

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING  
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**WEDNESDAY**  
**August 6, 2014**  
**3:30 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF MAY 7, 2014 AND JUNE 4, 2014
5. PRESENTATION OF RESOLUTION RECOGNIZING THE OTAY WATER DISTRICT'S DESIGNATION AS A *DISTRICT OF DISTINCTION* (LEE HERNANDEZ OF ASSEMBLYMEMBER SHIRLEY WEBER'S OFFICE AND GAIL RAMER OF ASSEMBLYMEMBER BRIAN JONES' OFFICE)
6. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

**CONSENT CALENDAR**

7. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
  - a) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO TEGILE INC. IN THE AMOUNT OF \$155,479.60 FOR THE PURCHASE OF TWO (2) ENTERPRISE STORAGE AREA NETWORK (SAN) DEVICES AND SERVICES

ACTION ITEMS

8. ADMINISTRATION, FINANCE AND INFORMATION TECHNOLOGY
  - a) ADOPT RESOLUTION NO. 4239 TO DECLARE A WATER SHORTAGE RESPONSE LEVEL 2 – SUPPLY ALERT CONDITION THAT CALLS FOR MANDATORY CONSERVATION MEASURES; AND ADOPT ORDINANCE NO. 546 AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM, OF THE DISTRICT’S CODE OF ORDINANCES AND AUTHORIZE THE GENERAL MANAGER TO APPOINT A DESIGN-EE TO ADMINISTER THE REQUIREMENTS OF THE PROGRAM (CAR- EY)
9. BOARD
  - a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

REPORTS

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

RECESS TO CLOSED SESSION

13. CLOSED SESSION
  - a) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE §54957.6]  
  
AGENCY DESIGNATED REPRESENTATIVES: PRESIDENT LOPEZ  
AND DIRECTOR  
THOMPSON  
  
EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT EMPLOYEES’  
ASSOCIATION  
  
AND  
  
ALL REPRESENTED AND UNREPRESENTED PERSONNEL INCLUD-  
ING MANAGEMENT AND CONFIDENTIAL EMPLOYEES



# AGENDA ITEM 4

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT May 7, 2014

1. The meeting was called to order by President Lopez at 3:40 p.m.

2. ROLL CALL

Directors Present: Gonzalez, Lopez, Robak and Thompson

Directors Absent: Croucher (Work Commitment)

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

Ayes: Directors Gonzalez, Lopez, Robak and Thompson

Noes: None

Abstain: None

Absent: Director Croucher

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF APRIL 8, 2014

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

Ayes: Directors Lopez and Robak

Noes: None

Abstain: Directors Gonzalez and Thompson

Absent: Director Croucher

Directors Gonzalez and Thompson indicated that they did not attend the April 8, 2014 board meeting and wished to abstain. The minutes will be presented for consideration at the next regular board meeting scheduled on June 4, 2014.

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

No one wished to be heard.

#### CONSENT CALENDAR

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

Director Thompson pulled items 6a, APPROVE AN AGREEMENT WITH KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM JULY 1, 2014 THROUGH JUNE 30, 2015; 6b, AWARD A PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT TO RICK ENGINEERING COMPANY FOR THE DESIGN AND CONSTRUCTION SUPPORT OF THE CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$805,705; and 6d, RECEIVE THE DISTRICT'S INVESTMENT POLICY, BOARD OF DIRECTORS POLICY NO. 27, FOR REVIEW AND ADOPT RESOLUTION NO. 4233 REDELEGATING AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION 53607; for discussion.

Director Robak pulled item 6e, APPROVE THE UPDATED WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED JANUARY 2014 FOR THE OTAY RANCH RESORT VILLAGE PROJECT AS REQUIRED BY SENATE BILLS 610 AND 221; for discussion.

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

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

to approve the following consent calendar items:

- c) DECLARE A LIST OF IDENTIFIED VEHICLES AND EQUIPMENT AS SURPLUS TO THE DISTRICT'S NEEDS
- f) REAFFIRM RESOLUTION OF INTENTION, NOS. 4219 AND 4220, INITIATING THE PROCESS FOR THE EXCLUSION OF PARCELS WITHIN IMPROVEMENT DISTRICT'S (IDs) 19 AND 25 AND ALSO AMEND THESE RESOLUTIONS TO REVISE THE DATE OF THE

PUBLIC HEARING TO JUNE 4, 2014, TO RECEIVE PUBLIC COMMENTS REGARDING THE DISTRICT'S INTENTION TO ANNEX THE EXCLUDED PARCELS IN IDs 19 AND 25 INTO IDs 22 AND 20, RESPECTFULLY

President Lopez presented item 6a for discussion:

- a) APPROVE AN AGREEMENT WITH KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM JULY 1, 2014 THROUGH JUNE 30, 2015

Director Thompson waived staff's presentation and commented that he wished to have a general idea of where the District's vendors are located; if local firms or firms from other regions were submitting bid proposals for District projects. He requested, for future staff reports, that staff indicate if firms are local or not. Utility Services Manager Jose Martinez stated that all the firms who submitted bid proposals for this specific project were local firms.

Director Thompson inquired how the weighting is determined in the scoring of the bids. Utility Services Manager Martinez referenced Attachment B to staffs' report and indicated that the weighted scores are based on the frequency that the District requires a particular type of service performed (i.e., Asphalt Paving 0" to 6", Satin Seal, etc.). Based on how often the District utilizes a particular service, a weighted value of 1 to 10 is assigned to the various services with 10 being the most often and 1 the least often. Mr. Martinez noted that the weights and scores result in the lowest bid which is equivalent to the lowest cost.

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

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

to approve staffs' recommendation.

President Lopez presented item 6b for discussion:

- b) AWARD A PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT TO RICK ENGINEERING COMPANY FOR THE DESIGN AND CONSTRUCTION SUPPORT OF THE CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$805,705

Director Thompson waived staff's presentation and inquired if there was a change of services that influenced Rick Engineering's fee decrease of approximately \$180,000 from its original bid. Engineering Manager Bob

Kennedy stated no, there was no change in service. At Director Thompson's request, Engineering Manager Kennedy explained the District's Request for Proposal (RFP) selection process. He stated that after staff evaluates and scores all written proposals and interviews candidates, they open bid proposals that are submitted separately from RFPs. After determining that Rick Engineering had the highest score for their services, the District was able to negotiate fees with Rick Engineering that resulted in a fee decrease of approximately \$180,000. It was noted that the selection of a vendor in a RFP process is not based on the lowest bidder. Engineering Manager Kennedy stated that the District selects a vendor based on their extensive and direct experience in the project area, comprehensive understanding of the scope of work, proposed method to accomplish the work, and best overall value.

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

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

to approve staffs' recommendation.

- d) RECEIVE THE DISTRICT'S INVESTMENT POLICY, BOARD OF DIRECTORS POLICY NO. 27, FOR REVIEW AND ADOPT RESOLUTION NO. 4233 REDELEGATING AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICE IN ACCORDANCE WITH GOVERNMENT CODE SECTION 53607

Director Thompson inquired regarding the difference between eligible investments for Indenture versus the District's policy. He asked if an Indenture gives authorization for an investment that is not consistent with the District's policy, does it require the District to potentially amend its policy. He also noted that the District has delegated investments to a Trustee and inquired if the Trustee can invest those funds.

Finance Manager Kevin Koeppen indicated that the Trustee makes investments under the direction and authorization of the District. Historically the District has invested in relation to the policy and not necessarily the indenture. The investment decisions for those funds have been policy based.

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

Ayes: Directors Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None

Absent: Director Croucher

to approve staffs' recommendation.

- e) APPROVE THE UPDATED WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED JANUARY 2014 FOR THE OTAY RANCH RESORT VILLAGE PROJECT AS REQUIRED BY SENATE BILLS 610 AND 221

In response to a question from Director Robak, Environmental Specialist Lisa Coburn-Boyd stated that recycled water will not be used for the Otay Ranch Resort Village Project. General Manager Watton stated that District staff has tried to advocate for recycled water for the Project and believes that the city of San Diego should be able to provide recycled water since it has an urban interceptor near the project area that surrounds the lake to catch run-off flows from the development. However, the city of San Diego removed the recycled water service from the project plans because the City was concerned about salt loading from the project area into the Otay Reservoir. The city of San Diego believes this problem would be exacerbated by the proposed use of recycled water to irrigate landscaping in the project area.

Director Thompson inquired if the city of San Diego has adequately looked at any mitigation or studies to possibly consider providing recycled water to the project area. He suggested that the District continue to advocate for recycled water and request that the city of San Diego look into all mitigation measures that are available. He believes that recycled water should be available as it is anticipated that the development will expand in this area in the future.

General Manager Watton stated that there is a plan to provide recycled water to the area in the future, which is tributary to the city of San Diego's Metro sewer. The Metro sewer includes a plan to provide water reuse and indirect potable reuse water that involves the Southbay plant. Eventually, it is contemplated that the Southbay will have indirect potable reuse (15 mgd). General Manager Watton believes that economically, placing a separate small plant near the Otay Ranch Resort Village Project does not make sense as a larger plant will be available in the future.

In response to a question from General Manager Watton, Engineering Manager Bob Kennedy stated that currently, the District has a permit with the Regional Quality Control Board (RQWCB) that allows it to use recycled water from a hydrological unit. This development is not within the District's permit and would have to modify our regional permit to allow the District to use recycled water from the hydrological unit. The RQWCB will defer to the city of San Diego to allow that change, but the city of San Diego has indicated that they would not allow any users in the basin to utilize recycled water. Engineering Manager Kennedy also indicated that the city of San Diego would not issue a permit for the District's easement allowing the District to construct a recycled water pipeline. It was noted that the city of San Diego already has water quality problems in the basin

and plans to install a demand at the Regional South Bay Reclamation Facility to remove salt from recycled water because it already exceeds the limited standards.

General Manager Watton indicated that the District requested from the developer a letter stating that the city of San Diego was opposed to recycled water for the Project. This letter, which is attached to the staff report, is intended to be used during the District's discussions with the city of San Diego as it negotiates the amount of recycled water it is obligated to purchase from the City.

Director Robak indicated that he supports the project but recommended to table the Water Supply Assessment and Verification Report (WSA&V) until the city of San Diego provides a solution to the recycled water issues. He believes that it is important to advocate for recycled water for the subject area, especially during a time when the state is experiencing drought issues. He stated that it would be beneficial to everyone, not just for this Project alone, to establish recycled water for the area.

Director Thompson stated that tabling the WSA&V Report is not an appropriate action since staff already made a determination that there is sufficient potable water supply for the project. However, he believes that the District should request that staff look at the recycled water issues and research solutions to the problems.

Engineering Manager Kennedy stated that Senate Bills 610 and 221 does mandate the District to prepare a WSA&V Report to be included in the California Environmental Quality Act (CEQA) environmental documentation within 90 days of the City's and County's request. Mr. Kennedy noted that May 8, 2014 was the deadline to respond to the agencies.

Mr. Sean Kilkenny from Otay Ranch New Homes addressed the board with an update of the project's progress. He reported that his firm submitted its fifth screen check Environmental Impact Report (EIR) to the city of San Diego and expects to receive comments in approximately 2-3 weeks. After the EIR is completed, the firm will update technical reports and schedule a public review in September 2014, and then a 45-day public review will follow in October 2014. It is anticipated that the planning commissioner and the Board of Supervisors will have a final review late next year in 2015. Mr. Kilkenny clarified that the previous WSA&V was approved for potable water with a footnote indicating that the developer will continue to work with the city of San Diego to try and obtain recycled water. He noted that the city of San Diego required the developer to research the environmental impacts (i.e. nitrate and phosphate levels) on the overall quality of the water when using potable water for the project. He deferred to Mr. Scott Molloy to provide additional information regarding the results of the environmental impacts from the Project.

Mr. Scott Molloy from Baldwin and Sons, Inc. stated that the environmental impact report showed that over time there would be a salt increase using potable

water in the reservoir. He stated that the salt level is already above the city of San Diego's standard for TMDL, and believes that this is why the City is concerned about using recycled water for the project.

General Manager Watton stated that the overall picture shows a sufficient amount of potable water supply for the Project. The District can go to the Regional Quality Water Control Board and advocate for recycled water, but the city of San Diego will be opposed to it because of all of its documented reasons which includes the reservoir being classified as an impaired body of water.

In response to a question from Director Thompson, General Manager Mark Watton stated it is anticipated that the Rosarito Desalination Project will supply water to the Otay Mesa Area, which includes this Project.

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

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

to approve staffs' recommendation.

## ACTION ITEMS

### 8. BOARD

#### a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

## REPORTS

### 9. GENERAL MANAGER'S REPORT

General Manager Watton presented a letter to the board from the District's auditor, Teaman, Ramirez & Smith, Inc. (TRS), that provided information on the firm's responsibility under the *U.S. Generally Accepted Auditing Standards and Government Auditing Standards*. Also provided to the board was a copy of the Federal Register Notice dated, May 1, 2014, that included a Notice of Receipt of an Application by Otay Water District requesting the issuance of a Presidential Permit authorizing the construction, connection, operation, and maintenance of a cross-border pipeline facility for the importation of desalinated water on the border of the United States and Mexico. General Manager Watton indicated that the State Department has been contacted by environmental groups with questions about the desalination project. He stated that he believes that the

project is getting interest because of its publication in the Federal Register Notice.

He then presented information from his report which included the District's Employee Picnic and Holiday Dinner, the hiring of a Purchasing & Facilities Manager and an Information Technology Manager, NIMS/SEMS/ICS Program Review/Training, Water and Sewer Capacity and Annexation Fee Study, MWD's increase of the turfgrass removal incentive, and the Best in District Landscape Contest winners George and Donna McWalter of Spring Valley who reside in Director Croucher's division.

### SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that CWA's board had voted to delay the vote on a policy that would delineate how the Carlsbad Desalination Project would be included in CWA's water rate. He reported that CWA will soon be considering an item on pump/storage which he believes will be complicated because of the indirect potable reuse (IPR) and the studies related to IPR. Mr. Watton stated that the District was advocating that the pump/storage item be postponed until the District had a better handle on IPR and the kind of studies that are needed for the lake in San Vicente. He believes that the city of San Diego and CWA are working together on a protocol, but at this time there is no agreement between the two on how the pump/storage project will move forward. Mr. Watton reported that CWA will be considering its budget soon and indicated that the District's Chief Financial Officer has met with CWA's financial staff to get a better understanding of what to anticipate with CWA's proposed rates. District staff will provide more information on CWA's proposed rates at the May 19, 2014 Budget Workshop.

#### 10. DIRECTORS' REPORTS/REQUESTS

Director Robak shared that he attended the Spring Garden Festival at the Water Conservation Garden this past Saturday and stated that he plans to establish a garden at his home with the help of a professional landscape consultant. He also shared his thoughts about the recycled water issue in the south bay area and stated that he is very empathetic to the ongoing drought issues. He believes that recycled water is very important to pursue considering the magnitude of the impact on the drought that the State is experiencing.

Director Thompson reported that he attended the City of Chula Vista Community Forum on water conditions and acknowledged Councilmember Mary Salas' attendance at the Forum. He stated that he was impressed with the number of attendees at the meeting. He indicated they discussed the drought and the state of water in the South Bay. He commended Communications Officer Armando Buelna on the good job he did on presenting the District's plans to deal with future water supplies, which included information on the District's desalination project.

Director Thompson also reported that he, President Lopez, and General Manager Watton met to discuss the renewal of the District's contract with the Water Conservation Garden and assigning an alternate on the Garden's board. He would like the District to continue maintaining a good relationship with the Garden.

Director Gonzalez shared that he participated as a judge in a WaterReuse Association Science and Engineering Contest where high school students presented their projects. He was impressed with the intelligence of the students and stated that there were projects presented on desalination and some comparing different types of laundry detergents which are harmless when mixed into water. The water can then be reused to water plants/landscapes. He stated that he enjoyed participating in the event and believes that it is important to educate the younger generation about drought and how to reuse water.

Director Gonzalez also reported that there was work being done near the Eastlake Clubhouse in Chula Vista and complimented the District's traffic crew for doing a great job in directing traffic in the area.

Director Gonzalez also shared that he attended the City of Chula Vista Community Forum for water awareness and stated that there was a good turnout. He also shared that the City of Chula Vista will be holding its Annual Lemon Festival and noted that participating in the City's events is a great way to keep up with what's going on in the community.

Director Thompson indicated that there will be a class at Southwestern College called California Friendly Landscape sponsored by the County Water Authority. He requested that this information be posted on the District's website. District Secretary Susan Cruz stated that information concerning the class is currently not available, but will be provided on the District's website once a class is scheduled and information is available.

## 11. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of April 2014 (a list of meetings he attended is attached). He highlighted with regard to a meeting of the Water Conservation Garden Outreach Committee that the Committee is considering recruiting more agency members, increasing community outreach, and obtaining more funding for the Garden. He also shared that he met with the new CESPT Director Alfonso Alvarez Juan along with District staff and they discussed the Rosarito Desalination Project and CESPT's process for transporting water. He also reported that at the next Metro Wastewater JPA meeting, there are plans to discuss the demineralization plant in the South Bay area.

## 12. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 4:47 p.m.

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President

ATTEST:

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District Secretary

**President's Report  
May 7, 2014 Board Meeting**

**A) Meetings attended during the Month of April 2014:**

- 1) **April 8: Attended the District's Regular Board Meeting**
- 2) **April 14: Attended a Meeting to Discuss the Water Conservation Garden.** Attendees: Director Thompson and General Manager Watton
- 3) **April 15: Attended a meeting of the Ad Hoc Employee Negotiations Committee.** Discussed negotiations matters.
- 4) **April 16: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the April Committee meetings.
- 5) **April 21: Met with Diputado Jaime Bonilla of Mexico.** Discussed issues related to the Rosarito Desalination Project. Attendees: General Manager Watton
- 6) **April 22: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the May board meeting.
- 7) **April 25: Met with new CESPT Director Alfonso Alvarez Juan.** Attendees: General Manager Watton, Chief of Engineering Posada, Chief of Operations Porras and the District's Binational Consultant Hector Mares
- 8) **April 28: Attended the Water Conservation Garden Outreach Committee Meeting.**
- 9) **April 29: City of Chula Vista Community Forum on Water Conditions in the City of Chula Vista.** Attendees: Directors Thompson and Gonzalez, General Manager Watton and Communications Officer Buelna
- 10) **April 30: Attended the Metro Commission's Finance Committee**  
(see attached copy of agenda)

# AGENDA ITEM 4

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT June 4, 2014

1. The meeting was called to order by President Lopez at 3:35 p.m.

2. ROLL CALL

Directors Present: Croucher, Gonzalez, Lopez, Robak and Thompson

Directors Absent: None

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson

Noes: None

Abstain: None

Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF APRIL 8, 2014

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

Ayes: Directors Croucher, Gonzalez, Lopez and Robak

Noes: None

Abstain: Director Thompson

Absent: None

to approve the minutes of the regular meeting of April 8, 2014.

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

Mr. Gary Breton, a Chula Vista resident, addressed the board to share his thoughts with regard to preparing for the future. He stated that as water rationing begins in greater depth, he believes that customers will conserve water by not watering their lawns which will result in neighborhoods looking bad. He recommended that the board consider a rebate incentive for artificial turf/grass for yards to help customers conserve water and improve the image of their yards. He would like the board to come up with a strategy that would help customers save money while prices continue to increase, not only with water, but also with gas and oil.

General Manager Mark Watton referred Mr. Breton to the District's Senior Water Conservation Specialist, Mr. Richard Namba, to discuss the different incentives that are available through the District's water conservation programs for conserving water in the garden.

Mr. Namba stated that the Metropolitan Water District (MWD) currently has a \$1 square-foot rebate for artificial turf and indicated that Otay Water District's customers are eligible for this rebate program which is retroactive on a fiscal year basis.

Director Gonzalez indicated that the San Diego County Water Authority (CWA) provides a rebate program for drought-tolerant plants and hardscapes.

Director Croucher stated that as rebate programs evolve, the key is to provide accurate information to customers so they can take advantage of the programs and the monies the District invests in the programs. He indicated that the District's newsletter is a good tool to reach out to our customers to provide information on the incentives and rebate programs, conservation classes, etc. and that it is important to continue reaching out to customers to let them know about the programs.

PUBLIC HEARING

7. PUBLIC HEARING ON IMPROVEMENT DISTRICT CONSOLIDATIONS

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER THE PROPOSED EXCLUSION OF PARCELS WITHIN IMPROVEMENT DISTRICTS (IDs) 19 AND 25 AND THE ANNEXATION OF THESE EXCLUDED PARCELS INTO IDs 22 AND 20, RESPECTIVELY. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE PROPOSED EXCLUSIONS AND ANNEXATIONS

- a) ADOPT RESOLUTION NOS. 4224 AND 4225, TO COMPLETE THE EXCLUSION OF PARCELS WITHIN IMPROVEMENT DISTRICTS (IDs)

19 AND 25; AND ADOPT RESOLUTION NOS. 4226 AND 4227 TO COMPLETE THE PROCESS FOR THE ANNEXATION OF THE EXCLUDED PARCELS IN IDs 19 AND 25 INTO IDs 22 AND 20, RESPECTIVELY

Chief Financial Officer Joe Beachem stated that the District is looking to implement simplifications by excluding parcels in Improvement Districts (IDs) 19 and 25 and annexing the excluded parcels into IDs 22 and 20, respectively. He indicated that this action will eliminate the complexity of tracking funds in the excluded IDs and noted that the fees and rates are unchanged; this would be a neutral action. Mr. Beachem explained the public hearing requirements which included publishing public hearing notices and holding a hearing at the board meeting to receive the publics' comments. He stated that upon approval of the resolutions by the board, the District would send them to the County of San Diego and the State Board of Equalization to finalize this action.

General Counsel Daniel Shinoff stated that the board will open a public hearing to consider adopting Resolutions Nos. 4224 and 4225, to complete the exclusion of parcels within Improvement Districts (IDs) 19 and 25; and adopt Resolution Nos. 4226 and 4227 to complete the process for the annexation of the excluded parcels in IDs 19 and 25 into IDs 22 and 20, respectively.

President Lopez opened the public hearing at 3:47 pm.

With no one from the public wishing to make comments, President Lopez closed the public hearing at 3:48 pm.

In response to a question from Director Robak, Chief of Operations Pedro Porras stated that the excluded parcels are in the central area of the District and indicated that ID 19 was previously an old connection near Bonita.

Upon a motion by Director Croucher, seconded by Director Robak and carried with the following vote:

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

to approve staffs' recommendation.

CONSENT CALENDAR

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

Director Robak pulled item 7b, APPROVE INFORMATION TECHNOLOGY CONTRACTS FOR PHONE SERVICES AND SOFTWARE AND SUPPORT AGREEMENTS FOR FISCAL YEAR 2015, for discussion.

Upon a motion by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

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

to approve the following consent calendar item:

- a) ADOPT RESOLUTION NO. 4234 TO AMEND POLICY NO. 6, THE ANNUAL CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT, OF THE DISTRICT'S CODE OF ORDINANCES

President Lopez presented item 7b for discussion:

- b) APPROVE INFORMATION TECHNOLOGY CONTRACTS FOR PHONE SERVICES AND SOFTWARE AND SUPPORT AGREEMENTS FOR FISCAL YEAR 2015

The board waived staff presentation.

In response to an inquiry from Director Robak, Acting Assistant Chief of Administration and Information Technology Adolfo Segura stated that the pricing for the Eden Tyler Technologies and the ESRI agreements will remain the same. He indicated that the District is still in the process of auditing the AT&T agreement and will be renegotiating the contract. Staff anticipates that the pricing will go down and indicated that the agreements have a provision that allows termination with 30 days' notice if necessary

Upon a motion by Director Croucher, seconded by Director Robak and carried with the following vote:

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

to approve staffs' recommendation.

## ACTION ITEMS

### 9. BOARD

a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

President Lopez indicated that he will not be able to attend the July 2, 2014 board meeting and stated that Vice President Gonzalez will preside during the meeting.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report which included AB 218 Legislation which prohibits employers from inquiring about criminal conviction information until it is established the candidate meets minimum qualifications, multi-agency purchase of US Geological Survey (USGS) Ortho Photos which Otay will take the lead role and coordinate this year's joint agreement efforts with other agencies, Agreement with Mexico for Emergency Deliveries to Tijuana, MWD ramping up its call for conservation, and the Rosarito Desalination Project. Mr. Watton stated that District staff met with officials from the California Department of Public Health (CDPH) on May 7<sup>th</sup> to discuss the regulations they will require for the desalinated water from the Rosarito project. He indicated that a Desalination Project Committee meeting is scheduled on June 24<sup>th</sup> where staff will provide an update on the Rosarito Project for the committee members. He noted that NSC Agua closed escrow on May 15<sup>th</sup> on a 50-acre parcel of land for the project. Mr. Watton stated that he believes this is an important milestone as it shows the firm's commitment to the desalination project. He also noted that CESPT had a change in their administration and that District staff is having reciprocal meetings to get an update and establish new relationships. Mr. Watton also discussed Water Operations and indicated that total water sales increased about 6%.

Director Robak discussed MWD Turfgrass Removal Incentive and indicated that it increased to \$3.50/sq.ft., retroactive to May 14, 2014. The rebate is available to District and County Water Authority (CWA) customers.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that the snow pack and Colorado River are doing much better this year, which is good news as it helps with drought conditions though it will not suspend the drought. He discussed the Delta Pulse Flows to the Colorado River to determine the environmental impacts to the Colorado River. He also discussed the Carlsbad Desalination Project and indicated that it was ahead of schedule and on budget. He stated that the MWD lawsuit continues to be a large issue and CWA is prevailing in regard to establishing that MWD's rates are inappropriate and illegal. CWA is anticipating that there will be additional challenges and appeals and is prepared to respond. They also recognize the need to educate the public on the issues of the lawsuit and have set aside \$650,000 for public outreach. To assist with the outreach, CWA plans to fill a new and a vacant position and obtain contract help. CWA will handle all

public outreach regarding the lawsuit to assure the message is consistent to the public. He lastly noted that he will be attending the Legislative event in Sacramento on June 18, 2014.

#### 11. DIRECTORS' REPORTS/REQUESTS

Director Robak commented that though the Colorado snowpack is doing well, the Sierra snowpack is at 97% below average. He also shared that the Local Agency Formation Commission (LAFCO) has posted an update on their website regarding the Consolidation of Fallbrook and Rainbow Municipal Water Districts and indicated that LAFCO is currently seeking public comments. Director Robak also shared information about a video called "Drinkable Book." The book's pages are impregnated with filters that can remove 99.9% of bacteria in water and make it drinkable.

Director Croucher indicated that for the past two months, in lieu of having hard copies, the District's board members have been using iPads to view their committee and board packet agendas (paperless). He noted that utilizing this technology has increased efficiency and saved the District money.

Director Thompson added, with regard to Director Croucher's comments, the iPads made financial sense and was driven by functionality, time savings of staff (enhanced efficiency), and keeping overall costs down. He also shared, as the District's alternate representative to the Water Conservation Garden (WCG) board and on behalf of Director Croucher, he presented the District's Water Conservation Landscape Award to the winner from the Otay WD service area. The winner resides in Director Croucher's division.

Director Gonzalez shared that he installed artificial grass in his front yard a couple years ago and plans to install more in his backyard in the future.

#### 12. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of May 2014 (a list of meetings he attended is attached). He thanked staff for their efforts on the Budget Workshop that was held on May 19, 2014.

Director Gonzalez commented that as he was driving up to Calexico, he noticed that many farmers are converting their land to solar sites. He stated that this indicates that it is likely much of the land will no longer be farmed due to the drought and farmers are moving to producing solar energy now.

#### 13. CLOSED SESSION

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

- a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
[GOVERNMENT CODE §54956.9]

PATRICIA MOSS v. OTAY WATER DISTRICT, et. al.; CASE NO. 37-2014-00005818-CU-OE-CTL

- b) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE §54957.6]

AGENCY DESIGNATED REPRESENTATIVES: PRESIDENT  
LOPEZ AND DIRECTOR THOMPSON

EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT  
EMPLOYEES' ASSOCIATION

AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL  
INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

The board reconvened at 6:55 p.m. and General Counsel Shinoff reported that the board met in closed session and took no reportable actions.

14. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:55 p.m.

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President

ATTEST:

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District Secretary

**President's Report**  
**June 4, 2014 Board Meeting**

**A) Meetings attended during the Month of May 2014:**

- 1) **May 1: Attended a meeting of the Metro Commission** (see attached agenda)
- 2) **May 4: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the May Board Meeting.
- 3) **May 7: Attended the District's Regular Board Meeting**
- 4) **May 15:**
  - a. **Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the May FA&C Committee meeting.
  - b. **Attended the Legal Closing Event for the Rosarito Desalination Project.** The event celebrated the acquisition of the property for the desalination project.
- 5) **May 19: Special Board Meeting.** The board reviewed and approved the FY 2015 Budget.
- 6) **May 21: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the June board meeting.
- 7) **May 29: Attended the District's Ad Hoc Employee Negotiations Committee.** Reviewed, discussed, and made recommendation on negotiation matters that will be presented at the June board meeting closed session.
- 8) **May 30: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the June Board Meeting.



# AGENDA ITEM 7a

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2014
		W.O./G.F. NO:	DIV. NO. ALL
SUBMITTED BY:	Michael Kerr, Information Technology Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Assistant Chief, Admin/IT Services <input checked="" type="checkbox"/> Geoff Stevens, Chief Information Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	REPLACEMENT OF NETWORK STORAGE EQUIPMENT AND SERVICES		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board approve the issuance of a purchase order to Tegile Inc. in the amount of \$155,479.60 for purchase of two (2) enterprise storage area network (SAN) devices and services.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To authorize the purchase of replacement of storage devices and services.

### **ANALYSIS:**

The District's enterprise storage area network (SAN) equipment is the business critical day-to-day data storage repository for all electronic files, applications and enterprise server operating systems. Data services that are dependent of this storage equipment include Microsoft Office documents, Server Operating Systems, Eden Financial System, Geographic Information System (GIS), SQL databases, Voice/Phone System, Records and Video archives, Data Recovery and Server Virtualization Technology.

The District's current SAN equipment is over six (6) years old. Storage operation and industry best practices recommend SAN equipment upgrade/replacement and supporting hardware every three to five years. Also, given the lifecycle stage of our SAN equipment, the

risk of hardware failure increases. Replacement of this equipment will continue to support and improve enterprise application performance, reliability, sustain data growth needs and leverage the District's recent Cisco network infrastructure upgrade.

Current SAN storage equipment lacks functionality and features that would make the system more efficient and reliable. Operation and functional improvements of the new SAN equipment include: performance monitoring/reporting and administration features; server operating system and virtualization interoperability; and cloning, mirroring and snapshot features. The latter mentioned features allow for point-in-time instant backup and recovery, ability to quickly create virtual operating server environments to test, validate and minimize potential issues prior to go-live or production state, preservation lifecycle or retention cycle policies, and real-time mirroring from SAN to SAN and cloud services to meet disaster recovery objectives. The requested SAN equipment will be operated and maintained by existing staff.

Finally, IT staff evaluated SAN technology from the following vendors: Netapp, Dell, Compellent, Nimble, EMC and Tegile. Selection of Tegile was based on technology fit, low administration overhead, positive client references and lowest cost.

The 2012 - 2014 Strategic Plan identified the need to "Improve the operating cost and efficiency of data center and network services" (3.1.2.10); in order to achieve this objective, staff conducted an extensive analysis of current and future storage requirements and developed a list of specifications. Staff solicited quotes from three (3) vendors for the required equipment and services and only received one (1) qualified quote from Tegile, Inc., in the amount of \$155,479.60. The other vendors, Groupware Technology and 1903, Inc. respectively, did not meet the features that the District was seeking. In addition, Tegile, Inc.'s bid was substantially lower than the quotes offered by the competing vendors. Groupware Technology was quoted at \$261,968.89 and 1903, Inc. was quoted at \$262,414.00.

**FISCAL IMPACT:  Joe Beachem, Chief Financial Officer**

The approved capital budget is \$175,000 for FY15 for CIP P2469 Information Technology Network and Hardware. There are no current expenditures dispersed for this CIP to date, leaving an available balance of \$175,000. This expenditure of \$155,479.60 will leave a remaining balance of \$19,520.40 in CIP P2469. The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project. Finance has determined that 60% of the funding is available from the Expansion Fund and 40% from the Replacement Fund. Replacing the existing SAN equipment will result

in a decrease of approximately \$10,000 in hardware maintenance expenses beginning in FY16.

**STRATEGIC GOAL:**

This project will, in part, achieve the strategic objective "Improve the operating cost and efficiency of data center and network services" (3.1.2.10).

**LEGAL IMPACT:**

None.

**ATTACHMENTS:**

Attachment A - Committee Action Report



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	REPLACEMENT OF NETWORK STORAGE EQUIPMENT AND SERVICES
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on July 22, 2014 and the following comments were made:

- Staff is recommending that the Board approve the issuance of a purchase order to Tegile Inc. in the amount of \$155,479.60 for the purchase of two (2) enterprise storage area network (SAN) devices and services.
- Staff indicated that SAN is defined as the centralized storage of business critical day-to-day electronic files, enterprise applications and server operating systems. Some of the dependent services of the District's SAN include; the Microsoft office electronic files, Eden Financial and Customer Billing System, GIS system, SQL databases and business operating systems.
- Industry standards and technology best practices recommend the upgrade or replacement of SAN equipment every 3 to 5 years. The District's SAN equipment is over 6 years old and has nearly reached its storage capacity. It was indicated that the risk of hardware failure increases as equipment continues to grow in age. In addition, the District's current SAN equipment lacks features and functionality that would make the system more efficient for the District's current and future needs. Enhancements of the new SAN equipment include:
  - Point-in-time instant backup and recovery
  - Real-time mirroring with local and cloud service storage to meet Disaster Recovery objectives
  - Cloning of server environments to test and validate new applications

- Deduplication to minimize unnecessary data replication and,
  - Compatibility with new server operating systems and virtualization technologies
- Tegile was the lowest of the three (3) solicited quotes. The second lowest bid was received from Groupware Technology with a bid of \$261,968.89 and 1903 Incorporated was third lowest at \$262,414.00.
- Prior to the selection of the Tegile technology, the District's IT team carefully conducted a thorough analysis of half a dozen targeted vendors (reference list on page 2 of staffs' report). The team based its selection on technology fit, low administration overhead, leveraging of the District's recently upgraded Cisco network and budget. This purchase will be funded through CIP 2469, Information Technology Network and Hardware (for FY 2015).
- In conjunction with the District's new Cisco Infrastructure, the proposed SAN equipment can be easily configured to replace the existing legacy SAN equipment. The new SAN equipment will provide for redundancy and storage capacity growth for the foreseeable future.
- In response to an inquiry from the committee, staff indicated that last year the District updated its switches and upgraded its entire LAN capability. The information carried over the LAN and switches will be stored on the new proposed SAN equipment. It was noted that the IT contracts are now multi-year and no longer need to be addressed every year.
- It was noted that, as part of the District's disaster recovery plan, one of the storage cabinets will be located offsite and will mirror 'realtime' the SAN system onsite. Should something happen to the system onsite, services can be routed offsite which will allow the District to continue operations.
- Staff indicated in response to another inquiry from the committee that Tegile is six (6) years old and is fairly new to the server industry, but they are a tried and proven technology. Staff found them to be the best fit and their system will require no customization to integrate into the District's system.
- Staff noted that this proposed system is modular and can be expanded. Staff expects that the proposed SAN equipment should

provide for the District's needs for three to five (3 to 5) years. Staff indicated that five (5) years is almost a lifetime for technology as it is always changing and being enhanced.

- It was indicated that there will be an additional purchase under this CIP for the server environment. This last purchase will deplete the funds left in the CIP. Staff indicated that should there be remaining funds in a CIP, the funds will go back to the overall CIP budget.

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

# AGENDA ITEM 8a



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 6, 2014
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Andrea Carey, Customer Service Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4239 to Declare a Water Shortage Response Level 2 - Supply Alert Condition and Adopt Ordinance No. 546 to Amend Section 39, Water Shortage Response Program of the District's Code of Ordinances to Authorize the General Manager to Appoint a Designee to Administer the Requirements of the Program		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board adopt Resolution No. 4239 to declare a Water Shortage Response Level 2 - Supply Alert Condition which calls for mandatory conservation measures and to adopt Ordinance No. 546 amending Section 39, Water Shortage Response Program of the District's Code of Ordinances to authorize the General Manager to appoint a designee to administer the requirements of the program.

### **COMMITTEE ACTION:**

See Attachment A.

### **PURPOSE:**

To comply with the State Water Board's emergency conservation regulations.

### **ANALYSIS:**

California is experiencing an unprecedented drought due to three years of lower than anticipated rainfall. In response, Governor Brown declared a statewide drought emergency on January 17, 2014.

On March 1<sup>st</sup> Governor Brown signed a drought relief package, SB 104, which among other things, expanded the State Water Board's authority to adopt emergency regulations in certain drought years. On July 15th the State Water Board, in response to continued drought conditions, set forth emergency conservation regulations implementing water restrictions for all Californians and mandating all urban suppliers implement their Water Shortage Plans at a level that triggers mandatory restrictions on outdoor water use.

In response to this order, staff is recommending the District declare a Water Shortage Response, Level 2: Supply Alert Condition. Moving to a Level 2 response will change all restrictions listed under the Level 1 response from voluntary to mandatory. In addition, the District will restrict outdoor landscape irrigation to no more than three days per week and no more than 15 minutes per watering station per day. Customers who have installed water efficient landscape devices will not be subject to the above time restrictions as these devices put out a lower flow of water over a longer period of time thereby preventing runoff. Customers on private wells or using recycled water are exempt from the drought restrictions.

Customers who violate the mandatory water restrictions may be assessed penalties and damages as stated in Section 72.04 of the District's Code of Ordinances. The District may terminate water service and fine customers up to \$500 for each day the violation occurs.

Staff is requesting the Board of Directors adopt Ordinance No. 546 amending Section 39 to authorize the General Manager to appoint a designee to administer the requirements of the program.

At this time, staff does not recommend implementing drought rates. Staff will be monitoring water revenue closely and should water usage drop significantly, the option of drought rate pricing will be revisited.

### **Water Supply Outlook**

With 2013 being the driest year on record statewide, the Metropolitan Water District (MWD) decided in 2014 to avoid water allocations by withdrawing from storage reserves. MWD predicts that it has adequate storage reserves to meet the projected supply gap of about 1.1 million acre-feet; however, should conditions continue, MWD may have to begin water allocations in 2015. The impact of this water shortage would be mitigated by the County Water Authority's (CWA) water supply diversification. San Diego County has invested heavily in additional storage facilities and water sources such as the Colorado River water transfers and the Carlsbad Desalination Project, which is expected to produce water as soon as the fall of 2015. Conservation practices already in place by District customers and the availability of reclaimed water has allowed the District to reduce per capita potable water use by more than 30 percent from FY 2007 to

FY 2014. However, it is unknown if additional conservation requirements will be mandated in the current drought environment. Staff is closely monitoring this situation and will be updating the Board as more information becomes available.

### **Internal Water Conservation Programs**

Staff is currently working to step up internal programs aimed at promoting water conservation. These programs include:

Leak Notification: As part of the meter reading process, any customer whose meter registers a leak alarm due to continuous usage for 21 hours out of 24, will be notified via email, phone call, or site visit. The type of notification will be dependent on various thresholds for larger than expected usage. Customers will be directed to the District's website for tips on how to check for leaks, in addition to programs offering assistance to replace or upgrade water using appliances. Site visits will allow staff to better identify the areas needing attention and pass this information along to our customers.

Bill Insert and Envelope Messaging: Staff will continue to publicize conservation through bill inserts and newsletters. In addition, staff is exploring the option of having a water conservation message printed on the bill envelope. This message will alert customers to the current level of required conservation and will be in alignment with other District and county-wide messaging.

High Usage Customers with Prior Disconnects: Staff is putting a process in place to assist customers who are high users and have been disconnected or have had multiple disconnects for non-payment within the last year. The water conservation team along with customer service will work together to direct these customers in ways they can reduce their usage and take advantage of audits offered by the District.

District Website: The District's website is being revamped to give water conservation a more prominent place. In the meantime, the home page now includes drought and rebate updates for customers. Staff is working to update the video library to make it easily accessible to customers to learn how to read their meter, check for leaks, and update available irrigation products.

Water Waste Reporting: Staff will be working to bring back the water waste tracking mechanism for customers to report water waste by category. This will ensure leaks or run-off identified by citizens in our service area are investigated and acted on promptly.

## Water Conservation Rebates and Site Visits

The following rebates and services are offered to District customers:

Site Water Audits: Otay partners with CWA to provide customers free water audits. Customers can contact the CWA's designated vendor, Mission Resources Conservation Group, to schedule a visit.

MWD Turf Removal Program: MWD provides rebates of \$2.00 per square-foot when converting existing live turf grass to a low water use alternative. This may include artificial or synthetic turf or other permeable surfaces. MWD's program includes front, side, and backyards. This can be combined with the CWA Turf Replacement Rebate.

CWA Turf Replacement Rebate Program: CWA provides rebates of \$1.50 per square-foot when replacing live irrigated grass in front yards with low water use non-invasive plants. This can be combined with the MWD Turf Removal Rebate.

Additional Rebates: The following rebates on conservation products are available:

- High Efficiency Clothes Washer - \$165.00
- High Efficiency Toilet - \$95.00
- Weather Based Irrigation Controllers - Under 1 acre is \$140.00  
Over 1 acre is \$40/station
- Rotating Nozzles - \$4/nozzle, 15 minimum
- Moisture Sensors added to Irrigation Controller - \$80.00
- Rain Barrels - \$75.00 each, 4 maximum

Staff is currently evaluating other options to augment the rebates and incentives program already in place.

**FISCAL IMPACT:**         Joe Beachem, Chief Financial Officer

The fiscal impact of additional water conservation is uncertain at this time. The program costs are likely to be neutral as staff will look to shift budgets to accommodate these costs. If water usage declines by 5%, staff expects a \$280,000 net revenue decline which could be offset by a .20 percent water rate increase. Staff will closely monitor both sales volumes and possible budget shortfalls.

**STRATEGIC GOAL:**

Actively manage water supply and demand.

**LEGAL IMPACT:**

None.

Attachments:

Attachment A - Committee Action

Attachment B - Resolution No. 4239

Attachment C - Ordinance No. 546

Exhibit 1 - Strike-through Section 39

Exhibit 2 - Proposed Section 39

Attachment D - SWRCB Resolution No. 2014-0038

Attachment E - Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adopt Resolution No. 4239 to Declare a Water Shortage Response Level 2 - Supply Alert Condition, Adopt Ordinance No. 546 to Amend Section 39, Water Shortage Response Program of the District's Code of Ordinances and to Authorize the General Manager to Appoint a Designee to Administer the Requirements of the Program
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on July 22, 2014 and the following comments were made:

- Staff is recommending that the Board adopt Resolution No. 4239 to declare a Water Shortage Response Level 2 - Supply Alert Condition which calls for mandatory conservation measures and to adopt Ordinance No. 546 amending Section 39, Water Shortage Response Program of the District's Code of Ordinances to authorize the General Manager to appoint a designee to administer the requirements of the program.
- The District is currently at a Water Shortage Response Level 1 - Drought Watch, which requests increased voluntary conservation.
- Due to three years of lower than anticipated rainfall, Governor Brown declared a statewide drought emergency on January 17, 2014. By January 30, 2014 the State snow pack level had dwindled down to 12% of normal and through May 31, 2014, statewide precipitation was 55% of average.
- In response to the continued drought conditions, on July 15, 2014 the State Water Resources Control Board (SWRCB) issued mandatory water restrictions which are expected to be effective around August 1, 2014. The mandatory restrictions are intended to reduce urban outdoor water use. There are three requirements of the regulation:
  - Restrict outdoor water use
  - Require water suppliers to activate Water Shortage Contingency Plan to a level where outdoor irrigation restrictions are mandatory

- Water suppliers with 3,000+ connections will have to submit a report by the 15<sup>th</sup> of each month detailing water used in the previous month
- In order to comply with the regulation, Otay WD will need to move to a Level 2 - Supply Alert, of the Water Shortage Response Program. It was indicated that all the restrictions listed under Level 1 become mandatory, rather than voluntary. Staff noted some of the mandatory restrictions which included:
  - Irrigate landscape before 10:00 a.m. and after 6:00 p.m. only
  - Do not wash down paved surfaces
  - Prevent water runoff or overspray
  - Use of hose only if fitted with a positive shut-off nozzle
  - Use only fountains that recirculate water
  - Limit residential and commercial irrigation to 3 days per week, 15 minutes per watering station (properties using water efficient irrigation products are exempt)
- Customers who violate the mandatory water restrictions may be assessed penalties and damages which are identified in Section 72.04 of the District's Code of Ordinances. The District may terminate water service and fine customers up to \$500 for each day the violation occurs.
- Staff is not recommending, at this time, implementing drought rates. Staff will be monitoring the budget closely and if it is necessary will address the need at the time it is required.
- MWD is not anticipating implementing allocations for 2014. It projects that they currently have adequate reserves to meet the expected 1.1 million AF supply gap. Should the drought conditions continue, MWD may move to allocations in 2015. Staff feels that there is a very strong chance they would move to allocations in 2015.
- MWD's allocations would be mitigated to Otay WD as CWA has invested heavily in diversified water supplies and additional storage facilities such as the raise of the San Vicente Reservoir, Colorado River water transfers and the Carlsbad Desalination Project. Conservation has also become a way of life in San Diego. The restrictions that are proposed are very common for Southern California residents and Otay WD's per capita water use has gone down 30% from 2007 to 2014.

- Staff will monitor closely the situation with MWD and CWA and will update the board as information become available.
- Additionally, the District is working to set up internal conservation programs, such as, leak notifications, messaging in bill inserts and envelopes, information on the District's website on how customers can check for leaks, and information on rebates. The drought information and the rebate programs can be found on the District's homepage as well.
- Staff will also be working to bring back the Water Waste Tracking Program originally implemented in 2008 during the last drought conditions. Customers were able to get on the District's website to report water waste. The system would then automatically generate letters and lists so staff could contact customers.
- Staff reviewed the various rebates available to District customers, which is listed on page 4 of the staff report.
- Staff noted that the southern part of the State is in a better situation because of the investments the region has made in water supply facilities. The northern region has not made the same investments and it is possible that they could run out of water before the end of the summer. They will require tougher measures to conserve water supplies.
- The SWRCB did enact mandatory water conservation and the San Diego region feels that it may be a little soon. However, if the drought continues, in 2015 this region may be in a situation where resources will require mandatory conservation, so it is probably prudent to go to mandatory restrictions now.
- With regard to the MWD, it is felt that if they did decide to implement 30% cutbacks, the San Diego Region would need to cutback only about 10% because of the investments it has made in water infrastructure projects. The District's customers, however, have already reduced their usage by almost 30%, so it will not be easy to get an additional 10% cutback from our customers. It is felt that it would be better for MWD to implement allocations now in smaller increments rather than implementing 30% allocations all at once later. If it rains this fall and winter, MWD can withdraw the allocations.
- It is expected that the CWA board will adopt the Water Shortage Response Level 2 - Supply Alert Condition at their meeting on July 24 (CWA did adopt a Level 2 Alert).

- In response to an inquiry from the committee, staff indicated that more information has been included on the website regarding the drought. The August customer newsletter will also include articles regarding the State action, as well as, all the various water conservation rebate programs. Staff is additionally looking into the ability to put a message on the outside of customer bills. These are just some of the ways that staff is working to increase its outreach efforts with regard to the drought.
- The District also provides residential and commercial audits to assist homeowners and businesses to enhance their water efficiency and increase conservation. This program will also be promoted in the August customer newsletter. Staff noted that CWA and MWD have been doing a lot of advertising as well.
- Additionally, to promote water efficient landscapes the District has an annual landscape contest. A link to the video of this year's winners is on the District's website to YouTube, Facebook and Twitter. The winners showcase their new water efficient landscapes and discuss the dramatic decrease in their outdoor water use.
- It was discussed that it is believed that all the local agencies will be recommending that their board move to Level 2, Mandatory Conservation. It was noted that some agencies may not take action until later in August, and possibly September, depending on the dates of their board meetings.
- In response to an inquiry from the committee, staff indicated that the District is in a good position if water sales do drop. The District has run an analysis and the rate increase would be very small (tenths of a percent) if there was a 5% decrease in sales. Staff will be monitoring the budget closely, but it is not likely that staff will be recommending drought rates.
- It was indicated by General Manager Watton that staff is proposing an additional change to Section 39.06.C of the District's Code of Ordinances, Water Shortage Response Level 3 - Supply Critical Condition, to more permissive as opposed to directive language. The language change is as follows:

(c) Upon the declaration of a Level 3 condition, the District may suspend ~~no~~ new potable water service ~~shall be provided, no new temporary meters or permanent meters shall be provided,~~ and ~~no~~ statements of immediate ability to serve or provide potable water service (such as, will serve

letters, certificates, or letters of availability) ~~shall be issued,~~ except under the following circumstances:

This change was not included in the staff report, but staff is recommending that the additional language be adopted by the board. Attached to the notes is a revised version of Ordinance No. 546 which includes the additional language for the board's consideration.

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

ORDINANCE NO. 546

AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
THE OTAY WATER DISTRICT  
AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM  
OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances Section 39, Water Shortage Response Program, be amended as per Exhibit A-1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 39, Water Shortage Response Program (Exhibit A-2), of the Code of Ordinances shall become effective August 6, 2014.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 6th day of August 2014, by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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President

ATTEST:

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District Secretary

## SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

39.02            DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03      APPLICATION

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

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

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

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

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

(f) In addition, customers are encouraged not to wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

At all times, the following practices shall be in effect:

1. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows

onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

2. Serve and refill water in restaurants and other food service establishments only upon request.
3. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
4. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager or designee.

39.04 WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH CONDITION

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

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

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

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

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

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

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

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

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2 conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

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

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by

water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY  
EMERGENCY CONDITION

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

<b>Water Shortage Response Levels</b>	<b>Use Restrictions</b>	<b>Conservation Target</b>	<b>DMP Stage</b>
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

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

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

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

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

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

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

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

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

## SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

39.02        DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03        APPLICATION

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

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

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

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

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

(f) In addition, customers are encouraged not to wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

At all times, the following practices shall be in effect:

1. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows

onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

2. Serve and refill water in restaurants and other food service establishments only upon request.
3. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
4. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager or designee.

39.04      WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH  
CONDITION

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

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

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

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

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

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

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

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

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2 conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

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

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by

water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

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

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

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

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

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

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

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

(c) Upon the declaration of a Level 3 condition, the District may suspend new potable water service and statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) except under the following circumstances:

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

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

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

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

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

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

usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY  
EMERGENCY CONDITION

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

<b>Water Shortage Response Levels</b>	<b>Use Restrictions</b>	<b>Conservation Target</b>	<b>DMP Stage</b>
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

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

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

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

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

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

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

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

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

RESOLUTION NO. 4239

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
OTAY WATER DISTRICT TO DECLARE A WATER SHORTAGE  
RESPONSE LEVEL 2 - SUPPLY ALERT CONDITION

WHEREAS, California is experiencing an unprecedented drought due to three years of lower than anticipated rainfall; and

WHEREAS, in response to the drought, Governor Brown declared a statewide drought emergency on January 17, 2014; and

WHEREAS, on March 1, 2014 Governor Brown signed a drought relief package, SB 104, which expanded the State Water Board's authority to adopt emergency regulations in certain drought conditions; and

WHEREAS, on July 15, 2014 the State Water Board, set forth emergency conservation regulations implementing water restrictions for all Californians and mandating all urban suppliers implement their Water Shortage Plans at a level that triggers mandatory restrictions on outdoor water use; and

WHEREAS, in response to this order, the Otay Water District (herein "District") is declaring a Water Shortage Response Level 2 - Supply Alert Condition which calls for mandatory conservation measures in order to comply with the State Water Board's emergency conservation regulations.

NOW, THEREFORE, the Board of Directors of the Otay Water District resolves, determines and orders that the District declare a Water Shortage Response, Level 2: Supply Alert Condition. Moving to a Level 2 response will change all restrictions listed under the Level 1 response from voluntary to mandatory. In addition, the District will restrict outdoor landscape irrigation to no more than

three days per week and no more than 15 minutes per watering station per day. Customers who have installed water efficient landscape devices will not be subject to the above irrigation restrictions.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held on this 6<sup>th</sup> day of August, 2014.

Ayes:  
Noes:  
Abstain:  
Absent:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
District Secretary

ORDINANCE NO. 546

AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
THE OTAY WATER DISTRICT  
AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM  
OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances Section 39, Water Shortage Response Program, be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 39, Water Shortage Response Program (Exhibit 2), of the Code of Ordinances shall become effective August 6, 2014.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 6th day of August 2014, by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

President

ATTEST:

---

District Secretary

## SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

39.02        DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03      APPLICATION

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

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

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

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

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

(f) In addition, customers are encouraged not to wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

At all times, the following practices shall be in effect:

1. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows

onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

2. Serve and refill water in restaurants and other food service establishments only upon request.
3. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
4. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager or designee.

39.04 WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH CONDITION

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

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

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

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

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

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

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

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

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT  
CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2 conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

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

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by

water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY  
EMERGENCY CONDITION

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

<b>Water Shortage Response Levels</b>	<b>Use Restrictions</b>	<b>Conservation Target</b>	<b>DMP Stage</b>
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

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

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

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

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

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

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

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

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

## SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

39.02        DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03      APPLICATION

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

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

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

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

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

(f) In addition, customers are encouraged not to wash down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

At all times, the following practices shall be in effect:

1. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows

onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

2. Serve and refill water in restaurants and other food service establishments only upon request.
3. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
4. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager or designee.

39.04      WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH  
CONDITION

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

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

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

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

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

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

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

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

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT  
CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2 conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

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

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by

water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY  
EMERGENCY CONDITION

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

<b>Water Shortage Response Levels</b>	<b>Use Restrictions</b>	<b>Conservation Target</b>	<b>DMP Stage</b>
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

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

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

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

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

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

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

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

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

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2014-0038**

TO ADOPT AN EMERGENCY REGULATION  
FOR STATEWIDE URBAN WATER CONSERVATION

## WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an [executive order](#) to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The executive order finds that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions continue into 2015. The [National Integrated Drought Information System](#) reported that nearly 80% of the state was reported to be under "extreme" drought conditions at the end of June;
2. The executive order refers to the [Governor's Proclamation No. 1-17-2014](#), issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State's dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California's rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent;
3. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on;
4. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";
5. Over 400,000 acres of farmland are expected to be fallowed, thousands of people may be out of work, communities risk running out of drinking water, and fish and wildlife will suffer.

6. Many Californians have taken bold steps over the years and in this year to reduce water use; nevertheless, the dire nature of the current drought requires additional conservation actions from residents and businesses. Some severely affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day, foregoing showers, laundry, toilet flushing, and all outdoor watering.
7. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required ;
8. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water;
9. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>).
10. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
11. The emergency regulations set a minimum standard requiring only modest lifestyle changes across the state. Many communities are already doing more and have been for years. They should be commended, but can and should do more. Others are not yet doing so and should at least do this, but should do much more given the severity of the drought;
12. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board's regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;
13. On April 25, 2014, the Governor suspended the California Environmental Quality Act's application to the State Water Board's adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation;
14. As discussed above, the State Water Board is adopting the emergency regulation because of emergency drought conditions, the need for prompt action, and current limitations in the existing enforcement process;

15. Disadvantaged communities may require assistance in increasing water conservation and state agencies should look for opportunities to provide assistance in promoting water conservation;
16. Nothing in the regulations or in the enforcement provisions of the regulations, preclude a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulations adopted by this resolution and local agencies retain their enforcement discretion in enforcing the regulations, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, sections 863, 864, and 865, as appended to this resolution as an emergency regulation;
2. The State Water Board staff will submit the regulation to the Office of Administrative Law (OAL) for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes;
4. These regulations shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulations due to continued drought conditions as described in Water Code section 1058.5;
5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulations and their effect;
6. Directs State Water Board staff to condition funding upon compliance with the emergency regulations, to the extent feasible;
7. Directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulations; and
8. Directs State Water Board staff in developing an electronic reporting portal to include data fields so that local agencies may provide monthly reporting data on (i) conservation-related implementation measures or enforcement actions taken by the local agency and (ii) substitution during the drought of potable water with recycled water to extend water supplies.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board commends water suppliers that have increased conservation messaging and adopted innovative strategies to enhance customer awareness of water use, such as applications that let customers compare their water use to water use by others; reduce system losses, such as fixing system leaks which can deplete supplies by 10 percent or more; and establish incentives to reduce demand, such as tiered or drought rate structures. The State Water Board also commends all Californians that have already been working to maximize their conservation efforts, both at home and at work;
10. The State Water Board calls upon water suppliers to take the following actions:

*Educate customers and employees*

- Retail water suppliers should provide notice of the regulations in English and Spanish in one or more of the following ways: newspaper advertisements, bill inserts, website homepage, social media, notices in public libraries;
- Wholesale suppliers should include reference to the regulations in their customer communications;
- All water suppliers should train personnel on the regulations;
- All water suppliers should provide signage where recycled or reclaimed water is being used for activities that the emergency regulations prohibit with the use of potable water, such as operation of fountains and other water features;
- All water suppliers should redouble their efforts to disseminate information regarding opportunities and incentives to upgrade indoor fixtures and appliances;
- All water suppliers should use education and the tools available through the Save Our Water website (<http://saveourwater.com>); and
- All water suppliers should educate and prepare their boards and councils on the drought response actions contained in the emergency regulations and in this resolution, and to make sure that drought response items are placed on agendas as early as possible;

*Increasing local supplies*

- All water suppliers should accelerate the completion of projects that will conserve potable water by making use of non-potable supplies, such as recycled water, “greywater,” and stormwater collection projects;
- All water suppliers should improve their leak reporting and response programs and request that police and fire departments and other local government personnel report leaks and water waste that they encounter during their routine duties/patrols;
- Smaller water suppliers – those with fewer than 3,000 service connections – should take proactive steps to secure their communities’ water supplies and educate their customers about water conservation and the status of their supply reserves;
- All water suppliers should conduct water loss audits and make leak detection and repair a top priority for the duration of the drought; and
- All urban water suppliers should evaluate their rate structures and begin to implement needed changes as part of planning for another dry year. Information and assistance on setting and implementing drought rates is available from the Alliance for Water Efficiency. (<http://www.allianceforwaterefficiency.org/>).

11. The State Water Board calls on all Californians to take the following additional actions:
  - Further reduce water demand, whether by using less water in daily routines indoors and out, retrofitting appliances and installing greywater and rainwater catchment systems; and
  - Check residential and business water bills to see if there are high charges that may indicate a leak and to fix the leak, if they are able, or contact their local water utility if they need assistance.
  
12. The State Water Board encourages its staff, the Department of Water Resources, the Public Utilities Commission, urban water suppliers, and other local agencies to look for opportunities to encourage and promote new technologies that reduce water usage, including through timely access to water usage information and behavioral response.
  
13. The State Water Board encourages all state and local agencies to look for additional opportunities to minimize potable water use in outdoor spaces.
  
14. The State Water Board encourages investor-owned utilities to expeditiously submit applications for implementation of the regulations to the California Public Utilities Commission.

**CERTIFICATION**

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 15, 2014.

AYE:           Chair Felicia Marcus  
                   Vice Chair Frances Spivy-Weber  
                   Board Member Steven Moore  
                   Board Member Dorene D'Adamo  
  
 NAY:           None  
  
 ABSENT:      Board Member Tam M. Doduc  
  
 ABSTAIN:     None


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 Jeanine Townsend  
 Clerk to the Board

# PROPOSED TEXT OF EMERGENCY REGULATIONS

## Article 22.5. Drought Emergency Water Conservation

### Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

### Sec. 864 Prohibited Activities in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

(b) The taking of any action prohibited in subdivision (a) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

# **PROPOSED TEXT OF EMERGENCY REGULATIONS**

## Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.

(2) As an alternative to subdivision (b)(1), an urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within thirty (30) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(d) In furtherance of the promotion of water conservation each urban water supplier shall prepare and submit to the State Water Resources Control Board by the 15<sup>th</sup> of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. Beginning October 15, 2014, the monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. In its initial monitoring report, each urban water supplier shall state the number of persons it serves.

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within thirty (30) days, take one or more of the following actions:

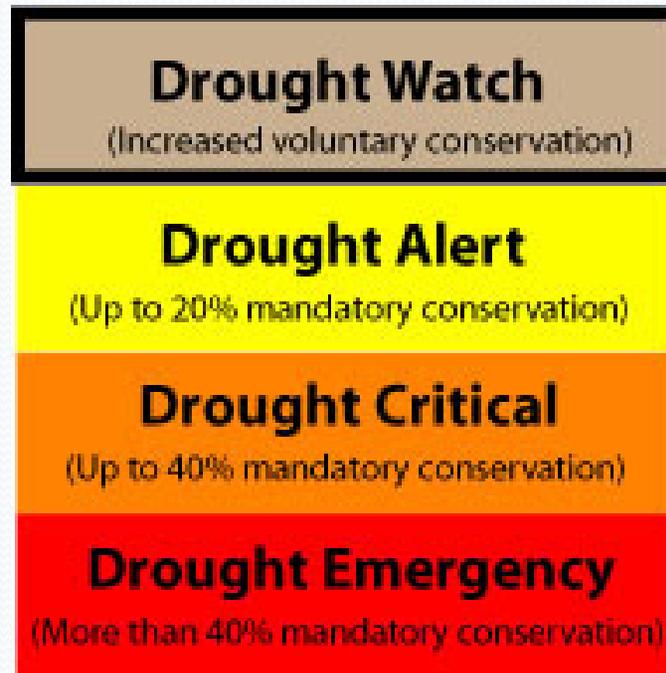
(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.

# Water Shortage Response Program



# Drought in California

- Jan. 17 - Governor Brown declares State of Emergency
- Jan. 30 - State snow pack level dwindles to 12% of normal
- May 31 – Statewide precipitation was 55 percent of average
- July 15 - State Water Resources Control Board issues mandatory water restrictions



# State Conservation Regulation

- Approved by the State Water Resources Board July 15, 2014
- Expected to be effective August 1, 2014
- Intended to reduce outdoor urban water use
- Three requirements:
  - Restrict outdoor water use
  - Require water suppliers to activate Water Shortage Contingency Plan to a level where outdoor irrigation restrictions are mandatory
  - Water suppliers with > 3,000 connections will have to submit a report by the 15<sup>th</sup> of each month detailing water used in the previous month

# OWD Level 2 Supply Alert

- Irrigate landscape before 10am and after 6pm only
- Do not wash down paved surfaces
- Prevent water runoff or overspray
- Use of hose only if fitted with a positive shut-off nozzle
- Use of only those fountains that recirculate water
- Limit residential and commercial irrigation to 3 days per week, 15 minutes per watering station
  - Properties using water efficient irrigation products are exempt

# Water Supply Outlook

- MWD does not anticipate allocations for 2014
- MWD may move to allocations in 2015
- SDCWA has invested heavily in diversified water supply and additional storage facilities
- Conservation in San Diego has become a way of life
  - Otay water use per capita has gone down 30% from 2007 to 2014

# Conservation Programs

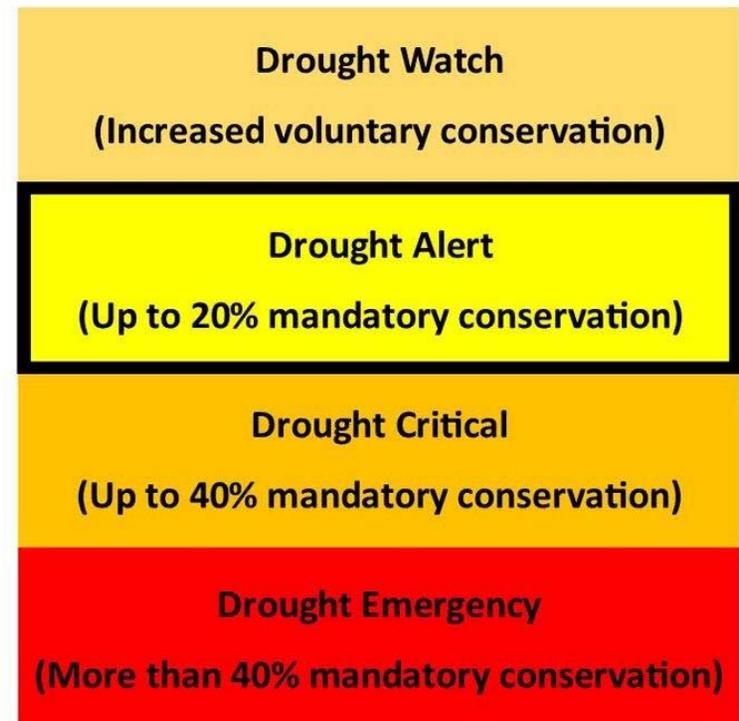
- Leak Notification – Leak alarms from AMR meters
- Bill inserts & envelope messaging
- High usage residential customers with prior disconnects
- Enhanced District website – Conservation more prominent
- Water Waste Tracking

# Rebates

- Water Smart check up – site audits
- Turf Replacement (rebates can be combined)
  - MWD= \$2.00/sq. ft.
  - CWA= \$1.50/sq. ft.
- High Efficiency Washer - \$165
- High Efficiency Toilets - \$95
- Weather Based Irrigation Controller
  - Under 1 acre = \$140 or Over 1 acre = \$40/station
- Rotating nozzles \$4/nozzle with minimum of 15
- Moisture Sensors added to irrigation controller \$80
- Rain Barrels \$75, maximum of 4

# Recommendations

- Adopt Resolution No. 4239 declaring a move to Water Shortage Response Level 2
- Adopt Ordinance No. 546 amending Section 39





**Questions?**



# AGENDA ITEM 9a

## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	August 6, 2014
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	<input checked="" type="checkbox"/> Susan Cruz, District Secretary <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Board of Directors 2014 Calendar of Meetings		

**GENERAL MANAGER'S RECOMMENDATION:**

At the request of the Board, the attached Board of Director's meeting calendar for 2014 is being presented for discussion.

**PURPOSE:**

This staff report is being presented to provide the Board the opportunity to review the 2014 Board of Director's meeting calendar and amend the schedule as needed.

**COMMITTEE ACTION:**

N/A

**ANALYSIS:**

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

**STRATEGIC GOAL:**

N/A

**FISCAL IMPACT:**

None.

**LEGAL IMPACT:**

None.

Attachment: Calendar of Meetings for 2014

**Board of Directors, Workshops  
and Committee Meetings  
2014**

**Regular Board Meetings:**

January 7, 2014  
February 5, 2014  
March 11, 2014  
April 8, 2014  
May 7, 2014  
June 4, 2014  
July 2, 2014  
August 6, 2014  
**September 3, 2014**  
October 1, 2014  
November 5, 2014  
December 3, 2014

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

January 21, 2014  
February 19, 2014  
March 17, 2014  
April 16, 2014  
May 21, 2014  
June 18, 2014  
July 16, 2014  
**August 20, 2014**  
September 17, 2014  
October 15, 2014  
November 19, 2014  
December 17, 2014

**SPECIAL BOARD MEETINGS:**

**BOARD WORKSHOPS:**

# AGENDA ITEM 10



## STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	August 6, 2014		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:	NO.		
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

### GENERAL MANAGER:

- **Legislative Update:** Mss. Chris Frahm and Rosanna Carvacho, Brownstein Hyatt Farber Schreck, have submitted the attached *Legislative Update* memo. The Legislature has just returned on August 4 from a month-long Summer Recess and is expected to act on bills by the August 31 deadline. Mss. Frahm and Carvacho will be attending the District's September 3, 2014 Board meeting to provide the board an update on the Legislature's actions.
- On July 17, 2014, the District received an emergency request for assistance from the Guatay Mutual Benefit Corporation (GMBC), a private water company serving 100 people near Pine Valley. GMBC's groundwater wells were running dry and they requested assistance with transferring 80,000 gallons of water from a nearby agency and pumping water into their tank. They had access to a 6,500 gallon truck, but did not have a suitable water pump. During the week of July 21, the District lent GMBC a pump that was the perfect size to meet their needs; they were able to transport 14 truckloads of water and pump it into their tank. To meet ongoing water demands, GMBC has drilled a new well. The State Water Resources Control Board, Division of Drinking Water, was providing assistance to GMBC and recommended they contact the District, along with a few other local agencies, for assistance.

## **ADMINISTRATIVE SERVICES:**

### **Purchasing and Facilities:**

- Purchase Orders - For fiscal year ending June 30, 2014, the District issued 902 purchase orders for a total of \$6,617,614 -- 56% of the value and 11% of the orders were on blanket orders. While blanket order value exceeded Purchasing's 15% strategic plan objective, the number of blanket orders at 11% did not. In order to meet the objective during the current fiscal year, staff is establishing procedures to expand the Cal-Card program and migrate additional orders to blanket orders.

### **Human Resources:**

- Employee Picnic - The Employee Picnic was held at Santee Lakes on Saturday, August 2, from 11:00 am - 4:00 pm. Employees and their family members enjoyed a petting zoo, party jumper, splash zone, and games. The employees appreciated the event and it was a fun time for all.
- Otay Activities Committee - The District has an Employee Committee that determines various weekend employee events. The next activity is a Day at the Del Mar races that will be held Saturday, August 16<sup>th</sup>.
- Benefits - The District met with Alliant, our benefit consultant, to review the benefit plans and to prepare for the upcoming open enrollment.
- Recruitments - HR is currently recruiting for Water Reclamation Plant Operator, Senior Civil Engineer, SCADA/Senior SCADA Instrumentation Technician, Data Systems Technician, Utility Worker, and Systems Operations Manager.
- New Hires - There were no new hires in the month of July.

### **Safety & Security:**

- California Environmental Reporting System (CERS) - Completed the Unified Program reporting requirements under CERS. All regulated businesses are required by law (Assembly Bill 2286) to submit and update business information electronically. The District has 25 facilities that must meet this requirement.
- Cal/ARP Inspections - Inspections conducted by the County of San Diego at the Treatment Plant, Regulatory, 30 Million and Central Area District facilities.
- Safety Training - Staff completed the following training: First Aid/AED/CPR, Hearing Conservation, Confined Space, Fall Protection, and Reporting Injuries and Illnesses. The HAZWOPER team also completed: Confined Space Rescue, First Responders

Emergency Incident Command System, and the 8-hour annual refresher.

**INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:**

- Selection of Storage Area Network (SAN) Equipment - IT staff completed its evaluation of half-dozen SAN vendors and based on a comprehensive criteria and decision analysis, selected Tegile Inc., for the replacement and implementation of the District's current storage environment. This item will be going before the August Board meeting for final approval.
- Redesign of District's Website - IT is in its final stage of a website redesign effort. The new website will enhance and leverage the latest HTML5 technology, style, navigation, and content changes. Launch date is scheduled for end of August.
- Web-based Application of Otay's Emergency Contacts - The GIS team created a web-based map of the District's emergency response staff's home locations, "OWD Emergency Contacts". Via a secure login, District management or EOC coordinator, can access this map through an Internet connected computer or mobile device. The web-map also includes real-time traffic information and other background information such as parcels, streets, orthophoto, etc.
- Collection Form for Utility Maintenance - During the InfraMap (Utility Infrastructure Mapping) implementation, a new request by the utility maintenance group was presented to improve the collection of specific field activities. GIS created new forms and back-end functionality to accommodate the requests, which will help supervisors with the tracking of work locations and activities for better logistic.

**FINANCE:**

- Water Conservation Certification Program - In July, staff participated in a webinar, which outlined the requirements to have Water Agencies Water Conservation Programs meet specific AWWA standards. The District already meets the certification requirements and is working toward gathering all the required data to submit and obtain the AWWA certification.
- Customer Service Answer Rate - The efficiency efforts made by the customer service team continue to pay off. The team closed out the fiscal year with an overall answer rate of 99.14%. Staff has implemented many process improvements to save time. As a result of these efficiencies, one staff member will be transitioning to IT to assist with varied projects.
- Year-End Close - Staff is closing the fiscal year ending June 30, 2014 and preparing for the annual financial audit. The auditors are scheduled to perform auditing procedures from August 25<sup>th</sup> through September 5<sup>th</sup>.

- CAFR Award - For the 10<sup>th</sup> consecutive year the Finance Department has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2013.
- CWA Declares Level 2 Drought Alert - In February 2014, the SDCWA declared a Level 1 Drought Watch that encouraged increased voluntary conservation efforts. However, due to three years of prolonged drought conditions and diminishing water supplies statewide this spring and summer, on July 15, 2014 the State Water Resources Control Board adopted statewide emergency regulations that focused on reducing water usage for ornamental and turf grass landscapes. On July 24, 2014, the SDCWA's Board of Directors unanimously voted to authorize a Level 2 Drought Alert that initiates mandatory water conservation measures countywide.
- Financial Reporting:
  - o For the twelve months ended June 30, 2014, there are total revenues of \$91,990,536 and total expenses of \$88,393,830. The revenues exceeded expenses by \$3,596,706.
  - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of June 30, 2014 total \$84,403,755.43 with an average yield to maturity of 0.40%. The total earnings year-to-date are \$324,227.63.

## **ENGINEERING AND WATER OPERATIONS:**

### **Engineering:**

- **SR-11 Potable Water Utility Relocations - Sequence 1:** This project consists of the relocation of existing pipelines in Sanyo Avenue and utility easements to accommodate the construction of the future SR-11 right-of-way. At the request of Caltrans, the District's relocations were bid as six (6) separate "work windows" to provide flexibility to Caltrans' contractor and coordinate with the SR-11 freeway construction. Current work includes coordination with the Caltrans' SR-11 construction contract, submittal review/approval, and materials fabrication. Project is within budget and on schedule and is anticipated to complete in August 2016. (P2453)
- **624-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 624-2 8.0 MG Reservoir, along with providing structural upgrades to ensure the tank complies with both State and Federal OSHA standards as well as American Water

Works Association and County Health Department standards. The construction contract was awarded to Advanced Industrial Services. The current work consists of filling, and testing of the reservoir. The project is within budget and on schedule and the reservoir was placed into service on July 23, 2014. (P2493)

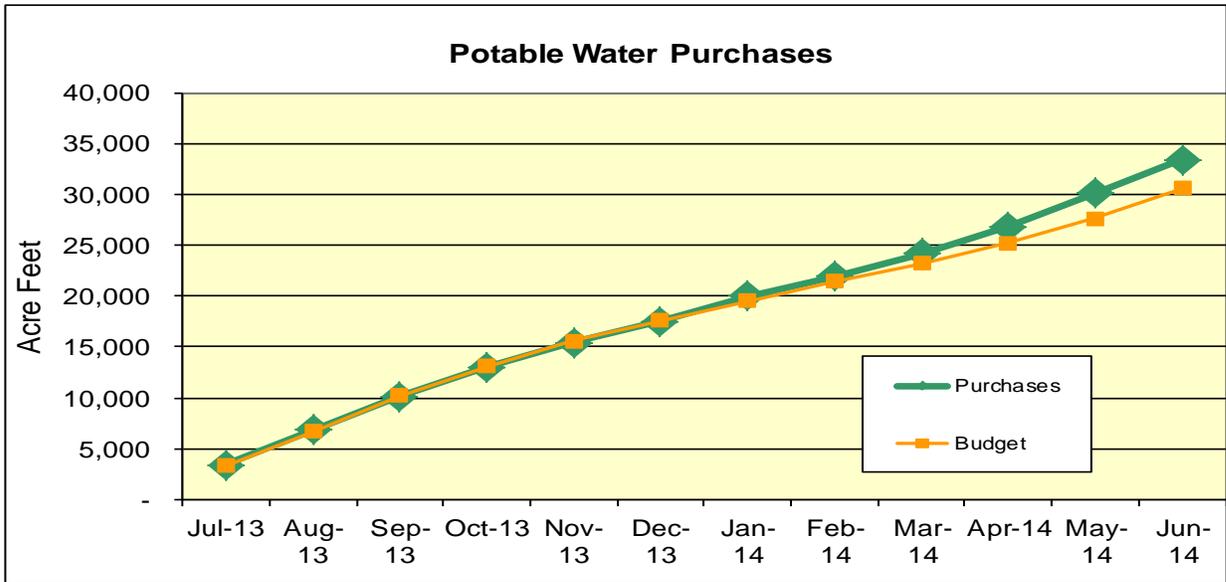
- **944-1, 944-2 & 458-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 944-1 0.3 MG Reservoir, the 944-2 3.0 MG Reservoir, and the 458-2 1.8 MG Reservoir along with providing structural upgrades to ensure the tank complies with both State and Federal OSHA standards as well as American Water Works Association and County Health Department standards. The project is currently in the design phase. An underwater dive inspection has been performed on all (3) tanks to evaluate the current conditions and identify any needed upgrades. The project will be advertised on July 23, 2014, and bids are scheduled to be opened on August 20, 2014. This item will then be presented at the October 2014 Board Meeting to award a construction contract. The project is on time and within budget. (P2531, P2532, P2535)
- **Calavo Basin Sewer System Rehabilitation:** This project consists of removing and replacing approximately 1,400 linear-feet of 8" PVC sewer pipeline in the residential streets of the Calavo Gardens area near Avocado Blvd. The design of the project is completed. Submittal to the County of San Diego for an excavation permit was made on June 18, 2014. The County estimates 4-6 weeks for review, and subsequently, a permit will be issued for the project identifying the County's requirements for paving and traffic control procedures. The project is anticipated to be advertised in August 2014, and the presentation of the construction contract at the November 2014 Board Meeting for consideration. (S2020)
- **Administration Building Fire Sprinkler Replacement:** This project consists of evaluating and rehabilitating the existing fire sprinkler system in the Administration Building. A recent inspection of the fire sprinkler system identified corrosion throughout the system. A&D Fire Sprinkler, Inc. recommended the first phase to be a replacement of the visually corroded fixtures. This was completed on January 21, 2014, and as a result, the District received a 5 year certification on the Administration Building. The second phase included installing an automated system to inject a chemical solution that will treat any future corrosion. Epic Fire completed the installation on July 9, 2014, on time and under budget. (P2538)
- **Rosarito Desal:** Staff, together with District's consultants and representatives from NSC Agua, held two telephone conference calls on June 4, 2014 and June 18, 2014 to discuss the project and

coordinate on complying with CDPH regulatory requirements. NSC Agua closed escrow on the 50-acre parcel of land on May 15, 2014. NSC Agua also filed their environmental documents with SEMARNAT for the desalination plant and for the first segment of the conveyance pipeline to Tijuana. (P2451)

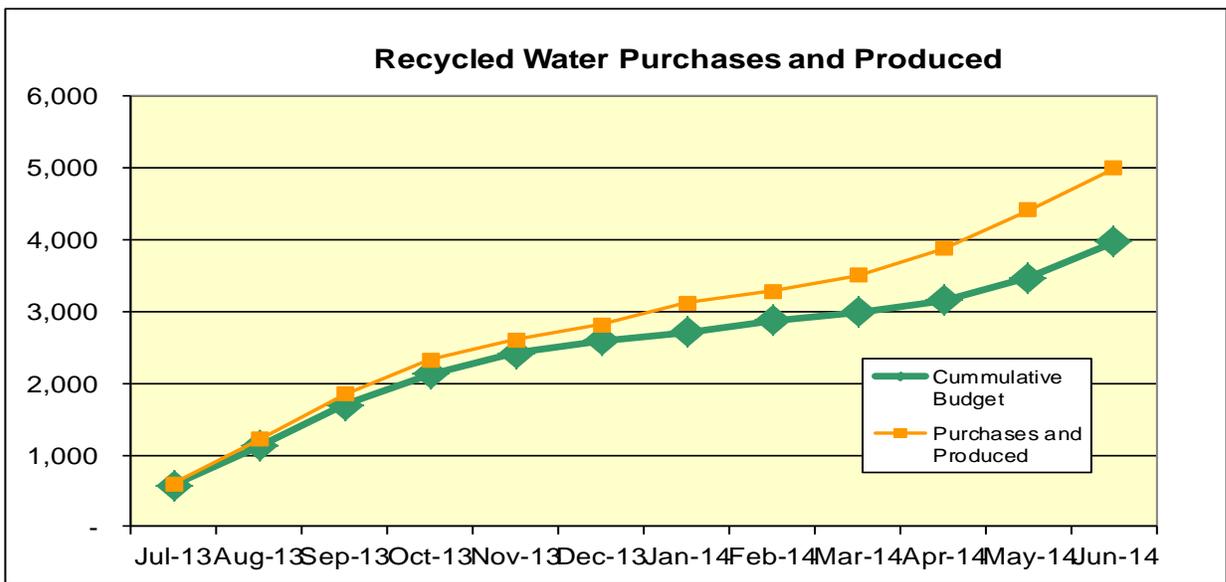
- **870-2 Pump Station Replacement:** This project consists of a new pump station to replace the existing Low Head 571-1 Pump Station and High Head 870-1 Pump Station. The project is currently transitioning from the preliminary design phase to the 30% design level. The design consultant's (Carollo) 30% design deliverable will be reviewed by staff and the Construction Management Consultant (RBF). RBF will also provide pre-construction services including Value Engineering and Constructability Review. A meeting with SDG&E was held on July 7, 2014 to discuss new gas and electric services. (P2083)
- **Water Facilities Master Plan Update:** This project will update the District's existing Water Resources Master Plan that was previously updated in October 2008 and revised in May 2013. The consultant (Atkins) is currently building new hydraulic models of the District's potable and recycled water systems to analyze the distribution systems' ability to meet future water demands and identify new capital improvement projects. (P1210)
- Approximately 2,765 linear feet of both CIP and developer pipeline was installed in June 2014. The Construction Division performed quality assurance and quality control for these pipelines.
- For the month of June 2014, the District sold 35 meters (72 EDUs) generating \$657,042 in revenue. Projection for this period was 17.5 meters (29.5 EDUs) with budgeted revenue of \$266,447. Total revenue for Fiscal Year 2014 is \$2,262,308 against the annual budget of \$3,197,767.

#### **Water Operations:**

- Total number of potable water meters is 49,260.
- The June potable water purchases were 3,269.4 acre-feet which is 10.8% above the budget of 2,787.3 acre-feet. The cumulative purchases through June is 33,409.1 acre-feet which is 9.2% above the cumulative budget of 30,584.1 acre-feet.



- The June recycled water purchases and production was 572.0 acre-feet which is 14.6% above the budget of 499.2 acre-feet. The cumulative production and purchases through May is 4,989.0 acre-feet which is 25.8% above the cumulative budget of 3,965.1 acre-feet. This increase was caused by less rainfall and higher than normal temperatures, a temporary customer that was not anticipated in the FY 2014 budget, and a new meter from the City for water sales from the SBWRP that is running approximately 10% higher than Otay's meter.



- Recycled water consumption for the month of June is as follows:
  - Total consumption was 528 acre-feet or 171,997,364 gallons and the average daily consumption was 5,733,245 gallons per day.
  - Total recycled water consumption as of June for FY 2014 is 4,749.4 acre-feet.
  - Total number of recycled water meters is 707.
  
- Wastewater flows for the month of June were as follows:
  - Total basin flow, gallons per day: 1,600,227.
  - Spring Valley Sanitation District Flow to Metro, gallons per day: 529,893.
  - Total Otay flow, gallons per day: 1,070,334.
  - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,099,757.
  - Flow to Metro from Otay Water District, not including solids, was zero gallons per day.
  
- By the end of June there were 6,088 wastewater EDUs.

## Memorandum

**DATE:** July 25, 2014

**TO:** Jose Lopez, President of the Board and Board of Directors  
Otay Water District

**FROM:** Chris Frahm and Rosanna Carvacho

**RE:** Legislative Update

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Dear President Lopez and Board Members,

We are sorry that we are unable to attend the August 6<sup>th</sup> Board of Directors meeting in person due to the legislative schedule (members just returning from Summer Recess) but look forward to seeing you at the September meeting.

### **Legislative Schedule**

The Legislature returns from a month-long Summer Recess on Monday, August 4<sup>th</sup> and must act on all bills by August 31<sup>st</sup>, when they adjourn for the year. In addition to that deadline to send bills to the Governor, the Legislature also has a deadline to pass all fiscal bills out of their respective Appropriations Committees. This deadline is August 15<sup>th</sup> and will determine the fate of many bills. From there, the Legislature will spend the last two weeks of August in daily floor sessions, starting on August 18<sup>th</sup>, in order to get all of the bills passed by the August 31<sup>st</sup> deadline - or not.

The Governor will then have until September 30<sup>th</sup> to act on all bills on his desk. This is the second year of a two-year session so unless there is a Special Session called by the Governor, the Legislature will not reconvene until December 1<sup>st</sup>, to swear in the newly elected Legislators.

### **Water Bond**

August is always a busy month in Sacramento, however, for water stakeholders, it will be even busier. It is expected that upon the Legislature's return to Sacramento, and the Governor's return from Mexico, intense negotiations on the water bond will occur. When

the Legislature left for Summer Recess, at the beginning of July, the Governor had made it clear to the Legislative Leaders that he did not want a bond to exceed \$6 billion. In response, the Senate reduced their proposal – SB 848 (Wolk) – from \$10.5 billion to \$7.5 billion. Assembly Speaker Toni Atkins has stated publically that the Assembly’s proposal is \$8.25 billion. The Assembly has not yet put their proposal in print.

It is not clear what the exact deadline is to pass a bond measure that would replace the 2009 bond that is on the November ballot, however, it is likely that the latest date to do so is the second week of August. Therefore, given that both the Assembly and Senate versions are significantly higher than the Governor’s \$6 billion limit, there is expected to be ongoing negotiations between the Governor’s Office and Legislative Leadership to reach a compromise. If a compromise cannot be reached, the 2009 bond will remain on the November ballot unless the Legislature again postpones it.

### **State Water Board’s Emergency Drought Regulations**

On July 15<sup>th</sup>, the State Water Board unanimously passed emergency regulations that require an urban water supplier to implement a water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation with potable water or submit an alternative plan to the State Water Board.

Additionally, the regulations prohibit the following, except where necessary to address an immediate health and safety need:

- The application of potable water to outdoor landscaping that causes runoff onto adjacent property, walkways, roads, parking lots, etc.;
- The use of a hose, without a shut-off nozzle, that dispenses potable water to wash a car;
- The application of potable water to driveways and sidewalks; and
- The use of potable water in a fountain or water feature unless it is recirculated.

A violation is an infraction punishable by a fine of up to \$500 for each day that a violation occurs.

These emergency regulations will go into effect on August 1<sup>st</sup>, and be in effect for 270 days unless the State Water Board determines that they are no longer necessary or renews them due to continued drought conditions.

### **Drinking Water Transfer to State Board**

As we mentioned when we were before you in March, the Drinking Water Program was planned to be transferred from the Department of Public Health to the State Water Board. As of July 1<sup>st</sup>, the Drinking Water Program is within the State Water Board’s jurisdiction and is now responsible for disbursing all State Revolving Fund (SRF) money.

## **Sustainable Groundwater Management**

The Administration, starting with the release of the California Water Action Plan, has been pressing for legislation to sustainably manage groundwater in California. To that end, they have put forth their own proposal and there are two bills, AB 1739 (Dickinson) and SB 1168 (Pavley), moving through the Legislature with the same goal of sustainable groundwater management. During the month of July there have been weekly stakeholder meetings to try to hammer out legislation that would be workable, as well as effective. It is expected that a bill will be passed by the Legislature and sent to the Governor for action prior to the August 31<sup>st</sup> deadline.

## **Changes in Legislative Leadership**

On June 16, 2014, the Senate voted to elect Senator Kevin De León as President pro Tempore of the Senate, to replace Senator Steinberg, who terms out this year. Senator De León will assume that office on October 15th.

Additionally, Assemblymember Toni Atkins was sworn in as Speaker of the Assembly on May 12, 2014. She succeeds Assemblymember John A. Pérez who is also termed out this year. Speaker Atkins is the first San Diegan to ever hold that office.

With Assemblymember Atkins taking over as Speaker, Committee Chairs and Members may change as soon as August and again after the November election. It is not expected that there will be committee changes in the Senate prior to the Legislature adjourning on August 31st, but new changes may occur after Senator De León takes over and will for certain occur after the November election.

Please do not hesitate to contact us if you have any questions.

OTAY WATER DISTRICT  
**COMPARATIVE BUDGET SUMMARY - UNAUDITED**  
 FOR TWELVE MONTHS ENDED JUNE 30, 2014

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
<b>REVENUES:</b>					
Water Sales	\$ 42,668,400	\$ 46,855,438	\$ 42,668,400	\$ 4,187,038	9.8%
Energy Charges	1,958,100	2,114,844	1,958,100	156,744	8.0%
System Charges	11,184,200	11,152,291	11,184,200	(31,909)	(0.3%)
MWD & CWA Fixed Charges	10,399,700	10,309,983	10,399,700	(89,717)	(0.9%)
Penalties	823,100	839,025	823,100	15,925	1.9%
Total Water Sales	<u>67,033,500</u>	<u>71,271,581</u>	<u>67,033,500</u>	<u>4,238,080</u>	<u>6.3%</u>
Recycled Water Sales	8,340,100	10,014,767	8,340,100	1,674,667	20.1%
Sewer Charges	2,701,600	2,757,867	2,701,600	56,267	2.1%
Meter Fees	81,600	78,465	81,600	(3,135)	(3.8%)
Capacity Fee Revenues	1,291,200	1,170,986	1,291,200	(120,214)	(9.3%)
Betterment Fees for Maintenance	776,700	485,738	776,700	(290,962)	(37.5%)
Non-Operating Revenues	1,846,000	2,017,308	1,846,000	171,308	9.3%
Tax Revenues	3,597,100	3,707,625	3,597,100	110,525	3.1%
Interest	69,100	122,000	69,100	52,900	76.6%
Transfer from OPEB	149,800	149,800	149,800	-	0.0%
General Fund Draw Down	61,600	61,600	61,600	-	0.0%
Transfer from General Fund	152,800	152,800	152,800	-	0.0%
Total Revenues	<u>\$ 86,101,100</u>	<u>\$ 91,990,536</u>	<u>\$ 86,101,100</u>	<u>\$ 5,889,435</u>	<u>6.8%</u>
<b>EXPENSES:</b>					
Potable Water Purchases	\$ 33,028,900	\$ 36,151,147	33,028,900	\$ (3,122,247)	(9.5%)
Recycled Water Purchases	1,599,500	1,661,887	1,599,500	(62,387)	(3.9%)
CWA-Infrastructure Access Charge	1,856,100	1,856,202	1,856,100	(102)	(0.0%)
CWA-Customer Service Charge	1,753,600	1,753,840	1,753,600	(240)	(0.0%)
CWA-Emergency Storage Charge	4,515,500	4,515,596	4,515,500	(96)	(0.0%)
MWD-Capacity Res Charge	531,000	531,318	531,000	(318)	(0.1%)
MWD-Readiness to Serve Charge	1,740,500	1,740,511	1,740,500	(11)	(0.0%)
Subtotal Water Purchases	<u>45,025,100</u>	<u>48,210,501</u>	<u>45,025,100</u>	<u>(3,185,401)</u>	<u>(7.1%)</u>
Power Charges	2,693,300	2,808,847	2,693,300	(115,547)	(4.3%)
Payroll & Related Costs	18,675,500	18,995,696	18,675,500	(320,196)	(1.7%)
Material & Maintenance	3,532,900	3,249,674	3,532,900	283,227	8.0%
Administrative Expenses	4,702,600	3,752,343	4,702,600	950,257	20.2%
Legal Fees	380,000	285,069	380,000	94,931	25.0%
Expansion Reserve	3,428,000	3,428,000	3,428,000	-	0.0%
Betterment Reserve	125,000	125,000	125,000	-	0.0%
Replacement Reserve	4,230,000	4,230,000	4,230,000	-	0.0%
Sewer General Fund	152,800	152,800	152,800	-	0.0%
OPEB Trust	1,242,900	1,242,900	1,242,900	-	0.0%
Potable General Fund	1,913,000	1,913,000	1,913,000	-	0.0%
Total Expenses	<u>\$ 86,101,100</u>	<u>\$ 88,393,830</u>	<u>\$ 86,101,100</u>	<u>\$ (2,292,729)</u>	<u>(2.7%)</u>
<b>EXCESS REVENUES(EXPENSE)</b>	<u>\$ -</u>	<u>\$ 3,596,706</u>	<u>\$ -</u>	<u>\$ 3,596,706</u>	

**OTAY  
Portfolio Management  
Portfolio Summary  
June 30, 2014**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues- Callable	51,735,000.00	51,714,943.80	51,737,339.50	62.76	1,007	856	0.713	0.723
Federal Agency Issues - Coupon	2,000,000.00	2,001,200.00	2,002,508.67	2.43	878	787	0.558	0.566
Certificates of Deposit - Bank	81,784.76	81,784.76	81,784.76	0.10	730	570	0.030	0.030
Local Agency Investment Fund (LAIF)	11,364,668.30	11,368,272.24	11,364,668.30	13.79	1	1	0.225	0.228
San Diego County Pool	17,250,908.83	17,143,000.00	17,250,908.83	20.93	1	1	0.467	0.473
<b>Investments</b>	<b>82,432,361.89</b>	<b>82,309,200.80</b>	<b>82,437,210.06</b>	<b>100.00%</b>	<b>655</b>	<b>557</b>	<b>0.590</b>	<b>0.598</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	2,094,554.63	2,094,554.63	2,094,554.63		1	1	0.222	0.225
<b>Total Cash and Investments</b>	<b>84,526,916.52</b>	<b>84,403,755.43</b>	<b>84,531,764.69</b>		<b>655</b>	<b>557</b>	<b>0.590</b>	<b>0.598</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	38,211.56	324,227.63	324,227.63
<b>Average Daily Balance</b>	<b>81,810,761.46</b>	<b>81,715,739.26</b>	
<b>Effective Rate of Return</b>	<b>0.57%</b>	<b>0.40%</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 May 7, 2014. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.

  
Joseph Beachem, Chief Financial Officer

7-21-14

Reporting period 06/01/2014-06/30/2014

Run Date: 07/16/2014 - 15:47

Portfolio OTAY  
AP  
PM (PRF\_PM1) 7.3.0  
Report Ver. 7.3.3b

**OTAY WATER DISTRICT  
INVESTMENT PORTFOLIO REVIEW  
June 30, 2014**

**INVESTMENT OVERVIEW & MARKET STATUS:**

The federal funds rate has remained constant now for over 5 years. On December 16, 2008, at the Federal Reserve Board's regular scheduled meeting, the federal funds rate was lowered from 1.00% to "a target range of between Zero and 0.25%" in response to the nation's ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. There have been no further changes made to the federal funds rate at the Federal Reserve Board's subsequent regular scheduled meetings, the most recent of which was held on June 18, 2014. They went on to say: "*In determining how long to maintain the current 0 to 1/4 percent target range for the federal funds rate, the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. The Committee continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored.*"

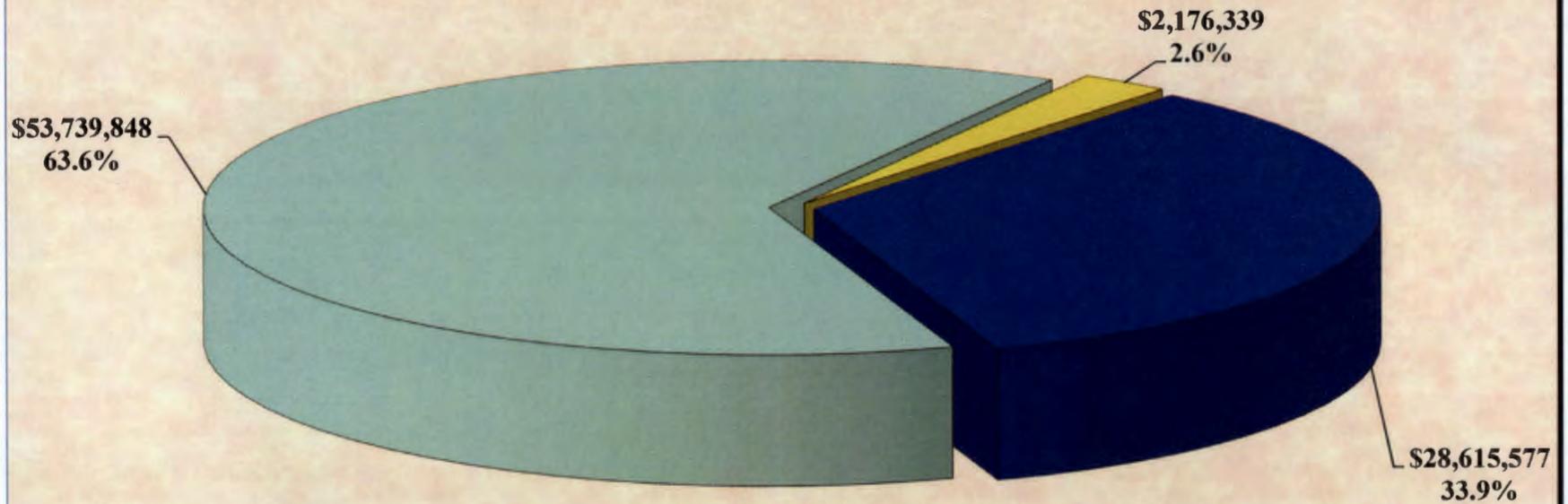
Despite the large drop in available interest rates, the District's overall effective rate of return at June 30, 2014 was 0.57%, which was 9 basis points above the previous month. At the same time the LAIF return on deposits remained unchanged from the previous month, maintaining an average effective yield of 0.228% for the month of June 2014. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy regarding returns on investment are being considered at this time. This desired portfolio mix is important in mitigating any liquidity risk from unforeseen changes in LAIF or County Pool policy.

In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

**PORTFOLIO COMPLIANCE: June 30, 2014**

<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01: Treasury Securities	100%	100%	0
8.02: Local Agency Investment Fund (Operations)	\$50 Million	\$50 Million	\$11.36 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	0
8.03: Federal Agency Issues	100%	100%	63.57%
8.04: Certificates of Deposit	30%	15%	0.10%
8.05: Short-Term Commercial Notes	25%	10%	0
8.06: Medium-Term Commercial Debt	30%	10%	0
8.07: Money Market Mutual Funds	20%	10%	0
8.08: San Diego County Pool	100%	100%	20.41%
12.0: Maximum Single Financial Institution	100%	50%	2.48%

## Otay Water District Investment Portfolio: 06/30/2014



**Total Cash and Investments: \$84,531,764**

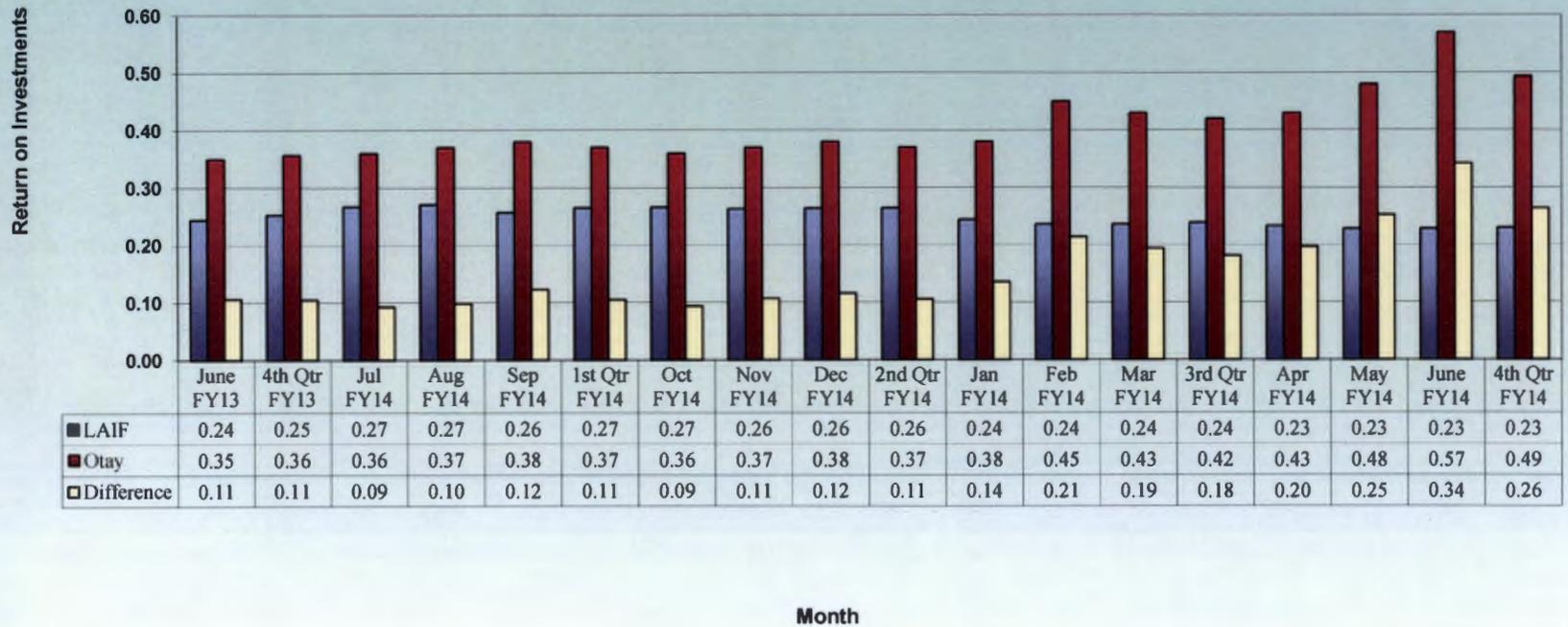
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

## Performance Measure FY-14 Return on Investment

Target: Meet or Exceed 100% of LAIF



LAIF
  Otay
  Difference

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
<b>Federal Agency Issues- Callable</b>												
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,996,440.00	2,000,000.00	0.550	AA	0.542	798	09/06/2016
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,005,760.00	3,000,000.00	0.350	AA	0.345	335	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,004,950.00	3,000,000.00	0.340		0.335	412	08/17/2015
3133EDKF8	2291	Federal Farm Credit Bank		04/29/2014	2,000,000.00	1,997,720.00	2,000,000.00	0.550		0.542	759	07/29/2016
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,995,980.00	2,000,000.00	0.350	AA	0.345	601	02/22/2016
3130A0VG2	2281	Federal Home Loan Bank		02/25/2014	2,000,000.00	2,001,100.00	2,000,000.00	0.700		0.690	878	11/25/2016
3130A1HX9	2287	Federal Home Loan Bank		04/23/2014	2,000,000.00	2,000,980.00	2,000,000.00	1.000		0.986	937	01/23/2017
3130A1SE9	2288	Federal Home Loan Bank		05/19/2014	2,000,000.00	1,999,340.00	2,000,000.00	1.000		0.986	1,053	05/19/2017
3130A1RB6	2289	Federal Home Loan Bank		05/15/2014	1,030,000.00	1,031,112.40	1,030,000.00	1.020		1.006	1,049	05/15/2017
3130A1RB6	2290	Federal Home Loan Bank		05/15/2014	2,705,000.00	2,707,921.40	2,705,000.00	1.020		1.006	1,049	05/15/2017
3130A1Q84	2292	Federal Home Loan Bank		05/08/2014	2,000,000.00	1,999,680.00	2,000,000.00	1.010		0.996	1,042	05/08/2017
3130A1XA1	2294	Federal Home Loan Bank		05/30/2014	2,000,000.00	1,995,480.00	2,000,000.00	0.650		0.641	787	08/26/2016
3130A1ZX9	2296	Federal Home Loan Bank		05/22/2014	2,000,000.00	1,995,600.00	2,000,000.00	1.050		1.036	1,148	08/22/2017
3130A25S1	2299	Federal Home Loan Bank		06/19/2014	2,000,000.00	1,996,600.00	2,000,000.00	0.700		0.690	902	12/19/2016
3134G4PX0	2277	Federal Home Loan Mortgage		12/27/2013	2,000,000.00	2,000,120.00	2,000,000.00	0.500		0.493	727	06/27/2016
3134G4WJ3	2284	Federal Home Loan Mortgage		03/19/2014	2,000,000.00	2,001,300.00	2,000,000.00	0.625		0.616	811	09/19/2016
3134G4WH7	2285	Federal Home Loan Mortgage		03/20/2014	2,000,000.00	1,997,200.00	2,000,000.00	0.900		0.888	993	03/20/2017
3134G54N2	2293	Federal Home Loan Mortgage		05/28/2014	2,000,000.00	2,002,100.00	2,000,000.00	0.750		0.740	881	11/28/2016
3134G55T8	2295	Federal Home Loan Mortgage		06/12/2014	2,000,000.00	1,998,800.00	2,000,000.00	0.700	AA	0.690	895	12/12/2016
3134G56A8	2297	Federal Home Loan Mortgage		06/16/2014	2,000,000.00	2,001,020.00	2,000,000.00	1.000		0.986	1,081	06/16/2017
3134G55X9	2298	Federal Home Loan Mortgage		06/10/2014	2,000,000.00	1,997,320.00	2,000,000.00	0.810		0.799	983	03/10/2017
3134G56N0	2300	Federal Home Loan Mortgage		06/26/2014	2,000,000.00	2,002,600.00	2,000,000.00	1.000		0.986	1,091	06/26/2017
3134G5A47	2301	Federal Home Loan Mortgage		06/30/2014	2,000,000.00	1,997,180.00	2,000,000.00	0.650		0.641	913	12/30/2016
3138G1XZ7	2274	Federal National Mortgage Assoc		12/19/2013	2,000,000.00	1,993,540.00	2,000,000.00	0.670		0.661	902	12/19/2016
3135G0YW7	2276	Federal National Mortgage Assoc		12/04/2013	2,000,000.00	1,995,100.00	2,002,339.50	0.750		0.592	878	11/25/2016
<b>Subtotal and Average</b>			<b>46,537,378.76</b>		<b>51,735,000.00</b>	<b>51,714,943.80</b>	<b>51,737,339.50</b>			<b>0.713</b>	<b>856</b>	
<b>Federal Agency Issues - Coupon</b>												
3135G0YE7	2286	Federal National Mortgage Assoc		04/01/2014	2,000,000.00	2,001,200.00	2,002,508.67	0.625		0.558	787	08/26/2016
<b>Subtotal and Average</b>			<b>2,002,555.61</b>		<b>2,000,000.00</b>	<b>2,001,200.00</b>	<b>2,002,508.67</b>			<b>0.558</b>	<b>787</b>	
<b>Certificates of Deposit - Bank</b>												
2050003183-6	2283	California Bank & Trust		01/22/2014	81,784.76	81,784.76	81,784.76	0.030		0.030	570	01/22/2016
<b>Subtotal and Average</b>			<b>81,784.76</b>		<b>81,784.78</b>	<b>81,784.76</b>	<b>81,784.78</b>			<b>0.030</b>	<b>570</b>	

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
<b>Local Agency Investment Fund (LAIF)</b>												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	11,364,668.30	11,368,272.24	11,364,668.30	0.228		0.225	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	0.00	0.00	0.00	0.228		0.225	1	
		<b>Subtotal and Average</b>	<b>12,794,668.30</b>		<b>11,364,668.30</b>	<b>11,368,272.24</b>	<b>11,364,668.30</b>			<b>0.225</b>	<b>1</b>	
<b>San Diego County Pool</b>												
SD COUNTY POOL	9007	San Diego County		07/01/2004	17,250,908.83	17,143,000.00	17,250,908.83	0.473		0.467	1	
		<b>Subtotal and Average</b>	<b>18,450,908.83</b>		<b>17,250,908.83</b>	<b>17,143,000.00</b>	<b>17,250,908.83</b>			<b>0.467</b>	<b>1</b>	
		<b>Total and Average</b>	<b>31,810,761.46</b>		<b>82,432,361.89</b>	<b>82,309,200.80</b>	<b>82,427,210.06</b>			<b>0.590</b>	<b>557</b>	

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 30, 2014**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
<b>Union Bank</b>											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,007.14	10,007.14	10,007.14	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING PAYROLL.	9004	STATE OF CALIFORNIA		07/01/2004	1,879,942.09	1,879,942.09	1,879,942.09	0.250		0.247	1
	9005	STATE OF CALIFORNIA		07/01/2004	27,891.35	27,891.35	27,891.35			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	31,968.66	31,968.66	31,968.66	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	84,618.38	84,618.38	84,618.38	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		04/20/2010	51.89	51.89	51.89			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		01/01/2011	57,125.12	57,125.12	57,125.12			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>81,810,761.46</b>		<b>84,526,916.52</b>	<b>84,403,125.42</b>	<b>84,531,764.69</b>			<b>0.590</b>	<b>557</b>

**OTAY**  
**Portfolio Management**  
**Interest Earnings Summary**  
**June 30, 2014**

	June 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	25,700.00	190,855.02
Plus Accrued Interest at End of Period	51,328.57	51,263.55
Less Accrued Interest at Beginning of Period	( 48,404.01)	( 29,749.47)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
	<hr/>	<hr/>
Interest Earned during Period	28,624.56	212,369.10
Adjusted by Premiums and Discounts	-178.34	-2,448.82
Adjusted by Capital Gains or Losses	0.00	-467.49
	<hr/>	<hr/>
Earnings during Periods	28,446.22	209,452.79
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
	<hr/>	<hr/>
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	445.12	108,801.05
Plus Accrued Interest at End of Period	29,834.34	29,834.34
Less Accrued Interest at Beginning of Period	( 20,514.12)	( 23,860.55)
	<hr/>	<hr/>
Interest Earned during Period	9,765.34	114,774.84
<b>Total Interest Earned during Period</b>	<b>38,389.90</b>	<b>327,143.94</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-178.34</b>	<b>-2,448.82</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>-467.49</b>
	<hr/>	<hr/>
<b>Total Earnings during Period</b>	<b>38,211.56</b>	<b>324,227.63</b>

**OTAY**  
**Interest Earnings**  
**Sorted by Fund - Fund**  
**June 1, 2014 - June 30, 2014**  
**Yield on Beginning Book Value**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: Treasury Fund</b>												
LAIF	9001	99	LA1	11,364,668.30	12,964,668.30	11,364,668.30		0.228	0.225	2,397.69	0.00	2,397.69
UNION MONEY	9002	99	PA1	10,007.14	10,008.46	10,007.14		0.010	0.857	7.05	0.00	7.05
UNION OPERATING	9004	99	PA1	1,879,942.09	874,261.06	1,879,942.09		0.250	0.260	186.53	0.00	166.53
SD COUNTY POOL	9007	99	LA3	17,250,908.83	21,250,908.83	17,250,908.83		0.473	0.411	7,173.10	0.00	7,173.10
RESERVE-10 COPS	9010	99	PA1	31,968.66	31,964.43	31,968.66		0.010	0.010	0.27	0.00	0.27
RESERVE-10 BABS	9011	99	PA1	84,618.38	84,607.40	84,618.38		0.010	0.010	0.70	0.00	0.70
3133EC6F6	2258	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	06/01/2015	0.350	0.355	875.00	0.00	875.00
3133EC7H1	2260	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	08/17/2015	0.340	0.345	850.00	0.00	850.00
313382YY3	2268	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/22/2016	0.350	0.355	583.33	0.00	583.33
3135GOXR9	2269	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/06/2016	0.550	0.558	916.67	0.00	916.67
313383EE7	2270	99	MC1	0.00	2,000,000.00	0.00	09/19/2016	0.500	0.507	500.00	0.00	500.00
3136G1XZ7	2274	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.670	0.679	1,116.67	0.00	1,116.67
3135G0YW7	2278	99	MC1	2,000,000.00	2,002,420.73	2,002,339.50	11/25/2016	0.750	0.710	1,250.00	-81.23	1,168.77
3134G4PX0	2277	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/27/2016	0.500	0.507	833.33	0.00	833.33
3130A0VG2	2281	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/25/2016	0.700	0.710	1,166.67	0.00	1,166.67
3130A0YG9	2282	99	MC1	0.00	2,000,000.00	0.00	12/12/2016	0.750	0.780	458.33	0.00	456.33
2050003183-6	2283	99	BCD	81,784.76	81,784.76	81,784.76	01/22/2016	0.030	0.030	2.04	0.00	2.04
3134G4WJ3	2284	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.625	0.634	1,041.67	0.00	1,041.67
3134G4WH7	2285	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/20/2017	0.900	0.913	1,500.00	0.00	1,500.00
3135G0YE7	2286	99	FAC	2,000,000.00	2,002,605.78	2,002,508.67	08/26/2016	0.625	0.574	1,041.67	-97.11	944.56
3130A1HX9	2287	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/23/2017	1.000	1.014	1,666.67	0.00	1,666.67
3130A1SE9	2288	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/19/2017	1.000	1.014	1,666.66	0.00	1,666.66
3130A1RB6	2289	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	05/15/2017	1.020	1.034	875.50	0.00	875.50
3130A1RB6	2290	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	05/15/2017	1.020	1.034	2,299.25	0.00	2,299.25
3133EDKF8	2291	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/29/2016	0.550	0.558	918.66	0.00	916.66
3130A1Q84	2292	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/08/2017	1.010	1.024	1,683.33	0.00	1,663.33
3134G54N2	2293	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/28/2018	0.750	0.760	1,250.00	0.00	1,250.00
3130A1XA1	2294	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/26/2016	0.650	0.659	1,083.33	0.00	1,083.33
3134G55T8	2295	99	MC1	2,000,000.00	0.00	2,000,000.00	12/12/2016	0.700	0.710	738.89	0.00	738.69

**OTAY**  
**Interest Earnings**  
**June 1, 2014 - June 30, 2014**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings			
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings	
<b>Fund: Treasury Fund</b>													
3130A1ZX9	2296	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/22/2017	1.050	1.065	1,750.00	0.00	1,750.00	
3134G56A8	2297	99	MC1	2,000,000.00	0.00	2,000,000.00	06/16/2017	1.000	1.014	833.33	0.00	833.33	
3134G55X9	2298	99	MC1	2,000,000.00	0.00	2,000,000.00	03/10/2017	0.810	0.821	945.00	0.00	945.00	
3130A25S1	2299	99	MC1	2,000,000.00	0.00	2,000,000.00	12/19/2016	0.700	0.710	466.67	0.00	466.67	
3134G56N0	2300	99	MC1	2,000,000.00	0.00	2,000,000.00	06/26/2017	1.000	1.014	277.78	0.00	277.78	
3134G5A47	2301	99	MC1	2,000,000.00	0.00	2,000,000.00	12/30/2016	0.650	0.659	36.11	0.00	36.11	
<b>Subtotal</b>				<b>84,438,898.16</b>	<b>81,038,229.75</b>	<b>84,443,746.33</b>				<b>0.555</b>	<b>38,389.90</b>	<b>-178.34</b>	<b>38,211.56</b>
<b>Total</b>				<b>84,438,898.16</b>	<b>81,038,229.75</b>	<b>84,443,746.33</b>				<b>0.555</b>	<b>38,389.90</b>	<b>-178.34</b>	<b>38,211.56</b>

**OTAY**  
**Activity Report**  
**Sorted By Issuer**  
**June 1, 2014 - June 30, 2014**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: STATE OF CALIFORNIA</b>									
<b>Union Bank</b>									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		10,599,998.68	10,600,000.00	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		1,227,019.57	221,338.54	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		4.23	0.00	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		10.98	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					50,000.00	4,913.25	
		<b>Subtotal and Balance</b>		<b>1,043,772.96</b>			<b>11,877,033.46</b>	<b>10,826,251.79</b>	<b>2,094,554.63</b>
<b>Local Agency Investment Fund (LAIF)</b>									
LAIF	9001	STATE OF CALIFORNIA			0.228		4,900,000.00	6,500,000.00	
		<b>Subtotal and Balance</b>		<b>12,964,668.30</b>			<b>4,900,000.00</b>	<b>6,500,000.00</b>	<b>11,364,668.30</b>
		<b>Issuer Subtotal</b>	<b>15.923%</b>	<b>14,008,441.26</b>			<b>16,777,033.46</b>	<b>17,326,251.79</b>	<b>13,459,222.93</b>
<b>Issuer: California Bank &amp; Trust</b>									
<b>Certificates of Deposit - Bank</b>									
		<b>Subtotal and Balance</b>		<b>81,784.76</b>					<b>81,784.76</b>
		<b>Issuer Subtotal</b>	<b>0.097%</b>	<b>81,784.76</b>			<b>0.00</b>	<b>0.00</b>	<b>81,784.76</b>
<b>Issuer: Fannie Mae</b>									
<b>Federal Agency Issues- Callable</b>									
		<b>Subtotal and Balance</b>		<b>2,000,000.00</b>					<b>2,000,000.00</b>
		<b>Issuer Subtotal</b>	<b>2.366%</b>	<b>2,000,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
<b>Issuer: Federal Farm Credit Bank</b>									
<b>Federal Agency Issues- Callable</b>									
		<b>Subtotal and Balance</b>		<b>8,000,000.00</b>					<b>8,000,000.00</b>

OTAY  
Activity Report  
June 1, 2014 - June 30, 2014

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
<b>Issuer Subtotal</b>			<b>9.464%</b>	<b>8,000,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>8,000,000.00</b>	
<b>Issuer: Federal Home Loan Bank</b>										
<b>Federal Agency Issues- Callable</b>										
313383EE7	2270	Federal Home Loan Bank			0.500	06/19/2014	0.00	2,000,000.00		
3130A0YG9	2282	Federal Home Loan Bank			0.750	06/12/2014	0.00	2,000,000.00		
3130A25S1	2299	Federal Home Loan Bank			0.700	06/19/2014	2,000,000.00	0.00		
<b>Subtotal and Balance</b>				<b>21,735,000.00</b>			<b>2,000,000.00</b>	<b>4,000,000.00</b>	<b>19,735,000.00</b>	
<b>Issuer Subtotal</b>			<b>23.348%</b>	<b>21,735,000.00</b>			<b>2,000,000.00</b>	<b>4,000,000.00</b>	<b>19,735,000.00</b>	
<b>Issuer: Federal Home Loan Mortgage</b>										
<b>Federal Agency Issues- Callable</b>										
3134G55T8	2295	Federal Home Loan Mortgage			0.700	06/12/2014	2,000,000.00	0.00		
3134G56A8	2297	Federal Home Loan Mortgage			1.000	06/16/2014	2,000,000.00	0.00		
3134G55X9	2298	Federal Home Loan Mortgage			0.810	06/10/2014	2,000,000.00	0.00		
3134G56N0	2300	Federal Home Loan Mortgage			1.000	06/26/2014	2,000,000.00	0.00		
3134G5A47	2301	Federal Home Loan Mortgage			0.650	06/30/2014	2,000,000.00	0.00		
<b>Subtotal and Balance</b>				<b>8,000,000.00</b>			<b>10,000,000.00</b>	<b>0.00</b>	<b>18,000,000.00</b>	
<b>Issuer Subtotal</b>			<b>21.295%</b>	<b>8,000,000.00</b>			<b>10,000,000.00</b>	<b>0.00</b>	<b>18,000,000.00</b>	
<b>Issuer: Federal National Mortgage Assoc</b>										
<b>Federal Agency Issues- Callable</b>										
<b>Subtotal and Balance</b>				<b>4,000,000.00</b>					<b>4,000,000.00</b>	
<b>Federal Agency Issues - Coupon</b>										
<b>Subtotal and Balance</b>				<b>2,000,000.00</b>					<b>2,000,000.00</b>	
<b>Issuer Subtotal</b>			<b>7.098%</b>	<b>6,000,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>6,000,000.00</b>	
<b>Issuer: San Diego County</b>										
<b>San Diego County Pool</b>										
SD COUNTY POOL	9007	San Diego County			0.473		0.00	4,000,000.00		
<b>Subtotal and Balance</b>				<b>21,250,908.83</b>			<b>0.00</b>	<b>4,000,000.00</b>	<b>17,250,908.83</b>	

**OTAY**  
**Activity Report**  
**June 1, 2014 - June 30, 2014**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
		<b>Issuer Subtotal</b>	<b>20.409%</b>	<b>21,250,908.83</b>			<b>0.00</b>	<b>4,000,000.00</b>	<b>17,250,908.83</b>
		<b>Total</b>	<b>100.000%</b>	<b>81,076,134.85</b>			<b>28,777,033.46</b>	<b>25,326,251.79</b>	<b>84,526,916.52</b>

**OTAY**  
**GASB 31 Compliance Detail**  
**Sorted by Fund - Fund**  
**June 1, 2014 - June 30, 2014**

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
<b>Fund: Treasury Fund</b>											
LAIF	9001	99	Fair Value		12,968,779.63	0.00	4,900,000.00	6,500,000.00	0.00	-507.39	11,368,272.24
UNION MONEY	9002	99	Amortized		10,008.46	0.00	10,599,998.68	10,600,000.00	0.00	0.00	10,007.14
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION OPERATING	9004	99	Amortized		874,261.06	0.00	1,227,019.57	221,338.54	0.00	0.00	1,879,942.09
PAYROLL	9005	99	Amortized		27,891.35	0.00	0.00	0.00	0.00	0.00	27,891.35
SD COUNTY POOL	9007	99	Fair Value		21,140,000.00	0.00	0.00	4,000,000.00	0.00	3,000.00	17,143,000.00
RESERVE-10 COPS	9010	99	Amortized		31,964.43	0.00	4.23	0.00	0.00	0.00	31,968.66
RESERVE-10 BABS	9011	99	Amortized		84,607.40	0.00	10.98	0.00	0.00	0.00	84,618.38
LAIF BABS 2010	9012	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00
UBNA-2010 BOND	9013	99	Amortized		51.89	0.00	0.00	0.00	0.00	0.00	51.89
UBNA-FLEX ACCT	9014	99	Amortized		12,038.37	0.00	50,000.00	4,913.25	0.00	0.00	57,125.12
3133EC6F8	2258	99	Fair Value	06/01/2015	3,007,050.00	0.00	0.00	0.00	0.00	-1,290.00	3,005,760.00
3133EC7H1	2260	99	Fair Value	08/17/2015	3,005,910.00	0.00	0.00	0.00	0.00	-960.00	3,004,950.00
313382YY3	2268	99	Fair Value	02/22/2016	1,997,320.00	0.00	0.00	0.00	0.00	-1,340.00	1,995,980.00
3135GOXR9	2269	99	Fair Value	09/06/2016	1,998,460.00	0.00	0.00	0.00	0.00	-2,020.00	1,996,440.00
313383EE7	2270	99	Fair Value	09/19/2016	1,997,140.00	0.00	0.00	2,000,000.00	0.00	2,880.00	0.00
3136G1XZ7	2274	99	Fair Value	12/19/2016	1,994,860.00	0.00	0.00	0.00	0.00	-1,320.00	1,993,540.00
3135G0YW7	2276	99	Fair Value	11/25/2016	1,996,700.00	0.00	0.00	0.00	0.00	-1,600.00	1,995,100.00
3134G4PX0	2277	99	Fair Value	06/27/2016	2,000,600.00	0.00	0.00	0.00	0.00	-480.00	2,000,120.00
3130A0VG2	2281	99	Fair Value	11/25/2016	2,003,300.00	0.00	0.00	0.00	0.00	-2,200.00	2,001,100.00
3130A0YG9	2282	99	Fair Value	12/12/2016	2,000,340.00	0.00	0.00	2,000,000.00	0.00	-340.00	0.00
2050003183-6	2283	99	Amortized	01/22/2016	81,784.76	0.00	0.00	0.00	0.00	0.00	81,784.76
3134G4WJ3	2284	99	Fair Value	09/19/2016	2,000,500.00	0.00	0.00	0.00	0.00	800.00	2,001,300.00
3134G4WH7	2285	99	Fair Value	03/20/2017	1,994,640.00	0.00	0.00	0.00	0.00	2,560.00	1,997,200.00
3135G0YE7	2286	99	Fair Value	08/26/2016	2,005,500.00	0.00	0.00	0.00	0.00	-4,300.00	2,001,200.00
3130A1HX9	2287	99	Fair Value	01/23/2017	2,002,220.00	0.00	0.00	0.00	0.00	-1,240.00	2,000,980.00
3130A1SE9	2288	99	Fair Value	05/19/2017	2,002,380.00	0.00	0.00	0.00	0.00	-3,040.00	1,999,340.00
3130A1RB6	2289	99	Fair Value	05/15/2017	1,031,339.00	0.00	0.00	0.00	0.00	-228.60	1,031,112.40
3130A1RB6	2290	99	Fair Value	05/15/2017	2,708,518.50	0.00	0.00	0.00	0.00	-595.10	2,707,921.40
3133EDKF8	2291	99	Fair Value	07/29/2016	1,999,640.00	0.00	0.00	0.00	0.00	-1,920.00	1,997,720.00
3130A1Q84	2292	99	Fair Value	05/08/2017	2,002,000.00	0.00	0.00	0.00	0.00	-2,320.00	1,999,680.00

**OTAY**  
**GASB 31 Compliance Detail**  
**Sorted by Fund - Fund**

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
<b>Fund: Treasury Fund</b>											
3134G54N2	2293	99	Fair Value	11/28/2016	2,001,800.00	0.00	0.00	0.00	0.00	300.00	2,002,100.00
3130A1XA1	2294	99	Fair Value	08/26/2016	1,996,860.00	0.00	0.00	0.00	0.00	-1,380.00	1,995,480.00
3134G55T8	2295	99	Fair Value	12/12/2016	0.00	2,000,000.00	0.00	0.00	0.00	-1,200.00	1,998,800.00
3130A1ZX9	2296	99	Fair Value	08/22/2017	1,997,080.00	0.00	0.00	0.00	0.00	-1,480.00	1,995,600.00
3134G56A8	2297	99	Fair Value	06/16/2017	0.00	2,000,000.00	0.00	0.00	0.00	1,020.00	2,001,020.00
3134G55X9	2298	99	Fair Value	03/10/2017	0.00	2,000,000.00	0.00	0.00	0.00	-2,680.00	1,997,320.00
3130A25S1	2299	99	Fair Value	12/19/2016	0.00	2,000,000.00	0.00	0.00	0.00	-3,400.00	1,996,600.00
3134G56N0	2300	99	Fair Value	06/26/2017	0.00	2,000,000.00	0.00	0.00	0.00	2,600.00	2,002,600.00
3134G5A47	2301	99	Fair Value	12/30/2016	0.00	2,000,000.00	0.00	0.00	0.00	-2,820.00	1,997,180.00
<b>Subtotal</b>					<b>80,978,492.85</b>	<b>12,000,000.00</b>	<b>16,777,033.46</b>	<b>25,326,251.79</b>	<b>0.00</b>	<b>-25,519.09</b>	<b>84,403,755.43</b>
<b>Total</b>					<b>80,978,492.85</b>	<b>12,000,000.00</b>	<b>16,777,033.46</b>	<b>25,326,251.79</b>	<b>0.00</b>	<b>-25,519.09</b>	<b>84,403,755.43</b>

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 06/30/2014**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G5A47	2301	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,180.00	.6500000	0.641	0.707	12/30/2016	2.472
3134G4WH7	2285	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,200.00	.9000000	0.888	0.952	03/20/2017	2.673
3134G56A8	2297	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,020.00	1.0000000	0.986	0.982	06/16/2017	2.907
3134G56N0	2300	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,800.00	1.0000000	0.986	0.956	06/26/2017	2.935
3134G54N2	2293	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,100.00	.7500000	0.740	0.706	11/28/2016	2.381
3134G55X9	2298	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,320.00	.8100000	0.799	0.861	03/10/2017	2.655
3134G4PX0	2277	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,120.00	.5000000	0.493	0.497	06/27/2016	1.976
3134G55T8	2295	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,998,800.00	.7000000	0.690	0.725	12/12/2016	2.420
3134G4WJ3	2284	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,300.00	.6250000	0.616	0.595	09/19/2016	2.194
3136G1XZ7	2274	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,993,540.00	.6700000	0.661	0.803	12/19/2016	2.439
3135G0YW7	2276	99	Federal National Mortgage Assoc	Fair	2,002,339.50	2,000,000.00	1,995,100.00	.7500000	0.592	1.243	11/25/2016	2.366
3130A1XA1	2294	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,480.00	.6500000	0.641	0.756	08/26/2016	2.131
3130A1Q84	2292	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,999,680.00	1.0100000	0.996	1.016	05/08/2017	2.801
3130A1SE9	2288	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,999,340.00	1.0000000	0.986	1.012	05/19/2017	2.832
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,980.00	.3500000	0.345	0.473	02/22/2016	1.632
3130A0VG2	2281	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,100.00	.7000000	0.890	0.677	11/25/2016	2.370
3130A1RB6	2290	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,707,921.40	1.0200000	1.006	0.982	05/15/2017	2.820
3130A25S1	2299	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,600.00	.7000000	0.890	0.770	12/19/2016	2.440
3130A1HX9	2287	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,980.00	1.0000000	0.986	0.981	01/23/2017	2.518
3130A1ZX9	2296	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,600.00	1.0500000	1.036	1.122	08/22/2017	3.077
3130A1RB6	2289	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,031,112.40	1.0200000	1.006	0.982	05/15/2017	2.820
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,004,950.00	.3400000	0.335	0.010	08/17/2015	1.125
3133EC8F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,005,760.00	.3500000	0.345	0.140	06/01/2015	0.914
3133EDKF8	2291	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,997,720.00	.5500000	0.542	0.605	07/29/2016	2.060
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,996,440.00	.5500000	0.542	0.908	09/06/2016	2.156

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 06/30/2014**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3135G0YE7	2286	99	Federal National Mortgage Assoc	Fair	2,002,508.87	2,000,000.00	2,001,200.00	.6250000	0.558	0.597	08/26/2016	2.132
2050003183-6	2283	99	California Bank & Trust	Amort	81,784.78	81,784.78	81,784.76	.0300000	0.030	0.030	01/22/2016	1.558
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.0000001	0.000	0.000		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.2280000	0.225	0.228		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	11,364,668.30	11,364,668.30	11,368,272.24	.2280000	0.225	0.228		0.000
SD COUNTY	9007	99	San Diego County	Fair	17,250,908.83	17,250,908.83	17,143,000.00	.4730000	0.467	0.473		0.000
<b>Report Total</b>					<b>82,437,210.06</b>	<b>82,432,361.89</b>	<b>82,309,200.80</b>		<b>0.616</b>			<b>1.504</b>



## STAFF REPORT

TYPE MEETING: Regular Board	MEETING DATE: August 6, 2014
SUBMITTED BY: Kevin Koeppen, Finance Manager, Treasury & Acct	W.O./G.F. NO: DIV. NO.
APPROVED BY: Joseph Beachem, Chief Financial Officer (Chief)	
APPROVED BY: German Alvarez, Assistant General Manager (Asst. GM)	
SUBJECT: Accounts Payable Demand List	

### PURPOSE:

Attached is the list of demands for the Board's information.

### FISCAL IMPACT:

SUMMARY FOR PERIOD 6/19/2014 - 7/23/2014	NET DEMANDS
CHECKS (2040551 - 2040900)	\$ 3,195,015.98
VOID CHECKS (1)	(\$ 4,684.65)
TOTAL CHECKS	\$ 3,190,331.33
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	\$ 171,250.00
CITY TREASURER - RECLAIMED WATER PURCHASE (APR 2014)	\$ 110,597.62
CITY TREASURER - RECLAIMED WATER PURCHASE (MAY 2014)	\$ 154,753.62
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (JUNE 2014)	\$ 20,294.10
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (MAY 2014)	\$ 4,445,614.35
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (AUG 2014)	\$ 270,499.92
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (JULY 2014)	\$ 269,562.54
SPECIAL DISTRICT RISK - PROPERTY & LIABILITY PROGRAM (ANNUAL)	\$ 644,349.00
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 208.72
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 208.72
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 215.46
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 140,414.06
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 172,824.76
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 137,307.57
UNION BANK NA - COPS 1996 (MONTHLY)	\$ 637.86
UNION BANK NA - COPS 1996 (QUARTERLY)	\$ 28,278.33
<b>TOTAL CASH DISBURSEMENTS</b>	<b>\$ 9,761,926.72</b>

**RECOMMENDED ACTION:**

That the Board received the attached list of demands.

Jb/Attachment

**CHECK REGISTER**

**Otay Water District**

Date Range: 6/19/2014 - 7/23/2014

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2040642	07/02/14	15645	(W)RIGHT ON COMMUNICATIONS INC	12202120	05/30/14	COMMUNITY OUTREACH (A) (JUNE 2014)	4,194.17	
				12202121	05/30/14	COMMUNITY OUTREACH (DESALINATION)	1,257.91	5,452.08
2040819	07/23/14	15645	(W)RIGHT ON COMMUNICATIONS INC	12202152	06/30/14	COMMUNITY OUTREACH (DESALINATION)	5,553.86	
				12202151	06/30/14	COMMUNITY OUTREACH (A) (JUNE 2014)	4,623.82	10,177.68
2040551	06/25/14	15416	24 HOUR ELEVATOR INC	12286	06/01/14	ELEVATOR MAINTENANCE (JUNE 2014)	420.00	420.00
2040699	07/09/14	15416	24 HOUR ELEVATOR INC	12575	06/16/14	ELEVATOR MAINTENANCE (MAY 2014)	420.00	420.00
2040820	07/23/14	15416	24 HOUR ELEVATOR INC	12930	07/01/14	ELEVATOR MAINTENANCE (JULY 2014)	420.00	420.00
2040821	07/23/14	01910	ABCANA INDUSTRIES	946559	07/07/14	SODIUM HYPOCHLORITE	1,955.87	
				946262	07/03/14	SODIUM HYPOCHLORITE	1,765.58	
				946263	07/03/14	SODIUM HYPOCHLORITE	1,151.55	
				946501	07/07/14	SODIUM HYPOCHLORITE	848.46	
				946257	07/03/14	SODIUM HYPOCHLORITE	750.37	6,471.83
2040552	06/25/14	08488	ABLEFORCE INC	4307	06/06/14	SHAREPOINT SUPPORT (5/15/14-5/24/14)	1,562.50	1,562.50
2040822	07/23/14	08488	ABLEFORCE INC	4333	06/27/14	SHAREPOINT SUPPORT (6/9/14-6/19/14)	1,062.50	1,062.50
2040643	07/02/14	15703	ADDIE HANKINS	Ref002434792	07/01/14	UB Refund Cst #0000206712	39.84	39.84
2040700	07/09/14	03317	ADVANCED CALL PROCESSING INC	20143216	06/10/14	TELEPHONE SOFTWARE MAINTENANCE	43,238.58	43,238.58
2040553	06/25/14	13901	ADVANCED INDUSTRIAL SVCS INC	4B	06/13/14	RESERVOIR UPGRADE PROJECT (ENDING 5/31/14)	125,106.83	125,106.83
2040701	07/09/14	13901	ADVANCED INDUSTRIAL SVCS INC	5B	07/03/14	RESERVOIR UPGRADE PROJECT (ENDING 6/30/14)	290,777.14	290,777.14
2040554	06/25/14	12174	AECOM TECHNICAL SERVICES INC	18	06/02/14	DISINFECTION SYSTEM (ENDING 4/25/14)	16,517.21	16,517.21
2040555	06/25/14	11462	AEGIS ENGINEERING MGMT INC	1310	06/05/14	DEVELOPER PROJECTS (5/3/14-5/30/14)	16,411.00	16,411.00
2040702	07/09/14	11462	AEGIS ENGINEERING MGMT INC	1210	06/16/14	AS NEEDED DESIGN SVCS (1/4/14-1/31/14)	5,400.00	
				1211	06/16/14	AS NEEDED DESIGN SVCS (2/1/14-2/28/14)	2,633.00	8,033.00
2040823	07/23/14	11462	AEGIS ENGINEERING MGMT INC	1311	07/03/14	AS-NEEDED DEVELOPER PROJ (5/31/14-6/30/14)	22,806.66	
				1212	07/03/14	AS NEEDED DESIGN SVCS (3/1/14-6/30/14)	2,521.88	25,328.54
2040556	06/25/14	11803	AEROTEK ENVIRONMENTAL	OE01044095	06/12/14	TEMPORARY EMPLOYMENT (5/26/14-5/30/14)	1,320.00	
				OE01046246	06/19/14	TEMPORARY EMPLOYMENT (6/2/14-6/6/14)	1,258.13	2,578.13
2040703	07/09/14	11803	AEROTEK ENVIRONMENTAL	OE01050563	07/03/14	TEMPORARY EMPLOYMENT (6/16/14-6/20/14)	1,650.00	
				OE01048367	06/26/14	TEMPORARY EMPLOYMENT (6/9/14-6/13/14)	1,216.88	2,866.88

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2040824	07/23/14	11803	AEROTEK ENVIRONMENTAL	OE01052757	07/10/14	TEMPORARY EMPLOYMENT (6/23/14-6/27/14)	1,567.50	1,567.50
2040557	06/25/14	11502	AGAVE AND SAGUARO HOA	E000076	06/23/14	RECYCLED RETROFIT REIMBURSEMENT	6,271.00	6,271.00
2040558	06/25/14	07732	AIRGAS SPECIALTY PRODUCTS INC	131337791	06/03/14	AQUA AMMONIA	3,274.20	
				131337790	06/03/14	AQUA AMMONIA	2,461.20	5,735.40
2040825	07/23/14	07732	AIRGAS SPECIALTY PRODUCTS INC	131341390	06/30/14	AQUA AMMONIA	2,949.00	
				131341389	06/30/14	AQUA AMMONIA	1,718.40	4,667.40
2040559	06/25/14	13753	AIRGAS USA LLC	9918827404	05/31/14	BREATHING AIR	41.75	41.75
2040826	07/23/14	13753	AIRGAS USA LLC	9919640284	06/30/14	BREATHING AIR	46.35	46.35
2040704	07/09/14	15024	AIRX UTILITY SURVEYORS INC	8	06/11/14	LAND SURVEYING (5/1/14-5/31/14)	2,092.50	2,092.50
2040827	07/23/14	15024	AIRX UTILITY SURVEYORS INC	9	07/01/14	AS-NEEDED LAND SURVEYING (4/1/14-6/30/14)	7,056.00	7,056.00
2040644	07/02/14	14811	ALARMS UNLIMITED INC	162167	06/01/14	ALARM/VIDEO MONITORING (JUNE 2014)	1,056.00	1,056.00
2040705	07/09/14	14811	ALARMS UNLIMITED INC	163856B	07/01/14	LENEL SOFTWARE (7/1/14-6/30/15)	3,314.40	
				163801	06/30/14	CABLING INSTALLATION	2,866.75	
				161007	03/31/14	ONSITE SERVICES (3/20/14)	558.11	
				162169	05/23/14	ONSITE SERVICES	522.87	
				162133	05/21/14	ALARM/VIDEO MONITORING (2/18/14-5/31/14)	131.30	
				162135	05/21/14	ALARM/VIDEO MONITORING (2/20/14-5/31/14)	95.70	
				162138	05/21/14	ALARM/VIDEO MONITORING (2/20/14-5/31/14)	95.70	
				162151	05/22/14	ALARM/VIDEO MONITORING (3/19/14-5/31/14)	85.17	
				162134	05/21/14	ALARM/VIDEO MONITORING (4/1/14-5/31/14)	78.00	
				162140	05/21/14	ALARM/VIDEO MONITORING (4/4/14-5/31/14)	74.10	
				162139	05/21/14	ALARM/VIDEO MONITORING (4/22/14-5/31/14)	37.70	
				162143	05/22/14	ALARM/VIDEO MONITORING (5/6/14-5/31/14)	33.80	
				162142	05/21/14	ALARM/VIDEO MONITORING (5/6/14-5/31/14)	25.13	
				162132	05/21/14	ALARM/VIDEO MONITORING (5/13/14-5/31/14)	18.37	
				162145	05/22/14	ALARM/VIDEO MONITORING (5/13/14-5/31/14)	18.37	7,955.47
2040645	07/02/14	15700	ALICIA PICHARDO	Ref002434789	07/01/14	UB Refund Cst #0000204459	57.50	57.50
2040646	07/02/14	15685	ALLEN FRYXELL	Ref002434772	07/01/14	UB Refund Cst #0000044115	120.06	120.06
2040706	07/09/14	02934	ALLEN INSTRUMENTS & SUPPLIES	0136495IN	06/18/14	EQUIPMENT REPAIR	902.61	902.61
2040707	07/09/14	14256	ALLIANT INSURANCE SERVICES INC	173482	06/02/14	CONSULTING SERVICES (3RD QTR 2014)	6,750.00	6,750.00

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2040779	07/16/14	02362	ALLIED WASTE SERVICES # 509	050900563585	06/25/14	TRASH SERVICES (JULY 2014)	530.33	530.33
2040828	07/23/14	02362	ALLIED WASTE SERVICES # 509	050900563745	06/25/14	TRASH SERVICES (JULY 2014)	64.24	64.24
2040708	07/09/14	15617	ALL-WAYS ADVERTISING CO	0312677IN	06/19/14	OUTREACH SUPPLIES	3,010.00	3,010.00
2040560	06/25/14	14462	ALYSON CONSULTING	CM201423	06/09/14	MGMT/INSP P2493 (4/1/14-5/31/14)	7,350.00	
				CM201422	06/09/14	MGMT/INSP R2108 (4/1/14-5/31/14)	6,270.00	
				CM201424	06/09/14	MGMT/INSP P2453 (4/1/14-5/31/14)	3,750.00	
				CM201425	06/09/14	MGMT/INSP D0876 (4/1/14-5/31/14)	330.00	17,700.00
2040829	07/23/14	14462	ALYSON CONSULTING	CM201427	06/30/14	MGMT/INSP (6/1/14-6/30/14)	3,300.00	
				CM201428	06/30/14	MGMT/INSP (6/1/14-6/30/14)	2,250.00	
				CM201426	06/30/14	MGMT/INSP (6/1/14-6/30/14)	2,180.00	7,730.00
2040561	06/25/14	08002	AM ORTEGA CONSTRUCTION	WOD09120901	06/23/14	W/O REFUND D0912-090178	2,254.80	2,254.80
2040647	07/02/14	15706	AMERICAN HERITAGE	Ref002434795	07/01/14	UB Refund Cst #0000208291	75.00	75.00
2040709	07/09/14	06166	AMERICAN MESSAGING	L11095700G	07/01/14	PAGER SERVICES (JUNE 2014)	206.95	206.95
2040710	07/09/14	06165	ANITA FIRE HOSE COMPANY ETC	23179	06/11/14	EXTINGUISHER MAINTENANCE	3,584.52	3,584.52
2040648	07/02/14	15683	ANNE L FITZGERALD	Ref002434770	07/01/14	UB Refund Cst #0000008565	135.96	135.96
2040649	07/02/14	00002	ANSWER INC	10118	06/22/14	ANSWERING SERVICES (MONTHLY)	1,110.00	1,110.00
2040711	07/09/14	08967	ANTHEM BLUE CROSS EAP	41231	06/24/14	EMPLOYEE ASSISTANCE PROGRAM (JULY 2014)	316.66	316.66
2040712	07/09/14	03357	APEX ADVERTISING INC	212761	06/12/14	ANNUAL T-SHIRTS	4,359.41	
				211841	06/12/14	ANNUAL SWEATSHIRTS	2,886.45	7,245.86
2040562	06/25/14	15680	APOLLO II HOA	WOD08850901	06/23/14	W/O REFUND D0885-090136	1,273.82	1,273.82
2040650	07/02/14	05758	AT&T	337841304506	06/20/14	ACCESS TRANSPORT SVCS (MONTHLY)	8.60	8.60
2040651	07/02/14	07785	AT&T	000005514616	06/02/14	CALNET 2 PHONE SVCS (5/2/14-6/1/14)	17.96	17.96
2040780	07/16/14	07785	AT&T	000005532023	07/01/14	CALNET 2 PHONE SVCS (6/1/14-6/30/14)	1,229.08	1,229.08
2040830	07/23/14	07785	AT&T	000005534750	07/02/14	CALNET 2 PHONE SVCS (6/2/14-7/1/14)	5,765.36	
				000005537295	07/02/14	CALNET 2 PHONE SVCS (6/2/14-7/1/14)	17.96	5,783.32
2040713	07/09/14	12810	ATKINS	1196542	06/23/14	2015 WFMP UPDATE (3/31/14-6/1/14)	20,163.07	20,163.07
2040831	07/23/14	12810	ATKINS	1197035	06/26/14	DESIGN SERVICES (4/28/14-6/30/14)	1,170.00	1,170.00

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2040832	07/23/14	07446	BANK OF NEW YORK MELLON, THE	2521797052	07/01/14	ADM FEES 1996 COPS	3,047.50	3,047.50
2040714	07/09/14	15570	BEYOND IDEAS LLC	OWD01	07/01/14	SERVER	4,510.00	4,510.00
2040563	06/25/14	14807	BEYONDTRUST SOFTWARE INC	13410	06/04/14	SOFTWARE SUPPORT (4/11/14-4/10/15)	1,345.00	1,345.00
2040652	07/02/14	15695	BLUE CENTURION HOMES LLC	Ref002434784	07/01/14	UB Refund Cst #0000197019	105.64	105.64
2040653	07/02/14	15691	BRANDEN ONO	Ref002434780	07/01/14	UB Refund Cst #0000182109	39.71	39.71
2040781	07/16/14	15719	BRENDA NYDAM	Ref002435028	07/14/14	UB Refund Cst #0000194818	11.08	11.08
2040564	06/25/14	10970	BRENNTAG PACIFIC INC	BPI423448	06/06/14	SODIUM HYPOCHLORITE	3,445.78	
				BPI421215	05/30/14	SODIUM HYPOCHLORITE	2,275.29	
				BPI423871	06/09/14	SODIUM HYPOCHLORITE	2,021.58	
				BPI419595	05/27/14	SODIUM HYPOCHLORITE	1,852.78	
				BPI421996	06/02/14	SODIUM HYPOCHLORITE	1,470.70	
				BPI420369	05/29/14	SODIUM HYPOCHLORITE	1,289.77	
				BPI423054	06/05/14	SODIUM HYPOCHLORITE	1,140.17	
				BPI421997	06/02/14	SODIUM HYPOCHLORITE	1,024.94	
				BPI423872	06/09/14	SODIUM HYPOCHLORITE	979.46	
				BPI419594	05/27/14	SODIUM HYPOCHLORITE	899.60	
				BPI423447	06/06/14	SODIUM HYPOCHLORITE	837.94	17,238.01
2040715	07/09/14	10970	BRENNTAG PACIFIC INC	BPI426436	06/17/14	SODIUM HYPOCHLORITE	2,030.68	
				BPI427511	06/20/14	SODIUM HYPOCHLORITE	1,948.80	
				BPI427163	06/19/14	SODIUM HYPOCHLORITE	1,902.31	
				BPI424621	06/11/14	SODIUM HYPOCHLORITE	1,792.13	
				BPI427893	06/23/14	SODIUM HYPOCHLORITE	1,757.76	
				BPI425046	06/12/14	SODIUM HYPOCHLORITE	1,493.95	
				BPI425541	06/13/14	SODIUM HYPOCHLORITE	1,314.03	
				BPI427162	06/19/14	SODIUM HYPOCHLORITE	1,255.40	
				BPI425999	06/16/14	SODIUM HYPOCHLORITE	1,120.97	
				BPI425302	06/13/14	SODIUM HYPOCHLORITE	849.06	15,465.09
2040833	07/23/14	10970	BRENNTAG PACIFIC INC	BPI428353	06/24/14	SODIUM HYPOCHLORITE	1,578.85	
				BPI430413	06/30/14	SODIUM HYPOCHLORITE	1,452.51	
				BPI429587	06/26/14	SODIUM HYPOCHLORITE	780.33	3,811.69
2040565	06/25/14	08156	BROWNSTEIN HYATT FARBER	566737	05/30/14	LEGISLATIVE ADVOCACY (THRU 3/31/14)	6,174.50	
				566736	05/30/14	LEGISLATIVE ADVOCACY (THRU 4/30/14)	1,406.00	7,580.50

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2040834	07/23/14	14112	BSE ENGINEERING INC	52859	07/01/14	ELECTRICAL SERVICES (6/1/14-6/30/14)	5,825.73	9,095.73
				52844	06/24/14	ELECTRICAL SERVICES (5/1/14-5/31/14)	3,270.00	
2040782	07/16/14	15724	CAMDEN OPPORTUNITY FUND WF LLC	Ref002435033	07/14/14	UB Refund Cst #0000208087	38.89	38.89
2040716	07/09/14	15621	CAPSTONE FIRE MANAGEMENT INC	1111	07/03/14	SAFETY TRAINING (6/4/14-6/12/14)	5,900.00	5,900.00
2040717	07/09/14	02758	CARMEL BUSINESS SYSTEMS INC	7793	06/13/14	DESTRUCTION SERVICES (6/12/14)	38.50	38.50
2040654	07/02/14	04653	CARO, PATRICIA	a000098	06/30/14	EDUCATION REIMBURSEMENT	1,102.87	1,102.87
2040718	07/09/14	15177	CAROLLO ENGINEERS INC	135193	06/12/14	DESIGN FOR 870-2 PS (3/1/14-5/31/14)	28,451.64	28,451.64
2040783	07/16/14	15723	CATHERINE ARENA	Ref002435032	07/14/14	UB Refund Cst #0000203575	22.48	22.48
2040835	07/23/14	03232	CDW GOVERNMENT INC	MT84949	06/30/14	VEEAM RENEWAL	3,920.00	3,920.00
2040566	06/25/14	09801	CENTERBEAM INC	20623	05/30/14	NETWORK MAINTENANCE	1,050.00	1,050.00
2040655	07/02/14	15705	CHRISTOPHER DROGAN	Ref002434794	07/01/14	UB Refund Cst #0000208054	15.02	15.02
2040567	06/25/14	02026	CHULA VISTA ELEM SCHOOL DIST	AR043521	06/17/14	GARDEN TOURS (5/13/14-5/22/14)	660.00	660.00
2040568	06/25/14	15679	CHULA VISTA SENIOR LIVING LLC	WOD08730901	06/23/14	W/O REFUND D0873-090125	4,271.46	4,271.46
2040656	07/02/14	15702	CIPRIAN INVESTMENTS LLC	Ref002434791	07/01/14	UB Refund Cst #0000206664	105.89	105.89
2040657	07/02/14	15699	CLARK DECKER	Ref002434788	07/01/14	UB Refund Cst #0000198607	9.81	9.81
2040569	06/25/14	04119	CLARKSON LAB & SUPPLY INC	73408	05/31/14	BACTERIOLOGICAL TESTING SERVICES	886.00	1,047.00
				73409	05/31/14	BACTERIOLOGICAL TESTING SERVICES	161.00	
2040836	07/23/14	04119	CLARKSON LAB & SUPPLY INC	73876	06/30/14	BACTERIOLOGICAL TESTING SERVICES	154.00	154.00
2040570	06/25/14	08160	COMPLETE OFFICE	16124150	05/29/14	TONER	2,017.52	2,686.90
				16159040	06/09/14	COPY PAPER	669.38	
2040719	07/09/14	08160	COMPLETE OFFICE	16167680	06/11/14	TONER	811.08	1,504.44
				16173140	06/20/14	TASK CHAIR/STOOL	693.36	
2040720	07/09/14	03288	COMPUTER PROTECTION	18753CPT	06/10/14	SCADA EQUIPMENT/CONFIGURATION	12,115.61	12,115.61
2040721	07/09/14	11056	CONCHAS, FREDERICK	O000000107	07/03/14	SAFETY BOOT REIMBURSEMENT	129.58	129.58
2040571	06/25/14	15467	CORKY MCMILLIN CONSTRUCTION	WOD00320101	06/23/14	W/O REFUND D0032-010136	2,896.28	
				WOD0032XX6	06/23/14	W/O REFUND D0032-XX6427	2,144.31	
				WODD00320101	06/23/14	W/O REFUND D0032-010139	1,892.22	

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				WOD0032XX6	06/23/14	W/O REFUND D0032-XX6434	803.33	7,736.14
2040572	06/25/14	12334	CORODATA MEDIA STORAGE INC	DS1263136	05/31/14	TAPE STORAGE	439.47	439.47
2040722	07/09/14	02612	COUNCIL OF WATER UTILITIES	COWU614	07/03/14	BUSINESS MEETING	25.00	25.00
2040837	07/23/14	00099	COUNTY OF SAN DIEGO	DPWAROTAYI	06/20/14	EXCAVATION PERMITS (MAY 2014)	1,525.60	1,525.60
2040658	07/02/14	00184	COUNTY OF SAN DIEGO	DEH140394D1	06/26/14	SHUT DOWN TEST (5/18/14)	1,278.00	1,278.00
2040723	07/09/14	00184	COUNTY OF SAN DIEGO	DEH2009HUPI	06/19/14	UPFP PERMIT RENEWAL (6/30/14-6/30/15)	375.00	
				DEH2009HUPI	06/19/14	UPFP PERMIT RENEWAL (6/30/14-6/30/15)	292.00	667.00
2040838	07/23/14	00184	COUNTY OF SAN DIEGO	2003193E6086	07/04/14	SHUT DOWN TEST (6/10/14)	213.00	
				2003193E6084	07/04/14	SHUT DOWN TEST (6/10/2014)	213.00	
				2003193e6085	07/04/14	SHUT DOWN TEST (6/18/2014)	142.00	
				2003193E6085	07/04/14	SHUT DOWN TEST (6/18/2014)	142.00	
				2003193E6085	07/04/14	SHUT DOWN TEST (6/18/2014)	142.00	
				2003193E6085	07/04/14	SHUT DOWN TEST (6/18/2014)	142.00	
				2003193E6082	07/04/14	SHUT DOWN TEST (6/3/2014)	142.00	1,136.00
2040724	07/09/14	03086	COUNTY OF SAN DIEGO	LC1429	07/01/14	LAFCO FEE	47,590.00	47,590.00
2040725	07/09/14	02756	COX COMMUNICATIONS SAN DIEGO	28810614	06/29/14	INTERNET SERVICES (6/29/14-7/28/14)	1,500.00	
				27170614	06/29/14	INTERNET SERVICES (6/29/14-7/28/14)	1,500.00	3,000.00
2040573	06/25/14	11150	DARNELL & ASSOCIATES INC	130173	06/03/14	TRAFFIC ENGINEER SERVICES (3/20/14-6/3/14)	20,720.00	20,720.00
2040574	06/25/14	14905	DART CONTAINER	WOD08460600	06/23/14	W/O REFUND D0846-060074	1,864.67	1,864.67
2040659	07/02/14	15701	DEEDEE OCEGUERA	Ref002434790	07/01/14	UB Refund Cst #0000205559	32.30	32.30
2040660	07/02/14	15696	DEMETRIUS MOORE	Ref002434785	07/01/14	UB Refund Cst #0000197221	8.94	8.94
2040784	07/16/14	03341	DEPARTMENT OF CONSUMER AFFAIRS	071414	07/14/14	LICENSE RENEWAL	50.00	50.00
2040575	06/25/14	00319	DEPARTMENT OF PUBLIC HEALTH	E000077	06/20/14	CERTIFICATE RENEWAL	60.00	60.00
2040726	07/09/14	00319	DEPARTMENT OF PUBLIC HEALTH	O0000000109	07/03/14	CERTIFICATE RENEWAL	60.00	60.00
2040727	07/09/14	03417	DIRECTV	23399331748	06/19/14	SATELLITE TV (6/18/14-7/17/14)	6.00	6.00
2040728	07/09/14	15084	DLT SOLUTIONS LLC	SI257613	06/18/14	CAD TRAINING	4,150.00	4,150.00
2040785	07/16/14	15717	DORNELIEO WAITS	Ref002435025	07/14/14	UB Refund Cst #0000182344	296.87	296.87
2040576	06/25/14	15678	DUNCAN RANCH DEVELOPMENT	WOD08670600	06/23/14	W/O REFUND D0867-060082	422.62	422.62

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2040786	07/16/14	05134	DYCHITAN, MARISSA	071414	07/14/14	REIMBURSEMENT	39.95	39.95
2040839	07/23/14	15644	EATON CORPORATION	40121252	06/30/14	BREAKER RETROFIT	41,920.00	41,920.00
2040729	07/09/14	02447	EDCO DISPOSAL CORPORATION	1554580630	06/30/14	RECYCLING SERVICES (JUNE 2014)	95.00	95.00
2040577	06/25/14	08023	EMPLOYEE BENEFIT SPECIALISTS	0065194IN	05/31/14	EMPLOYEE BENEFITS (MAY 2014)	735.00	735.00
2040840	07/23/14	08023	EMPLOYEE BENEFIT SPECIALISTS	0065564IN	06/30/14	EMPLOYEE BENEFITS (JUNE 2014)	722.50	722.50
2040730	07/09/14	13825	ENRIQUEZ, LUIS	O000000108	07/03/14	CERTIFICATION REIMBURSEMENT	80.00	80.00
2040578	06/25/14	03227	ENVIROMATRIX ANALYTICAL INC	4060486	06/09/14	RECYCLED WATER ANALYSIS (5/22/14-5/28/14)	510.00	
				4050802	05/27/14	RECYCLED WATER ANALYSIS (5/9/14-5/15/14)	445.00	
				4060337	06/02/14	RECYCLED WATER ANALYSIS (5/16/14-5/21/14)	400.00	1,355.00
2040731	07/09/14	03227	ENVIROMATRIX ANALYTICAL INC	4060886	06/23/14	RECYCLED WATER ANALYSIS (6/5/14-6/12/14)	490.00	
				4060681	06/16/14	RECYCLED WATER ANALYSIS (5/29/14-6/4/14)	445.00	935.00
2040841	07/23/14	03227	ENVIROMATRIX ANALYTICAL INC	4070327	07/03/14	RECYCLED WATER ANALYSIS (6/20/14-6/29/14)	710.00	
				4061071	06/30/14	RECYCLED WATER ANALYSIS (6/13/14-6/19/14)	445.00	1,155.00
2040579	06/25/14	02259	ENVIRONMENTAL RESOURCE	725046	06/09/14	LABORATORY SUPPLIES	185.36	185.36
2040787	07/16/14	15662	ERIC TOBIN	Ref002435027	07/14/14	UB Refund Cst #0000194141	80.00	80.00
2040580	06/25/14	14320	EUROFINS EATON ANALYTICAL INC	L0168782	05/30/14	OUTSIDE LAB SERVICES (5/13/14)	750.00	750.00
2040842	07/23/14	14320	EUROFINS EATON ANALYTICAL INC	L0172892	06/26/14	OUTSIDE LAB SERVICES (5/20/14)	2,100.00	
				L0173010	06/27/14	OUTSIDE LAB SERVICES (6/11/14)	375.00	
				L0173693	07/01/14	OUTSIDE LAB SERVICES (6/11/14)	260.00	
				L0172944	06/27/14	OUTSIDE LAB SERVICES (6/3/14)	255.00	
				I0173575	07/01/14	OUTSIDE LAB SERVICES (5/20/14)	100.00	3,090.00
2040843	07/23/14	15396	EVOQUA WATER TECHNOLOGIES LLC	901768186	06/30/14	BIOXIDE	1,374.84	1,374.84
2040581	06/25/14	03546	FERGUSON WATERWORKS # 1083	0475077	06/11/14	INVENTORY	4,838.40	
				0477421	06/11/14	INVENTORY	2,972.94	
				0475942	05/28/14	INVENTORY	2,540.16	
				0475936	05/29/14	INVENTORY	1,350.00	
				04774211	06/16/14	INVENTORY	765.46	
				04774212	06/19/14	INVENTORY	306.18	12,773.14
2040732	07/09/14	03546	FERGUSON WATERWORKS # 1083	0465193	06/20/14	36" BUTTERFLY VALVE	10,700.64	

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				0475932	06/09/14	INVENTORY	4,281.39	14,982.03
2040844	07/23/14	03546	FERGUSON WATERWORKS # 1083	0476253	06/24/14	CLA-VAL PARTS	8,085.46	
				0476197	07/07/14	GATE CAPS	1,313.28	
				04731441	06/26/14	GATE CAPS	615.60	10,014.34
2040582	06/25/14	07592	FINEST CITY WINDOW CLEANING	2399	06/02/14	WINDOW CLEANING	488.00	488.00
2040583	06/25/14	12187	FIRST AMERICAN DATA TREE LLC	9003400514	05/31/14	ONLINE DOCUMENTS (5/1/14-5/31/14)	99.00	99.00
2040845	07/23/14	12187	FIRST AMERICAN DATA TREE LLC	9003400614	06/30/14	ONLINE DOCUMENTS	99.00	99.00
2040584	06/25/14	04066	FIRST CHOICE SERVICES - SD	020531	05/27/14	COFFEE SUPPLIES	455.27	455.27
2040733	07/09/14	04066	FIRST CHOICE SERVICES - SD	021438	06/10/14	COFFEE SUPPLIES	1,736.91	1,736.91
2040846	07/23/14	04066	FIRST CHOICE SERVICES - SD	023329	07/07/14	COFFEE SUPPLIES	53.95	53.95
2040788	07/16/14	14478	FISHER WIRELESS SERVICES INC	221979	06/30/14	RADIO INSTALLATION (6/26/14)	353.65	353.65
2040585	06/25/14	02591	FITNESS TECH	9076	06/01/14	EQUIPMENT MAINTENANCE (JUNE 2014)	135.00	135.00
2040847	07/23/14	02591	FITNESS TECH	9138	07/21/14	TREADMILL REPAIR	376.44	
				9094	07/07/14	FITNESS EQUIPMENT REPAIR	85.00	461.44
2040586	06/25/14	11962	FLEETWASH INC	x284150	05/30/14	FLEET VEHICLE WASHING	72.27	72.27
2040661	07/02/14	11962	FLEETWASH INC	x288138	06/06/14	FLEET VEHICLE WASHING	111.69	111.69
2040734	07/09/14	11962	FLEETWASH INC	x291679	06/13/14	FLEET VEHICLE WASHING	170.82	170.82
2040848	07/23/14	11962	FLEETWASH INC	x299017	06/27/14	FLEET VEHICLE WASHING	56.94	56.94
2040662	07/02/14	01612	FRANCHISE TAX BOARD	Ben2434826	07/03/14	BI-WEEKLY PAYROLL DEDUCTION	50.00	50.00
2040789	07/16/14	01612	FRANCHISE TAX BOARD	Ben2435098	07/17/14	BI-WEEKLY PAYROLL DEDUCTION	50.00	50.00
2040663	07/02/14	02344	FRANCHISE TAX BOARD	Ben2434832	07/03/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2040790	07/16/14	02344	FRANCHISE TAX BOARD	Ben2435102	07/17/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2040587	06/25/14	15646	FREUND DIVERSIFIED	1318	06/21/14	EROSION CONTROL (CONCRETE)	14,000.00	14,000.00
2040849	07/23/14	03094	FULLCOURT PRESS	27274	06/25/14	OUTSIDE SERVICES	2,970.00	2,970.00
2040664	07/02/14	15684	GLENN WILSON	Ref002434771	07/01/14	UB Refund Cst #0000043391	45.71	45.71
2040791	07/16/14	10291	GOIN, JEFF	O000000110	07/11/14	SAFETY BOOT REIMBURSEMENT	117.70	117.70

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2040588	06/25/14	00101	GRAINGER INC	9451071576	05/27/14	WAREHOUSE SUPPLIES	1,457.20	1,721.07
				9450954046	05/27/14	WAREHOUSE SUPPLIES	105.75	
				9451042734	05/27/14	WAREHOUSE SUPPLIES	101.35	
				9449932962	05/27/14	SOOW CORD 16/4	56.77	
2040735	07/09/14	00101	GRAINGER INC	9469912969	06/18/14	FIBERGLASS REPAIR KIT	374.16	653.40
				9467620903	06/16/14	RED & ORANGE WIRE	279.24	
2040589	06/25/14	12907	GREENRIDGE LANDSCAPE INC	12049	05/30/14	LANDSCAPING SERVICES (MAY 2014)	8,909.50	8,909.50
2040850	07/23/14	12907	GREENRIDGE LANDSCAPE INC	12132	06/28/14	LANDSCAPING SERVICES (JUNE 2014)	8,909.50	8,909.50
2040736	07/09/14	00174	HACH COMPANY	8842956	05/21/14	HACH ANALYZERS	3,106.33	3,962.93
				8887935	06/19/14	EQUIPMENT MAINTENANCE	548.79	
				8891674	06/23/14	LABORATORY SUPPLIES	166.86	
				8882953	06/17/14	LABORATORY SUPPLIES	140.95	
2040851	07/23/14	00174	HACH COMPANY	8910651	07/03/14	DISTRIBUTION SUPPLIES	1,753.99	1,753.99
2040590	06/25/14	13868	HAMANN CONSTRUCTION	WOD08540600	06/23/14	W/O REFUND D0854-060080	1,963.17	1,963.17
2040591	06/25/14	02350	HARPER & ASSOCIATES	ENG4933	06/02/14	COATING INSPECTION SERVICES (5/1/14-5/31/14)	13,308.00	13,308.00
2040852	07/23/14	02350	HARPER & ASSOCIATES	ENG4950	06/26/14	COATING INSPECTION SERVICES (6/1/14-6/30/14)	8,995.00	8,995.00
2040665	07/02/14	02795	HARTFORD INSURANCE CO, THE	Ben2434814	07/03/14	MONTHLY CONTRIBUTION TO LTD	5,428.18	5,428.18
2040853	07/23/14	10973	HDR ENGINEERING INC	5	07/01/14	CORROSION SERVICES (3/30/14-5/31/14)	17,032.75	17,032.75
2040737	07/09/14	00062	HELIX WATER DISTRICT	178540010614	06/10/14	WATER PURCHASE (4/7/14-6/5/14)	46.84	92.90
				174639860614	06/10/14	WATER PURCHASE (4/8/14-6/5/14)	46.06	
2040854	07/23/14	00062	HELIX WATER DISTRICT	071614	07/16/14	WTR CONS DATABASE SVCS (7/1/13-6/30/14)	1,722.66	1,722.66
2040666	07/02/14	15676	HEMRAJ RUGGA	UB043067801	06/23/14	OVERPAYMENT REFUND	1,384.85	1,384.85
2040855	07/23/14	00713	HEWLETT-PACKARD COMPANY	68859694	06/27/14	SUPPORT SERVICE (5/1/14-6/30/15)	4,658.37	4,658.37
2040667	07/02/14	15698	HOLLY CAMPBELL	Ref002434787	07/01/14	UB Refund Cst #0000198405	18.20	18.20
2040738	07/09/14	06511	HUDSON SAFE-T-LITE RENTALS	00022411	04/07/14	NON-REFLECTIVE CONES	183.12	183.12
2040739	07/09/14	01649	IDEXX DISTRIBUTION INC	278889113	06/16/14	LABORATORY SUPPLIES	776.70	975.07
				278766584	06/12/14	LABORATORY SUPPLIES	198.37	
2040856	07/23/14	01649	IDEXX DISTRIBUTION INC	279380195	07/02/14	LABORATORY SUPPLIES	3,958.27	

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				279380199	07/02/14	LABORATORY SUPPLIES	2,823.58	6,781.85
2040592	06/25/14	08969	INFOSEND INC	80602	05/30/14	BILL PRINTING SERVICES (MAY 2014)	12,367.39	
				80601	05/30/14	BILL PRINTING SERVICES (MAY 2014)	3,699.86	
				80741	06/03/14	BILL PRINTING SERVICES (MAY 2014)	1,884.26	17,951.51
2040792	07/16/14	08969	INFOSEND INC	80944	06/10/14	PRINTING	2,671.32	2,671.32
2040857	07/23/14	08969	INFOSEND INC	81531	06/30/14	BILL PRINTING SERVICES (JUNE 2014)	11,745.71	
				81530	06/30/14	BILL PRINTING SERVICES (JUNE 2014)	3,496.13	
				81730	07/02/14	BILL PRINTING SERVICES (JUNE 2014)	1,878.84	17,120.68
2040593	06/25/14	02372	INTERIOR PLANT SERVICE INC	8460	05/19/14	PLANT SERVICES (MAY 2014)	205.00	205.00
2040858	07/23/14	02372	INTERIOR PLANT SERVICE INC	8756	06/20/14	PLANT SERVICES (JUNE 2014)	205.00	205.00
2040740	07/09/14	03368	INVENSYS SYSTEMS INC	93112177	06/03/14	PRESSURE TRANSMITTERS	2,205.35	2,205.35
2040741	07/09/14	02263	ITRON INC	335044	06/11/14	SOFTWARE MAINTENANCE (7/1/14-6/30/15)	2,667.28	2,667.28
2040742	07/09/14	14737	IWATER INC	6619	04/01/14	LICENSE AGREEMENT (7/1/14-7/1/15)	40,000.00	40,000.00
2040793	07/16/14	14737	IWATER INC	6705	06/16/14	GIS EQUIPMENT	7,063.20	7,063.20
2040668	07/02/14	15523	JANET HERRING	Ref002434775	07/01/14	UB Refund Cst #0000053856	62.74	62.74
2040594	06/25/14	03077	JANI-KING OF CALIFORNIA INC	SDO05140142	05/01/14	JANITORIAL SERVICES (MAY 2014)	1,135.50	1,135.50
2040859	07/23/14	03077	JANI-KING OF CALIFORNIA INC	SDO06140142	06/01/14	JANITORIAL SERVICES (JUNE 2014)	1,135.50	1,135.50
2040595	06/25/14	10563	JCI JONES CHEMICALS INC	620380		CREDIT MEMO	-3,000.00	
				620270	06/02/14	CHLORINE	4,684.65	1,684.65
2040743	07/09/14	10563	JCI JONES CHEMICALS INC	622360	06/19/14	CHLORINE	4,684.65	4,684.65
2040794	07/16/14	10563	JCI JONES CHEMICALS INC	622468		CREDIT MEMO	-3,000.00	
				622360	06/19/14	CHLORINE	4,684.65	1,684.65
2040596	06/25/14	02269	JENAL ENGINEERING CORP	141181	06/03/14	SENSOR REPAIR	474.54	
				141140	05/29/14	DUSTO INSPECTIONS (MAY 2014)	100.00	574.54
2040860	07/23/14	02269	JENAL ENGINEERING CORP	141311	06/27/14	DUSTO INSPECTIONS (JUNE 2014)	100.00	100.00
2040597	06/25/14	03172	JONES & STOKES ASSOCIATES INC	0101242	06/09/14	ENVIRONMENTAL CONSULTING (4/1/14-5/23/14)	1,610.00	
				0101238	06/09/14	ENVIRONMENTAL CONSULTING (5/16/14-5/23/14)	1,345.28	
				0101239	06/09/14	ENVIRONMENTAL CONSULTING (4/26/14-5/23/14)	570.00	

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				0101241	06/09/14	ENVIRONMENTAL CONSULTING (4/26/14-5/23/14)	380.24	
				0101244	06/09/14	ENVIRONMENTAL CONSULTING (1/25/14-5/23/14)	35.00	3,940.52
2040795	07/16/14	03172	JONES & STOKES ASSOCIATES INC	0101669	06/01/14	ENVIRONMENTAL CONSULTING (5/24/14-6/30/14)	3,699.80	
				0101665	06/01/14	ENVIRONMENTAL CONSULTING (5/24/14-6/30/14)	2,601.00	
				0101671	06/01/14	ENVIRONMENTAL CONSULTING (5/19/14-6/30/14)	1,942.00	
				0101703	06/01/14	ENVIRONMENTAL CONSULTING (6/3/14-6/30/14)	485.00	
				0101666	06/01/14	ENVIRONMENTAL CONSULTING (5/24/14-6/30/14)	385.00	9,112.80
2040796	07/16/14	15715	JOSE SEGURA	Ref002435023	07/14/14	UB Refund Cst #0000059612	49.81	49.81
2040669	07/02/14	15689	JULIO HERNANDEZ	Ref002434778	07/01/14	UB Refund Cst #0000145464	69.45	69.45
2040670	07/02/14	15704	KAREN MANUEL	Ref002434793	07/01/14	UB Refund Cst #0000206905	39.22	39.22
2040744	07/09/14	05840	KIRK PAVING INC	5576	06/12/14	AS NEEDED PAVING SERVICES FY14	9,386.40	9,386.40
2040861	07/23/14	05840	KIRK PAVING INC	5592	06/30/14	AS NEEDED PAVING SERVICES FY14	8,018.20	8,018.20
2040598	06/25/14	14808	KOEPPEN, KEVIN	010114063014	06/23/14	LICENSE RENEWAL (1/1/14-6/30/14)	159.95	159.95
2040599	06/25/14	02063	LA MESA - SPRING VALLEY	3682	05/30/14	GARDEN TOUR (5/1, 5/14, 5/16/14)	885.00	885.00
2040671	07/02/14	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	5A	05/30/14	927-1 COVER/LINER REPLACEMENT (ENDING 5/31/14)	189,964.21	189,964.21
2040862	07/23/14	15615	LAYFIELD USA CORPORATION	E05217	06/27/14	RESERVOIR FLOATING COVER MAINT (JUNE 2014)	42,650.00	42,650.00
2040745	07/09/14	03607	LEE & RO INC	LE16488	06/09/14	INTERCONNECTION (3/29/14-5/31/14)	11,958.22	11,958.22
2040672	07/02/14	15690	LETICIA MARTINEZ	Ref002434779	07/01/14	UB Refund Cst #0000172339	31.23	31.23
2040673	07/02/14	06273	LIEBERT CASSIDY WHITMORE	181811	05/31/14	ATTORNEY SERVICES (THRU 5/31/14)	1,159.50	1,159.50
2040797	07/16/14	06273	LIEBERT CASSIDY WHITMORE	1389596	06/30/14	ATTORNEY SERVICES (THRU 6/30/14)	7,530.00	7,530.00
2040863	07/23/14	15372	M E SIMPSON COMPANY INC	25565	05/31/14	LEAK DETECTION SERVICES (5/5/14-5/22/14)	27,756.00	27,756.00
2040674	07/02/14	10512	MAIL MANAGEMENT GROUP INC	OWD8817	05/12/14	OUTSIDE SERVICES	1,259.00	1,259.00
2040746	07/09/14	10512	MAIL MANAGEMENT GROUP INC	OWD8876	06/16/14	OUTSIDE SERVICES	1,971.66	1,971.66
2040864	07/23/14	03792	MARTINEZ, STEPHEN	072114	07/21/14	SAFETY BOOT REIMBURSEMENT	150.00	150.00
2040747	07/09/14	01183	MCMASTER-CARR SUPPLY CO	86889530	05/27/14	WAREHOUSE SUPPLIES	393.36	393.36
2040600	06/25/14	15677	MCMILLIN ROLLING HILLS	WODD0032090	06/23/14	W/O REFUND D0032-090156	2,377.89	2,377.89
2040601	06/25/14	14866	MELANIE ROMERO	UB626691103	06/23/14	CUSTOMER REFUND	166.98	166.98

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2040748	07/09/14	01824	MERKEL & ASSOCIATES INC	14062001	06/20/14	ENVIRONMENTAL SERVICES (4/16/14-5/31/14)	20,784.95	20,784.95
2040798	07/16/14	15722	MICHAEL METOYER	Ref002435031	07/14/14	UB Refund Cst #0000203568	40.84	40.84
2040602	06/25/14	09581	MICHAEL R WELCH PHD PE	7141	06/02/14	ENGINEERING SERVICES (4/9/14-5/30/14)	1,800.00	1,800.00
2040675	07/02/14	15686	MICHAEL SICKINGER	Ref002434773	07/01/14	UB Refund Cst #0000049948	64.59	64.59
2040676	07/02/14	15694	MICHELINE WAGNER	Ref002434783	07/01/14	UB Refund Cst #0000195804	35.87	35.87
2040603	06/25/14	01063	MIRAMAR BOBCAT INC	005440	05/28/14	CP#3 REPLACEMENT TRAILER	26,726.00	26,726.00
2040604	06/25/14	00237	MISSION JANITORIAL & ABRASIVE	41303100	05/27/14	JANITORIAL SUPPLIES	2,010.99	2,010.99
2040865	07/23/14	00237	MISSION JANITORIAL & ABRASIVE	41544000	06/26/14	SANDBLASTER REPAIRS	812.29	812.29
2040605	06/25/14	15136	MISSION UNIFORM SERVICE	340286821	05/27/14	UNIFORM SERVICES	405.42	
				340287901	06/03/14	UNIFORM SERVICES	405.42	
				340286820	05/27/14	UNIFORM SERVICES	114.17	
				340287900	06/03/14	UNIFORM SERVICES	114.17	
				340286824	05/27/14	UNIFORM SERVICES	89.75	
				340287903	06/03/14	UNIFORM SERVICES	89.75	
				S340284891	05/13/14	UNIFORM SERVICES	25.00	
				S340284895	05/15/14	UNIFORM SERVICES	24.00	1,267.68
2040677	07/02/14	15136	MISSION UNIFORM SERVICE	340284675	05/13/14	UNIFORM SERVICES	89.71	
				S340284225	05/06/14	UNIFORM SERVICES	84.45	174.16
2040749	07/09/14	15136	MISSION UNIFORM SERVICE	340288943	06/10/14	UNIFORM SERVICES	405.42	
				340290029	06/17/14	UNIFORM SERVICES	401.42	
				340288942	06/10/14	UNIFORM SERVICES	114.17	
				340290028	06/17/14	UNIFORM SERVICES	114.17	
				340288946	06/10/14	UNIFORM SERVICES	89.75	
				340290031	06/17/14	UNIFORM SERVICES	89.75	
				S340289354	06/17/14	UNIFORM SERVICES	31.60	1,246.28
2040866	07/23/14	15136	MISSION UNIFORM SERVICE	340291084	06/24/14	UNIFORM SERVICES	405.42	
				340292141	07/01/14	UNIFORM SERVICES	405.42	
				340292140	07/01/14	UNIFORM SERVICES	114.17	
				340291087	06/24/14	UNIFORM SERVICES	89.75	
				S340291490	07/01/14	UNIFORM SERVICES	5.00	1,133.93

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2040678	07/02/14	15697	MONIQUE GRAFF	Ref002434786	07/01/14	UB Refund Cst #0000197325	96.60	96.60
2040606	06/25/14	02764	MYRON L COMPANY	351973	06/03/14	LABORATORY SUPPLIES	3,424.60	3,424.60
2040867	07/23/14	02764	MYRON L COMPANY	352805	07/01/14	EQUIPMENT MAINTENANCE	1,086.41	1,086.41
2040750	07/09/14	12908	NARASIMHAN CONSULTING SERVICES	16	06/23/14	HYDRAULIC MODELING SERVICES (3/1/14-6/20/14)	5,264.00	5,264.00
2040679	07/02/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2434820	07/03/14	BI-WEEKLY DEFERRED COMP PLAN	8,538.27	8,538.27
2040799	07/16/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2435092	07/17/14	BI-WEEKLY DEFERRED COMP PLAN	8,558.27	8,558.27
2040868	07/23/14	07488	NEWMAN, DAMON	O0000000111	07/17/14	SAFETY BOOT REIMBURSEMENT	130.78	130.78
2040800	07/16/14	14856	NEXUS IS INC	JC641772	05/29/14	CISCO PROJECT SUPPLIES	3,624.00	3,624.00
2040869	07/23/14	14856	NEXUS IS INC	JC641770	05/29/14	CISCO PROJECT SUPPLIES	4,899.18	
				JC641769	05/29/14	CISCO PROJECT SUPPLIES	4,896.98	
				JC641771	05/29/14	CLOUD SERVICES	1,899.65	11,695.81
2040870	07/23/14	15727	NICHOLAS PAUL WITZLER	071714	07/17/14	DJ FOR EMP EVENT	850.00	850.00
2040680	07/02/14	15707	NOBLE REAL ESTATE SERVICES	Ref002434796	07/01/14	UB Refund Cst #0000208527	49.73	49.73
2040751	07/09/14	00510	OFFICE DEPOT INC	716738486001	06/10/14	OFFICE SUPPLIES	890.28	
				716768605001	06/10/14	OFFICE SUPPLIES	412.70	
				712954290001	06/12/14	OFFICE SUPPLIES	221.77	
				716768491001	06/11/14	OFFICE SUPPLIES	218.51	
				709066600001	06/20/14	OFFICE SUPPLIES	104.64	
				709066799001	06/20/14	OFFICE SUPPLIES	10.72	1,858.62
2040871	07/23/14	00510	OFFICE DEPOT INC	718704449001	07/02/14	OFFICE SUPPLIES	180.38	
				718704638001	07/02/14	OFFICE SUPPLIES	7.13	187.51
2040872	07/23/14	01002	PACIFIC PIPELINE SUPPLY	300039	06/27/14	HYDRANT CAPS	1,722.06	
				300045	06/27/14	HYDRANT CAPS	506.52	2,228.58
2040801	07/16/14	14954	PACIFIC TRANS ENVIRONMENTAL	44223	05/31/14	HAZ WASTE SUPPLIES (5/29/14)	144.30	144.30
2040873	07/23/14	14954	PACIFIC TRANS ENVIRONMENTAL	44490	06/30/14	HAZ WASTE DISPOSAL (6/23/14)	1,315.35	
				44467	06/27/14	HAZ WASTE DISPOSAL (6/25/14)	949.05	
				44436	06/24/14	HAZ WASTE DISPOSAL	742.59	3,006.99
2040874	07/23/14	09984	PADRE DAM'S SANTEE LAKES	14194554	07/15/14	SANTEE LAKES RSVP	495.00	495.00
2040875	07/23/14	15159	PATTERSON BROTHERS LIGHTING	0001433IN	06/27/14	SECURITY REPAIRS	5,285.00	5,285.00

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2040607	06/25/14	05497	PAYPAL INC	32386799	05/31/14	PHONE PAYMENT SVCES (MAY 2014)	54.10	54.10
2040876	07/23/14	05497	PAYPAL INC	33107681	06/30/14	PHONE PAYMENT SVCS (JUNE 2014)	54.10	54.10
2040752	07/09/14	12472	PCNATION	P05350920101	06/07/14	SMART APP LCD UPS TOWER	1,633.46	1,633.46
2040608	06/25/14	15598	PDF ELECTRIC & SUPPLY CO INC	130297	06/05/14	PLC MODULES	9,340.00	9,340.00
2040609	06/25/14	00137	PETTY CASH CUSTODIAN	062314	06/23/14	PETTY CASH REIMBURSEMENT	606.78	606.78
2040610	06/25/14	15081	PINOMAKI DESIGN	4506	06/01/14	GRAPHIC DESIGN	255.00	255.00
2040753	07/09/14	15081	PINOMAKI DESIGN	4518	06/16/14	GRAPHIC DESIGN	212.50	212.50
2040611	06/25/14	00053	PITNEY BOWES INC	657461	06/03/14	EQUIPMENT RENTAL 7/1/14-9/30/14)	207.36	207.36
2040877	07/23/14	00053	PITNEY BOWES INC	527608	07/01/14	POSTAL SERVICES (8/1/14-7/31/15)	3,336.00	
				527609	07/01/14	POSTAL SERVICES (8/1/14-7/31/15)	315.00	3,651.00
2040802	07/16/14	15721	PORTILLO CONCRETE INC	Ref002435030	07/14/14	UB Refund Cst #0000199003	1,669.62	1,669.62
2040612	06/25/14	03351	POSADA, ROD	061814062014	06/23/14	TRAVEL EXPENSE REIMB (6/18/14-6/20/14)	1,350.72	
				061014061314	06/25/14	TRAVEL EXPENSE REIMB (6/10/14-6/13/14)	755.50	
				06232014RP	06/23/14	EDUCATION REIMBURSEMENT	166.00	2,272.22
2040613	06/25/14	06529	POSTAL ANNEX INC	062414	06/24/14	REFUND	153.18	153.18
2040681	07/02/14	01733	PRICE TRONCONE &	12825	05/06/14	ANTENNA SUBLEASE (JULY-SEPT 2014)	4,335.00	4,335.00
2040771	07/09/14	15642	PRINT BUTTON, THE	6637	06/12/14	BUSINESS CARDS	41.15	41.15
2040614	06/25/14	13059	PRIORITY BUILDING SERVICES	39562	05/01/14	JANITORIAL SERVICES (MAY 2014)	3,664.00	3,664.00
2040878	07/23/14	13059	PRIORITY BUILDING SERVICES	39865	06/01/14	JANITORIAL SERVICES (JUNE 2014)	3,504.00	3,504.00
2040615	06/25/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2434528	06/19/14	BI-WEEKLY PERS CONTRIBUTION	157,816.93	157,816.93
2040754	07/09/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2434816	07/03/14	BI-WEEKLY PERS CONTRIBUTION	158,425.66	158,425.66
2040879	07/23/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2435088	07/17/14	BI-WEEKLY PERS CONTRIBUTION	173,813.43	173,813.43
2040616	06/25/14	01342	R J SAFETY SUPPLY CO INC	32514700	05/28/14	CSE BLOWER	259.20	259.20
2040755	07/09/14	01342	R J SAFETY SUPPLY CO INC	32628900	06/18/14	SAFETY SUPPLIES	657.83	657.83
2040880	07/23/14	01342	R J SAFETY SUPPLY CO INC	32628901	06/25/14	SAFETY SUPPLIES	171.61	171.61
2040617	06/25/14	14776	RALPH ANDERSEN & ASSOCIATES	11479	05/31/14	CONSULTING SERVICES (THRU MAY 2014)	7,000.00	

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				11473	05/27/14	CONSULTING SERVICES (APR 2014)	6,750.00	13,750.00
2040881	07/23/14	14776	RALPH ANDERSEN & ASSOCIATES	11517	06/30/14	CONSULTING SERVICES (THRU 6/30/14)	5,250.00	5,250.00
2040618	06/25/14	00766	RANROY PRINTING COMPANY	020905	06/05/14	POSTCARDS	1,312.20	1,312.20
2040882	07/23/14	00766	RANROY PRINTING COMPANY	021049	06/27/14	LETTER HEAD	2,877.12	2,877.12
2040619	06/25/14	00021	RCP BLOCK & BRICK INC	30194445	05/29/14	CONCRETE	2,078.32	2,078.32
2040620	06/25/14	04552	REA & PARKER RESEARCH	052914	05/29/14	CONSULTANT SERVICES	4,500.00	4,500.00
2040621	06/25/14	01890	RECON	49280	05/28/14	SUBAREA PLAN (5/14/11-5/9/14)	2,484.50	2,484.50
2040756	07/09/14	15647	RFYEAGER ENGINEERING LLC	14072	06/20/14	HYDRO TANK INSPECTION	4,620.00	4,620.00
2040757	07/09/14	00521	RICK POST WELD & WET TAPPING	9740	06/19/14	WELDING ON 1530 HYDRO TANK	420.00	420.00
2040622	06/25/14	15648	ROBERTO WAISBORD	061214	06/12/14	CLAIM SETTLEMENT	270.00	270.00
2040682	07/02/14	15687	RSD INDUSTRIAL CENTER	Ref002434774	07/01/14	UB Refund Cst #0000053052	1,323.07	1,323.07
2040623	06/25/14	09148	S & J SUPPLY COMPANY INC	S10003926300	06/13/14	INVENTORY	734.40	734.40
2040758	07/09/14	09148	S & J SUPPLY COMPANY INC	S10003917400	06/10/14	INVENTORY	3,336.96	3,336.96
2040803	07/16/14	05130	SAFARI MICRO INC	245028	05/15/14	SCADA EQUIPMENT	3,105.47	3,105.47
2040683	07/02/14	15688	SAL D'AURIA	Ref002434777	07/01/14	UB Refund Cst #0000090689	12.97	12.97
2040804	07/16/14	15720	SAMUEL ESTRADA-PORTER	Ref002435029	07/14/14	UB Refund Cst #0000195207	19.69	19.69
2040624	06/25/14	11596	SAN DIEGO CONSTRUCTION WELDING	9411	06/06/14	AER. BASIN CATWALK INSTALL	8,920.00	8,920.00
2040805	07/16/14	11596	SAN DIEGO CONSTRUCTION WELDING	9421	06/11/14	FABRICATION (5/29/14 & 6/2/14)	4,145.00	
				9419	06/11/14	WELDING SERVICES (5/16/14-5/23/14)	3,400.00	7,545.00
2040625	06/25/14	02586	SAN DIEGO COUNTY ASSESSOR	2013254	06/09/14	ASSESSOR DATA (MONTHLY)	125.00	125.00
2040883	07/23/14	02586	SAN DIEGO COUNTY ASSESSOR	2014022	07/07/14	ASSESSOR DATA (MONTHLY)	125.00	125.00
2040684	07/02/14	03752	SAN DIEGO COUNTY SHERIFF	Ben2434828	07/03/14	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2040806	07/16/14	03752	SAN DIEGO COUNTY SHERIFF	Ben2435100	07/17/14	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2040759	07/09/14	00247	SAN DIEGO DAILY TRANSCRIPT	446222	06/13/14	BID ADVERTISEMENT (DRAFT MND)	125.40	125.40
2040884	07/23/14	00247	SAN DIEGO DAILY TRANSCRIPT	448054	06/24/14	BID ADVERTISEMENT	112.20	112.20

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2040626	06/25/14	00121	SAN DIEGO GAS & ELECTRIC	061814	06/18/14	UTILITY EXPENSES (MONTHLY)	59,919.28	59,919.28
2040685	07/02/14	00121	SAN DIEGO GAS & ELECTRIC	062514	06/25/14	UTILITY EXPENSES (MONTHLY)	84,961.77	
				062414	06/24/14	UTILITY EXPENSES (MONTHLY)	70,527.57	
				062314	06/23/14	UTILITY EXPENSES (MONTHLY)	35,316.18	
				061814a	06/18/14	UTILITY EXPENSES (MONTHLY)	17,311.95	208,117.47
2040760	07/09/14	00121	SAN DIEGO GAS & ELECTRIC	070114	07/01/14	UTILITY EXPENSES (MONTHLY)	105,169.75	105,169.75
2040885	07/23/14	00121	SAN DIEGO GAS & ELECTRIC	070314	07/03/14	UTILITY EXPENSES (MONTHLY)	5,636.38	
				070314a	07/03/14	UTILITY EXPENSES (MONTHLY)	231.22	5,867.60
2040807	07/16/14	00871	SAN DIEGO GAS & ELECTRIC	268039	07/10/14	PLAN SET REVIEW	3,694.00	3,694.00
2040808	07/16/14	10578	SAN DIEGO INTERNATIONAL PUBLIC	a000103	07/10/14	MEMBERSHIP RENEWAL	165.00	165.00
2040886	07/23/14	12080	SAN DIEGO UNION-TRIBUNE, THE	UT72014	07/17/14	SUBSCRIPTION RENEWAL- UT	55.03	55.03
2040627	06/25/14	03514	SANTOS, MARCIANO	O0000000102	06/19/14	SAFETY BOOT REIMBURSEMENT	136.06	136.06
2040628	06/25/14	15446	SCOTT, ADAM	O0000000103	06/19/14	SAFETY BOOT REIMBURSEMENT	150.00	150.00
2040761	07/09/14	14785	SEW-EURODRIVE INC	122487	06/19/14	GEARDRIVE VFD	702.56	702.56
2040762	07/09/14	00419	SHAPE PRODUCTS	176374	06/10/14	DISTRIBUTION SUPPLIES	1,410.52	1,410.52
2040887	07/23/14	00419	SHAPE PRODUCTS	176882	07/07/14	DISTRIBUTION SUPPLIES	1,302.74	1,302.74
2040809	07/16/14	15716	SHEA HOMES	Ref002435024	07/14/14	UB Refund Cst #0000175804	1,866.81	1,866.81
2040629	06/25/14	06357	SHEA HOMES LP	WOD03070901	06/23/14	W/O REFUND D0307-090168	1,467.03	1,467.03
2040630	06/25/14	15307	SIERRA ANALYTICAL LABS INC	4F19010	06/19/14	LABORATORY SERVICES (6/11/14)	220.00	220.00
2040763	07/09/14	15307	SIERRA ANALYTICAL LABS INC	4F27009	06/27/14	LABORATORY SERVICES (6/18/14)	220.00	
				4G03007	07/03/14	LABORATORY SERVICES (6/25/14)	220.00	440.00
2040888	07/23/14	15307	SIERRA ANALYTICAL LABS INC	4G14007	07/14/14	LABORATORY SERVICES (7/2/14)	220.00	220.00
2040631	06/25/14	13327	SILVA-SILVA INTERNATIONAL	1406	06/01/14	PROJECT CONSULTANT (MAY 2014)	3,710.95	
				1406a	06/01/14	DESAL PROJ CONSULTANT (MAY 2014)	289.05	4,000.00
2040764	07/09/14	13327	SILVA-SILVA INTERNATIONAL	1407	07/01/14	DESAL PROJ CONSULTANT (JUNE 2014)	4,000.00	4,000.00
2040686	07/02/14	03612	SIMON WONG ENGINEERING	17256	05/31/14	WOODEN TRESTLE IMPROVEMENT (ENDING 5/31/14)	1,105.76	1,105.76
2040889	07/23/14	03612	SIMON WONG ENGINEERING	17425	06/30/14	WOODEN TRESTLE IMPROVEMENT (ENDING 6/30/14)	6,361.80	6,361.80

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2040890	07/23/14	14984	SOLARWINDS INC	IN177519	07/03/14	SOFTWARE LICENSE	4,990.00	
				IN177517	07/03/14	MAINTENANCE RENEWAL	4,970.00	9,960.00
2040632	06/25/14	11618	SOUTH COAST COPY SYSTEMS	AR152663	05/30/14	COPIER MAINTENANCE (JUNE 2014)	1,682.59	1,682.59
2040687	07/02/14	11618	SOUTH COAST COPY SYSTEMS	AR152143	05/21/14	CANON COPIER IRC5240	7,629.00	7,629.00
2040891	07/23/14	11618	SOUTH COAST COPY SYSTEMS	AR154799	06/30/14	COPIER MAINTENANCE (JULY 2014)	1,682.59	1,682.59
2040765	07/09/14	03103	SOUTHCOAST HEATING &	J11265	06/12/14	A/C INSTALLATION	4,512.00	4,512.00
2040766	07/09/14	15176	SOUTHCOAST HEATING &	C53781	06/16/14	AC MAINTENANCE (MONTHLY)	1,068.00	
				C53799	06/16/14	AC MAINTENANCE (JUNE 2014)	480.00	
				C53790	06/16/14	IT AC MAINTENANCE (MONTHLY)	205.00	1,753.00
2040633	06/25/14	06853	SOUTHERN CALIFORNIA SOIL	367604	05/27/14	GEOTECHNICAL SERVICES (4/1/14-4/30/14)	3,399.70	3,399.70
2040767	07/09/14	06853	SOUTHERN CALIFORNIA SOIL	367837	05/31/14	GEOTECHNICAL SERVICES (5/1/14-5/31/14)	2,109.93	2,109.93
2040892	07/23/14	06853	SOUTHERN CALIFORNIA SOIL	368008	06/30/14	GEOTECHNICAL SERVICES (6/1/14-6/30/14)	1,012.00	1,012.00
2040768	07/09/14	03516	SPECIAL DISTRICT RISK	47314	05/30/14	2014-15 WORKERS' COMPENSATION (JULY-SEPT 2014)	65,407.00	65,407.00
2040688	07/02/14	01717	SPRING VALLEY CHAMBER OF	SVCOC614	06/26/14	MEMBERSHIP RENEWAL	500.00	500.00
2040810	07/16/14	15718	STACEY ZIBA	Ref002435026	07/14/14	UB Refund Cst #0000185051	86.68	86.68
2040689	07/02/14	15692	STACY OXENDINE	Ref002434781	07/01/14	UB Refund Cst #0000192912	55.52	55.52
2040772	07/09/14	13564	STAR-NEWS PUBLISHING CO, THE	00026724	06/20/14	ADVERTISEMENT	115.31	115.31
2040634	06/25/14	05755	STATE WATER RESOURCES	o0000000101	06/19/14	CERTIFICATION RENEWAL	340.00	340.00
2040811	07/16/14	13045	STRADLING YOCCA CARLSON &	2893180007	06/13/14	LOC RENEWAL (3/3/14-5/7/14)	10,000.00	10,000.00
2040769	07/09/14	07678	STREAMLINE FORMS & GRAPHICS	39376	06/11/14	COURTESY NOTICES	140.18	140.18
2040690	07/02/14	03263	STRUNKS JR, DALE	062314	06/23/14	COMPUTER LOAN	1,189.84	1,189.84
2040812	07/16/14	12809	STUTZ ARTIANO SHINOFF	95363	06/24/14	LEGAL SERVICES (MAY 2014)	24,883.59	
				95455	07/07/14	LEGAL SERVICES (JUNE 2014)	15,820.00	40,703.59
2040635	06/25/14	10339	SUPREME OIL COMPANY	398353	05/30/14	UNLEADED FUEL	14,771.96	
				398355	05/29/14	DIESEL FUEL	11,336.28	26,108.24
2040691	07/02/14	08639	SUSAN RODRIGUEZ	Ref002434776	07/01/14	UB Refund Cst #0000088429	10.49	10.49
2040636	06/25/14	15328	TB PENNICK & SONS	WOD05510901	06/23/14	W/O REFUND D0551-090113	880.00	880.00

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<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Vendor Name</u>	<u>Invoice</u>	<u>Inv. Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check Total</u>
2040770	07/09/14	02376	TECHKNOWSION INC	2515	06/16/14	MISCELLANEOUS LABOR	910.00	910.00
2040893	07/23/14	03608	TELLIARD CONSTRUCTION	OWD52014	06/26/14	ROOFTOP SPRINKLER	4,900.00	4,900.00
2040692	07/02/14	15693	THOMAS CRELLIN	Ref002434782	07/01/14	UB Refund Cst #0000193333	60.08	60.08
2040773	07/09/14	15712	THOMAS WATKINS	UB250333134	07/07/14	CUSTOMER REFUND	431.72	431.72
2040774	07/09/14	14177	THOMPSON, MITCHELL	060114063014	06/30/14	MILEAGE REIMBURSEMENT (JUNE 2014)	22.96	22.96
2040775	07/09/14	15398	TIMMONS GROUP INC	160887	06/10/14	CONSULTANT SERVICES (THRU 5/31/14)	2,245.75	2,245.75
2040693	07/02/14	15682	TYCO PROPERTY MGMT CO	915020507	06/30/14	WATER SMART IRRIGATION UPGRADE PROGRAM	5,000.00	5,000.00
2040894	07/23/14	03261	TYLER TECHNOLOGIES INC	045111970	07/01/14	MAINTENANCE SUPPORT (7/1/14-6/30/15)	125,810.93	125,810.93
2040637	06/25/14	00427	UNDERGROUND SERVICE ALERT OF	520140480	06/01/14	UNDERGROUND ALERTS (MONTHLY)	391.50	391.50
2040895	07/23/14	00427	UNDERGROUND SERVICE ALERT OF	620140481	07/01/14	UNDERGROUND ALERTS (MONTHLY)	348.00	348.00
2040638	06/25/14	15675	UNITED SITE SERVICES INC	1142050611	05/22/14	PORTABLE TOILET RENTAL (5/22/14-6/18/14)	98.17	
				114205704	05/30/14	PORTABLE TOILET RENTAL (5/30/14-6/26/14)	80.08	
				1142058846	05/31/14	PORTABLE TOILET RENTAL (5/31/14-6/27/14)	79.98	
				1142047102	05/14/14	PORTABLE TOILET RENTAL (5/14/14-6/10/14)	79.98	
				1142058702	05/30/14	PORTABLE TOILET RENTAL (5/30/14-6/26/14)	79.98	
				1142058703	05/30/14	PORTABLE TOILET RENTAL (5/30/14-6/26/14)	79.98	
				1142096622	06/11/14	PORTABLE TOILET RENTAL (6/11/14-7/8/14)	79.98	578.15
2040639	06/25/14	07674	US BANK	O0000000104	06/24/14	CAL CARD EXPENSES (MONTHLY)	43,504.47	
				a000097	06/23/14	CAL CARD EXPENSES (MONTHLY)	15,701.11	59,205.58
2040694	07/02/14	07674	US BANK	E000078	06/23/14	CAL CARD EXPENSES (MONTHLY)	149.72	149.72
2040813	07/16/14	07674	US BANK	A000104	06/23/14	CAL CARD EXPENSES (MONTHLY)	31,046.53	
				MW62314	06/23/14	CAL CARD EXPENSES (MONTHLY)	493.18	31,539.71
2040896	07/23/14	07674	US BANK	O0000000112	07/22/14	CAL CARD EXPENSES (MONTHLY)	32,457.70	
				SC0614	06/23/14	CAL CARD EXPENSES (MONTHLY)	3,857.12	36,314.82
2040776	07/09/14	11606	USA BLUE BOOK	375263	06/18/14	MATERIALS AND SUPPLIES	145.22	145.22
2040897	07/23/14	11606	USA BLUE BOOK	384306	06/30/14	MATERIALS AND SUPPLIES	136.25	
				379604	06/24/14	MATERIALS AND SUPPLIES	36.70	172.95
2040695	07/02/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2434822	07/03/14	BI-WEEKLY DEFERRED COMP PLAN	12,408.88	12,408.88

**CHECK REGISTER**

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2040814	07/16/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2435094	07/17/14	BI-WEEKLY DEFERRED COMP PLAN	12,038.08	12,038.08
2040696	07/02/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2434824	07/03/14	BI-WEEKLY 401A PLAN	1,965.85	1,965.85
2040815	07/16/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2435096	07/17/14	BI-WEEKLY 401A PLAN	1,965.85	1,965.85
2040697	07/02/14	12686	VANTAGEPOINT TRANSFER AGENTS	Ben2434830	07/03/14	401A TERMINAL PAY	14,244.66	14,244.66
2040816	07/16/14	03329	VERIZON WIRELESS	9727325330	06/21/14	VERIZON SERVICES (3/22/14-6/21/14)	19,069.62	19,069.62
2040640	06/25/14	08380	VILLA FORD INC	F41370	05/27/14	REPLACEMENT PICK UP CP#1 FY14	24,720.99	24,720.99
2040698	07/02/14	15709	WASHINGTON STATE SUPPORT	Ben2434834	07/03/14	BI-WEEKLY PAYROLL DEDUCTION	230.76	230.76
2040817	07/16/14	15709	WASHINGTON STATE SUPPORT	Ben2435104	07/17/14	BI-WEEKLY PAYROLL DEDUCTION	230.76	230.76
2040777	07/09/14	14879	WATER CONSERVATION GARDEN	1130	06/16/14	GARDEN COSTS (1ST QTR FY 2014-2015)	24,405.50	24,405.50
2040818	07/16/14	03781	WATTON, MARK	060114063014	07/08/14	MILEAGE REIMBURSEMENT (JUNE 2014)	227.92	227.92
2040898	07/23/14	03781	WATTON, MARK	060114063014	07/18/14	TRAVEL EXPENSE REIMBURSEMENT (JUNE 2014)	1,024.48	1,024.48
2040641	06/25/14	01343	WE GOT YA PEST CONTROL	89570	06/02/14	PEST CONTROL	995.00	995.00
2040899	07/23/14	01343	WE GOT YA PEST CONTROL	89828	06/10/14	BEE REMOVAL	115.00	
				89832	06/10/14	BEE REMOVAL	115.00	
				89515	05/30/14	BEE REMOVAL	115.00	
				89186	05/14/14	BEE REMOVAL	115.00	460.00
2040778	07/09/14	15596	WEBB INFORMATION SYSTEMS	6637	05/29/14	LAPTOPS	15,768.00	15,768.00
2040900	07/23/14	15567	ZETTA INC	INV00012857	06/30/14	STORAGE USAGE	26.10	26.10
<b>Amount Pd Total:</b>							<b>3,195,015.98</b>	
<b>Check Grand Total:</b>							<b>3,195,015.98</b>	