

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

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM

TUESDAY
August 23, 2016
11:30 A.M.

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

AGENDA

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

DISCUSSION ITEMS

3. ADOPT ORDINANCE NO. 557 AMENDING THE APPENDIX OF SECTION 6, CONFLICT OF INTEREST CODE (COIC), CONTAINED WITHIN THE DISTRICT'S CODE OF ORDINANCES TO UPDATE THE POSITION TITLES REQUIRED TO FILE A FORM 700 AND TO INCLUDE LANGUAGE IN SECTION 6.02 WHICH WILL ALLOW THE GENERAL MANAGER OR HIS DESIGNEE TO DESIGNATE POSITIONS TO BE INCLUDED IN THE COIC'S APPENDIX AT ANY TIME BETWEEN THE BIENNIAL REVIEW PERIODS (WATTON) [5 minutes]
4. ADOPT RESOLUTION NO. 4311 TO UPDATE BOARD POLICY NO. 19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS, DUE TO RECENT LEGISLATION EXPANDING THE WORKPLACE PROHIBITION AGAINST SMOKING INCLUDING ELECTRONIC CIGARETTES (WILLIAMSON) [5 minutes]
5. RATIFY THE EMERGENCY CONTRACTED WORK PERFORMED BY KIRK PAVING FOR THE GREENSVIEW DRIVE MAIN BREAK REPAIR (BELL) [5 minutes]
6. ADOPT ORDINANCE NO. 558 AMENDING SUBDIVISION "E" OF SECTION 2.01 OF THE DISTRICT'S CODE OF ORDINANCES TO ESTABLISH THE GENERAL MANAGER'S SIGNATORY AUTHORITY AT \$125,000 (PAYNE) [5 minutes]

7. FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN (SEGURA) [10 minutes]

8. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Jose Lopez, Chair

Mitch Thompson

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

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

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

Certification of Posting

I certify that on August 19, 2016 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on August 19, 2016.

/s/ Susan Cruz, District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:			
SUBJECT:	Adoption of Ordinance No. 557 Amending the Appendix of the Conflict of Interest Code		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 557 amending the Appendix of Section 6, Conflict of Interest Code (COIC), contained within the District's Code of Ordinances to update the position titles required to file a Form 700 and to include language in Section 6.02 which will allow the General Manager or his designee to designate positions to be included in the COIC's Appendix at any time between the biennial review periods.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To amend the Appendix of Section 6, COIC, contained within the District's Code of Ordinances to update the position titles required to file a Form 700 and to include language that allows the General Manager or his designee to designate positions to be included in the COIC's Appendix at any time between the biennial review periods.

ANALYSIS:

As required by the Political Reform Act ("Act"), staff has conducted a biennial review of the District's COIC. The District's Attorney has advised that there were no changes in the law which needs to be addressed in the District's COIC. However, the District's Attorney has suggested that the District include the following paragraph in Section 6.02 of the COIC should it be determined, between the biennial review periods, that a new position must be included in the Appendix's list of designated Form 700 filers:

"The General Manager or his/her designee shall have the authority to designate any person holding a position within the District as a person designated to provide disclosures

regardless of whether or not the position that the person holds is included in the Appendix if, in the view of the General Manager or his/her designee, the person has the potential to make or participate in the making of decisions which may foreseeably have a material effect on financial interests."

The District has also made organizational changes that affect the titles listed in its Conflict of Interest Code. The following titles no longer exist and are being deleted from the Appendix of the COIC:

- Asst. Chief Administrative Services and Information Technology
- Chief Information Officer
- Water Conservation Manager

Additionally, the titles of Safety and Security Administrator and Senior Buyer are being changed as follows respectively:

- Safety and Security Specialist
- Senior Procurement and Contracting Analyst

Ordinance No. 557 is submitted for the Board's ratification to amend the Appendix of Section 6 as noted above. A strike-thru copy of the Appendix is attached to the ordinance for reference.

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

Attachments:

- Attachment A - Committee Notes
- Attachment B - Ordinance No. 557
Strike-Thru Copy of the Appendix of Section 6



ATTACHMENT A

SUBJECT/PROJECT:	Adoption of Ordinance No. 557 Amending the Appendix of the Conflict of Interest Code
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COMMITTEE ACTION:

This attachment will be updated with notes from the Finance Administration and Communications Committee's discussion at a meeting to be held on Tuesday, August 23, 2016.

ORDINANCE NO. 557

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT
AMENDING SECTION 6,
CONFLICT OF INTEREST CODE,
OF THE DISTRICT'S CODE OF ORDINANCE

BE IT ORDAINED by the Board of Directors of Otay Water District that the Appendix of the District's Conflict of Interest Code, Section 6 of the Code of Ordinances shall be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the amendments to Section 6, Conflict of Interest Code, of the District's Code of Ordinances shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 7th day of September 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

DIVISION I DISTRICT ADMINISTRATION
CHAPTER 5 PERSONNEL PRACTICES
SECTION 6 CONFLICT OF INTEREST CODE

6.01 DEFINITIONS

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. Sections 18100, *et seq.*), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

6.02 DESIGNATED EMPLOYEES

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

The General Manager or his/her designee shall have the authority to designate any person holding a position within the District as a person designated to provide disclosures regardless of whether or not the position that the person holds is included in the Appendix if, in the view of the General Manager or his/her designee, the person has the potential to make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

6.03 DISCLOSURE CATEGORIES

This Code does not establish any disclosure obligation for those designated employees who are also specified in Government Code Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interest pursuant to Article 2 of Chapter 2 of the Political Reform Act, Government Code Sections 87200, *et seq.*¹ In addition, this code does not establish any disclosure obligation for any designated public officials who are designated in a conflict of interest code for another agency, if all of the following apply:

¹ Designated employees who are required to file statements of economic interest under any other agency's Conflict of Interest Code or under Article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interest in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and district statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code Section 81004.

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code Section 87200; and

(C) The filing officer is the same for both agencies.

Such persons are covered by this Code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interest are reportable. Such a designated employee shall disclose in his or her statement of economic interest those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interest which he or she foreseeably can affect materially through the conduct of his or her office.

6.04 STATEMENTS OF ECONOMIC INTERESTS: PLACE OF FILING

All officials and employees required to submit a statement of economic interest (employees in Designated Positions) shall file their statements with the General Manager, or his or her designee. The District shall make and retain a copy of all statements filed by Designated Positions and forward the originals of such statements to the Executive Office of the Board of Supervisors of San Diego County. All retained statements, originals or copies shall be available for public inspection and reproduction. (Cal. Gov't Code § 81008)²

6.05 STATEMENTS OF ECONOMIC INTERESTS: TIME OF FILING

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject

² See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

6.06 STATEMENTS FOR PERSONS WHO RESIGN PRIOR TO ASSUMING OFFICE

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or a leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

1. File a written resignation with the appointing power; and
2. File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

6.07 CONTENTS OF AND PERIOD COVERED BY STATEMENTS OF ECONOMIC INTERESTS

(A) Contents of Initial Statements

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or on the date of appointment, and income received during the 12 months prior to the date of assuming office or the date of being appointed, respectively.

(C) Contents of Annual Statements

Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office, whichever is later.

(D) Contents of Leaving Office Statements

Leaving office statements shall disclose reportable investments, interest in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

6.08 MANNER OF REPORTING

Statements of economic interest shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investments and Real Property Disclosure

When an investment or an interest in real property³ is required to be reported⁴, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure

When personal income is required to be reported⁵, the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. File In the case of a loan, the annual interest rate and the security, if any, given for the loan.

(C) Business Entity Income Disclosure

When income of a business entity, including income of a sole proprietorship is required to be reported⁶, the statement shall contain:

1. The name, address and a general description of the business activity of the business entity;

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure

When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period

In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

6.09 PROHIBITION ON RECEIPT OF HONORARIA

A. No designated public official shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

6.10 PROHIBITION ON RECEIPT OF GIFTS IN EXCESS OF AMOUNT ESTABLISHED BY LAW⁷

A. No designated public official shall accept gifts with a total value of more than the maximum amount established by law, in any calendar year, from any single source, if the member or employee would

⁷ Designated Persons are prohibited from accepting gifts from any single source in a calendar year with a total value in excess of designated amounts. See Govt. Code § 89503, sub-divisions (e), (f) and (g). [Note: Pursuant to 2 CCR § 18940.2 (b), the FPPC adjusts the gift limit every odd-numbered year to reflect changes in the Consumer Price Index; therefore, the \$390 limit adopted by the FPPC in January of 2007 will be updated in January 2009 and every odd year thereafter, until further notice.]

be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

6.11 LOANS TO PUBLIC OFFICIALS

A. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

B. No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

C. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

D. No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision

shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

E. This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

6.12 LOAN TERMS

A. Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

B. This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

4. Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

6.13 PERSONAL LOANS

A. Except as set forth in subdivision (B), a personal loan received by any designated public official shall become a gift to the designated public official for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

B. This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

C. Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

6.14 DISQUALIFICATION

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the

making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- (A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;
- (B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;
- (C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- (D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- (E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating to the maximum amount established by law, or more, in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

6.15 LEGALLY REQUIRED PARTICIPATION

No designated public official shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated public official who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

6.16 DISQUALIFICATION OF STATE OFFICERS AND EMPLOYEES

In addition to the general disqualification provisions of Section 6.14, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

- (A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or
- (B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1000 or more.

6.17 DISCLOSURE OF DISQUALIFYING INTEREST

When a designated public official determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

6.18 ASSISTANCE OF THE COMMISSION AND COUNSEL

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code Section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

6.19 VIOLATIONS

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000 - 91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code Section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

6.20 PROHIBITED TRANSACTIONS

Members of the Board of Directors and Designated Employees shall comply with the Prohibited Transactions policy, annexed hereto as Exhibit A, pursuant to California Government Code Sections 1090, et seq.

6.21 INCOMPATIBLE ACTIVITIES

Members of the Board of Directors, District officers, and all other District employees shall comply with the Incompatible Activities policy, annexed hereto as Exhibit B, pursuant to California Government Code Sections 1126, et seq.

APPENDIX

OTAY WATER DISTRICT
CONFLICT OF INTEREST CODE
DESIGNATED POSITIONS

The Treasurer and all District Officials who manage the investment of public funds are included in and governed by this Conflict of Interest Code only with respect to its disqualification provisions. For purposes of disclosure, the Treasurer and all District Officials who manage the investment of public funds are governed by the statutory conflict of interest provisions of Article 2 of Chapter 7 of the Political Reform Act of 1974. (Government Code Sections 87200, et seq.)

DESIGNATED EMPLOYEES'

<u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES ASSIGNED</u>
Members of the Board of Directors	1, 2, 3, 4, 5, 6
General Manager	1, 2, 3, 4, 5, 6
District Secretary	6
Assistant Chief Administrative Services and Information Tech.	1, 2, 3, 4, 5, 6
Assistant Chief of Water Operations	1, 2, 3, 4, 6, 7
Assistant General Manager	1, 2, 3, 4, 5, 6, 7
Chief of Administrative Services	1, 2, 3, 4, 5, 6, 7
Chief Financial Officer	1, 2, 5, 6, 7
Chief Information Officer	1, 2, 3, 6, 7
Chief of Engineering	1, 2, 3, 4, 6, 7
Chief of Water Operations	1, 2, 3, 4, 6, 7
Associate Civil Engineer	1, 2, 3, 4, 7
Communications Officer	6
Customer Service Manager	2, 5, 7
Environmental Compliance Specialist	1, 2, 3, 4, 7

Engineering Manager	1, 2, 3, 4, 7	
Field Services Manager	1, 2, 3, 4, 7	
Finance Manager, Controller, and Budget	2, 5, 7	
Finance Manager, Treasury, and Accounting	2, 5, 7	
GIS Manager	3, 6, 7	
Human Resources Manager	3, 6	
IT Manager	3, 6, 7	
Network Engineer	3, 6, 7	
Purchasing and Facilities Manager	2, 6	
Safety and Security Administrator <u>Specialist</u>	1, 2, 3, 4, 6	
Senior Buyer <u>Procurement and Contracting Analyst</u>		6
Senior Civil Engineer	1, 2, 3, 4, 7	
System Operations Manager	1, 2, 3, 4, 7	
Utility Services Manager	1, 2, 3, 4, 7	
Water Conservation Manager	2, 3, 4, 6	
Consultant ⁸	1, 2, 3, 4, 5, 6	

⁸ Consultants are required to file disclosure statements where they: (a) conduct research and arrive at conclusions with respect to rendition of information, advice, recommendation or counsel independent of control and direction of the agency or any agency official other than normal contract monitoring; and (b) possess no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel. The determination as to whether a consultant shall be required to file a disclosure statement shall be made by the General Manager or his or her designee.

APPENDIX, CONTINUED

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property which the designated employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in, and sources of income from, all business entities that do business or own real property in the District, plan to do business or own real property in the District within the next year or have done business or owned real property in the District within the past two years.

Category 2: All interests in real property which are located in whole or in part within, or not more than two (2) miles outside the boundaries of the District.

Category 3: All investments and business positions in, and sources of income from, business entities subject to the regulatory, permit or licensing authority of the Designated Employee's Department, will be subject to such authority within the next year or have been subject to such authority within the past two years.

Category 4: All investments, business positions, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property in the District, plan to engage in such activities in the District within the next year or have engaged in such activities in the District within the past two years.

Category 5: All investments and business positions in, and sources of income from, business entities that are banking, savings and loan or other financial institutions.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased, leased, used, or administered by the District.

Category 7: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased, leased, used, or administered by the Designated Employee's Department.

EXHIBIT A

Prohibited Transactions for Specified Personnel

Members of the Board of Directors ("Members") shall comply with this Prohibited Transactions policy pursuant to California Government Code §§ 1090, *et seq.*

Members shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Members shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity. Members shall not be deemed to be interested in a contract entered into by a body or board of which they are members if the Member has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the Member is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the Board of Directors member with the remote interest. "Remote interest" shall be defined as in California Government Code § 1091(b).

Members shall not be considered to be financially interested in a contract if their interest is including, but not limited to, any of the following (Government Code § 1091.5):

1. That of an officer in being reimbursed for his/her actual and necessary expenses incurred in the performance of an official duty;
2. That of a recipient of public services generally provided by the public body or board of which he/she is a member, on the same terms and conditions as if he or she were not a member of the board;
3. That of a landlord or tenant of the contracting party if such contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or an public corporation or special, judicial or other public district of this state or an adjoining state unless the subject matter of such contract is the property in which such officer or employee has such interest as landlord or tenant in which even his/her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Government Code 1091;
4. That of a spouse of an officer or employee of a public agency if his/her spouse's employment or office-holding has

existed for at least one year prior to his/her election or appointment;

5. That of a non-salaried member of a nonprofit corporation, provided that such interest is disclosed to the board at the time of the first consideration of the contract, and provided further that such interest is noted in its official records;
6. That of a non-compensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the board or to which the board has legal obligation to give particular consideration, and provided further that such interest is noted in its official records;
7. That of compensation for employment with a governmental agency, other than the governmental agency that employs the officer or employee, provided that the interest is disclosed to the board at the time of consideration of the contract, and provided further that the interest is noted in its official records;
8. That of an attorney of the contracting party of that of an owner, officer, employee or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm or real estate firm.

In addition, Members shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if their sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor (Government Code § 1091.5).

Authority:

California Government Code §§ 1090, *et seq.*

EXHIBIT B

Incompatible Activities Policy

District officers, members of the Board of Directors, and all other District employees (collectively, "district personnel") shall comply with this Incompatible Activities policy pursuant to California Government Code §§ 1126, *et seq.*

District personnel shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a member of the Board of Directors, or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed.

The outside employment, activity, or enterprise of district personnel is prohibited if it: (1) involves the use for private gain or advantage of his or her local District time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local District office or employment or, (2) involves receipt or acceptance by district personnel of any money or other consideration from anyone other than the District for the performance of an act which district personnel, if not performing such act, would be required or expected to render in the regular course or hours of their local District employment or as a part of their duties as a local District officer or employee or, (3) involves the time demands as would render performance of his or her duties as a local district personnel member less efficient.

Nothing in this policy shall be interpreted to prohibit any outside employment, activity, counsel, or enterprise on behalf of another governmental entity, subject to common law and professional conflict of interest rules.

Copies of this regulation shall be posted in prominent places at the District Office. District personnel who violate this regulation may be subject to discipline as set forth in the applicable Code of Ordinances and Policies. Board of Directors members who violate this section may be subject to censure. Disciplinary appeals by district personnel shall be handled pursuant to applicable Code of Ordinances and Policies.

Authority:

California Government Code §§ 1125, *et seq.*



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Kelli Williamson Human Resources Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT RESOLUTION #4311 TO UPDATE BOARD POLICY #19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution #4311 to update Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus, due to recent legislation expanding the workplace prohibition against smoking including electronic cigarettes.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To request that the Board adopt Resolution #4311 to update Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus.

ANALYSIS:

Consistent with the District's Strategic Plan and Board Policy #44, Review of Procedures, the District regularly reviews policies and procedures to ensure they are streamlined and are clear and consistent with applicable laws.

Based on recent changes to the California Legislation on electronic cigarettes, District staff is recommending revisions to the attached policy, Smoking, Tobacco, and Nicotine Free Campus (Attachment C).

Updates are detailed below and revisions are shown in the attached strike-through version of the policy (Exhibit 1).

Smoking, Tobacco, and Nicotine Free Campus (Board Policy #19)

The Smoking, Tobacco, and Nicotine Free Campus is being updated due to recent legislation expanding the workplace prohibition against smoking including electronic cigarettes. Therefore, the District is recommending to include in the policy the prohibition of various smoking products such as e-cigarettes, vaping (with or without nicotine) and tobacco and nicotine products on District property, in District vehicles and at areas designated as District field work sites. In addition, definitions were added to ensure there is clarity and consistency in administrating the policy.

The Association has agreed to the policy as presented and General Counsel has reviewed the proposed updates.

Based on the above, it is recommended that the Board of Directors adopt Resolution #4311 in support of the proposed revisions.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Optimize the District's Operating Efficiency.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - Resolution #4311

Exhibit 1 - Smoking, Tobacco, and Nicotine Free Campus

Attachment C - Proposed Copy, Smoking, Tobacco, and Nicotine Free Campus
(Board Policy #19)



ATTACHMENT A

SUBJECT/PROJECT:	ADOPT RESOLUTION #4311 TO UPDATE BOARD POLICY #19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on August 23, 2016 to review this item. The Committee supports presentation to the full Board for their consideration.

NOTE:

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

RESOLUTION NO. 4311

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT TO
REVISE DISTRICT POLICY

WHEREAS, the Board of Directors of Otay Water District have established policies, procedures, ordinances, and resolutions for the efficient operation of the District; and

WHEREAS, it is the policy of the District to establish procedures to review policies, procedures, ordinances, and resolutions periodically to ensure they are current and relevant; and

WHEREAS, District staff has identified Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus, as requiring revisions as per the attached strike-through copy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District amends the Board Policies indicated above in the form presented to the Board at this meeting.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 7th of September, 2016.

President

ATTEST:

Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
<u>SMOKING, TOBACCO AND NICOTINE</u> FREE CAMPUS	19	3/6/89	10/7/09 <u>9/7/16</u>

PURPOSE

To establish the policy regarding smoking, vaping, and the use of e-cigarettes, tobacco, and nicotine products on District property. This policy applies to all employees, consultants, volunteers and visitors while on District property, in District vehicles, and at areas designated as District field work sites.

DEFINITIONS

1. "Smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or form. "Smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.
2. "Tobacco and Nicotine product" means any of the following:
 - A. A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to cigarettes, cigars, little cigars, chewing tobacco, smokeless tobacco, dissolvable tobacco, pipe tobacco, or snuff.
 - B. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah.
 - C. Any component, part, or accessory of a tobacco product, whether or not sold separately.
3. "Use" means any method of consuming Tobacco and Nicotine Products including, but not limited to, Smoking, inhaling, chewing, burning, vaping (with or without nicotine), or the use of e-cigarettes and similar methods and devices.

POLICY

1. The Otay Water District is dedicated to maintaining a safe and productive working environment for its employees and is committed to taking appropriate action to eliminate threats to employees' health and safety posed by Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products. ~~"Use" means a method of consuming tobacco products, including but not limited to smoking,~~

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
<u>SMOKING, TOBACCO AND NICOTINE</u> FREE CAMPUS	19	3/6/89	10/7/09 <u>9/7/16</u>

~~inhaling and chewing. "Tobacco product" means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, snuff, chewing tobacco, dipping tobacco, bidis or any other preparation of tobacco.~~

2. This policy prohibits Smoking, vaping (with or without nicotine), e-cigarettes, and the Use of Tobacco and Nicotine Products within District--controlled properties where employees and other persons will be exposed to secondhand smoke, vaping and/or smokeless Tobacco and Nicotine residue. ~~Accordingly~~Hence, Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products is prohibited on all District-owned property, vehicles and ~~at~~on District--designated field work sites. Notwithstanding the foregoing, the Use of nicotine gum and patches intended and used for smoking-cessation are permissible.

3. No ashtrays or other ash receptacles will be placed in areas where Smoking, vaping, e-cigarettes or the Use of Tobacco and Nicotine Products is prohibited. The only exceptions will be outside the public entrances to District facilities, in order to assist visitors in discarding of their ~~tobacco~~products.

RESPONSIBILITY

Managers and supervisors are responsible for enforcing this policy in areas under their control.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
SMOKING, TOBACCO AND NICOTINE FREE CAMPUS	19	3/6/89	9/7/16

PURPOSE

To establish the policy regarding smoking, vaping, and the use of e-cigarettes, tobacco, and nicotine products on District property. This policy applies to all employees, consultants, volunteers and visitors while on District property, in District vehicles, and at areas designated as District field work sites.

DEFINITIONS

1. "Smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or form. "Smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.
2. "Tobacco and Nicotine product" means any of the following:
 - A. A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to cigarettes, cigars, little cigars, chewing tobacco, smokeless tobacco, dissolvable tobacco, pipe tobacco, or snuff.
 - B. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah.
 - C. Any component, part, or accessory of a tobacco product, whether or not sold separately.
3. "Use" means any method of consuming Tobacco and Nicotine Products including, but not limited to, Smoking, inhaling, chewing, burning, vaping (with or without nicotine), or the use of e-cigarettes and similar methods and devices.

POLICY

1. The Otay Water District is dedicated to maintaining a safe and productive working environment for its employees and is committed to taking appropriate action to eliminate threats to employees' health and safety posed by Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
SMOKING, TOBACCO AND NICOTINE FREE CAMPUS	19	3/6/89	9/7/16

2. This policy prohibits Smoking, vaping (with or without nicotine), e-cigarettes, and the Use of Tobacco and Nicotine Products within District-controlled properties where employees and other persons will be exposed to secondhand smoke, vaping and/or smokeless Tobacco and Nicotine residue. Accordingly, Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products is prohibited on all District-owned property, vehicles and at District-designated field work sites. Notwithstanding the foregoing, the Use of nicotine gum and patches intended and used for smoking-cessation are permissible.

3. No ashtrays or other ash receptacles will be placed in areas where Smoking, vaping, e-cigarettes or the Use of Tobacco and Nicotine Products is prohibited. The only exceptions will be outside the public entrances to District facilities, in order to assist visitors in discarding of their products.

RESPONSIBILITY

Managers and supervisors are responsible for enforcing this policy in areas under their control.



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Rita Bell, Finance 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:	Ratify Emergency Contracted Work Performed by Kirk Paving for the Greensview Drive Main Break Repair		

GENERAL MANAGER'S RECOMMENDATION:

That the Board ratify the emergency contracted work performed by Kirk Paving for the Greensview Drive main break repair.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To request that the Board ratify the contract entered into with Kirk Paving for emergency repairs associated with the Greensview main break as previously authorized by the General Manager under an emergency declaration consistent with the Code of Ordinances.

ANALYSIS:

On May 4, 2016, the General Manager presented to the Board a Declaration of Emergency (see Attachment B) due to the Greensview Drive main break. This main break occurred on May 3, 2016 and because of the extensive damage, the repair cost exceeded \$500,000.

In the past, our insurance carrier, SDRMA, would contract for the work directly, but they changed their processes, necessitating the District to contract for this work and then request reimbursement from SDRMA. Because the contract with Kirk Paving exceeded the

General Manager's authority under Code of Ordinances Section 2.01, ratification of the contract with Kirk Paving is required by the Board.

The following is a summary of the expenditures and reimbursements from SDRMA:

Vendor	Service	Amount
Kirk Paving	Emergency Paving	\$ 49,100.07
	Paving	\$ 457,106.65
	Sealing, Striping	\$ 62,552.38
	Subtotal Kirk Paving (contract to be ratified)	\$ 568,759.10
Hudson Safe-T-Lite	Traffic Control	\$ 567.60
City of Chula Vista	CCTV sewer main and storm drains, clean storm drain line	\$ 4,250.09
Kenny's Clean Sweep	Street Sweeping So. Greensview	\$ 600.00
	Subtotal Other Cost	\$ 5,417.69
	Total Cost	\$ 574,176.79
	Reimbursement from SDRMA	\$ (573,676.79)
	Deductible	\$ 500.00

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Ensure that all contracts are approved in accordance with the Code of Ordinances.

LEGAL IMPACT:

None.

Attachments:

- A - Committee Action
- B - Declaration of Emergency Memo



ATTACHMENT A

SUBJECT/PROJECT:	Ratify Emergency Contracted Work Performed by Kirk Paving for the Greensview Drive Main Break Repair
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee recommend that the Board ratify the emergency contracted work performed by Kirk Paving for the Greensview Drive main break repair.

NOTE:

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



MEMORANDUM

TO: Board of Directors

FROM: Mark Watton

Date 5/4/16

SUBJ: Greensview Drive Main Break - Declaration of Emergency

Incident

On May 3, 2016 at approximately 3:00 p.m. staff was notified of a main break and discovered a 16" potable water main broke underneath the road on Greensview and West Hunte Parkway in Chula Vista.

Pipeline & Sinkhole Repair Status

Staff have completed Greensview Drive repairs of the 16 inch pipeline and are restoring it to service at this time. Additionally, we expect to complete the immediate repairs of the associated sinkhole this afternoon.

Road Repair Status

Staff completed the joint meeting today and coordinated the needed immediate, interim and permanent road repairs needed for safe public access. The District was to complete the immediate repairs to the sinkhole today and the remaining repairs were to be contracted and completed by our insurance carrier, SDRMA, per our standard protocol. However, SDRMA informed us this afternoon that they can no longer contract work out directly and needed the District to contract the repair work and then request to be reimbursed. The temporary repairs are estimated to be approximately \$60k and may exceed the authority of the General Manager.

Therefore, staff requested that the General Manager declare an emergency pursuant to the District Code of Ordinance 2.01 (I) to expedite the needed repairs to allow safe access. Based on the declaration made by the General Manager, staff has contacted the emergency paving contractor who will be mobilizing this afternoon and commence temporary repairs.

As a reminder, we anticipate full reimbursement by SDRMA of these temporary road repairs.

Below is the relevant code section:

I. To declare an emergency and, in such event, to have the additional powers specified in the District's emergency management plan, referred to as the National Incident Management System (NIMS), and below, pursuant to California Contract Code Section 22050. An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. 1. In a declared emergency, the General Manager may direct employees, take action to continue or restore service capability, and execute any contracts for necessary equipment, services, or supplies directly related and required by the emergency. Notwithstanding the limits imposed in the prior paragraphs of this Section 2.01, or by any other policy or guideline of the District, in an emergency, the General Manager may award and execute contracts for goods, services, work, facility or improvement, without bidding and without regard to said limits, provided that the goods, services, work, facilities or improvements acquired or contracted for are of an urgent nature, directly and immediately required by the emergency. Any contract for goods or services with a value of more than \$250,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates. Any contract for work, facilities or improvements with a value of more than \$500,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates.

2. The General Manager shall report to the Board not later than 48 hours after the emergency action or at the next regularly scheduled meeting, whichever is earlier. The report shall include the details of the emergency and reasons justifying the actions taken, and provide an accounting of the funds expended or yet to be expended in connection with the emergency.

AGENDA ITEM 6



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	Various DIV.NO. ALL
SUBMITTED BY:	Kent Payne Purchasing and Facilities Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT ORDINANCE NO. 558 TO ESTABLISH A GENERAL MANAGER'S PURCHASE AUTHORIZATION AUTHORITY OF \$125,000		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 558 amending subdivision "E" of Section 2.01 of the Code of Ordinance to establish a General Manager's signatory authority of \$125,000.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To establish a General Manager signatory authority of \$125,000 to align with the current operating budget; to support the streamlined and efficient procurement of goods and services; and, to reduce project, service and material acquisition times.

ANALYSIS:

At the Board meeting held January 17, 2001, the Board of Directors adopted Ordinance No. 485 amending the District's Code of Ordinances raising the General Manager's signatory authorization limit to \$50,000. The District's operating budget for that fiscal year (2000-2001) was \$33.4 million with a staffing level of 161 employees. The District's current 2015-2016 operating budget is \$89 million or 2.7 times that of 2000-2001 with a staffing level of 135 for an 8.4% reduction in force. A General Manager's signatory authority today, by 2000-2001 standards, would be equal to \$133,234.

A sample survey of signatory authority and operating budgets of local and regional agencies was conducted and results are as follows:

AGENCY	AUTHORITY	OPERATING BUDGET (MIL)	OTAY EQUIVALENT AUTHORITY
Rincon del Diablo Water District	\$25,000	\$16	\$139,063
Padre Dam Water District	\$50,000	\$25	\$178,000
City of Santa Cruz Water Admin	\$100,000	\$27	\$329,630
Rainbow Water District	\$50,000	\$34	\$130,882
Ramona Water District	\$30,000	\$34	\$78,529
Santa Fe Irrigation District	No Limit	\$35	
San Diego Convention Center	\$100,000	\$36	\$247,222
Sweetwater Authority	\$75,000	\$46	\$145,109
Olivenhain Water District	\$50,000	\$70	\$63,571
City of Carlsbad	\$100,000	\$72	\$123,611
Helix Water District	\$50,000	\$73	\$60,959
City of Poway	No Limit	\$83	
Otay Water District	\$50,000	\$89	\$50,000
Otay Water District - 2001	\$50,000	\$33	\$133,234
Western Municipal Water District	\$100,000	\$113	\$78,761
Port of San Diego	\$125,000	\$169	\$65,828
City of Corona	\$125,000	\$270	\$41,204
City of Chula Vista	\$75,000	\$294	\$22,704
County Water Authority	\$50,000	\$1,500	\$2,967
City of San Diego	\$1,000,000	\$3,300	\$26,970

The average authority for the survey group is \$126,764 which ranges from a low of \$25,000 to \$1 million for the City of San Diego. The average equivalent authority is \$109,877 (equivalent authority calculates the differences between Agency and District operating budgets and adjusts the Agency authority for that difference). Making allowances for the agencies with no limits and throwing out the City of San Diego as an outlier, the equivalent authority for the survey group is \$122,274.

Neighboring water agencies Padre Dam and Sweetwater Authority each have an equivalent authority of \$178,000 and \$145,109, respectively, while Helix Water District is just under \$61,000. The average of the three is equal to \$128,022.

Staff conducted additional analysis utilizing two inflation indexes, the Engineering News-Record (ENR) index, which is used widely in the construction industry, and the Consumer Price Index for the San Diego region (CPI-U). The ENR analysis resulted in an inflated authority of \$78,864 for the 2001-2016 period and similarly, the CPI-U analysis resulted in an inflated authority of \$78,451. While inflationary indexes are appropriate for tracking the cost of goods and services over a period of time, it does not reflect the growth in the District's operations during that same time period along with the efficiencies

required from a smaller workforce.

Staff recommends establishing a General Manager's signatory authority of \$125,000, which is consistent with the survey group and neighboring agency equivalent authorities and is below the District's own equivalent authority of \$133,234. The higher authority also positions the General Manager to leverage the consolidation of and savings from day-to-day consumables, services and other routine contracts not in need of additional review. Finally, in light of the changes in the manner that emergency repairs are managed by SDRMA, the District's liability insurer, the General Manager will have greater latitude to quickly respond to the average emergency repair thereby limiting its impact on the community being served.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Although we do estimate savings, it is difficult to quantify specific savings at this time.

STRATEGIC GOAL:

Supports the Districts Strategy: Ensure financial health through formalized policies, prudent investing, and efficient operations.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - Ordinance No. 558
Exhibit 1 - Section 2.01 E, Authority of the General
Manager, of the District's Code of Ordinances

Attachment C - Proposed Copy, Section 2.01 E, Authority of the
General Manager, of the District's Code of Ordinances



ATTACHMENT A

SUBJECT/PROJECT:	ADOPT ORDINANCE NO. 558 TO ESTABLISH A GENERAL MANAGER'S PURCHASE AUTHORIZATION AUTHORITY OF \$125,000
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on August 23, 2016. The Committee supports presentation to the full Board for their consideration.

NOTE:

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

AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT
AMENDING SECTION 2.01 E, AUTHORITY OF THE GENERAL MANAGER,
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 2.01 E, Authority of the General Manager, be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 2.01 E, Authority of the General Manager (Attachment C), of the Code of Ordinances, shall become effective September 7, 2016.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 7th day of September 2016, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 2 ADMINISTRATION OF THE DISTRICT

SECTION 2 MANAGEMENT OF THE DISTRICT

2.01 AUTHORITY OF THE GENERAL MANAGER

Pursuant to Sections 71362 and 71363 of the California Water Code, and other applicable laws of the State of California, the General Manager shall, subject to the approval and direction of the Board of Directors, operate and manage the affairs of the District. The General Manager shall have the following specifically enumerated powers and authority:

A. To control the administration, maintenance, operation and construction of the water and sewer systems and facilities of the District in an efficient manner.

B. To employ and discharge all employees and assistants, other than those referred to in Section 71340 of the California Water Code, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

C. To promulgate policies and procedures necessary to enhance the security of the District and increase the transparency of District operations, including provisions for the disclosure of conflicts of interest by employees.

D. To establish the terms and conditions for collection of receivables, thereby facilitating the efficient administration of the District's receivables. The General Manager or designee is given this authority as well as the authority to waive, adjust, or reduce any receivable for amounts up to \$10,000.

E. To execute agreements, contracts, other documents, or commitments on behalf of the District where the amount involved does not exceed ~~\$50,000~~ \$125,000, provided that Public Works Contracts shall be awarded in compliance with applicable laws.

CHAPTER 2 ADMINISTRATION OF THE DISTRICT

SECTION 2 MANAGEMENT OF THE DISTRICT

2.01 AUTHORITY OF THE GENERAL MANAGER

Pursuant to Sections 71362 and 71363 of the California Water Code, and other applicable laws of the State of California, the General Manager shall, subject to the approval and direction of the Board of Directors, operate and manage the affairs of the District. The General Manager shall have the following specifically enumerated powers and authority:

A. To control the administration, maintenance, operation and construction of the water and sewer systems and facilities of the District in an efficient manner.

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E. To execute agreements, contracts, other documents, or commitments on behalf of the District where the amount involved does not exceed \$125,000, provided that Public Works Contracts shall be awarded in compliance with applicable laws.



AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO.: ALL
SUBMITTED BY:	Adolfo Segura, Chief of Administrative Services		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To provide a year-end report on the District's FY15-18 Strategic Performance Plan for FY16.

ANALYSIS:

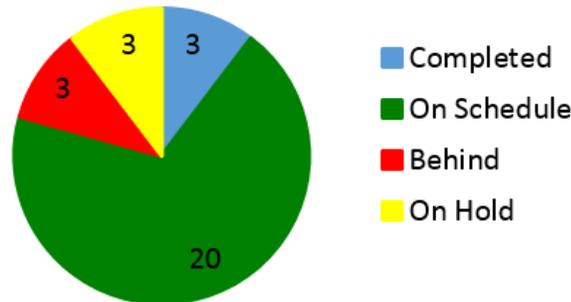
Summary

The current Otay Water District Strategic Plan is a four-year plan ranging from the start of FY15 through the end of FY18. This report details the year-end results for the second year of our four-year plan.

Strategic Plan Objectives - Target 90%

Strategic Plan objectives are designed to ensure the District is executing mission designed objectives and making the appropriate high-level changes necessary to guide the agency's efforts to meet new challenges and positively adapt to change. Objective results for FY16 year-end are below target at 88%, with 23 of 26 active items completed or on schedule. Two objectives are on hold and three are not scheduled to begin until FY17 and FY18.

23 of 26 Active Objectives are Completed or On Schedule (88%)



The following objectives have been reported to be behind schedule. These projects have identified appropriate actions and are expected to be back on schedule in FY17.

1. *Enhance Management Control of Non-Inventory Items* - Due to unplanned repairs and staffing issues, staff was unable to complete the review of non-inventory items and develop adequate recommendations. The review and recommendations are expected to be completed by FY17 Q2.
2. *Evaluate Efficiencies for Delivering Capital Assets* - Final assessment and recommendation of the BIM 3D model effort will be completed as the 870-1 Pump Station Design reaches completion in FY17 Q2.
3. *Streamline Input of Operations Data* - Staff has identified business processes and forms that should be automated and auto-populated. However, with the delay of the SCADA project closeout, a complete action list could not be completed. The SCADA Roadmap is expected to be completed in FY17 Q1.

The following objectives have been put on hold:

1. *Evaluate Requirements for Future Emergency Communication System* - The existing communication system is expected to be vendor supported for an additional 5 years. Staff will continue to explore new technologies should the communication system need to be replaced sooner than expected.
2. *Evaluate the Viability of Implementing an Indirect Potable Reuse Program* - Staff from the District and Sweetwater Authority have completed the study and cost-estimate and have determined that this project is not feasible at this time.
3. *Implement a Habitat Conservation Plan that will Streamline O&M within District Easements* - The draft habitat conservation plan

has not been submitted to wildlife agencies. Plan preparations are expected to be back on schedule FY17 Q1.

Performance Measures - Target 75%

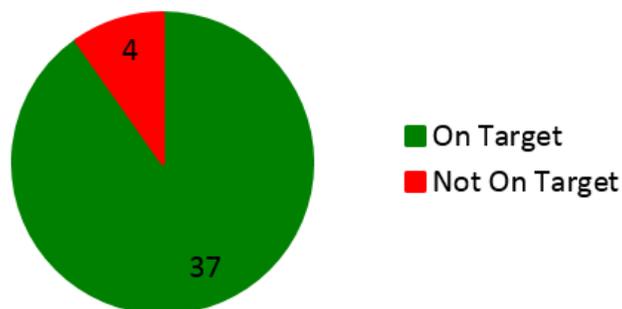
Performance measures are designed to track the District's day-to-day performance. These items measure the effectiveness and efficiency of daily operations and essential services. The overall goal is that at least 75% of these measures be rated "on target". FY16 year-end results are well above target with 37 of 41 (90%) items achieving the desired level or better.

Three new measures have been added and staff will begin reporting in FY17. Staff will strive to keep as many measures the same in order to collect and analyze multi-year data.

New measures in FY17 include:

- Accounts Per FTE
- Percent of Customers Paying Bills Electronically
- Injury Incident Rate

37 of 41 Measures are On Target (90%)



Items Not On Target

1. *CIP Project Expenditures vs. Budget* - Year-to-date CIP expenditures amounted to \$10,605,000 vs. the budgeted amount of \$11,811,000 (-11.37%).
2. *Overtime Percentage* - Year-to-date expenditures amounted to \$121,164 vs. the budgeted amount of \$94,000 (+28.89%).
3. *Water Rate Ranking* - The March 2016 rate increase has moved the District up from number 11 in FY15, to number 12 in FY16, out of 22 member agencies.
4. *Reserve Level* - Year-end result is 78%, target was 85%.

AWWA (formerly QualServe) Benchmarking Perspective

As a result of AWWA modifying how indicators are calculated, the District has moved away from most of the AWWA benchmarks. However, the following performance indicators have remained unchanged and the District will continue to use them as benchmarks:

- Collection System Integrity
- Sewer Overflow Rate
- Technical Quality Complaint
- Potable Water Compliance Rate

Composition of Balanced Scorecard Objectives and Measures

The Balanced Scorecard continues to be used as the core methodology for the District's Strategic Plan, and is widely adopted by businesses internationally. The Balanced Scorecard itself was developed by Kaplan and Norton and published in 1992 in the Harvard Business Review. The model has evolved over time and is now in its third-generation. In brief, the Balanced Scorecard emphasizes an integrated strategy approach for the development of goals and measures in four basic areas: customer, financial, business processes, and learning and growth.



Each objective is broken down by the balanced scorecard, strategy, and goal required to meet the specific challenge.



Strategy: Deliver high quality services to meet and increase confidence of the customer in the value the District provides

Goal: Increase customer confidence in the District

Objectives:

1. Enhance communications with customers

Goal: Improve and expand communications

Objectives:

1. Regularly produce and evaluate communications tools and explore the effective use of new media options
2. Evaluate requirements for future emergency communication system

Goal: Provide effective water services

Objectives:

1. Optimize SCADA program

Strategy: Manage the financial issues that are critical to the District

Goal: Improve financial information and systems

Objectives:

1. Streamline procurement and contractor on-boarding process via web-based eProcurement technology
2. Electric power and fuel management practices
3. Optimize operations inventory management

Goal: Maintain District financial strength

Objectives:

1. Strengthen internal audit program
2. Implement a cost-benefit program

Strategy: Maximize efficiency and effectiveness

Goal: Actively manage water supply as well as support for water and sewer services

Objectives:

1. Evaluate and enhance the District's water conservation programs and services
2. Evaluate the City of San Diego's pure water program planning/implementation
3. Sewer system business evaluation
4. Address dependency on imported water
5. Leak detection and repair program
6. Pressure vessel maintenance program



7. Evaluate the viability of implementing an indirect potable reuse program

Goal: Identify and evaluate improvements to enterprise and departmental business processes

Objectives:

1. Optimize asset management program
2. Enhance District's enterprise facilities physical security
3. Improve and streamline meter related processes
4. Evaluate efficiencies for delivering capital assets
5. Enhance District's enterprise confined space program
6. Operations workflow process evaluation
7. Streamline input of operations data
8. Streamline work processes in four strategic areas including departmental synergies, technology, procurements, and alignment of business practices
9. Revise business practices by modifying the master recycled water permit
10. Implement a habitat conservation plan that will streamline O&M within District easements
11. Advance business processes and operational efficiencies through implementation of information technology
12. Evaluate implementation of an online performance management system



Strategy: Provide leadership and management expertise

Goal: Reinforce a results-oriented and accountable culture

Objectives:

1. Negotiate a Successor Memorandum of Understanding for represented employees for 2017 and beyond, and related compensation and benefits for unrepresented employees with emphasis on making necessary updates to employee health benefits related to health care reform
2. Evaluate requirements for future emergency communication system

Goal: Focus on achieving a lean flexible workforce

Objectives:

1. Evaluate opportunities to combine or transfer similar work functions

2. Evaluate training and development programs for new and existing supervisors/managers

Next Steps - FY17-18

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions, has allowed the District to continue to gain efficiencies, improve department functions, and sustain a growing customer base with a reduced work force. Staff will be tracking a number of new objectives and measures during FY17.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further gauge efficiencies gained and elevate or create new performance metrics where warranted. Also, staff will continue to train and cross-train to further leverage the value-added functions of our enterprise business systems. Additional improvements to our Asset Management program will also be addressed via a recently developed SCADA roadmap. Staff will be targeting utility smart power management, additional remote/mobile capabilities, production management, and enhanced cyber security mechanisms. Much of this will be used to set key performance objectives in FY18, to include the evolution of key service programs across the District. The Board will receive an update of our measurements progress during the FY17 mid-year Strategic Plan presentation in March 2017.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration, and Communications Committee and the Engineering, Operations, and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan is available on the Board VPN

All of the Strategic Plan results and associated details are provided in a real-time, interactive web-based application available to the Board via secured remote access, VPN. The District Secretary can facilitate any password or access issues.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Informational item only; no fiscal impact.

STRATEGIC GOAL:

Strategic Plan and Performance Measure reporting is a critical element in providing performance reporting to the Board and staff.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - FY16 Year-End Strategic Plan Results Presentation



ATTACHMENT A

SUBJECT/PROJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on August 23, 2016. The Committee supports presentation to the full Board for their consideration.

NOTE:

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



STRATEGIC PLAN
FY16 YEAR-END REPORT

Introduction

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions has allowed the District to continue to gain general work efficiencies, improve department functions, and sustain a growing customer base with a reduced work force.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further measure efficiencies gained and elevate or create new performance metrics if warranted. Staff will also continue to train and cross-train to further leverage the value-added functions of our enterprise business systems and work processes. Additional improvements to our Asset Management Program will also be addressed via a recently developed multi-year SCADA roadmap.

Balanced Scorecard Strategies and Goals



Deliver high quality services to meet and increase confidence of the customer

- 1. Increase customer confidence in the District
- 2. Improve and expand communications
- 3. Provide effective water services



Manage the financial issues that are critical to the District

- 1. Improve financial information and systems
- 2. Maintain District financial strength



Maximize efficiency and effectiveness

- 1. Actively manage water supply as well as support for water and sewer services
- 2. Identify and evaluate improvements to enterprise and departmental business processes



Provide leadership and management expertise

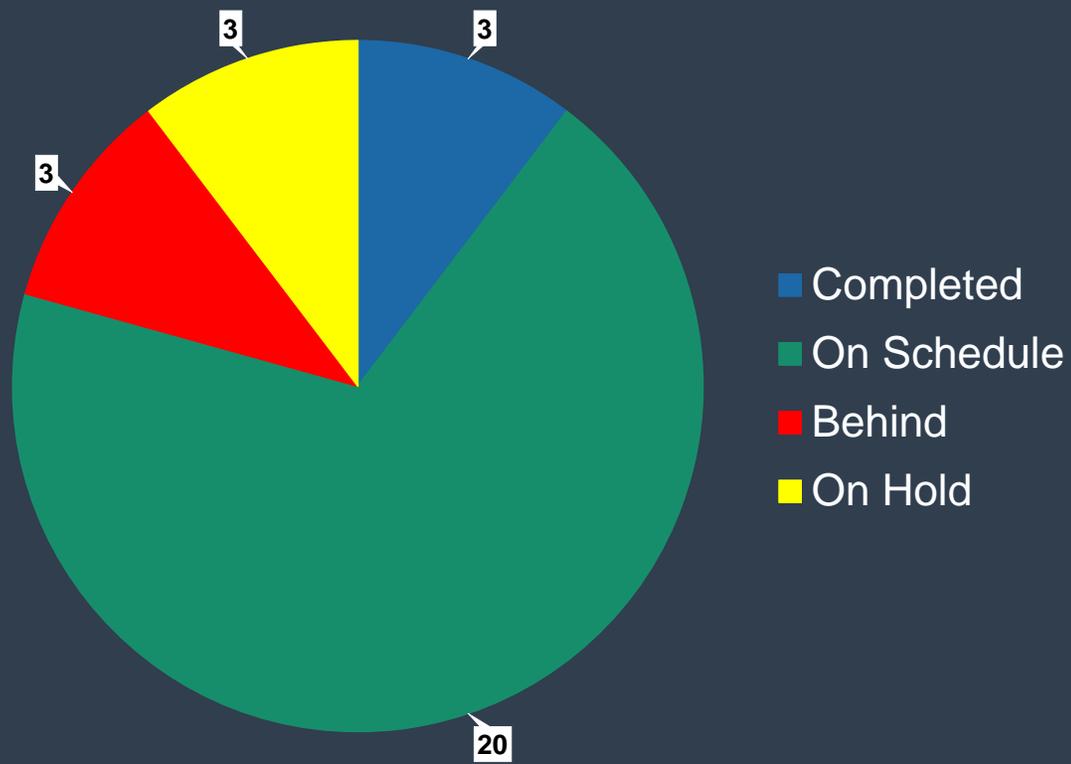
- 1. Reinforce a results-oriented and accountable culture
- 2. Focus on achieving a lean flexible workforce

AWWA Benchmarks

- 1 Technical Quality Complaint
- 2 Potable Water Compliance Rate
- 3 Collection System Integrity
- 4 Sewer Overflow Rate

Objectives

88% are Completed or On Schedule



Objective Reports
26 Total

Objectives

✓ COMPLETED

1. Update of SCADA Program
2. Enterprise E-Commerce (Purchasing/Contracting) Solution – BidSync
3. Automation and Enhancement of District-wide Operational Forms and Workflows



Objectives

⏸ ON HOLD

1. Evaluate requirements for future emergency communication system
2. Evaluate the viability of implementing an indirect potable reuse program
3. Implement a Habitat Conservation Plan that will streamline O&M within District easements

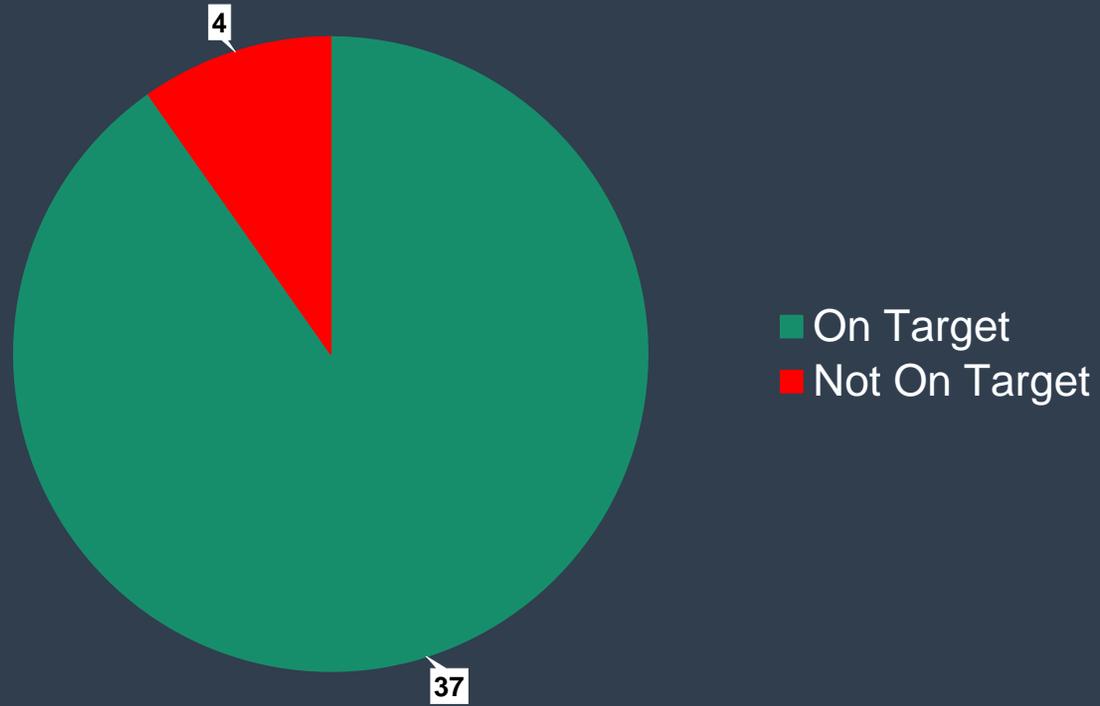
✖ BEHIND SCHEDULE

1. Enhance management control of non-inventory items
2. Evaluate efficiencies for delivering capital assets
3. Streamline input of Operations data



Performance Measures

90% On Target



Measure Reports
41 Total

Performance Measures

X NOT ON TARGET

1. CIP Project Expenditures vs. Budget
2. Overtime Percentage
3. Reserve Level
4. Water Rate Ranking



Year-End Results

Administrative Services

Enterprise System Availability

Target: No less than 99.5% availability per quarter in a year

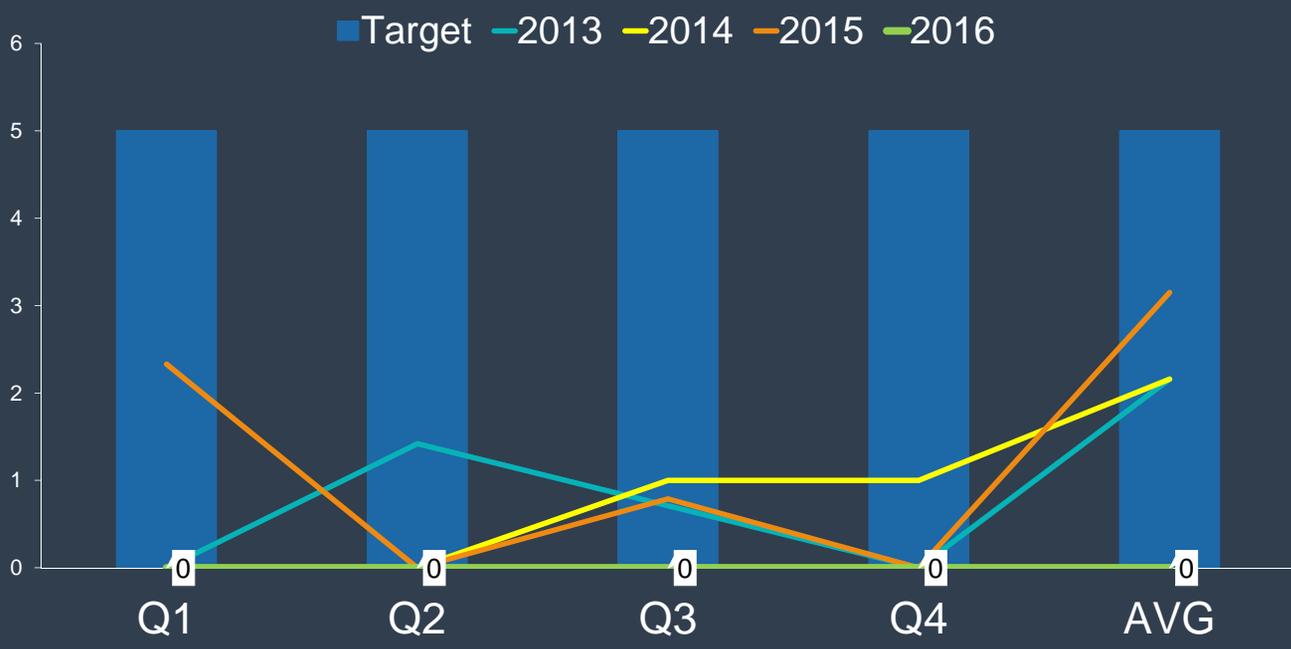


Q&Y Quarter & YTD Measurement
99.5% = 3.60 hours of downtime per month/1.83 days of downtime in a year

*FY14 – FY16 results are 99.99%

Employee Turnover Rate

Target: Less than 5% turnover in a year



Q

Quarter Measurement
of voluntary resignations (not including retirements)/average # of employees

Y

YTD Measurement Method
YTD # of voluntary resignations (not including retirements)/average # of employees

Training Hours Per Employee

Target: 12 hours or more general formal training per employee in a year
(excludes safety training)

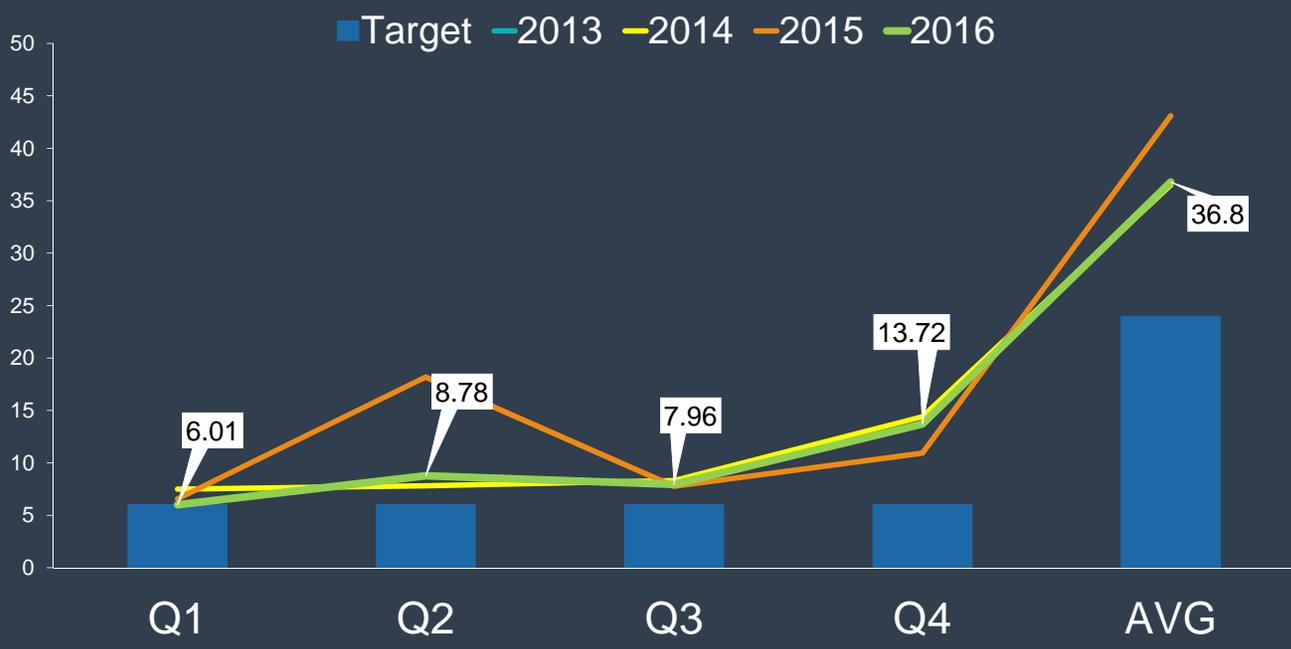


Q **Quarter Measurement**
Total qualified training hours for all employees/average # of FTEs

Y **YTD Measurement**
YTD Total qualified training hours for all employees/Average # of FTEs

Safety Training Program

Target: 24 hours or more safety training per field employee in a year



Q

Quarter Measurement

of safety training hours for the quarter/ # of field employees

Y

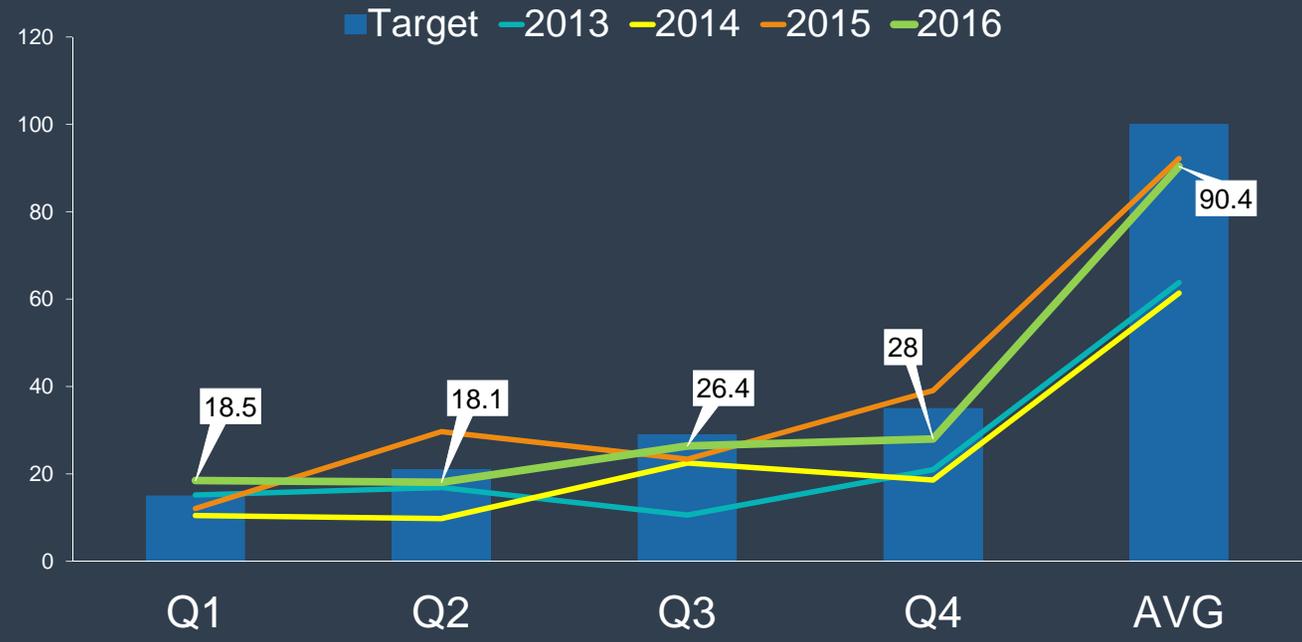
YTD Measurement

YTD Total qualified safety training hours for field employees/average # of field employees

Engineering

CIP Project Expenditures vs. Budget

Target: 95% of budget but not to exceed 100%
Being below target gives the measure a “not on target” status



Q
Quarter Measurement

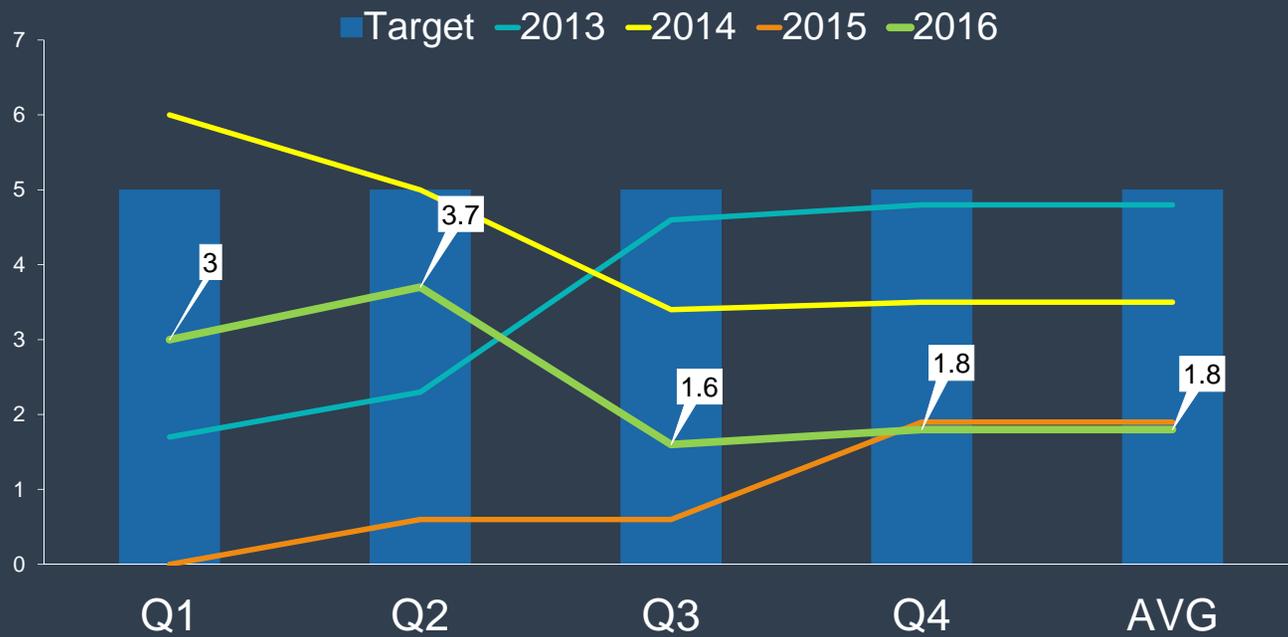
Actual quarterly expenditures/Annual budget

Y
YTD Measurement

YTD expenditures/Annual budget

Construction Change Order Incidence (w/o allowances)

Target: No more than 5% per quarter in a year



Q&Y

Quarter & YTD Measurement

Total cost of Change Orders (not including allowances)/Total original construction contract amount (not including allowances)

Mark-Out Accuracy

Target: No less than 100% mark-out accuracy per quarter in a year



Q&Y

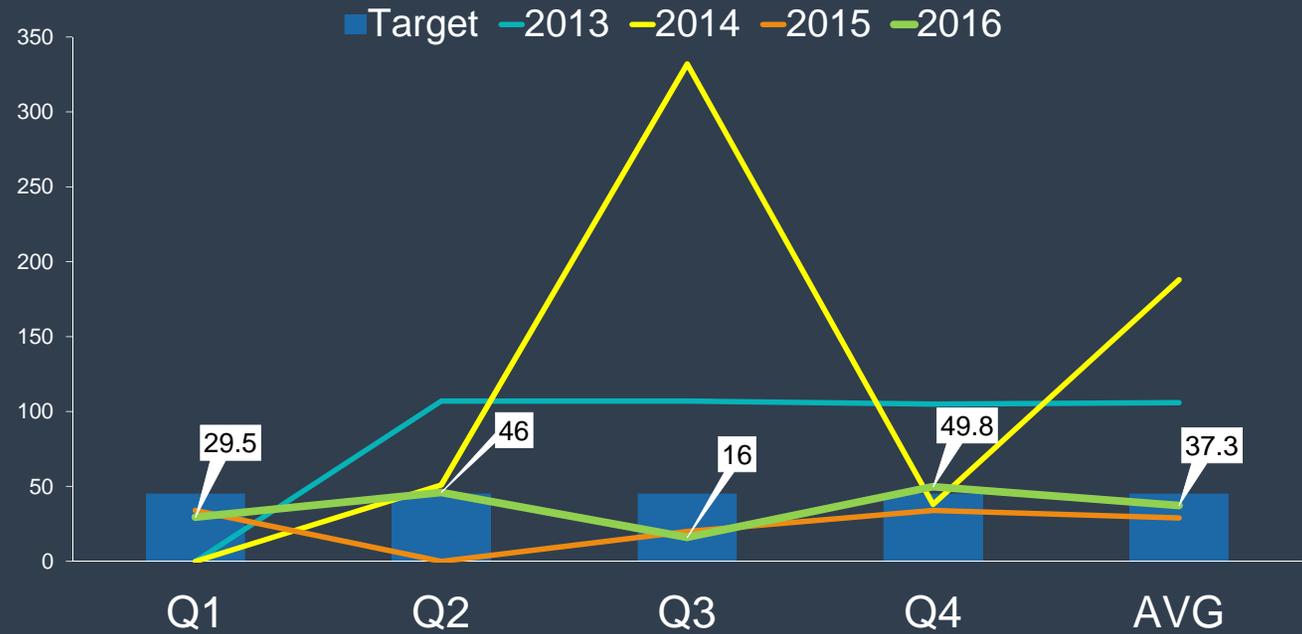
Quarter & YTD Measurement

of mark-outs performed without an at-fault hit, which is damage to a District facility that results from a missing or erroneous mark-out/Total # of mark-outs performed

*FY13 – FY16 results are 100%

Project Closeout Time

Target: No more than a 45 day average per quarter in a year



Q

Quarter Measurement

of days between NOSC and NOC for all construction projects within the quarter/# of construction projects within the quarter

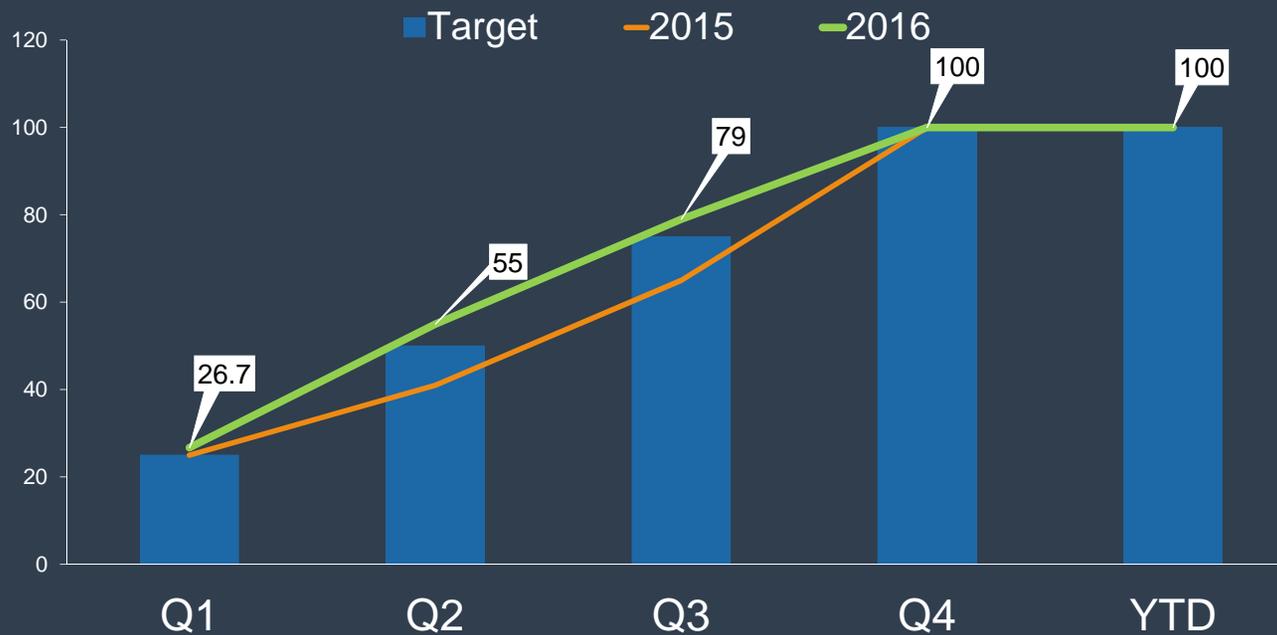
Y

YTD Measurement

YTD # of days between NOSC and NOC for all construction projects within the quarter/YTD # of construction projects within the quarter

Annual Recycled Water Site Inspections

Target: 100% of recycled sites inspected in a year
(There are 112 recycled water use sites scheduled for FY16)



Q&Y

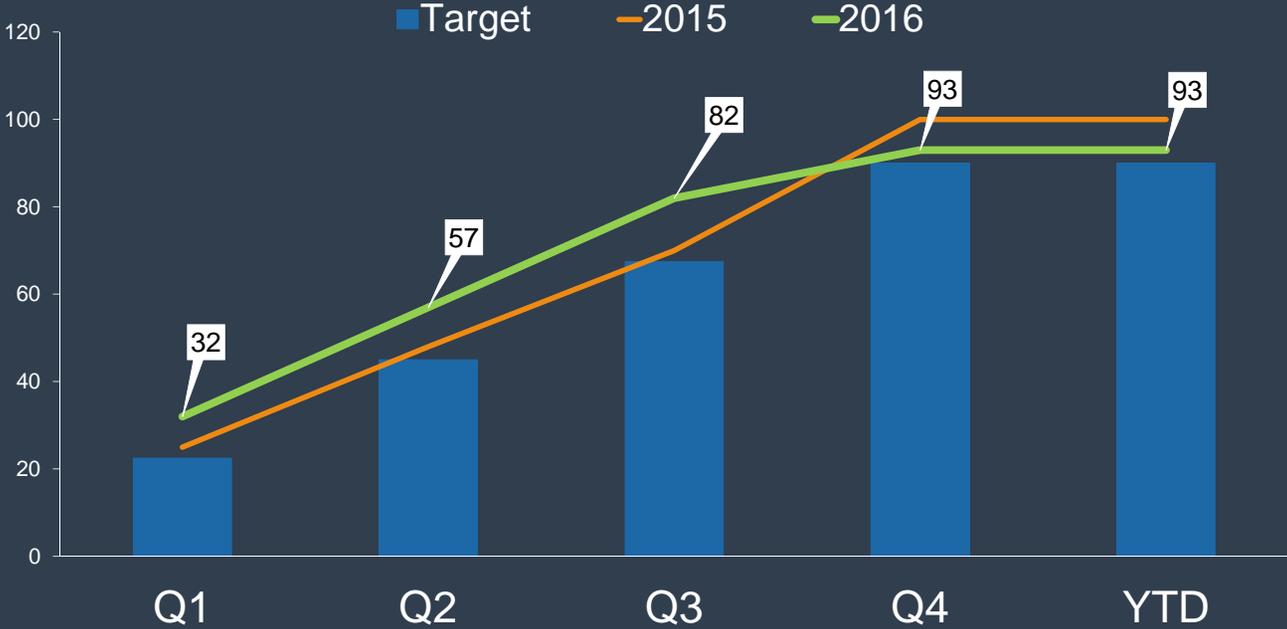
Quarter & YTD Measurement

Cumulative % of recycled sites inspected per quarter of those required by DEH

*Measure was created in FY15

Recycled Water Shutdown Testing

Target: No less than 90% of recycled site shut down tests in a year
(There are 31 recycled water use sites due for shutdown in FY16)



Q&Y

Quarter & YTD Measurement

Cumulative % of recycled site shutdown tests performed per year compared to those scheduled

*Measure was created in FY15

Recycled Water System Integrity

Target: No more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a year



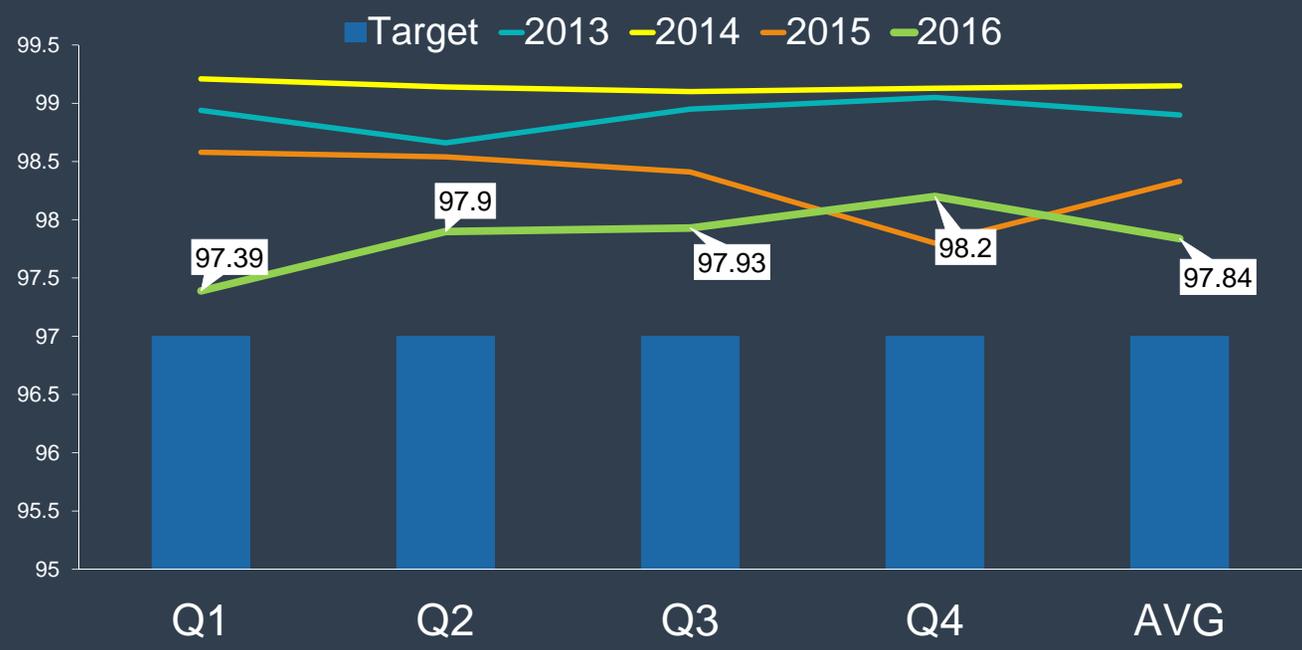
Q&Y

Quarter & YTD Measurement
(100 x # of leaks or breaks) / # of miles of distribution system

Finance

Answer Rate

Target: No less than 97% average answer rate per quarter in a year



Q Quarter Measurement
of all calls answered/ # of all calls received during a quarter

Y YTD Measurement
YTD # of all calls answered/ YTD # of all calls received

Gallons Per Capita Per Day

Target: Below 172 gallons per day

(Target comes from California Urban Water Control Council & the State Water Resources Control Board)



Q

Quarter Measurement

Total potable water purchased/Population (from SANDAG)/Number of days through the end of the quarter

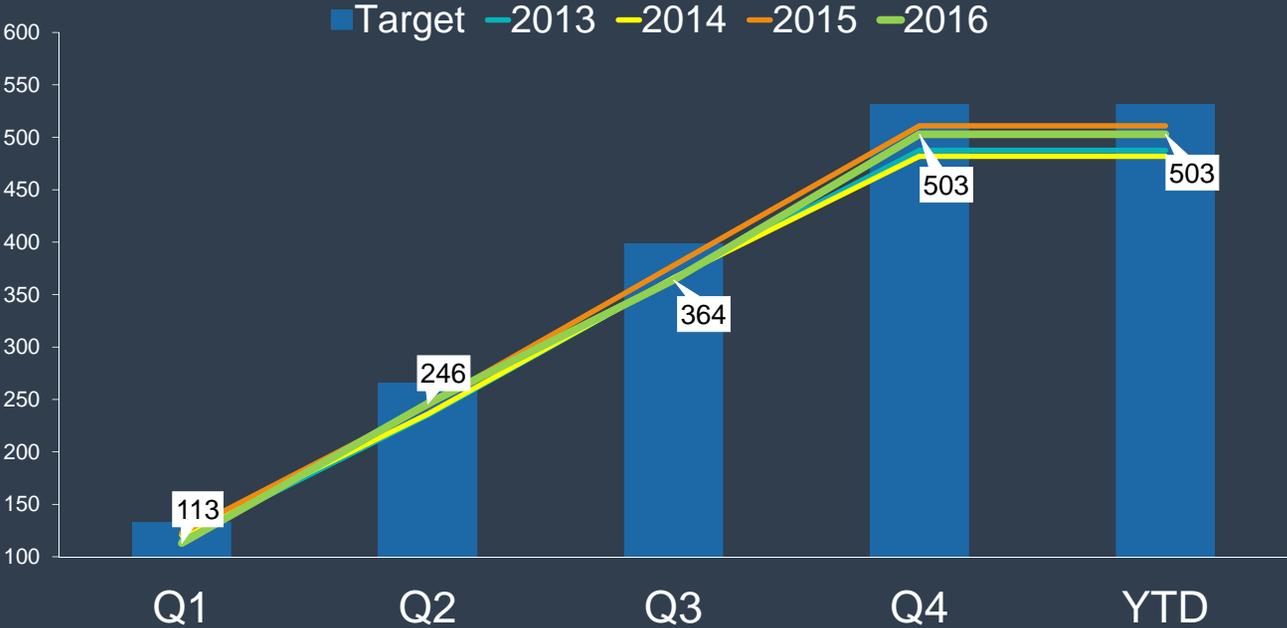
Y

YTD Measurement

Total annual potable water purchased/Annual population estimate from SANDAG/Number of days through the end of the quarter

O&M Cost Per Account

Target: Less than \$531.12 per account in a single year
 (Target is based on Operating Budget)



Quarter Measurement
 Total operations O&M costs/ # of accounts



YTD Measurement
 YTD total operations O&M costs/ # of accounts

Billing Accuracy

Target: No less than 99.8% billing accuracy per quarter in a year

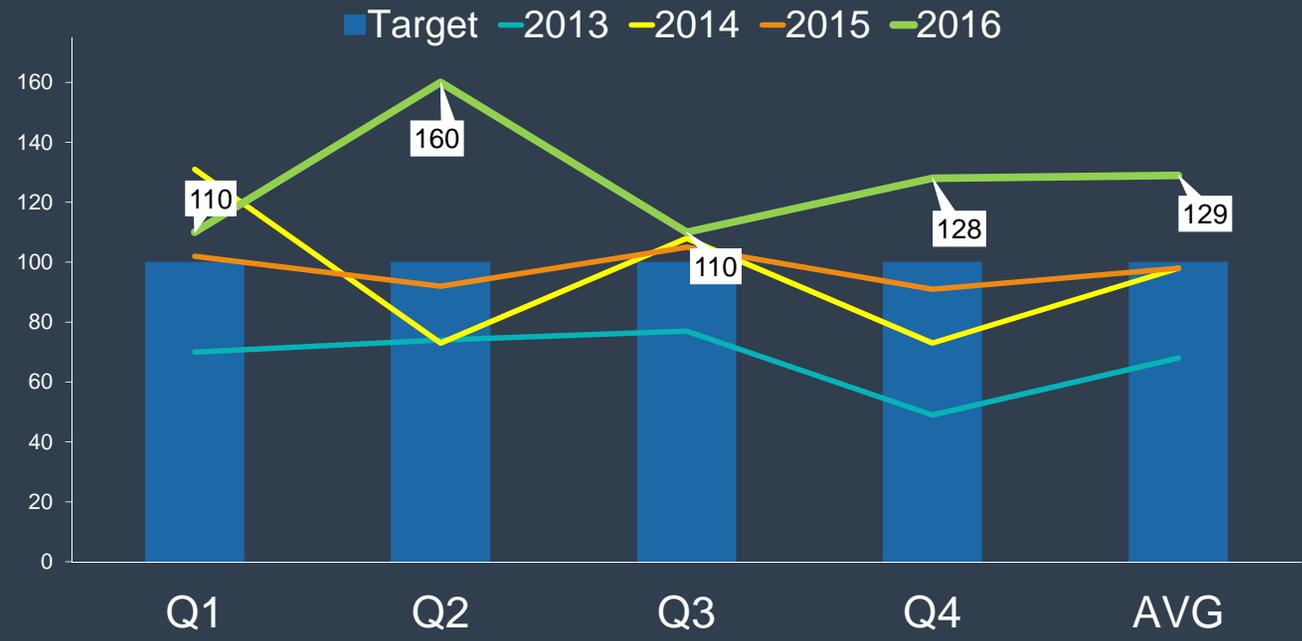


Q **Quarter Measurement**
of correct bills during the reporting period / # of total bills during the reporting period

Y **YTD Measurement**
YTD # of correct bills during the reporting period / YTD # of total bills during the reporting period

Overtime Percentage

Target: Less than 100% of budgeted overtime per quarter in a year
(Target is based on Operating Budget; FY16 Overtime Budget is \$94,100)

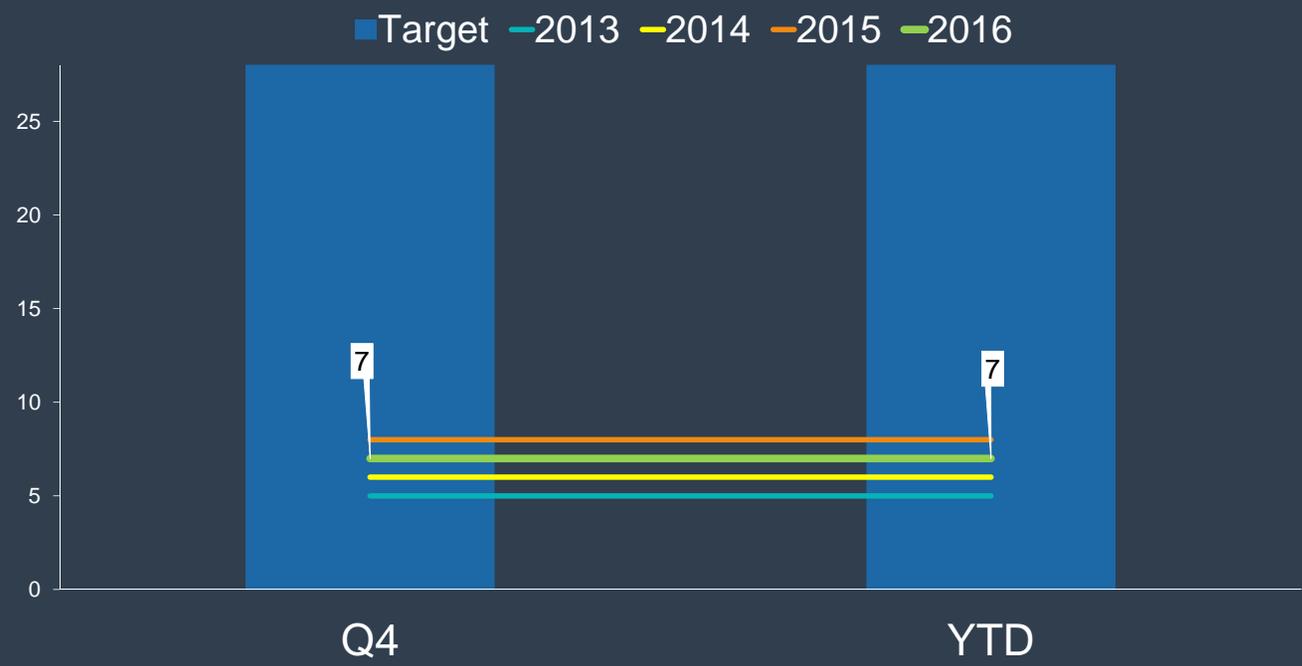


Q Quarter Measurement
Actual overtime costs (including comp time) / Budgeted overtime costs

Y YTD Measurement
YTD actual overtime costs (including comp time) / YTD budgeted overtime costs

Sewer Rate Ranking

Target: Bottom 50 percentile for the 28 sewer service providers in San Diego
(Otay ranks 7 out of 28 sewer service providers)



Q&Y

Quarter & YTD Measurement

Otay ranking for the average bill for sewer/ # of sewer agencies

Water Rate Ranking

Target: Bottom 50 percentile for the 22 member agencies in San Diego
(Otay ranks 12 out of 22 member agencies)



Q&Y

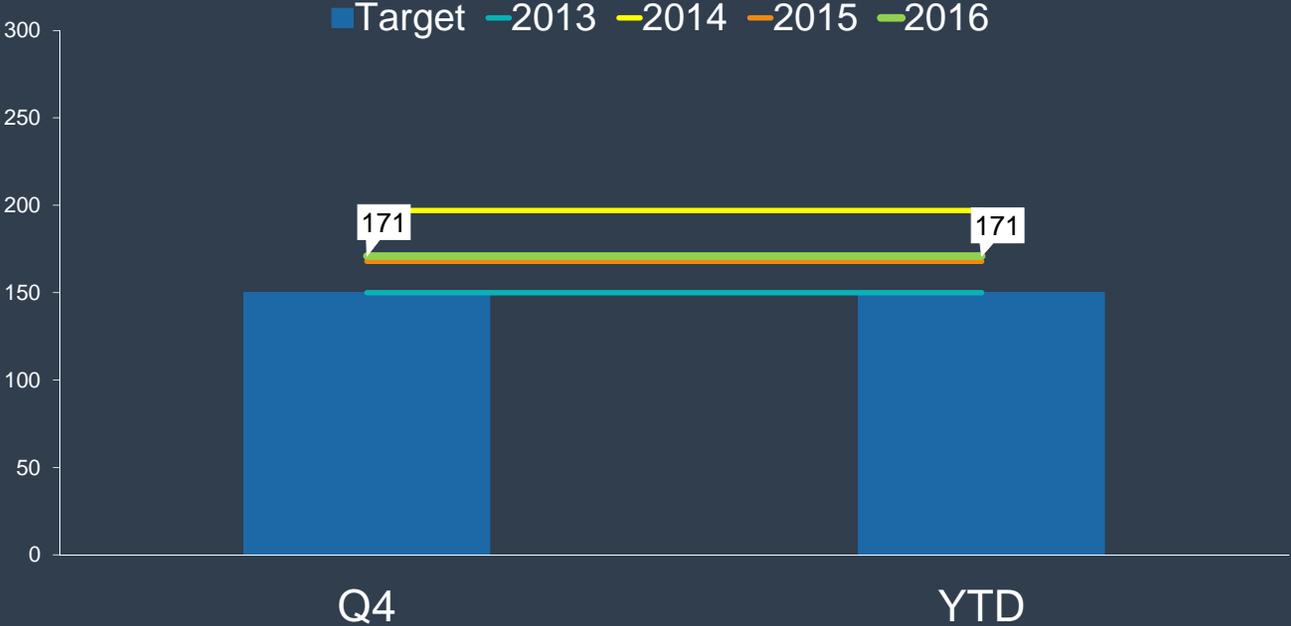
Quarter & YTD Measurement

Otay ranking for the average water bill among CWA member agencies

*FY14 and FY15 Otay rates were 11th lowest
**FY17 Rates were compared to 22 member agencies (Padre Dam E and Padre Dam W are now counted as one agency)

Debt Coverage Ratio

Target: Above 150% to have sufficient debt coverage
(This is measured at year end)



Q&Y

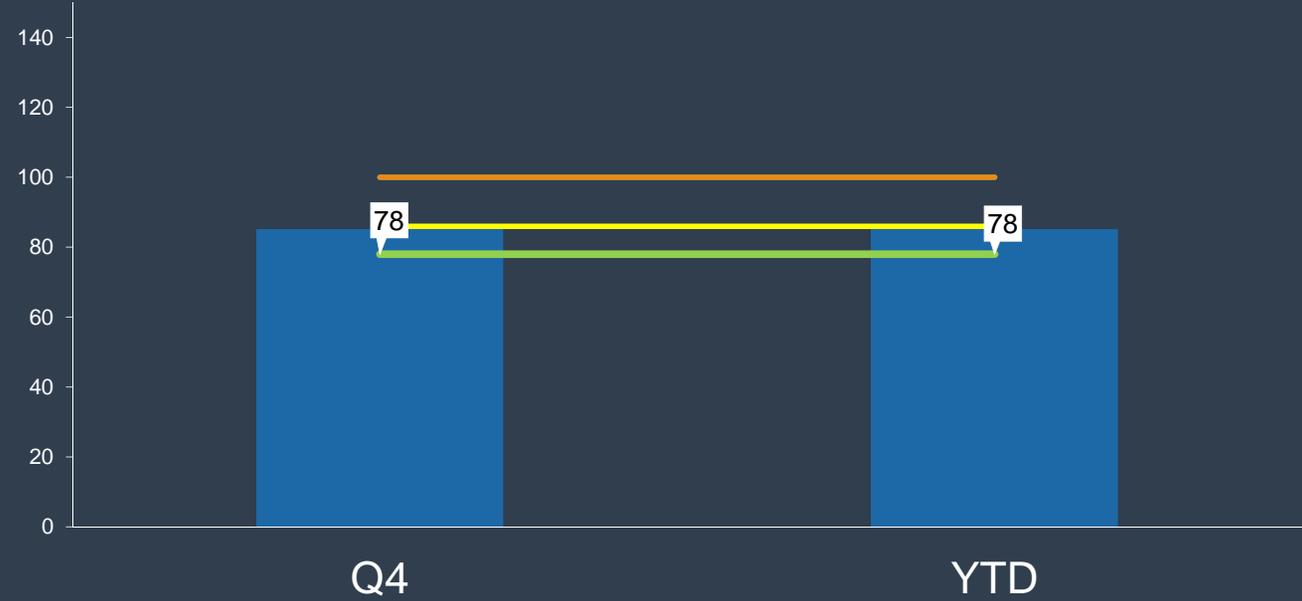
Quarter & YTD Measurement

Qualified net operating revenues/debt service requirements (measured at year end)

Reserve Level

Target: Equal or exceed 85%
(This is measured at year end)

■ Target — 2013 — 2014 — 2015 — 2016



Q&Y

Quarter & YTD Measurement

of reserve funds that meet or exceed fund target levels/ Total # of reserve funds

*FY13 & FY14 results are 85%

Percent of Customers Paying Bills Electronically

Target: In development

(No set targets in FY16; a baseline will be established in FY16 and appropriate targets will be recommended for the FY17-18 Strategic Plan)



Q

Quarter Measurement

of customers paying bills electronically/ Total # of customers

Y

YTD Measurement

YTD # of customers paying bills electronically/
Total # of customers

Distribution System Loss

Target: Less than 5% of unaccounted water loss per quarter in a year



Q&Y

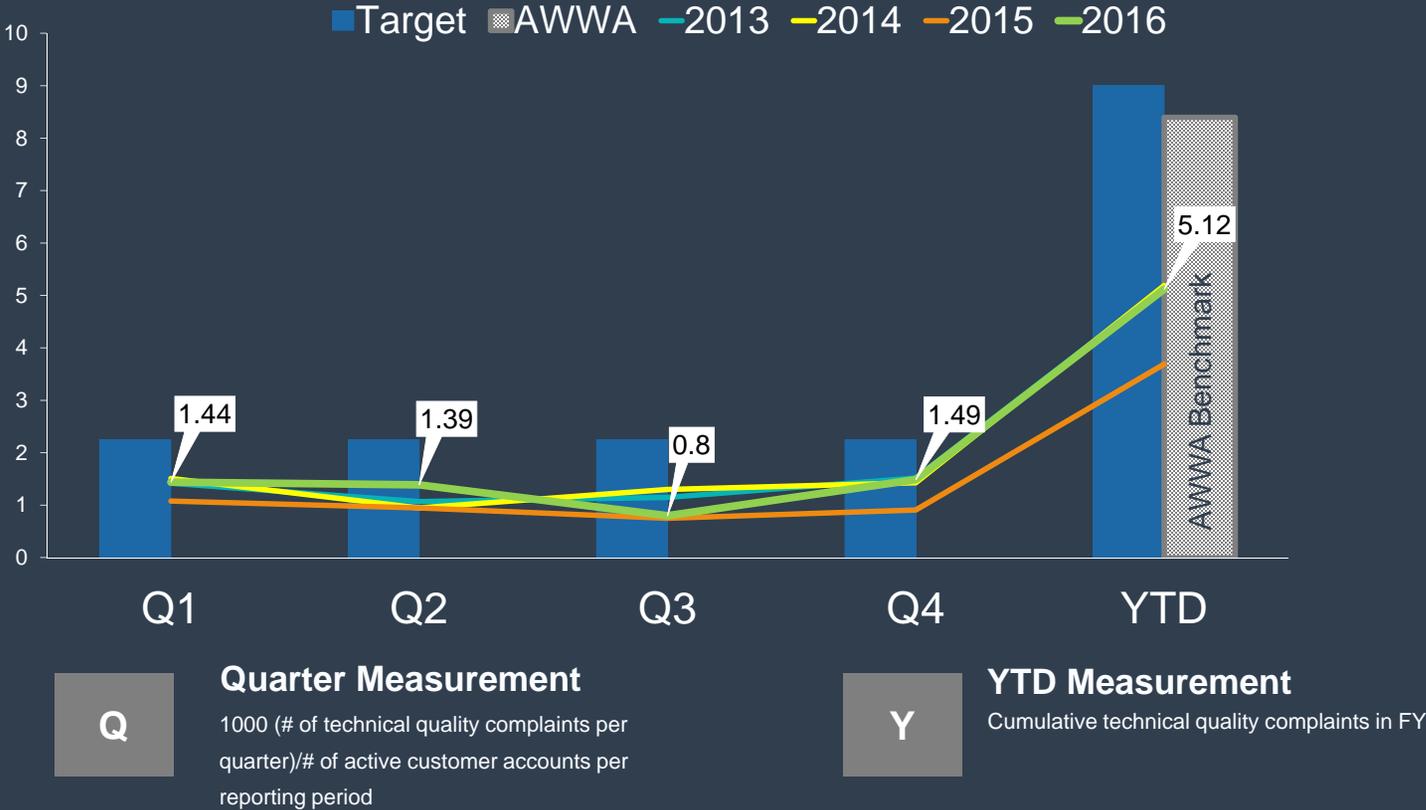
Quarter & YTD Measurement

$100 \frac{[\text{volume purchased (from CWA)} - (\text{volume sold (to customers)} + \text{volume used District usage})]}{\text{volume purchased (from CWA)}}$

Operations

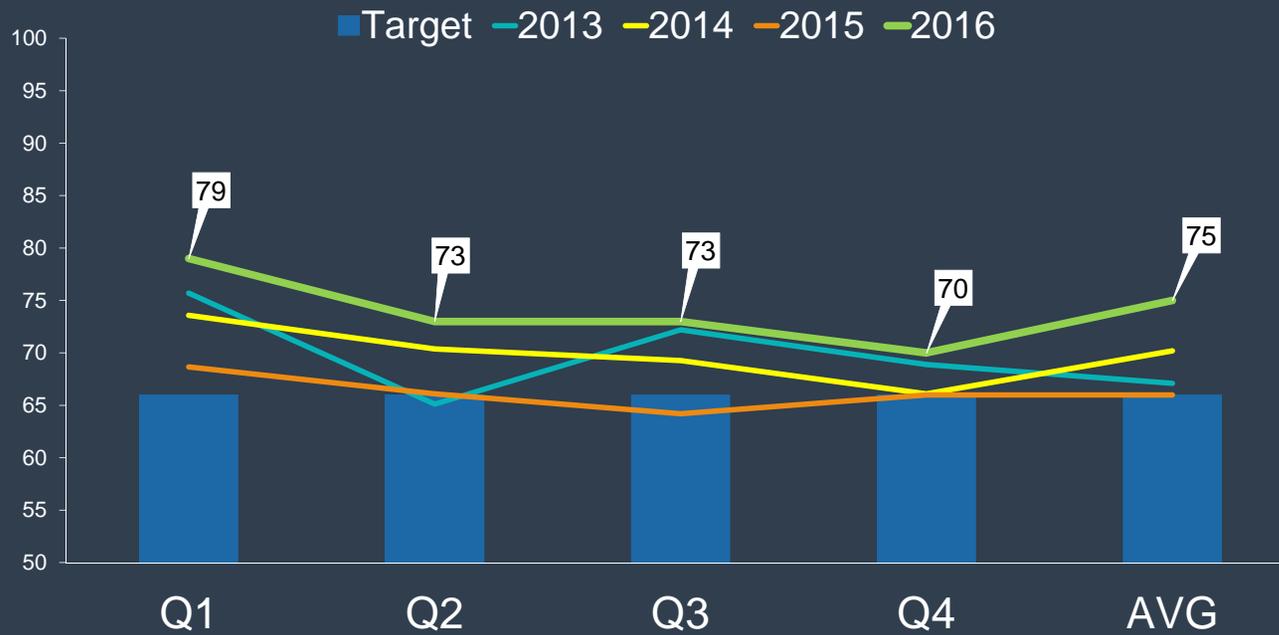
Technical Quality Complaint (AWWA)

Target: No more than 9 complaints per 1000 customer accounts in a year



Planned Potable Water Maintenance Ratio in \$

Target: No less than 66% of all labor dollars spent on preventative maintenance per quarter in a year



Q&Y

Quarter & YTD Measurement

Total planned maintenance cost/ Total maintenance cost

Planned Wastewater Maintenance Ratio in \$

Target: No less than 77% of all labor dollars spent on preventative maintenance per quarter in a year

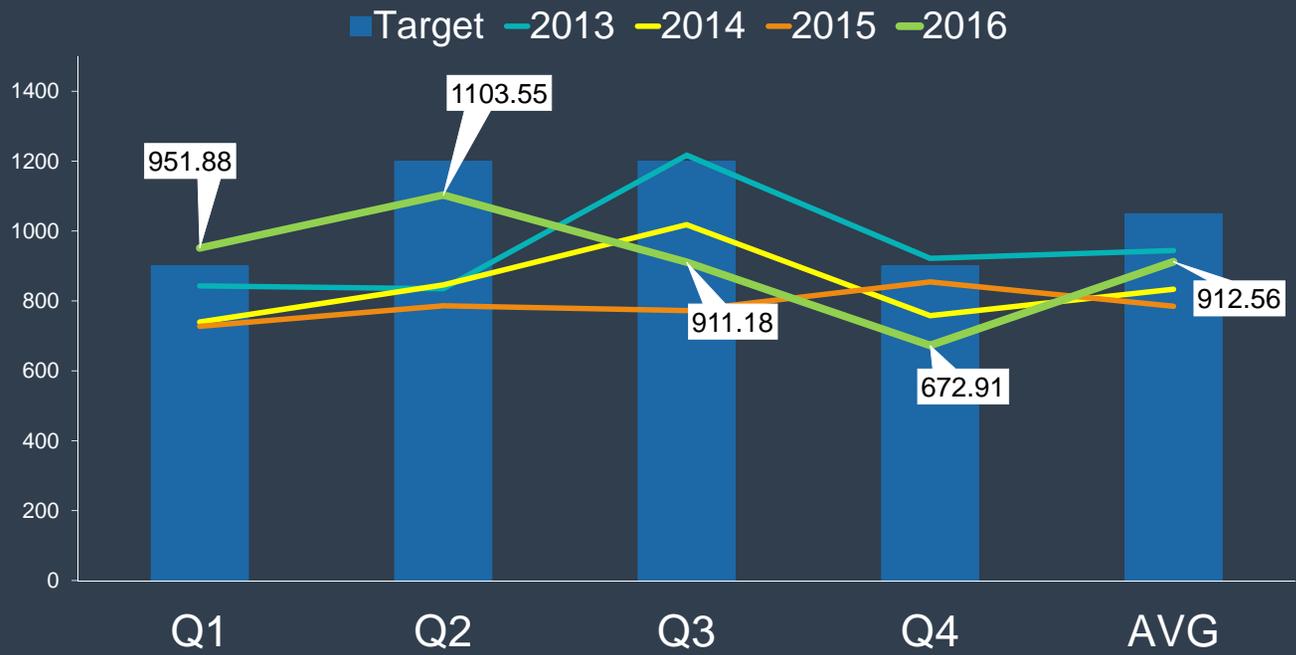


Q&Y

Quarter & YTD Measurement
Total planned maintenance cost/Total maintenance cost

Direct Cost of Treatment Per MGD

Target: No more than \$1050 per MG spent on wastewater treatment per quarter in a single year
(Targets each quarter will vary based on high and low demand times)



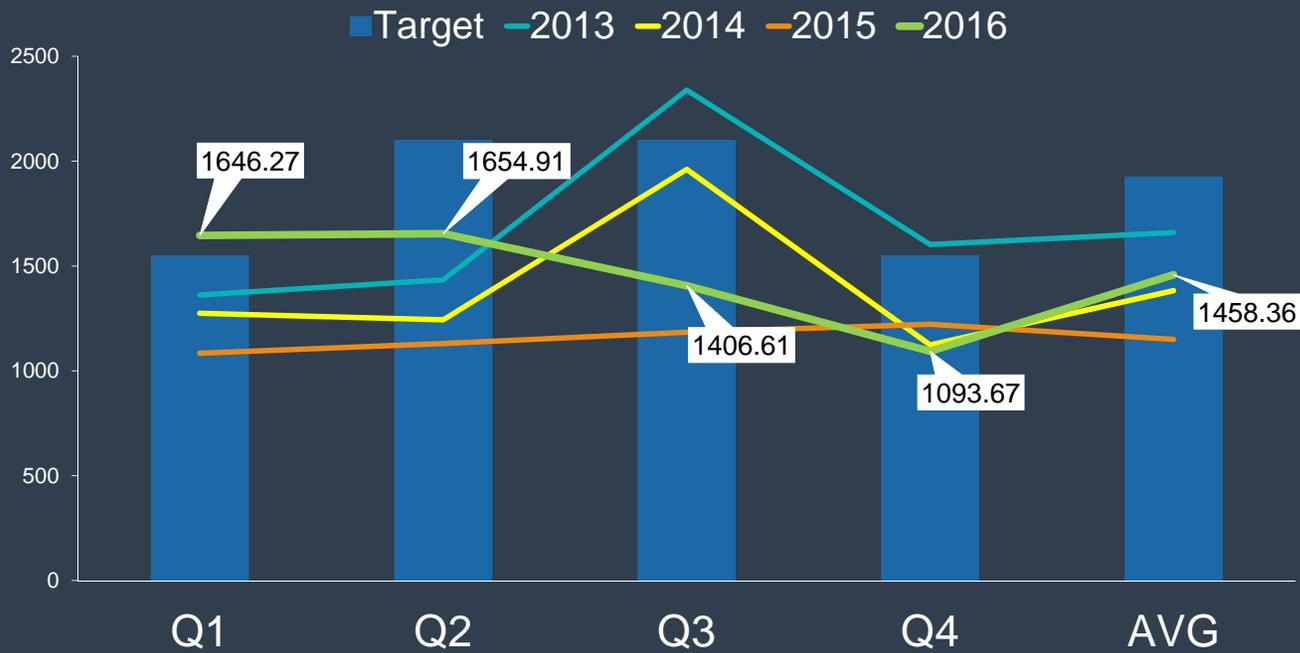
Q&Y

Quarter & YTD Measurement

Total O&M costs directly attributable to sewer treatment/ Total volume in MG

O&M Cost Per MG Processed of Wastewater

Target: No more than \$1925 per MG spent on O&M for wastewater treatment in a year
 (Targets each quarter will vary based on high and low demand times)

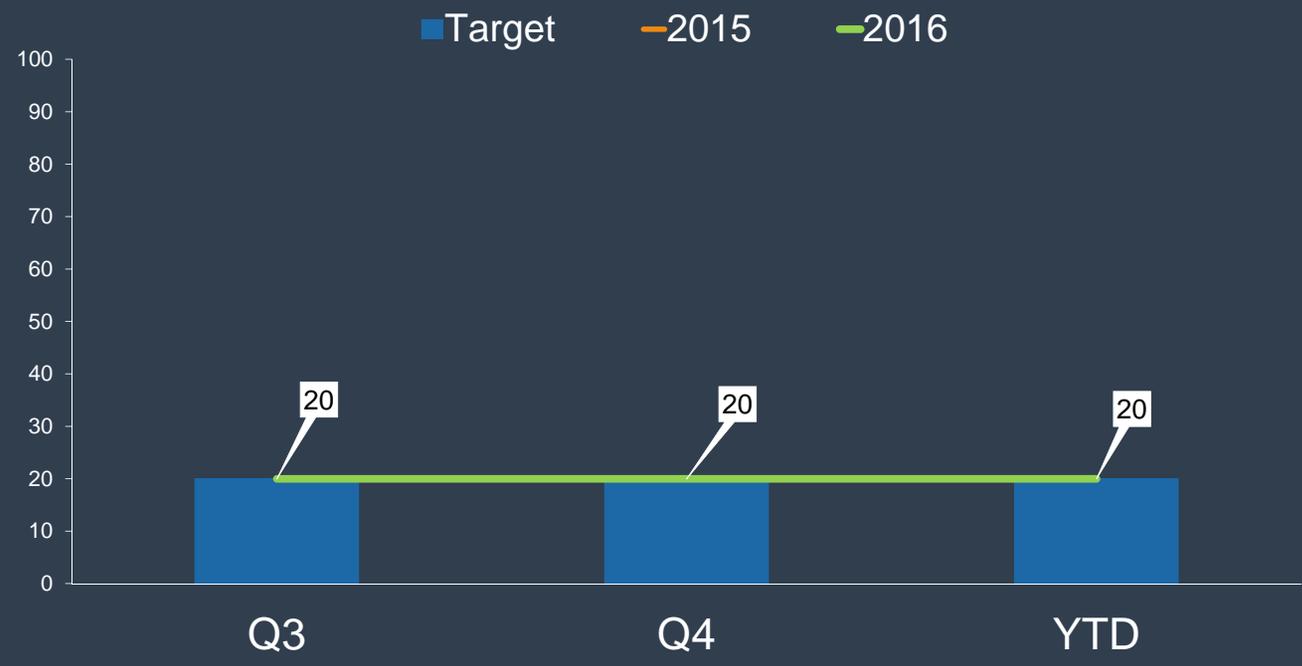


Q **Quarter Measurement**
 Total O&M cost/ MGP
 $FYTD\ O\&M\ Cost = (Power\ Cost) + (Staff\ Cost) + (Equipment\ Cost) / FYTP\ MGP$

Y **YTD Measurement**
 $FYTD\ O\&M\ Cost\ MGP / FYTD\ Total\ MGP$

Leak Detection Program

Target: Perform leak detection on 20% of potable distribution system



Q&Y

Quarter & YTD Measurement

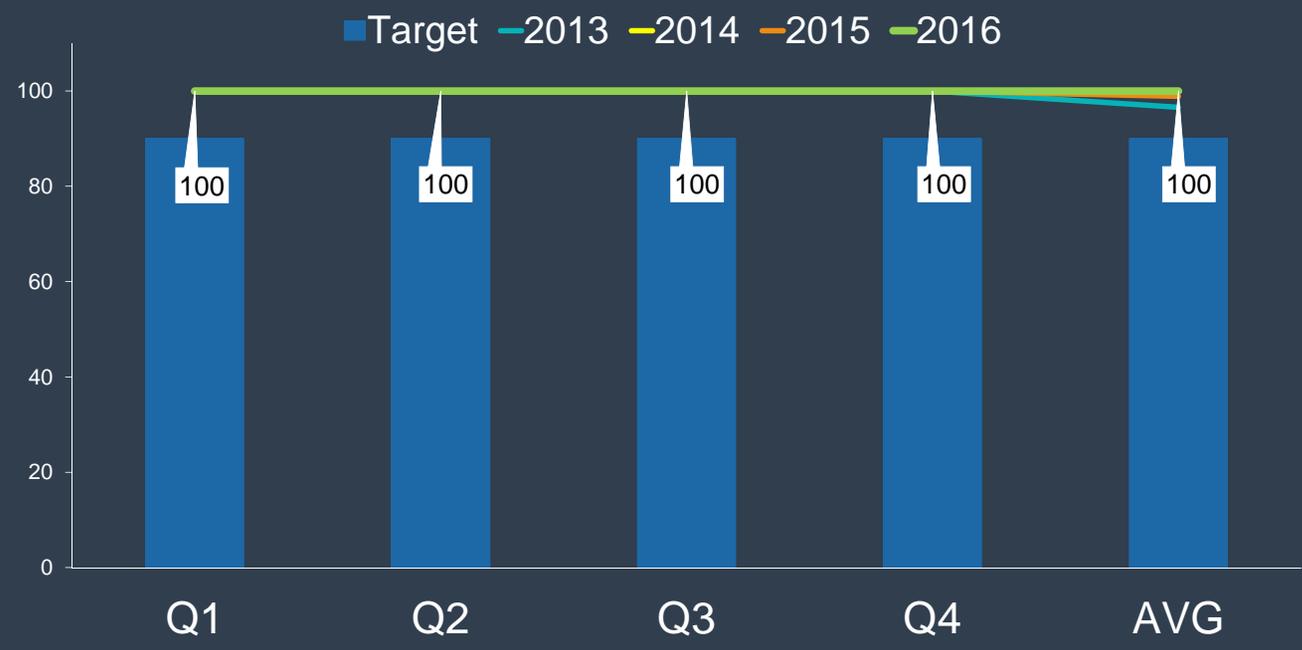
% of potable distribution pipelines surveyed. The calculation is miles of pipe surveyed divided by total miles of pipe times 100.

*FY15 – FY16 results are 20%

**Measure was created in FY15

Percent of PMs Completed – Fleet Maintenance

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

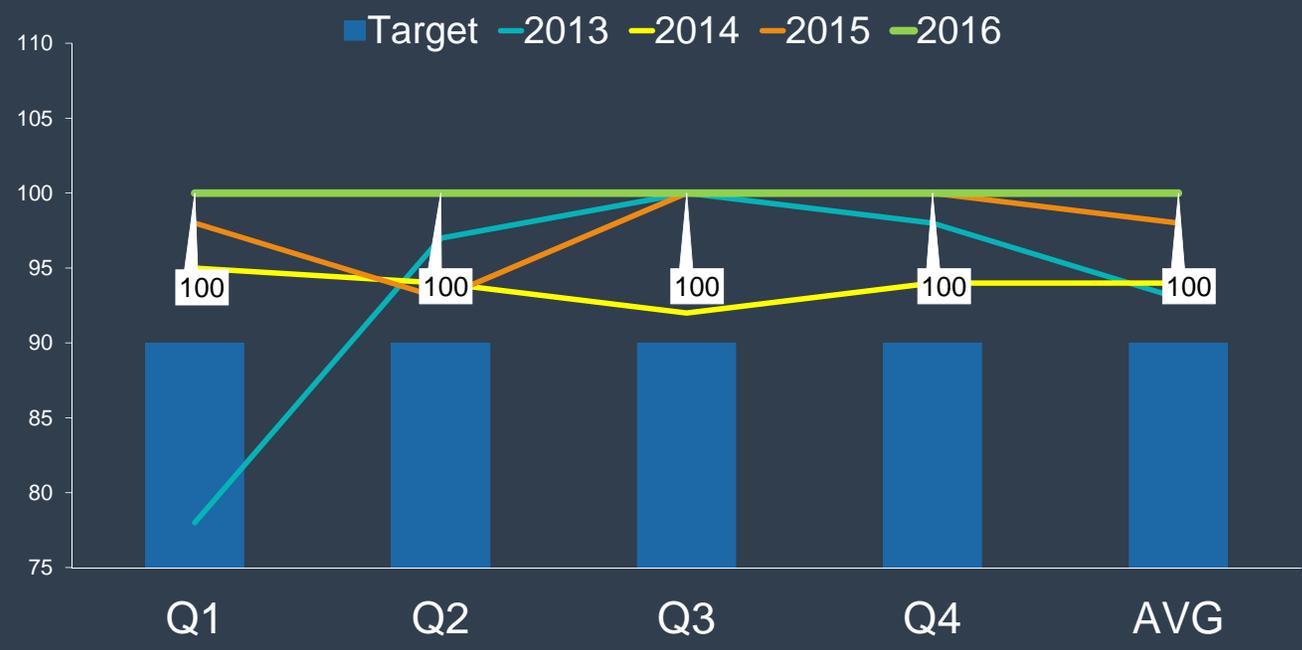
Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed

*FY14 & FY16 results are 100%

Percent of PMs Completed – Reclamation Plant

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period

Percent of PMs Completed – Pump/Electric Section

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&Y

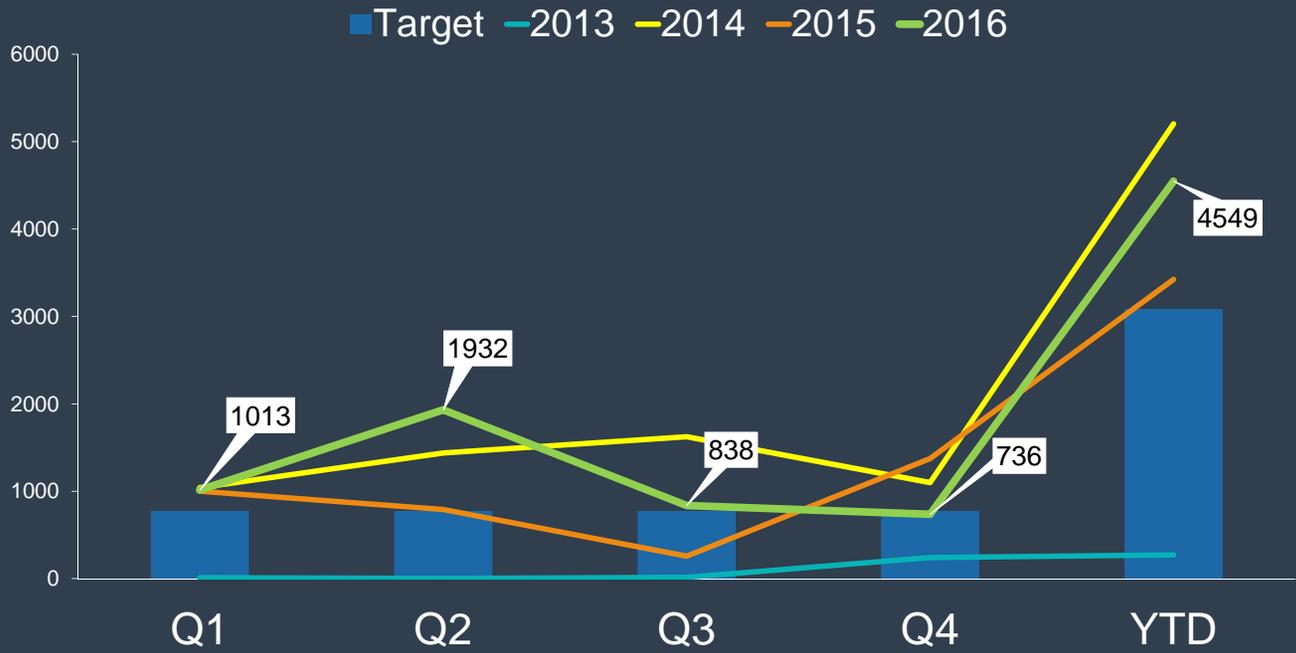
Quarter & YTD Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period

*FY13 – FY16 results are 100%

System Valve Exercising Program

Target: Exercise 770 valves per quarter or 3080 valves by the end of fiscal year



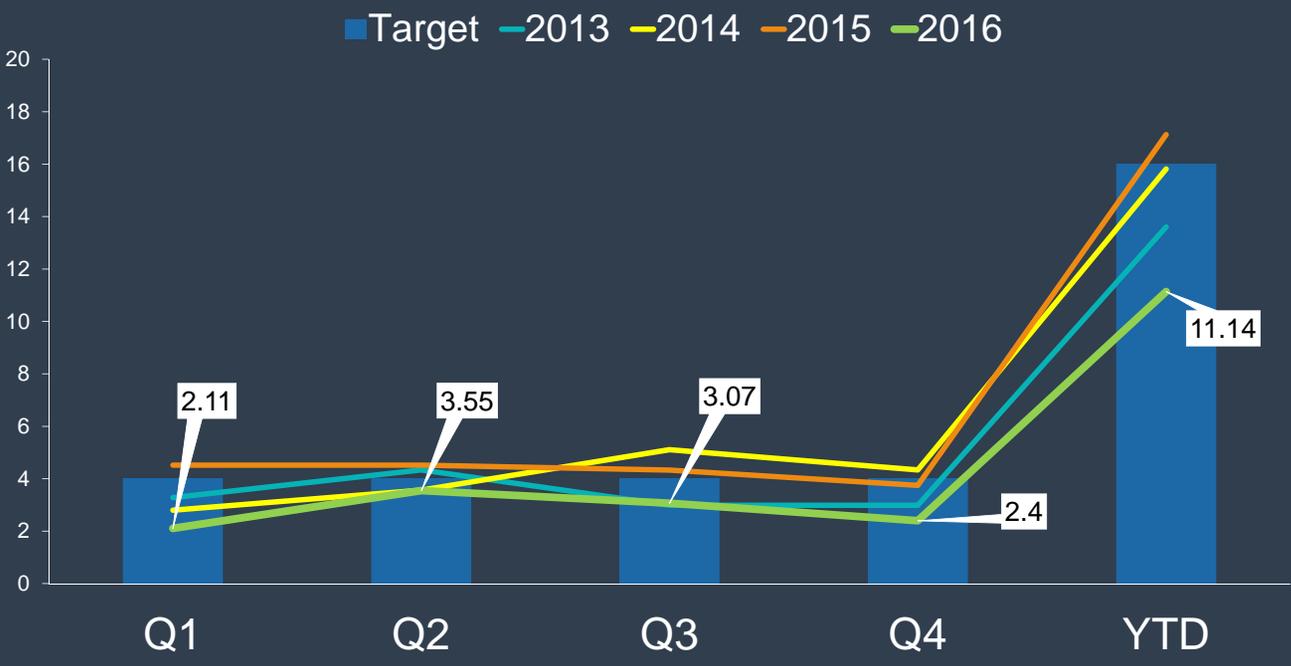
Q&Y

Quarter & YTD Measurement

Actual number of valves exercised in the reporting period

Potable Water Distribution System Integrity

Target: No more than 16 leaks and breaks per 100 miles of distribution piping in a year



Q Quarter Measurement
100 (annual total number of leaks + annual total number of breaks) / total miles of distribution piping

Y YTD Measurement
Cumulative number of leaks and breaks per quarter in a FY

Potable Water Compliance Rate (AWWA)

Target: No less than 100% of all health related drinking water standards each quarter in a year



Q&Y

Quarter Measurement
100 (# of days the primary health regulations are met) / # of days in the reporting period

*FY13 – FY16 results are 100%

Collection System Integrity (AWWA)

Target: No more than 3.6 system failures per 100 miles of collection system pipeline in a year



Q **Quarter Measurement**
100 (total number of collection system failures during the year) / total miles of collection system piping

Y **YTD Measurement**
Cumulative number of failures per quarter in a FY

*FY 13 – FY 16 results are 0 failures

Sewer Overflow Rate (AWWA)

Target: 0 overflows per quarter in a year



Q

Quarter Measurement

100 (total number of sewer overflows during the reporting period) / total miles of pipe in the sewage collection system

Y

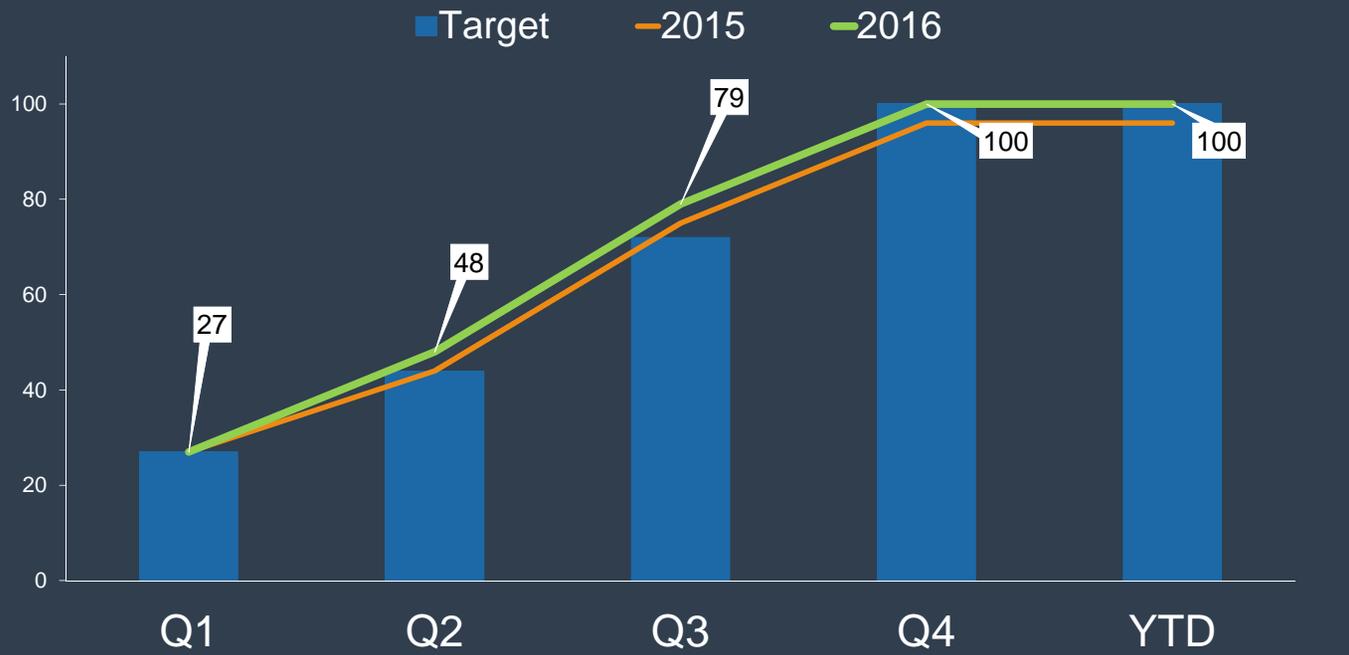
YTD Measurement

Cumulative number of overflows per quarter in a FY

*FY 13 – FY 16 results are 0 overflows

Emergency Facility Power Testing

Target: 100% of the District's facilities tested per year
(The District currently has 29 powered ready facilities)



Q Quarter Measurement
Number of facilities tested / total facilities

Y YTD Measurement
YTD number of facilities tested / total facilities

Tank Inspection and Cleaning

Annual Target: Clean and inspect 8 tanks or more per year



Q&Y

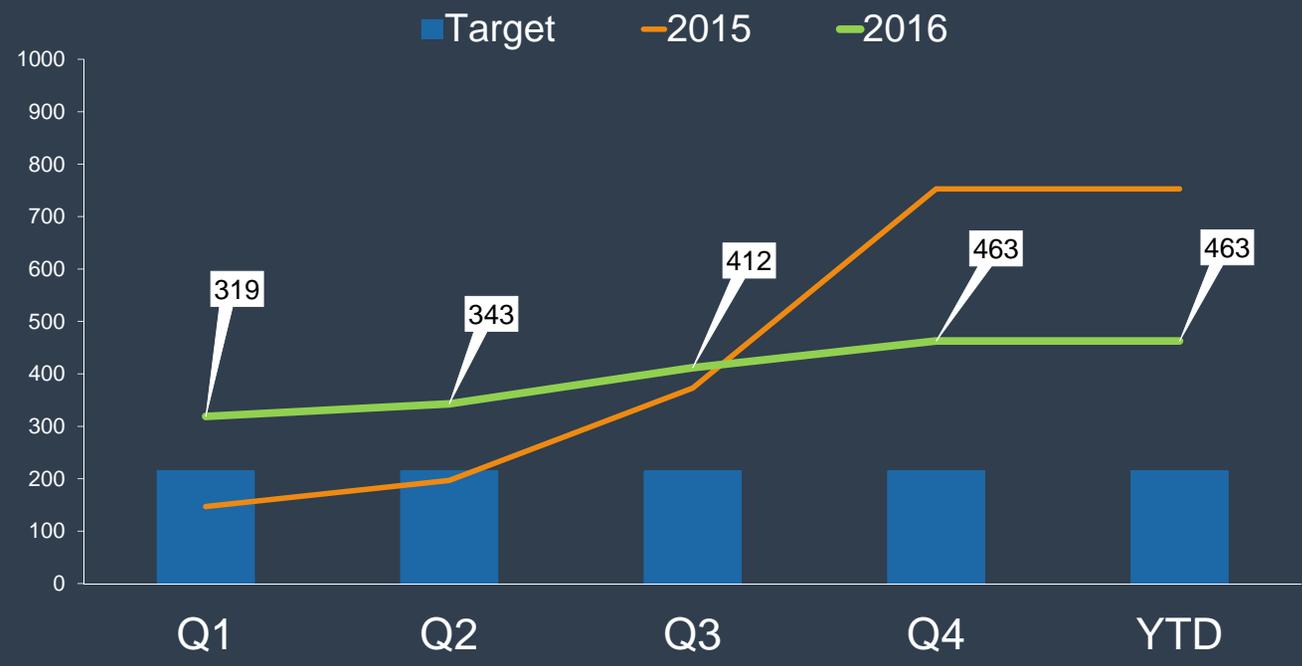
Quarter & YTD Measurement

Number of tanks cleaned and inspected in a reporting period

*Measure was created in FY15

Main Flushing and Fire Hydrant Maintenance

Target: 215 or more mains flushed and fire hydrants maintained in a single year
(The target of 215 is comprised of 165 hydrants and 50 mains)



Q&Y

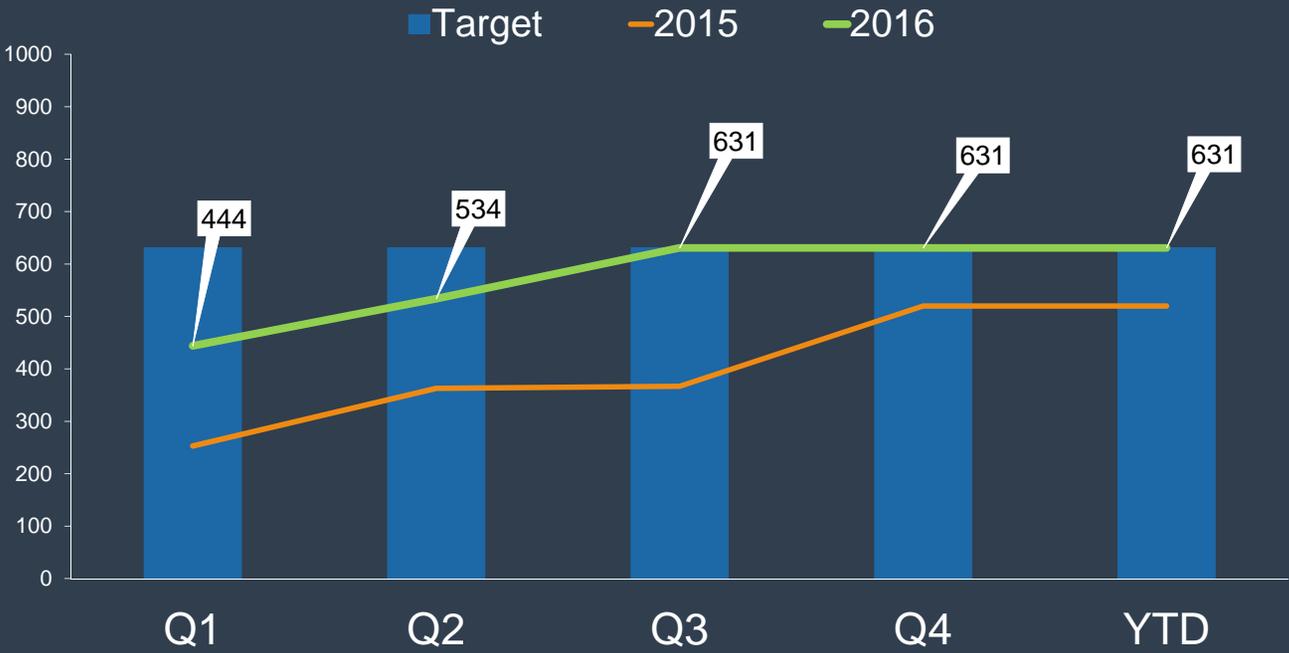
Quarter & YTD Measurement

Number of mains flushed and hydrants maintained in a reporting period

*Measure was created in FY15

Critical Valve Exercising

Target: No less than 631 identified critical valves exercised in a year



Q&Y

Quarter & YTD Measurement

of critical valves exercised in a reporting period

*Measure was created in FY15

Next Steps

- 1 Monitor Deliverables from Project Plans
- 2 Utilize Updated Systems to Collect Performance Data
- 3 Begin to Analyze Performance-Based Data
- 4 Set New Targets Based on Data Collected