peripheral Canal, the developing "Bay Delta Conservation Plan," and inaction by the State Water Resources Control Board (SWRCB). More than 25 lawsuits now stand on Delta-related issues.

### **III. Delta Vision**

Through this enduring Delta crisis, the Legislature and the Governor initiated, in 2006, a process to develop a new long-term vision for the Delta. SB 1574 (Kuehl/2006) required a cabinet committee to present recommendations for a Delta strategic vision. The Governor created a Delta Vision Blue-Ribbon Task Force to advise the Cabinet Committee. The Task Force produced an October 2008 Strategic Plan, which the Cabinet Committee largely adopted and submitted, with its recommendations, to the Legislature on January 3, 2009. The primary exception to the Cabinet Committee's adoption was the Task Force's recommendation for a new comprehensive, independent "California Delta Water and Ecosystem Council."

*Strategic Plan:* The Delta Vision Strategic Plan provides a broad framework – and an expedited timeline – for action in the Delta, with numerous recommendations requiring action by the Legislature. The Strategic Plan included goals, strategies and actions for achieving the Delta Vision. The goals included:

- 1) Legally acknowledge the co-equal goals of restoring the Delta ecosystem and creating a more reliable water supply for California.
- 2) Recognize and enhance the unique cultural, recreational and agricultural values of the California Delta as an evolving place, an action critical to achieving the co-equal goals.
- 3) Restore the Delta ecosystem as the heart of a healthy estuary.
- 4) Promote statewide conservation efficiency, and sustainable use.
- 5) Build facilities to improve the existing water conveyance system and expand statewide storage, and operate both to achieve the co-equal goals.
- 6) Reduce risks to people, property, and state interests in the Delta by effective emergency preparedness, appropriate land uses, and strategic levee investments.
- 7) Establish a new governance structure with the authority, responsibility, accountability, science support, and secure funding to achieve these goals.

The Strategic Plan also includes numerous strategies to achieve those goals and specified actions to implement the strategies. In some cases, the actions identified issues that still needed further analysis and a final decision, which may include making tradeoffs among the often competing Delta interests. In other cases, the actions required legislation to further develop what may be a concept or an idea for a new direction in the Delta. The Strategic Plan may be found on the Delta Vision website, at [www.deltavision.ca.gov](http://www.deltavision.ca.gov).

Pursuant to the 2006 Delta Vision legislation, the specified Cabinet Committee considered the Task Force's Strategic Plan and made its own recommendations to the Legislature. These recommendations adopted almost all the Task Force recommendations, except for the creation of a new Delta Council, which the Cabinet Committee recommended only for further study. The Cabinet Committee also expanded on some of the recommendations, specifying needs for legislation to implement the recommendations, including details as to a new Delta conservancy and changes to water diversion/use reporting.

The Delta Vision Blue Ribbon Task Force formally dissolved once it delivered the Strategic Plan to the Cabinet Committee. Task Force members, however, then established the Delta Vision Foundation, with support from the Packard Foundation. More information about the Delta Vision Foundation may be found at [www.deltavisionfoundation.org](http://www.deltavisionfoundation.org).

#### **IV. Why Change? Why Now?**

While the Delta suffers from these multiple crises, some have questioned the ambitious timeline for taking action this year, as proposed by the Delta Vision Task Force. Others, including Governor Schwarzenegger, respond that resolving California's water challenges remains one of the most urgent issues facing State Government. The urgency arises from several sources:

- *Risk of Ecosystem Collapse:* Several Delta fish species teeter on the brink of extinction. California has suffered two years of complete closure of the salmon fishing season – for the first time in state history. The fishing industry cannot afford to suffer additional years of fishery decline without any plan for resolving the Delta crisis.

- *Risk of Unreliable Water Supplies:* In 2007, a federal judge restricted water exports from the Delta and California has suffered a serious drought since then. In light of the Delta ecosystem decline, water exports remain unreliable, subject to state and federal laws regarding water rights and the environment. If this most valuable estuary ecosystem does not improve soon, then water supply from the Delta will remain unreliable.
- *Risk of Mass Levee Failure:* DWR has described a scenario where a major earthquake could cause collapse of multiple levees and loss of 30 Delta islands. (According to U.S. Geological Survey, there is a 62% chance that an earthquake of magnitude 6.7 or greater will hit the Delta between 2003 and 2032.) With loss of these deeply subsided islands, the Delta would be inundated with salt water from San Francisco Bay, shutting down any water exports from the Delta and recovery requiring up to two years. Some islands may never be restored and the nature of the Delta and its ecosystem would change forever.
- *Delta Vision Strategic Plan:* The Delta Vision Blue Ribbon Task Force spent two years of careful study of the Delta challenges and provided a comprehensive set of specific recommendations that provides the basis for the Legislature to act this year.

With these factors in mind, legislators and legislative leadership have worked extensively on understanding the water issues facing California and developing legislative proposals to address California's water challenges.

## V. 2009 Legislative Deliberations

After delivery of the Delta Vision recommendations from the Cabinet Committee and the Strategic Plan on January 3, the Legislature began deliberations as to how to respond. These deliberations started with informational hearings in both the Assembly and Senate policy committees. The Committees heard from Delta experts, Task Force members, the Schwarzenegger Administration as well as the public at large. Assembly Water, Parks & Wildlife subsequently heard from Natural Resources Agency Secretary Mike Chrisman, as to how the Administration proposed responding to the Delta Vision recommendations.

In March, Senate President *Pro Tempore* Darrel Steinberg and Assembly Speaker Karen Bass convened two bicameral and bipartisan legislator discussion groups regarding Delta Vision, one on creating a new Delta plan (led by Assembly policy committee chair Jared Huffman) and one on Delta governance (led by Senate policy committee chair Fran Pavley). The legislators heard from Delta Vision Task Force members and other Delta experts, and engaged in vigorous water policy discussions, although there was no discussion of specific legislation. Participants gained a broader understanding of the key water and Delta issues facing California.

After the member discussion groups concluded, several legislators who had introduced Delta bills began developing detailed legislative proposals, which culminated in the pre-print proposals now pending. Legislators and staff discussed numerous issues, as they developed their proposals into one package of Delta bills. Concurrently, two water conservation bills proceeded through the regular legislative process – AB 49 (Feuer) and SB 261 (Dutton). Discussions regarding water bills continued through June and July. When the legislative authors did not complete their internal deliberations on the specific language of proposed Delta bills, a decision was made to take the bills to conference committee, so there would be sufficient opportunity for a robust legislative and public consideration of these issues.

## VI. Legislative Issues

The Delta Vision Task Force Strategic Plan identified numerous issues requiring legislative action, addressing all seven Strategic Plan goals. In essence, the Strategic Plan offered recommendations to address new directions and decisions for the Delta. That is, the Task Force recommended new *directions* for Delta management and policy, and how *decisions* as to those directions should be made. These categories of recommendations have become labeled as "the Delta Plan" and "Delta Governance." The Task Force also made recommendations on a third category – contained in its fourth goal – related to improving statewide water management. Within these three categories, numerous issues arise. The bills that will be considered in both policy and conference committees address many of these issues.

### A. Delta Plan

The Delta enjoys – or suffers from (depending on your perspective) – a long history of "plans." The most recent comprehensive plan was the August 2000 CALFED Bay-Delta Program Record of Decision (CALFED ROD), which remains in effect but largely has been abandoned. Now, the Natural Resources Agency, DWR, the state/federal water contractors and other "potentially regulated entities" (PREs) have been developing a new "Bay-Delta Conservation Plan" or "BDCP," in cooperation with a stakeholder steering committee. BDCP developed in response to the collapse of fishery populations, particularly those listed as threatened pursuant to the federal Endangered Species Act (ESA).

These plans responded to previous conflicts between water project operations and the Delta ecosystem, but were not the only plans developed in response to Delta difficulties. Many state and local agencies have Delta plans, to address one problem or another. In response to increasing development in the Delta, the Legislature created the Delta Protection Commission (DPC), which created a "resource management plan" and oversees land-use decisions in the Delta, particularly in the "primary zone." DWR currently is developing a "Delta Risk Management Strategy" (DRMS), to address the risk of multiple levee failure and transformation of the Delta into a deep-water inland sea. The Department of Boating and Waterways has a plan for eliminating invasive plants that choke Delta waterways, by application of herbicides. While all these plans may help address problems in the Delta, they lack integration into a larger comprehensive plan, which may resolve conflicting policy objectives.

The Delta Vision Blue Ribbon Task Force (Task Force) recommended numerous actions, but central to all those recommendations was development of a comprehensive plan for moving forward in the Delta. This Strategic Plan proposal encompasses more than previous plans, which have focused on water-related issues. This plan would include all six substantive Delta Vision goals and, for the first time, connect land and water policies in the Delta. This proposed plan, in conjunction with a new Delta Council, would accomplish comprehensive reform of Delta policy that cuts across multiple policy areas and state agencies, thereby reducing interagency conflict over direction of Delta policy. It is intended to integrate all Delta policies and adapt as the Delta changes, responding to both climate change and human-induced changes.

## 1. Delta Plan Development Process

The Task Force's Strategic Plan recommends, in Strategy 7.2, that the Council develop the Delta Plan by December 2010, after the Legislature adopts a legal and procedural outline for the Plan. The timing of this development process reflects the urgency of resolving the Delta crisis, but may be affected by other developments in the Delta, particularly the development of the BDCP. The Natural Resources Agency currently plans to complete the BDCP by the end of 2010, although some question the likelihood of completing this comprehensive plan and obtaining the necessary regulatory approvals by that date. While the new Council may have ultimate responsibility to adopt a final Delta Plan, existing agencies with responsibilities in the Delta will need to contribute to the Plan's development if the 2011 deadline is to be achieved.

The plan development process will require numerous elements of information and decision. The needs of the Delta form the foundation for developing a new Delta Plan, but information as to those needs, particularly in light of constant change in the Delta, remains limited. Certain information, such as the Delta's needs for instream flows, may be a prerequisite for completing the Delta Plan. The Strategic Plan also identified several factual issues requiring further investigation, and policy issues requiring the judgment of the State's legislative and executive branches.

## 2. Substantive Issues in Delta Plan

The Delta Vision Strategic Plan – and the Delta Plan it recommends – was unique in its comprehensive scope. Past plans have been limited by either agencies' existing legal authorities or the priorities of the agencies that developed the plan. This new Delta Plan would address the six substantive goals in the Strategic Plan. The Strategic Plan identifies strategies and actions to achieve each goal, which raise issues for legislative consideration.

- **Co-equal Goals:** How should the Legislature incorporate the "Co-equal Goals" of water supply reliability and ecosystem restoration into the constitution or law? What does "water supply reliability" mean – more water or more regularity? Do the Co-equal Goals incorporate the additional goal of protecting "the Delta as Place," which the Strategic Plan describes as the "third leg of the stool" but addresses separately from the Co-equal Goals? How do the Co-equal Goals apply to water bond proposals and existing water laws and principles? Do the Co-equal Goals constrain or require existing agency action?
- **Delta as Place:** How can the State protect the current "unique cultural, recreational, and agricultural values of the California Delta" while concurrently changing direction in Delta policy? What does the Delta "as an evolving place" mean? Who develops the plans for how to protect the Delta as a place? What land-use policies "enhance" the Delta's unique values?
- **Ecosystem Restoration:** What does "restoration" mean? How should the Legislature define a "healthy Delta estuary ecosystem?" What are the stressors on the Delta ecosystem that need to be addressed? How should Delta water quality be improved for ecosystem needs? Which of the many recommended strategies and actions should the Legislature adopt? What are the implications for salinity fluctuation in an *estuary* ecosystem? How broad is the geographic scope of ecosystem restoration – the legal Delta or the entire watershed? Who has responsibility for planning and implementing ecosystem restoration?

- **Statewide Water Management:** How closely should statewide water conservation efforts connect to Delta management? How does the Governor's call for 20% reduction in per capita water use relate to the Delta? Should the new Delta Stewardship Council oversee efforts for regional water self-sufficiency and water-use reduction contingency plans? What water-use reporting requirements/changes, as recommended by the Delta Vision Cabinet Committee, should the Legislature adopt? How should the Delta Plan address deteriorating Delta water quality to ensure adequate drinking water quality? How should decisions as to State investments in water programs and infrastructure projects be made?
- **Delta Water Infrastructure:** How should the Legislature address the most controversial issue – Delta water conveyance? Should SWP/CVP water be conveyed through: a) current Delta channels; b) an isolated conveyance facility; or c) both current channels and an isolated conveyance? How should the Legislature incorporate the existing BDCP process, which includes both ecosystem restoration and water conveyance issues, into the Delta Plan? What information and analysis is required to make decisions on Delta water infrastructure? (The Strategic Plan recommended only further investigation of "dual conveyance.") Who should make the decision as to Delta water infrastructure, including both conveyance and storage facilities?
- **Levee Risk Reduction & Emergency Preparedness:** How should the Delta Plan incorporate the current effort to develop a comprehensive Delta emergency response plan? What are the State's interests in privately owned Delta levees? Does the State have any legal responsibility for maintaining private Delta levees? How should the State prioritize its investments in maintenance and improvements to private Delta levees? How do Delta land-uses affect State investments in private Delta levees, and should the State condition levee funding on appropriate land use controls? How should Delta "legacy towns" that suffer minimal flood protection be protected?

The Delta Plan recommendation also raises larger overarching issues:

- Should the Delta Plan be developed consistent with the Coastal Zone Management Act and other federal laws (Reclamation Act and Clean Water Act) to ensure that federal agencies act consistently with the Delta Plan, as the Task Force recommends?
- How can the Delta Plan ensure that State agencies act consistently with the Delta Plan?
- How should existing state agencies participate in Delta Plan development?
- How can the Delta Plan adapt to inevitable changes in the Delta?
- How can independent science contribute to development of the Delta Plan?
- How should the new Delta Plan incorporate existing or future state agency plans?

### 3. Bay Delta Conservation Plan

In response to the crash of populations of Delta fish listed as threatened pursuant to the federal Endangered Species Act (ESA) and related litigation, the Schwarzenegger Administration, state and federal water contractors, and certain energy companies that use Delta water for cooling adopted a new strategy for ESA compliance. Since the 1990's, both federal and state water projects have relied on the "consultation process," pursuant to ESA Section 7, to obtain biological opinions that allow certain levels of "take" (*i.e.* destruction) of listed fish species. In

2006, state and federal agencies and the “potentially regulated entities” (PREs) began developing a “habitat conservation plan” (HCP) for the Delta, which would provide an incidental take permit and assurances, under ESA Section 10, for the non-federal parties that use Delta water. This process has developed as “the Bay-Delta Conservation Plan” or BDCP process.

The Schwarzenegger Administration had suggested that this new BDCP could serve as the new comprehensive plan for the Delta, replacing the CALFED Bay-Delta Program. Since the Task Force issued the Strategic Plan, however, the Administration has framed BDCP as the foundation for the proposed Delta Plan and discouraged legislative interference in its progress. BDCP recently released a draft conservation strategy that emphasized the importance of creating an alternative conveyance system to eliminate the negative ecosystem effects on water exports in the South Delta, which may generate controversy in the months ahead. In recent months, some parties outside the BDCP process – particularly those who live and work in the Delta – have objected that they have been excluded from the BDCP process. It should be noted that the BDCP’s Steering Committee meets in public, but its membership is by invitation.

The concurrent development of BDCP and the new Delta Plan raises several issues that may be considered in the Delta legislation. It appears that BDCP will address a subset of the issues addressed by the Delta Plan – water conveyance and ecosystem restoration. Its ultimate success, however, may depend on actions in the new Delta Plan.

- How should the two plans interact with each other? Is BDCP part of the Delta Plan?
- How should the new Delta Plan incorporate the Bay Delta Conservation Plan?
- Should legislation impose substantive or procedural requirements on BDCP, or establish a clear path for the State’s adoption of the BDCP?
- Should the State fund conservation actions required to obtain the ESA take permits?

## **B. Delta Governance**

As the Task Force indicated, successful implementation of the Delta Plan and achievement of the Co-equal Goals will require changes to the Delta’s governance structure – matching a comprehensive Delta Plan with comprehensive Delta governance. The Task Force noted that more than 200 agencies have legal authority for governance in the Delta. No single state entity has authority to address the sweep of issues identified in the Strategic Plan. It is not unusual for state agencies to work at cross purposes in the Delta. Agencies typically have different missions, legal authorities, and cultures, often leading to interagency conflict. To resolve these conflicts and achieve the Co-equal Goals, the Strategic Plan proposed an independent “California Delta Ecosystem and Water Council,” to make the decisions, on behalf of the State, to implement the Delta Plan.

### **1. Council**

The proposed Council stands at the center of reform of Delta governance, but raises numerous issues as to its structure and legal authority. The Cabinet Committee concluded that creation of a new council required further study and recommended postponing a decision on a Delta council. The Committee explained that a new council would need “standards and criteria” for its decisions to ensure predictability for critical Delta activities such as water project pumping regimes. In recent months, however, the Administration has not expressed objection to the

creation of the new Council and there has been some indication that it may propose its own form for a new council. The Task Force, now in the form of the Delta Vision Foundation, continues to insist that creation of an *independent* Delta council is critical to success in the Delta.

**Council Structure:** The Strategic Plan made several specific recommendations as to the Council structure, including a limited number (5-7) of members with five-year staggered terms and WITHOUT any geographic, occupational or representational criteria for selection. The Council would not be “a sizeable new government bureaucracy,” but instead would rely on existing state agencies to exercise their authorities to take action in the Delta to implement the new Delta Plan. The Strategic Plan explains the rationale for each of these recommendations, based on history of Delta programs and conflicts. Some may dispute some of this rationale and these structural issues would need to be considered in any legislation creating the Council.

**Council Authority:** The Strategic Plan proposes a Council with broad legal authority to:

- Develop and adopt the new Delta Plan.
- Enforce state agency compliance with the Delta Plan, including determinations of consistency as to new Delta infrastructure projects.
- Receive and allocate funds to advance policies and programs in the Delta.
- Resolve conflicts in the Delta.
- Act as a “Trustee Agency” to participate in CEQA processes and protect environmental resources in the Delta.

This broad authority may elicit debate from state and local agencies that may be affected by the new Council’s authority.

## 2. Conservancy

The Strategic Plan also recommended a conservancy for the Delta, which previous legislation has proposed on several occasions, without success. Previous legislation has proposed an independent Delta conservancy or expansion of the Coastal Conservancy to include the Delta. These recommendations addressed the structure and legal authority for a new conservancy, the common issues for creating any new governance entity/agency.

**Conservancy Structure:** The Strategic Plan recommended an 11-member conservancy board, with five representing the Delta counties, four state agency representatives and two public members appointed by the governor. Additional non-voting members would be appointed by the Legislature and “selected” federal agencies.

**Conservancy Authority:** The Strategic Plan recommended that the conservancy be “devoted solely to the statutory Delta and the Suisun Marsh,” and would be responsible to:

- Coordinate state ecosystem-related and urban waterfront projects in the Delta.
- Acquire or manage lands necessary for implementing the Delta Plan.
- Assume responsibility, when offered, for lands currently in government ownership.
- Receive funds from any source for projects consistent with the Council’s policies/plans.
- Support appropriate recreation and ecosystem activities.
- Create incentives for “mutually beneficial mixtures” of traditional agriculture, habitat and recreation, including agri-tourism, wildlife-friendly agriculture, bird watching/hunting.

These recommendations generate several issues for further legislative consideration. The Legislature has created several conservancies to protect environmental resources in areas across the state. The legislation creating each conservancy has addressed the specific issues that arise in its area. The Task Force's recommendations reflect some of the issues that arise in the Delta:

- *Property Ownership/Management:* Federal, state and local agencies already own substantial portions of Delta lands, but there is no coordinated management of those lands. The conservancy may play the role of manager of these public lands, as a system. The recommendations above provide for conservancy land acquisition and acceptance of lands from other public agencies.
- *Economic Development:* The recommendations related to waterfront development and "mutually beneficial mixtures" hint at the possible economic development role for the conservancy. Conflict between ecosystem restoration and economic development, however, may arise, such as wetlands restoration requiring use of agricultural lands. The recommendation for "incentives" suggests that this economic/ecosystem combination may be a benefit, but not a required element of each conservancy project.
- *Bay Delta Conservation Plan:* The Strategic Plan also recommends continued investigation and development of the BDCP and its conservation action proposals. The conservancy's role in implementing those BDCP actions remains unclear.

### **3. Water Master**

While the Strategic Plan did not recommend a Delta water master, it urged improvements to the compliance of diversions and water use with all applicable laws. Its Action 7.1.5 advocated improvements to the State Water Resources Control Board (SWRCB), to ensure better legal compliance. One way to achieve such compliance would be the creation of a water master who could oversee day-to-day water diversions in the Delta watershed.

### **4. Independent Science Program**

The Strategic Plan emphasized the importance of good science to the development and implementation of the new Delta Plan. To improve the "direct link between scientific investigation and real-world management and policy," the Strategic Plan recommended creation of a "Delta Science and Engineering Board." Its recommendations specified membership and terms for this board. This science board would research critical scientific issues, synthesize the best available science, and review all major projects under the Delta Plan. Its role would focus more on scientific recommendations than making decisions. It would succeed and replace the successful CALFED science program.

### **5. Delta Protection Commission**

The Strategic Plan recommended that legislation "strengthen" the existing Delta Protection Commission (DPC). To address changing state interests in the Delta, the Strategic Plan recommended:

- Revision of all DPC policies (including the Resource Management Plan) to be consistent with the new Delta Plan.
- Review and certification of all local general plans for consistency.
- Consistency determinations for development proposals in the Delta's primary zone.
- Appeal authority for land-use decisions in selected portions of the secondary zone.

The Strategic Plan generally suggests retaining the mix of state and local participation in the DPC, but also suggested adding participation from federal agencies and the Central Valley Flood Protection Board. The Strategic Plan, however, did not comment on the precise mix of DPC members.

Changes to the DPC implicate significant issues related to the state-local relationship, as the DPC's oversees local land-use decisions and general plans. The current membership includes both local and state representatives, which may change as the role of DPC changes. Requiring changes to general plans also will affect local government's compliance with CEQA.

### **C. Statewide Water Management**

While the Strategic Plan included recommendations for statewide water management, legislation on these issues have proceeded on a separate track this year. Such separation reflects the fact that these statewide changes would affect more than the Delta watershed or areas which rely on water imports from the Delta.

#### **1. Water Conservation**

While the Legislature has passed several bills promoting water conservation in recent years, the Governor's 2008 call for Californians to reduce per capita water use by 20% by 2020 set an ambitious goal for statewide conservation. The Legislature has considered bills to achieve the Governor's call in 2008 (AB 2175/Laird) and 2009. This year, several members introduced bills to achieve the Governor's call. At this point, two bills have continued to progress – AB 49 (Feuer/Huffman) and SB 261 (Dutton) – which have fundamentally different approaches as to how to achieve water conservation.

#### **2. Water Diversion/Use Reporting & Groundwater Reporting**

According to the Strategic Plan, "Plainly said, the information about current diversions and use in the current water system is inadequate to the task of managing the co-equal values. More comprehensive data from throughout the Delta watershed would provide a better foundation for changes in water diversion timing. California must also develop and use comprehensive information on the local, regional and statewide availability, quality, use, and management of groundwater and surface water resources to help improve opportunities for regional self-sufficiency."

#### **3. SWRCB Enforcement Authority**

The Delta Vision Cabinet Committee, in its Implementation Report, called for legislation to enhance and expand the State Water Resources Control Board's water rights administrative accountability. In particular, it called for legislation to provide the authority to collect and disseminate accurate information on all surface water diversions in the state; require interim remedies, after opportunity for hearing, to prevent irreparable harm to the environment and other water right holders, while underlying proceedings continue; initiate stream adjudications and collect adjudication costs from the parties diverting water; and to enforce existing water right permit terms and conditions.

#### 4. Other Water Supply Alternatives

The Strategic Plan recommended that California "increase reliability through diverse regional water supply portfolios," and identified several actions, which could increase water supply reliability. Those actions include:

- **Recycling:** Proposes setting a statewide recycling target of 1.5 million acre-feet of water by 2020 and taking actions to facilitate greater development/use of recycled water. California is unlikely to meet its 1 million acre-foot recycled water target by 2010, and increasing recycling would require a wide range of actions to accomplish the proposed 2020 target.
- **Desalination:** Proposes tripling current statewide capacity for generating water through desalination of ocean and brackish water by 2020. California desalination development has been limited, for several reasons, including cost, location in the coastal zone, energy demands, and design of water distribution systems flowing downhill toward the ocean. Recent advances in desalination technology may make this alternative more attractive, particularly for groundwater basins that are only brackish, which would require removal of less salinity.
- **Storm Water Capture:** Proposes that the SWRCB set goals for infiltration and direct use of urban storm water runoff throughout the Delta watershed and its export areas. Historically, "storm water" issues have related to water quality and flood control, with policy focused on cleaning up storm water discharges and getting them downstream as quickly as possible. In recent years, some agencies have focused attention on ways to reduce storm water discharges and/or retain such storm water for subsequent use. The Santa Ana Watershed Project Authority provides a good example. The trend toward "low-impact development" is consistent with these efforts. The challenges for storm water capture include: connecting quality and quantity issues, which may involve different sets of actors and agencies; changing the long-standing "flood control" perspective (*i.e.* getting flood waters out of the jurisdiction as soon as possible) on storm water management; and approaching storm water from a watershed perspective, instead of jurisdiction-by-jurisdiction (or discharge-by-discharge).

#### D. Finance of Delta Activities

The Strategic Plan included a strategy that the State: "Finance the activities called for in the California Delta Ecosystem and Water Plan from multiple sources." That Strategy 7.3 identified several actions requiring legislation:

- Enact a series of principles regarding design of financing into legislation authorizing the California Delta Ecosystem and Water Council.
- Establish a base of revenues outside the state General Fund for the work of the California Delta Ecosystem and Water Council, the Delta Conservancy, the Delta Protection Commission, and related core activities of the Department of Fish and Game, the Department of Water Resources, and the State Water Resources Control Board.
- Find new revenue sources beyond the traditional bond funds or public allocations.

These finance recommendations will raise numerous issues as to who pays, how much, for what, and by what means. The last recommendation, in particular, moves the discussion beyond water bonds, which have paid for much of the activity in the Delta in the last decade.

# Peripheral Canal Alone Exports Less Water

## Bay Delta Conservation Plan Evaluation

- Exports, pre-Wanger: 5.9 million acre-feet/year
- Peripheral Canal Alone: 4 to 4.6 MAF/year
- Dual Conveyance: 5.9 to 6.3 MAF/year

*2009: From December 1, 2008 through May 1, 2009, CVP and SWP exports were 1.16 MAF. With a PC only system (advocated by Public Policy Institute), exports would have been 0.57 MAF (less than half) and the PC would have been empty for 3 months*

# Why does Peripheral Canal Export Less Water?

- Sacramento River water only!
  - No water can be exported from the San Joaquin River, Mokelumne River or other rivers that flow to the Delta
- Sacramento River instream flows required to protect fish in the river:
  - Cannot dry up the river
  - In summer and fall, Sacramento River typically runs 15,000 cfs to 9,000 cfs
  - Minimum instream flow needed, (DFG recommends 5,000 cfs to 15,000 cfs *plus* a percentage of the remainder), so the amount of water the Peripheral Canal can carry is limited
  - 57% of the time the flow in the Sacramento River is less than the 15,000 cfs PC capacity!

# Peripheral Canal Alone Exports Less

## Water

### Bay Delta Conservation Plan Evaluation

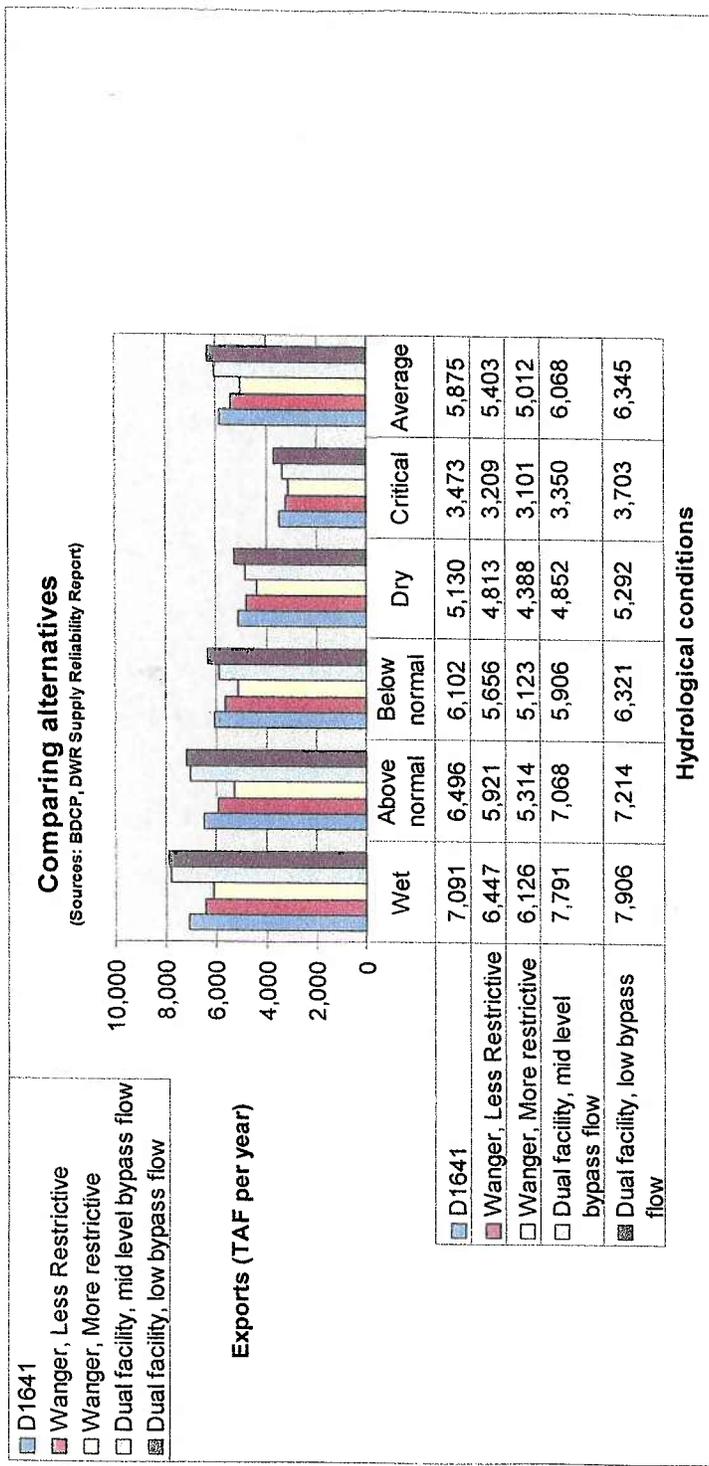
- Exports, pre-Wanger: 5.9 million acre-feet/year
- Peripheral Canal Alone: 4 to 4.6 MAF/year
- Dual Conveyance: 5.9 to 6.3 MAF/year

2009: From December 1, 2008 through May 1, 2009, CVP and SWP exports were 1.16 MAF. With a PC only system (advocated by Public Policy Institute), exports would have been 0.57 MAF (less than half) and the PC would have been empty for 3 months

# Why does Peripheral Canal Export Less Water?

- **Sacramento River water only!**
  - No water can be exported from the San Joaquin River, Mokelumne River or other rivers that flow to the Delta
- **Sacramento River instream flows required to protect fish in the river:**
  - Cannot dry up the river
  - In summer and fall, Sacramento River typically runs 15,000 cfs to 9,000 cfs
  - Minimum instream flow needed, (DFG recommends 5,000 cfs to 15,000 cfs *plus* a percentage of the remainder), so the amount of water the Peripheral Canal can carry is limited
  - 57% of the time the flow in the Sacramento River is less than the 15,000 cfs PC capacity!

# The Peripheral Canal does not get more water in 50% drier years



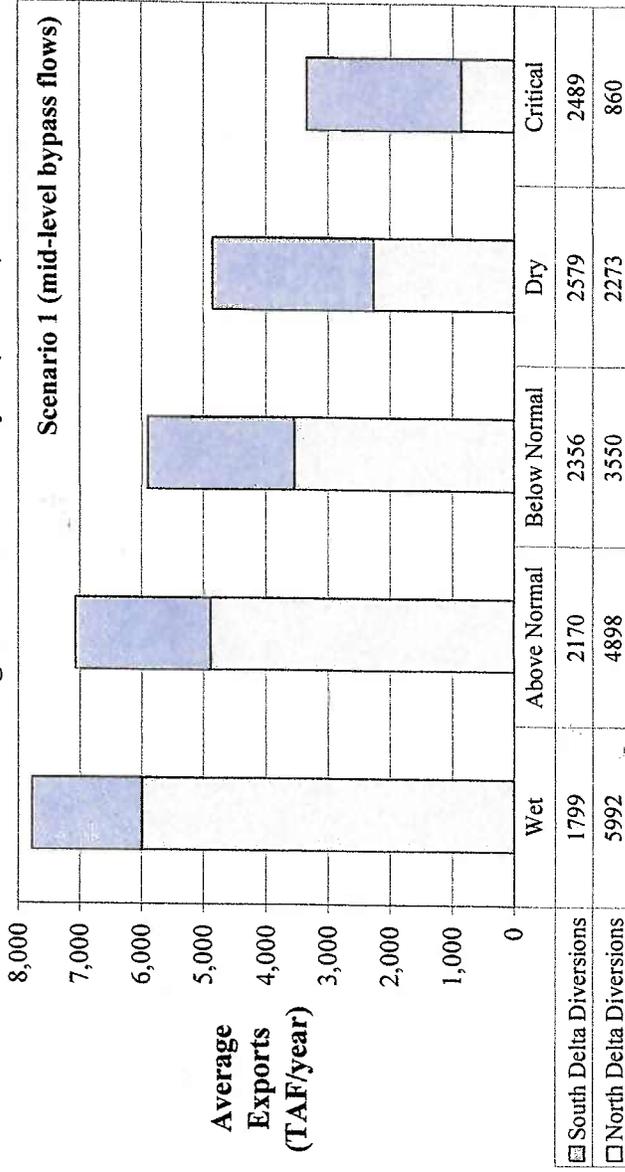
50% of the time (drier years), it delivers less water!

More water in wet years, the same or less in below normal, dry and critically dry years

Note: DFG recommended High Bypass flows not yet considered

# The Peripheral Canal cannot move much water in drier years

Comparison of Water Supply Diversion Location for Different Hydrological Conditions  
 BDCP Modeling for DRERIP Analysis (1/11/09)

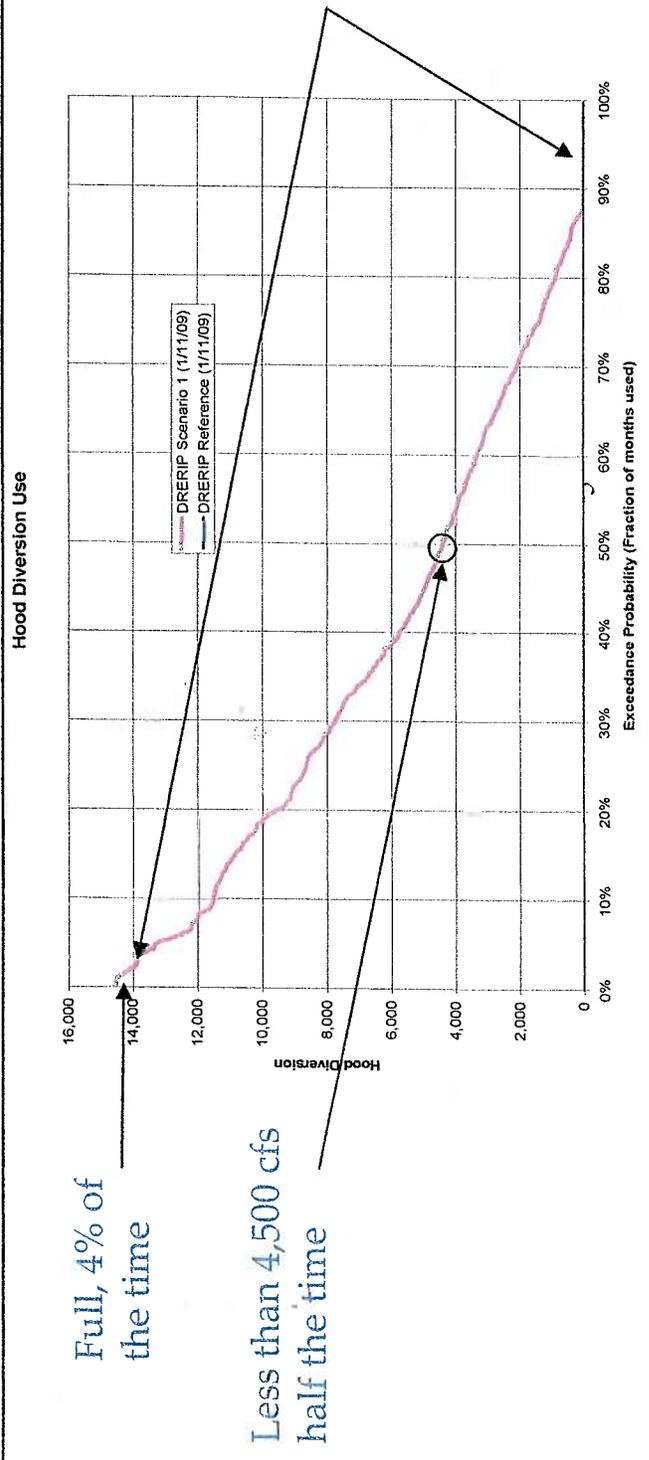
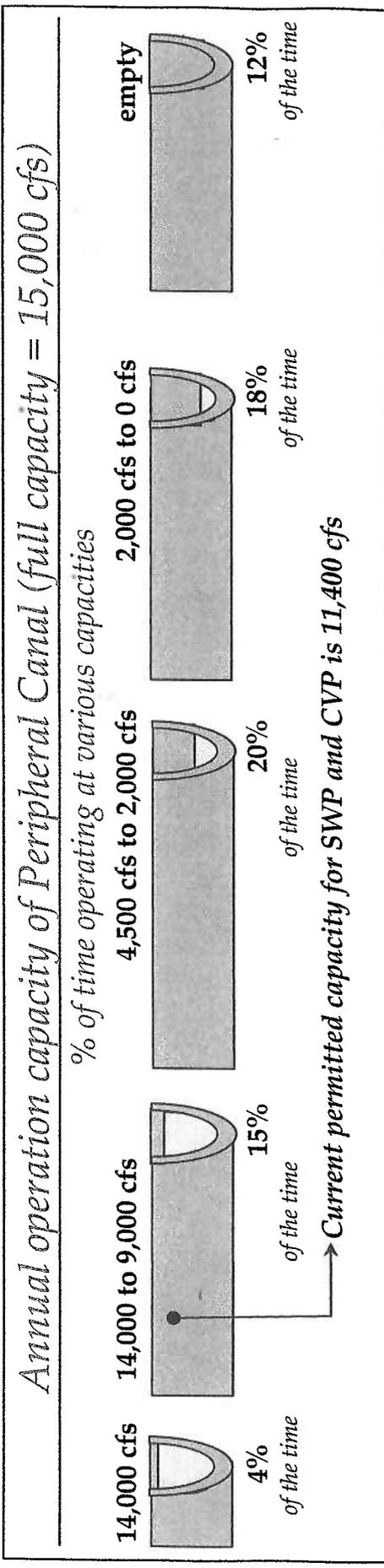


Hydrological Conditions

In the driest years, most of the water must come from the south Delta (same as now) because there is so little water in the Sacramento River

Note: DFG recommended High Bypass flows not yet considered

**A Peripheral Canal is largely unused:  
 Half the time, the canal carries less than 4,500 cfs!  
 12% of the time it is empty!**



## PC Cost Estimates are Low

DWR's \$4.2 billion estimate in 2007 *dollars* for earth canal left out many needed features. MWD's estimate of \$5.1 billion (2007 *dollars*!) is really \$8.4 billion at mid-point of construction (the true cost). But that still does not include:

- Seismic safety so it can be repaired after earthquake
- Costs for land severance
- Repairing drainage and irrigation on the islands it crosses
- Costs for island levee upgrades to protect canal
- Actual costs in 2020 *dollars* will be closer to \$10 to \$12 billion

