OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
November 4, 2015
3:30 P.M.

AGENDA

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. APPROVE THE MINUTES OF THE BOARD MEETING OF AUGUST 13, 2015

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

CONSENT CALENDAR

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

   a) APPROVE A CONSTRUCTION CONTRACT WITH MONTGOMERY CONSTRUCTION SERVICES, INC. FOR THE OPERATIONS YARD PROPERTY ACQUISITION IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED $449,611.05

   b) ADOPT THE MITIGATED NEGATIVE DECLARATION FOR THE CAMPO ROAD SEWER REPLACEMENT PROJECT

   c) AUTHORIZE THE GENERAL MANAGER AND DISTRICT STAFF TO EXPLORE, NEGOTIATE AND ENTER INTO A LETTER OF INTENT OR MEMORANDUM OF UNDERSTANDING (LOI/MOU) BETWEEN THE DISTRICT AND CADIZ, INC. FOR THE PURCHASE OF 5,000 ACRE-

FEET PER YEAR (AFY) OF RAW WATER AND TO APPROVE THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) NOTICE OF EXEMPTION FOR THE POTENTIAL WATER PURCHASE.

d) APPROVE AN AGREEMENT WITH THE LAW FIRM OF STUTZ, ARTIANO, SHINOFF AND HOLTZ, A PROFESSIONAL CORPORATION, FOR A TERM OF TWO (2) YEARS THROUGH DECEMBER 31, 2017, TO PROVIDE GENERAL COUNSEL SERVICES

e) APPROVE A FINE OF $22,000 TO SHARP CHULA VISTA FOR MULTIPLE VIOLATIONS OF THE DISTRICT'S CODE OF ORDINANCES

ACTION ITEMS

7. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY

a) APPROVE THE DISTRICT'S AUDITED FINANCIAL STATEMENTS INCLUDING THE INDEPENDENT AUDITOR'S UNQUALIFIED OPINION FOR FISCAL YEAR ENDED JUNE 30, 2015 (DYCHITAN)

8. WATER OPERATIONS AND ENGINEERING

a) APPROVE AMENDMENT NO. 4 TO THE EXISTING CONTRACT WITH AECOM TECHNICAL SERVICES, INC. (AECOM) FOR THE DESIGN OF THE OTAY MESA DESALINATION CONVEYANCE AND DISINFECTION SYSTEM PROJECT; INCREASING THE CONTRACT BY $22,425, RESULTING IN A HIGHER CONTRACT AMOUNT NOT-TO-EXCEED $3,800,863 (COBURN-BOYD)

b) APPROVE TWO (2) AGREEMENTS FOR METERED EMERGENCY INTERCONNECTIONS BETWEEN OTAY AND THE HELIX WATER DISTRICT AT BLOSSOM LANE AND IVY STREET (BEPPLER)

9. BOARD

a) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

INFORMATIONAL ITEM

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

a) RECEIVE THE FINDINGS OF THE 2015 CUSTOMER AWARENESS AND OPINION SURVEY (BUELNA)

REPORTS

11. GENERAL MANAGER'S REPORT

    a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

12. DIRECTORS' REPORTS/REQUESTS

13. PRESIDENT'S REPORT/REQUESTS

RECESS TO CLOSED SESSION

14. CLOSED SESSION

    a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
    Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

    1 CASE

    b) PUBLIC EMPLOYEE PERFORMANCE EVALUATION [GOVERNMENT CODE §54957.6

    TITLE: GENERAL MANAGER

RETURN TO OPEN SESSION

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

16. CONSIDER AND APPROVE AMENDMENTS TO GENERAL MANAGER'S CONTRACT INCLUDING COMPENSATION

17. ADJOURNMENT

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

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 (619) 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on October 30, 2015, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on October 30, 2015.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
August 13, 2015

1. The meeting was called to order by President Lopez at 3:37 p.m.

2. ROLL CALL

Directors Present: Lopez, Croucher (arrived at 3:47 p.m. as he was attending a meeting at the SDCWA), Robak, Smith and Thompson

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE SPECIAL BOARD MEETING OF MAY 19, 2015

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

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

to approve the minutes of the special board meeting of May 19, 2015.

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

No one wished to be heard.

PUBLIC HEARING

7. PUBLIC HEARING ON THE CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE DISTRICT'S NORTH-SOUTH DISTRICT INTERCONNECTION SYSTEM PROJECT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER CERTIFYING THE FEIR FOR THE DISTRICT'S NORTH-SOUTH INTERCONNECTION SYSTEM PROJECT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE FEIR.

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that staff is requesting that the Board certify that the FEIR for the District's North-South Interconnection System Project has been completed in compliance with the California Environmental Quality Act, the current State Guidelines and the District's Local Guidelines, and that it reflects the independent judgement of the District. Additionally, staff requests the approval of the Mitigation, Monitoring and Reporting Program and the findings for the project. She stated that the North-South Interconnection System Project consists of a 30-inch pipeline and associated booster pump station that would enable the District to move potable water between the District's north and south districts. The project would increase the District potable water supply flexibility and reliability. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Coburn-Boyd's report.

Director Robak indicated that he had heard approximately six (6) months ago that the District was developing the North-South Interconnection System Project because of a large housing development which will be built in the Proctor Valley area. General Manager Watton indicated that there is an interconnection that potentially could occur there, but it is much smaller and would not take the place of this proposed project. He stated the discussion concerning this project has been more on the timing of the project. This project is planned for beyond the District's six (6) year CIP planning. However, because there is an optional parcel from CalTrans that the District wishes to pursue, staff wishes to get the FEIR and the project certified so the District could purchase the CalTrans parcel for the proposed Pump Station for the project. The parcel is located near the Spring Valley Swap Meet and staff wishes to purchase the parcel before it is bought by another party.

General Manager Watton indicated that Supervisor Cox and his office have no issues with the proposed pipeline alignment and it is felt that the District has satisfied the community's concerns.

In response to an inquiry from Director Thompson, Senior Civil Engineer Jeff Marchioro indicated that the Purdue Treatment Plant is located at the tail end of the Sweetwater Reservoir. The treatment plant has a 42-inch main that comes within 1200 feet of the District's Ralph Chapman Water Reclamation Plant and Pump Station. The pipe is, thus, very convenient for the District to tie into for this project. Director Smith added that this project would also provide for the ability to have 10-days of storage in the North District. This is certainly a benefit for water reliability for the District's customers.

President Lopez opened the public hearing at 3:55 p.m. to receive the public's comments on the Final Environmental Impact Report for the District's North-South District Interconnection System Project. It was indicated that the District received 10 comment letters from the State, local agencies, organizations and individuals. The letters from the community groups in Bonita opposed the project. Particularly the pipeline going through Corral Canyon Road. The community groups were concerned about noise, dust, equipment/construction blocking their driveway, etc. Staff met with the community groups several times to explain the construction sequence and address their concerns. They are not completely satisfied, but they understand.

As no one from the public wished to be heard, President Lopez closed the public hearing at 4:00 p.m.

a) CERTIFY THAT THE FEIR FOR THE DISTRICT'S NORTH-SOUTH DISTRICT INTERCONNECTION SYSTEM PROJECT HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE CURRENT STATE GUIDELINES AND THE DISTRICT'S LOCAL GUIDELINES, AND THAT IT REFLECTS THE INDEPENDENT JUDGMENT OF THE DISTRICT; FIND THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE PROJECT WILL BE AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION MEASURES, AS SHOWN IN THE FEIR, AND THE MITIGATION, MONITORING AND REPORTING PROGRAM FOR THE FEIR; AND APPROVE THE FINDINGS FOR THE PROJECT (COBURN-BOYD)

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

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

to approve staffs' recommendation.

CONSENT CALENDAR

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

Director Robak pulled item 7b, APPROVE THE ISSUANCE OF A PURCHASE ORDER TO HAAKER EQUIPMENT COMPANY IN THE AMOUNT OF $402,830.28 FOR THE PURCHASE OF ONE (1) NEW MODEL 2115P-16 VACTOR TRUCK, for discussion.

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

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

to approve the following consent calendar items:

a) ADOPT RESOLUTION NO. 4294 DESIGNATING A CHANGE OF AUTHORIZED SIGNATORIES FOR THE DISTRICT'S OPERATING AND PAYROLL ACCOUNTS WITH UNION BANK, N.A.

c) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO TRACE3 IN THE AMOUNT OF $174,725.29 FOR NEW NETWORK EQUIPMENT AND SOFTWARE TO REPLACE THE EXISTING SERVER ENVIRONMENT

d) APPROVE CHANGE ORDER NO. 2 TO THE EXISTING CONTRACT WITH ARRIETA CONSTRUCTION, INC. FOR A CREDIT IN THE AMOUNT OF <$54,410.29> FOR THE CALAVO BASIN SEWER REHABILITATION, PHASE 1 PROJECT

e) AWARD A CONSTRUCTION CONTRACT TO CCL CONTRACTING, INC. FOR THE 624 PRESSURE ZONE PRESSURE REDUCING STATIONS (PRSs) AND 944-1R PRS NO. 3 IMPROVEMENTS PROJECT IN AN AMOUNT NOT-TO-EXCEED $455,209

f) AWARD A CONSTRUCTION CONTRACT TO FORDYCE CONSTRUCTION, INC. FOR THE SWEETWATER RIVER TRESTLE IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED $173,740.00

g) AWARD A PROFESSIONAL SERVICES CONTRACT TO CH2M FOR THE 2015 URBAN WATER MANAGEMENT PLAN UPDATE (2015 UWMP UPDATE) IN AN AMOUNT NOT-TO-EXCEED $49,839

President Lopez presented item 7b for discussion:

b) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO HAAKER EQUIPMENT COMPANY IN THE AMOUNT OF $402,830.28 FOR THE PURCHASE OF ONE (1) NEW MODEL 2115P-16 VACTOR TRUCK

In response to any inquiry from Director Robak, Assistant Chief of Operations Jose Martinez confirmed that the Vactor trucks are part of the shared resources agreement with sister agencies. He stated the shared services agreement is not for daily operations, it is for emergency services or if an agency's Vactor truck is out-of-service. The agencies do reimburse the District for the use of the District's assets. The proposed Vactor truck is similar to the District's existing truck that will be replaced. Staff is recommending the purchase of the largest capacity truck as it is utilized for excavation purposes as well.

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

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

to approve staffs' recommendation.

ACTION ITEMS

9. BOARD

a) ADOPT RESOLUTION NO. 4295 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT APPROVING FUNDING OF THE WATER CONSERVATION AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY, IN THE AMOUNT OF $97,622 ANNUALLY FOR FISCAL YEARS 2016 – 2017, FOR A TOTAL OF $195,244

General Manager Watton indicated that traditionally the Water Conservation Garden (WCG) funding is included in the budget and approved with the adoption of the budget. Because the WCG JPA is having discussions on the length of the funding and commitments by the member agencies, the District's representative to the WCG JPA, Director Thompson, requested that this item be agendized for discussion and direction by the board.

Director Thompson indicated that the board has had discussions on the WCG funding in past meetings. One of the items he has requested of the WCG is data

showing how many of the agencies' customers use the garden. He stated that the agencies should have data which they can review next year which will help the member agencies evaluate what benefits they are receiving from the WCG. Because there currently are no metrics, the agencies felt that it would be appropriate to commit to a two year funding cycle.

Director Robak felt, especially because of the drought, that the WCG is the most likely vehicle to advocate water tolerant landscapes and conservation. He stated he supports the WCG and asked members of the board to support the WCG as well.

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

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

to adopt Resolution No. 4295 approving funding of the WCG in the amount of $97,622 annually for fiscal years 2016 to 2017 for a total of $195,244.

b) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

There were no changes to the meeting calendar.

INFORMATIONAL ITEM

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

a) DROUGHT AND WATER CONSERVATION UPDATE (CAREY)

Customer Service Manager Andrea Carey provided an update on the District's water conservation activities, conservation targets, and what actions neighboring agencies are proposing to comply with the State Water Board's emergency conservation regulations and the State's mandatory conservation of potable urban water use. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Carey's report.

Information Technology Manager Michael Kerr provided a demonstration of the District's new Water Waste Mobile App. The new app will allow customers to report water waste, find information on water savings tips, connect directly to the District's Facebook and Twitter accounts, and link directly to the District's mobile web pay site. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Kerr's report.

In response to an inquiry from Director Croucher, Mr. Kerr indicated that customers using the app will not be able to link to their water use information. Staff indicated, however, that there is an application on the District's website where customers could get that information.

Director Robak suggested with regard to emails forwarded to customers/persons who send in a water waste reports, that they be able to reply to the District's email that confirms receipt of their water waste report. Mr. Kerr indicated in response to an inquiry from Director Robak that the app is not available on the App Store and it can be found by typing, "make every drop count." Customer Service Manager Carey indicated that the initial thought is to roll out the app to the District's social media followers, which would allow the District to receive some feedback on the app before it is rolled out to the public.

Director Thompson commented that he would like to have a full discussion on the possibility of defaming someone's character and the implications of the water waste reporting app before rolling it out.

Director Thompson indicated that the Finance Administration and Communications Committee discussed adding to each monthly report for the board a "to date" savings summary indicating that the District's customers have used XX% less or more than 2013 water use and customers need use no more than YY% through the end of February 2016 to achieve the District's target of 20% water savings.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton indicated that Governor Brown had a meeting with the City of San Diego in June and the Governor mentioned that when his Executive Order expires in February, he intends to impose a follow-up Order to continue to mandate conservation. He stated that the Governor is aware of our region's concerns with the mandate and that the region is requesting amendments to his drought order to allow the use of the water supplies that San Diego County has been developing.

Mr. Watton also presented information from his report that included an update on the District's implementation of backflow prevention software, the mobile water app that was presented at today's board meeting, GIS staff's presentation at the ESRI Annual International Conference, the rebate programs for turf replacement, the Rosarito Desalination Project, installation of fire hydrants that will utilize recycled water, and Southwestern College's Irrigation/Landscape and Infrastructure Master Plans.

In response to an inquiry from Director Smith, staff indicated that funds from the sale of surplus property is placed in the general fund and would be applied against capital projects.

Director Thompson indicated that he would like to see the turf replacement rebates going to those who do not have the funds to replace their landscapes rather than to golf course or those with plenty of resources. He stated that those receiving the rebates are those that can afford to replace their landscapes on their own. He indicated that he feels if we cannot get changes to the program guidelines that the program should be terminated. General Manager Watton indicated that the agencies agree with Director Thompson and CWA had voted against the program at MWD. However, the majority of the members at MWD supported the program as is.

Director Croucher indicated, as the Chair of CWA's Legislation, Conservation and Outreach Committee, that they do understand what Director Thompson is indicating. San Diego County also is contributing to the rebate programs that are administered by MWD and the County is receiving less than what it is putting into the programs as most of the rebates are going up to MWD. CWA will continue to bring these messages to MWD.

CWA Report

Director Croucher indicated that they met with the State Governor yesterday and the Governor's conservation mandates were discussed. CWA shared with the Governor San Diego County's concerns with the mandates and the Governor agreed that there needs to be some changes to the conservation mandates as it relates to new water that has been created through the regions supply programs (i.e., San Vicente Dam Raise, Carlsbad Desalination Plant, etc.). He also shared that Legislators from Sacramento toured the Carlsbad Desalination Plant and that representative from CWA will be travelling to Sacramento to continue to share our region's concern with State legislators.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he was in the southwest, New Mexico and Texas, for the last few weeks. He stated that in northeast New Mexico (Philmont), the residents had indicated that they don't ever remember receiving so much rain in their area. The residents indicated that their area has received so much rain that a six-inch stream turned into a 20-foot wall of water that swept away several children who were camping at Philmont, the National training center for the Boy Scouts. The kids were rescued, with the exception of one sadly, but the incident shows how much rain they are receiving. He indicated that the El Nino is looking promising and noted that the drought has officially ended in Texas due to the large amounts of rain that they have also received this season.

Director Croucher stepped off the dias at 5:20 p.m.

Director Thompson reported that he attended the City of Chula Vista Interagency Task Force meeting and the Task Force had some good discussions and it is felt the Task Force will have more meetings periodically.

Director Smith also indicated that he attended, along with Director Croucher and General Manager Watton, the City of Chula Vista Interagency Task Force meeting on July 27. He stated that Ms. Dana Friehauf, San Diego County Water Authority, and General Manager Watton provided presentations related to the drought. The City of Chula Vista Mayor, Ms. Mary Salas, and Sweetwater Authority staff were also in attendance. The Task Force discussed how the three agencies could assure that they are providing a consistent message to the communities they serve concerning the drought. They also discussed the WCG and the possibility of combining our wastewater, particularly with regard to indirect potable reuse. He stated that he, Director Croucher and General Manager Watton also met with Speaker of the Assembly, Ms. Toni Atkins, to update her on the Rosarito Desalination Project.

13. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of July 2015 (a list of meetings he attended is attached). He commended the employees who coordinated the employee picnic.

14. CLOSED SESSION

The board recessed to closed session at 5:26 p.m. to discuss the following matters:

a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

1 CASE

b) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:

1 CASE

c) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9]

UNITED STATES, ET AL., EX. REL. JOHN HENDRIX vs. J-M MANUFACTURING COMPANY, INC., ET AL.; CASE NO. ED CV 06-00055GW

The board reconvened at 6:35 p.m. and General Counsel Dan Shinoff reported that the board met in closed session and unanimously voted to reject the claim presented in item 13b. He stated that the board took no other reportable actions in closed session.

15. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:35 p.m.

_____
President

ATTEST:

_____
District Secretary

President's Report
August 13, 2015 Board Meeting

A) Meetings attended during the Month of *July* 2015:

1) **July 17: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the July committee meetings.

2) **July 18: Employee Picnic at Santee Lakes.**

3) **July 21: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the August board meeting.

B) Meetings attended during the Month of *August* 2015:

1) **August 7: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the August 13 Board Meeting.

AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Stephen Beppler Senior Civil Engineer Bob Kennedy Engineering Manager	PROJECT: P2537-001102	DIV. NO.: 3
APPROVED BY:	☒ Rod Posada, Chief, Engineering ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Award of a Construction Contract to Montgomery Construction Services, Inc. for the Operations Yard Property Acquisition Improvements Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Montgomery Construction Services, Inc. (Montgomery Construction) and to authorize the General Manager to execute a construction contract with Montgomery Construction for the Operations Yard Property Acquisition Improvements Project in an amount not-to-exceed $449,611.05 (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a construction contract with Montgomery Construction for the Operations Yard Property Acquisition Improvements Project in an amount not-to-exceed $449,611.05.

ANALYSIS:

The District acquired the subject property adjacent to the Operations Yard in May 2009. The proposed parking lot will add 54 parking spaces and separate the employee vehicles from the District vehicles and equipment. This will also serve as a staging ground in case of a catastrophic event. The Project was designed in-house by District staff and an as-needed electrical consultant.

The Project consists of construction of an approximate 27,700 square-foot asphalt concrete parking lot, including site clearing, grading, preparation of subgrade, asphalt concrete pavement, striping, storm drainage facilities, chain link fence, area lighting, and all other appurtenant and associated work.

The Project was advertised on August 17, 2015 on the District's website and several other publications, including the San Diego Daily Transcript. A non-mandatory Pre-Bid Meeting was held on September 1, 2015, which was attended by seven (7) contractors, subcontractors, and suppliers. Two (2) addenda were sent out to all bidders and plan houses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on September 17, 2015, with the following results:

	CONTRACTOR	**TOTAL BID AMOUNT**	**CORRECTED BID AMOUNT**
1	Montgomery Construction Services, Inc. Spring Valley, CA	$449,611.92	$449,611.05
2	Whillock Contracting, Inc. La Mesa, CA	$462,438.00	-
3	L.C. Paving & Sealing, Inc. San Marcos, CA	$482,753.00	-
4	Kirk Paving, Inc. Lakeside, CA	$485,207.00	-
5	Fordyce Construction, Inc. Santee, CA	$514,520.00	$524,520.00
6	George Weir Asphalt Construction, Inc. Escondido, CA	$528,500.00	-
7	ABC Construction Co., Inc. San Diego, CA	$532,400.00	-
8	S & B Engineering, Inc. Lakeside, CA	$539,700.00	-
9	M.A. Stevens Construction, Inc. National City, CA	$580,826.47	-

The Engineer's Estimate is $440,000.00.

Staff reviewed the bids submitted for conformance with the contract requirements and determined that Montgomery Construction had a math error in Bid Item 16 that then impacted the Total Bid Amount. The resultant Total Bid Amount for Montgomery Construction was revised from $449,611.92 to $449,611.05. Upon review of the Bid package, it was also discovered that Montgomery Construction had not signed the Subcontractor information in Section 00440, List of Subcontractors - Form E. Upon consultation with the District's General Counsel, Montgomery Construction was advised of the missing certification (Exhibit B) and a signed Section 00440 was submitted (Exhibit C), with no changes to the Subcontractor information. Staff determined that Montgomery Construction was the lowest responsive and responsible bidder. Montgomery Construction holds a Class A Contractor's License, which meets the contract document's requirements, and is valid through January 31, 2017. The reference checks indicated a very good to excellent performance record on similar projects. An internet background search of the company was performed and revealed no outstanding issues with this company. Montgomery Construction is actively registered with the State of California's Department of Industrial Relations (DIR), as required by SB854. Montgomery Construction has not previously worked for the District.

District staff received a bid protest from the Law Office of Christina M. Finrow on behalf of the second low bidder, Whillock Contracting, Inc. (Exhibit D), based upon their inability to review the bids documents submitted for the Project. The letter also requested the right to submit a more specific bid protest after the bid documents were received. District staff and General Counsel analyzed the protest and determined that the protest was not valid. The District's response to the bid protest is provided as Exhibit E.

Staff verified that the bid bond provided by Montgomery Construction is valid. Staff will also verify that Montgomery Construction's Performance Bond and Labor and Materials Bond are valid prior to execution of the contract.

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

The total budget for CIP P2537, as approved in the FY 2016 budget, is $775,000.00. Total expenditures, plus outstanding commitments and forecast, including this contract, are $716,627.32. See Attachment B for the budget detail.

Based on a review of the financial budget, the Project Manager anticipates that the budget is sufficient to support the Project.

The Finance Department has determined that, under the current rate model, 100% of the funding will be available from the Betterment Fund for CIP P2537.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

SB/BK:mlc
P:\WORKING\CIP P2537 - Property Acquisition\CIP P2479 Property Acquisition\Staff Reports\BD 11-07-15, Staff Report, Operations Yard Property Acquisition Improvements, Award Construction (SB-BK-RP).Docx

Attachments: Attachment A – Committee Action
Attachment B – Budget Detail
Exhibit A – Location Map
Exhibit B – District Letter to Montgomery Construction
Exhibit C – Montgomery Construction Letter with Certified Form E
Exhibit D – Bid Protest from Whillock Contracting
Exhibit E – District Response to Bid Protest

ATTACHMENT A

SUBJECT/PROJECT: P2537-001102	Award of a Construction Contract to Montgomery Construction Services, Inc. for the Operations Yard Property Acquisition Improvements Project

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on October 20, 2015, and the following comments were made:

- Staff recommended that the Board award a construction contract to Montgomery Construction Services, Inc. (Montgomery Construction) and to authorize the General Manager to execute a construction contract with Montgomery Construction for the Operations Yard Property Acquisition Improvements Project in an amount not-to-exceed $449,611.05.

- Staff provided a background of the Project and indicated that the District acquired the subject property adjacent to the Operations Yard in May 2009. The proposed parking lot will add 54 parking spaces and separate the employee vehicles from the District vehicles and equipment. Staff noted that the Project will also serve as a staging ground in case of a catastrophic event.

- The Project was designed in-house by District staff and an as-needed electrical consultant. It consists of construction of an approximate 27,700 square- foot asphalt concrete parking lot, including site clearing, grading, preparation of subgrade, asphalt concrete pavement, striping, storm drainage facilities, chain link fence, area lighting, and all other appurtenant and associated work.

- Staff indicated that the Project was advertised on August 17, 2015. Nine bids were received on September 17, 2015, that ranged from $449,611 to $580,826. Staff noted that the engineer's estimate is $440,000.

- Staff reviewed the bids for conformance with the contract requirements and determined that Montgomery Construction's bid had a math error in Bid Item 16 that reduced their bid amount by $0.87. Staff also discovered that Form E, List of Subcontractors, was not signed. It was indicated that after consultation with

General Counsel, Montgomery Construction was advised of the missing certification and they furnished a signed form with no changes from the version included in the Bid.

- A bid protest was filed by the Law Office of Christina M. Finrow on behalf of the second low bidder Whillock Contracting, Inc. based upon their inability to review the bid documents submitted for the Project, reserving the right to file a more specific protest after receiving the bid documents. Staff stated that General Counsel responded to the letter and it was determined that the protest was not valid. The apparent low bidder's bid package was made available to the public on Friday October 16, 2015, concurrent with the posting of the committee packet.

- Staff determined that Montgomery Construction was the lowest responsive and responsible bidder. No issues were discovered in reference checks and internet background search. Staff confirmed Montgomery Construction's Class A Contractor's License and active registration with the State Department of Industrial Relations (per SB854). Montgomery Construction has not previously worked for the District.

- In response to a question from the Committee, General Counsel indicated that a copy of the low bidder's package was sent to Ms. Finrow on October 16, 2015. General Counsel indicated that Ms. Finrow's Law Office may submit another protest between now and the November 4, 2015 board meeting. It was noted that the original protest had no grounds to it and that the failure to sign the document had no impact on the price or the sub-contractors. It was also noted by General Counsel that the District can waive any irregularities; however, it is not required.

- In response to a question from the Committee, General Counsel indicated that public agencies are not required to provide bid information until negotiations are successful and complete. The purpose of this is to protect the integrity of this process; if for some reason the District is not comfortable with first bid proposals and chooses to send out another request for proposal, candidates are not aware of contents from the first low bid proposal that can potentially be used to prepare for next bids.

- The Committee inquired if staff had considered carport solar panels for this project. Staff stated no because heavy equipment will be moving through the area. The Committee recommended that staff should consider adding carport solar panels after the completion of this project as it would benefit the District by increasing its energy efficiency and provide shade for employees' vehicles.

- It was discussed that District staff did consult with Solar City to get a quote for solar panels, and it was determined by both parties that it was not cost effective. However, staff is looking at solar panels to be placed at some of the District's reservoirs. Staff also indicated that they consulted with other agencies who have solar panels, which those agencies indicated that maintenance on their solar panels is pretty significant and not cost effective.

- Staff stated that they will continue to research and look into the pros and cons of solar panels for the District.

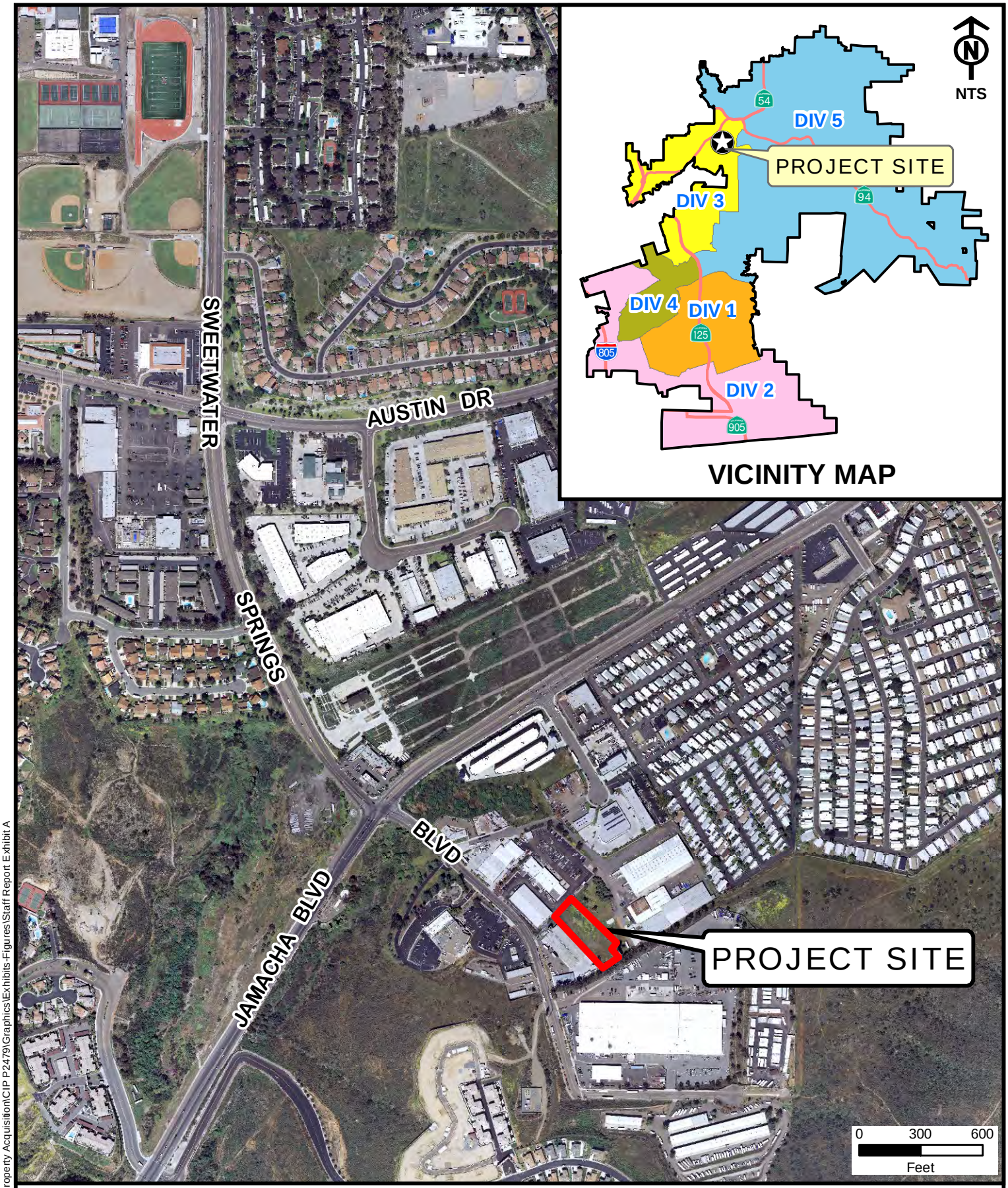
Following the discussion, the committee recommended presentation to the full board as a consent item.

ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: P2537-001102	Award of a Construction Contract to Montgomery Construction Services, Inc. for the Operations Yard Property Acquisition Improvements Project

Project Budget Detail
P2537 - Operations Yard Property Acquisition Improvements

Level	Title1	Committed	Expenditures	Outstanding Commitment	Projected Final Cost	Vendor
Budget	Budget Cost Type	$0.00	$0.00	$0.00	$0.00	
	Total	$0.00	$0.00	$0.00	$0.00	
Planning	Regulatory Agency Fees	$50.00	$50.00	$0.00	$50.00	
	Standard Salaries	$15,218.91	$15,218.91	$0.00	$15,218.91	
	Total	$15,268.91	$15,268.91	$0.00	$15,268.91	
Design	Consultant Contracts	$15,560.00	$7,740.00	$7,820.00	$15,560.00	BSE ENGINEERING INC
		$8,674.82	$8,674.82	$0.00	$8,674.82	SOUTHERN CALIFORNIA SOIL
	Regulatory Agency Fees	$24.00	$24.00	$0.00	$24.00	US BANK CORPORATE PAYMENT
	Service Contracts	$2,394.49	$1,289.49	$1,105.00	$2,394.49	MAYER REPROGRAPHICS INC
		$94.05	$94.05	$0.00	$94.05	SAN DIEGO DAILY TRANSCRIPT
	Standard Salaries	$165,000.00	$157,157.42	$7,842.58	$165,000.00	
	Total	$191,747.36	$174,979.78	$16,767.58	$191,747.36	
Construction	Standard Salaries	$40,000.00	$800.56	$39,199.44	$40,000.00	
	Consultant Contracts	$20,000.00	$0.00	$20,000.00	$20,000.00	ALYSON CONSULTING
		$449,611.05	$0.00	$449,611.05	$449,611.05	MONTGOMERY CONSTRUCTION
	Total	$509,611.05	$800.56	$508,810.49	$509,611.05	
Budget	$775,000.00					
Total		$716,627.32	$191,049.25	$525,578.07	$716,627.32	



OTAY WATER DISTRICT

OPERATIONS YARD PROPERTY ACQUISITION IMPROVEMENTS
LOCATION MAP

CIP P2537

P:\WORKING\P2537-Property Acquisition\CIP P2479\Graphics\Exhibits-Figures\Staff Report Exhibit A

EXHIBIT A

EXHIBIT B

...Dedicated to Community Service
2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619 www.otaywater.gov

Sent via electronic mail and USPS

September 24, 2015

Project No.: P2537-001102

Clifford Montgomery
Montgomery Construction Services, Inc.
123 Worthington Street, Suite 205
Spring Valley, CA 91977

Subject: Operations Yard Property Acquisition Improvements (CIP P2537);
Bid Proposal - Subcontractor Certification

Dear Mr. Montgomery:

The Otay Water District (District) has reviewed your bid proposal for the Operations Yard Property Acquisition Improvements (CIP P2537) submitted on September 17, 2015. The District has discovered that in Section 00440, List of Subcontractors - Form E, Page 00440-2, the Bidder, Signature, and Date lines are blank at the bottom of this page. Please provide certification that the two subcontractors and the information provided for each subcontractor listed in Form E are correct and the indicated work will be awarded in the event that you are awarded the contract. A copy of the submitted Form E is attached for your reference. Note that the District will not entertain changes to these subcontractors at this time.

Please do not hesitate to contact me at 619-670-2209 if you have any questions. Your timely response to this letter is greatly appreciated.

Sincerely,
OTAY WATER DISTRICT

Stephen Beppler, PE
Senior Civil Engineer

SB:jf

Attachment: Copy of Submitted Form E

cc: Rod Posada
Bob Kennedy

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SECTION 00440
LIST OF SUBCONTRACTORS
(FORM E)

The Bidder shall identify all proposed subcontractors and subconsultants who will be performing work that has a value in excess of one-half (0.5) of one (1) percent of the total amount of this proposal. The Bidder certifies that the following subcontracting firms or businesses will be awarded subcontracts for the indicated portions of the work in the event that the Bidder is awarded the contract.

The Bidder shall identify the type of work the subcontractor shall perform; include the specific bid item(s) that the subcontractor(s) will perform work on; and state the percent (%) of the bid item that the subcontractor will perform.

TYPE OF WORK:
Surveying

2 — Bid Item
86% — Percent

J & B Engineers, Surveyors — Name

13670 Danielson Street Suite G — Street
Poway, CA 92064 — City

License No. /Type 29118 / RCE

* * * \

TYPE OF WORK:

_____

_____
Bid Item Percent

_____
Name

_____
Street City

License No. /Type _____

* * * *

EXHIBIT C

MONTGOMERY
CONSTRUCTION SERVICES, INC.
San Diego CA.

LIC# 928118

09/25/2015

Stephen Beppler
Senior Civil Engineer
Otay Water District
2554 Sweetwater Springs Blvd
Spring Valley, CA 91978

Re: Operations Yard Property Acquisition Improvements

Dear Stephen Beppler:

This letter is to inform you that subcontractors listed on Form E and submitted on September 17th, 2015 by Montgomery Construction Services, Inc. with the signature and date line blank will be awarded subcontracts to perform the work for the scope they are listed for. Along with this letter you will find Form E, provided with the addition of the signature and date needed, with the subcontractor's information unchanged. This letter and signed Form E is to certify that the information initially provided is true and correct and no changes will be made.

Sincerely,

Clifford J. Montgomery
PM

Phone:619- 578-2538
Fax: 619- 546-8482
E-mail: mcis@montcsi.com

SECTION 00440
LIST OF SUBCONTRACTORS
(FORM E)

The Bidder shall identify all proposed subcontractors and subconsultants who will be performing work that has a value in excess of one-half (0.5) of one (1) percent of the total amount of this proposal. The Bidder certifies that the following subcontracting firms or businesses will be awarded subcontracts for the indicated portions of the work in the event that the Bidder is awarded the contract.

The Bidder shall identify the type of work the subcontractor shall perform; include the specific bid item(s) that the subcontractor(s) will perform work on; and state the percent (%) of the bid item that the subcontractor will perform.

TYPE OF WORK:
Surveying

2
Bid Item

86%
Percent

J & B Engineers, Surveyors
Name

13670 Danielson Street Suite G
Street

Poway, CA 92064
City

License No. /Type 29118 / RCE

* * * \

TYPE OF WORK:

_____

_____
Bid Item Percent

_____
Name

_____
Street City

License No. /Type _____

* * * \

EXHIBIT D

THE LAW OFFICE OF CHRISTINA M. FINROW
P.O. Box 2182
La Mesa, CA 91943
Telephone: (619) 277-7983
Facsimile: (619) 916-2468
Email: cmfinrow@gmail.com

September 22, 2015

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

Stephen Beppler
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
Steve.beppler@otaywater.gov

Re: BID PROTEST AND PUBLIC RECORDS ACT REQUEST

Project: Operations Yard Property Acquisition Improvements, CIP P2537

To whom it may concern,

This office represents Whillock Contracting, Inc. ('Whillock"). On Thursday, September 17, 2015, Otay Water District (the "District") bid the above referenced project. At the bid opening, the District announced that Montgomery Services was the apparent lowest bidder, and that Whillock was the apparent second lowest bidder.

Tarah Claret of Whillock asked to review the bid package of Montgomery Services at the bid opening. She was told that she could not do so. Since last Thursday, Ms. Claret has been calling the District inquiring about when Whillock will be permitted to review the bid documents. As of today, she is still being told that the District's counsel will not let anyone review the bid documents at this time.

I am hereby making a request pursuant to the California Public Records Act, California Government Code Section 6250 *et seq.,* for all bid documents submitted to the District on or before September 17, 2015, including but not limited to the entire bid package of Montgomery Services and the entire bid packages submitted by each and every contractor at the bid opening.

Further, I am hereby submitting this blanket bid protest on the grounds that Whillock has not been permitted to view the bid documents in order to determine if a protest is warranted. I am hereby reserving the right to submit a more specific bid protest after my client receives the documents requested herein.

If there is anything that I can do to assist you in this matter, please do not hesitate to call me or to email me at cmfinrow@gmail.com. If you are not the correct party to receive this, please immediately provide me with the correct contact information.

Thank you very much for your time.

Very truly yours,

Christina M. Finrow
Attorney for Whillock Contracting, Inc.

Cc: Whillock Contracting, Inc.

EXHIBIT E

2488 Historic Decatur Road,
Suite 200
San Diego, CA 92106-6113
Tel: (619) 232-3122
Fax: (619) 232-3264
www.stutzartiano.com

Stutz Artiano Shinoff & Holtz
A Professional Corporation

Richard E. Romero
rromero@sashlaw.com

September 28, 2015

Christina M. Finrow
The Law Office of Christina M. Finrow
P.O. Box 2182
La Mesa, CA 91943

RE: <u>California Public Records Act Request</u>
Project: Operations Yard Property Acquisition Improvements, CIP P2537

Dear Ms. Finrow:

Please consider this correspondence to be the Otay Water District's ("District") response to your California Public Records Act request dated and received September 22, 2015 on behalf of Whillock Contracting, Inc. Your request sought "all bid documents submitted to the District on or before September 17, 2015" in connection with the above project. Please note, however, that the records requested are presently exempt from disclosure under Government Code section 6255 and will not be available for review until such time as the District has completed negotiations with the winning bidder. Pursuant to section 6255, the public interest in nondisclosure clearly outweighs the public interest in disclosure in order to preserve the integrity of the bid process, particularly in the event that the District Board of Directors ("Board") chose to reject all bids and start the bid process anew. (*See* Gov. § 6255; *see also Michaelis, Montanari & Johnson v Superior Court* (2006) 38 Cal. 4th 1065.)

Accordingly, the District will make such records available after negotiations are complete and before the Board finally approves the award of the contract.

Very truly yours,

STUTZ ARTIANO SHINOFF & HOLTZ
A Professional Corporation

Richard E. Romero,
Assistant General Counsel
Otay Water District

AGENDA ITEM 6b

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist Bob Kennedy Engineering Manager	PROJECT:	S2024-001101 DIV. NO. 3
APPROVED BY:	☒ Rod Posada, Chief, Engineering ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Adoption of a Mitigated Negative Declaration for the Campo Road Sewer Replacement Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approves the adoption of a Mitigated Negative Declaration for the Campo Road Sewer Replacement Project (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board approval for the adoption of a Mitigated Negative Declaration (MND) for the Campo Road Sewer Replacement Project.

ANALYSIS:

The Otay Water District (District) is proposing the replacement of an existing 10-inch sewer pipeline within and south of Campo Road between Avocado Boulevard and Singer Lane which is undersized to

handle current sewer flows. To accommodate current and future flows, an approximately 8,560-foot-long, 15-inch gravity sewer main will be installed to replace the existing 9,225-foot-long, 10-inch sewer main. The eastern terminus of the proposed pipeline will be located at the intersection of Avocado Boulevard/Rancho San Diego Village shopping center driveway and terminate in the Rancho San Diego Towne Center, where it will connect to the existing 27-inch sewer main within the shopping center's parking lot. Sewer laterals stemming from the existing pipe will be reconnected to the proposed pipeline. The majority of the pipeline will be installed with open trench construction except in two locations, a crossing of Campo Road and at the intersection of Campo Road/Jamacha Boulevard, where horizontal auger boring will be used. The existing sewer will be abandoned in place with the exception of a 210-foot-long section of aboveground pipeline and seven supporting pillars that will be removed.

Helix Environmental was hired as a subconsultant to the Project's design engineer, Rick Engineering, to prepare the initial study and MND for the Project. Based on the findings of these documents, and with proper mitigation measures taken, as outlined in the draft MND, the Project will not have a significant effect on the environment. The impacts that require mitigation are biological resources, cultural resources, and noise. The mitigation, monitoring, and reporting plan (MMRP), which details the measures that need to be taken for mitigation, is included with the Final MND (Attachment B).

During the 30 days notice period for the draft MND, four (4) comment letters were received from the County of San Diego, the San Diego County Archaeological Society, the State Water Resources Control Board, and Caltrans. The four letters and the responses to their comments are presented in the Final MND (Attachment B).

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

LC-B/BK:mlc
P:\WORKING\CIP S2024 Campo Road Sewer Replacement\Staff Reports\BD 11-04-15, Staff Report, Campo Road Sewer Replacement Project MND.docx

Attachments: Exhibit A – Project Location Map
Attachment A – Committee Action
Attachment B – Final MND and MMRP

ATTACHMENT A

SUBJECT/PROJECT: S2024-001101	Adoption of a Mitigated Negative Declaration for the Campo Road Sewer Replacement Project

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on October 20, 2015, and the following comments were made:

- Staff recommended that the Board approve the adoption of a Mitigated Negative Declaration for the Campo Road Sewer Replacement Project.

- Staff indicated that the project described in the MND is the replacement of an existing 10-inch sewer pipeline within and south of Campo Road between Avocado Boulevard and Singer Lane, which is undersized to handle current sewer flows. To accommodate current and future flows, an approximately 8,560-foot-long, 15-inch gravity sewer main will be installed to replace the existing 9,225-foot-long, 10 inch sewer main.

- It was noted that the eastern terminus of the proposed pipeline will be located at the intersection of Avocado Boulevard/Rancho San Diego Village shopping center driveway and terminate in the Rancho San Diego Towne Center, where it will connect to the existing 27-inch sewer main within the shopping center's parking lot. Sewer laterals stemming from the existing pipe will be reconnected to the proposed pipeline. The majority of the pipeline will be installed with open trench construction except in two locations, a crossing of Campo Road and at the intersection of Campo Road/Jamacha Boulevard, where horizontal auger boring will be used.

- Staff stated that the existing sewer will be abandoned in place with the exception of a 210-foot-long section of aboveground pipeline and seven supporting pillars that will be removed.

- Staff stated that Helix Environmental was hired as a sub-consultant to the Project's design engineer, Rick Engineering, to

prepare the initial study and MND for the Project. Based on the findings of these documents, and with proper mitigation measures taken, as outlined in the draft MND, the Project will not have a significant effect on the environment.

- The impacts that require mitigation are biological resources, cultural resources, and noise. The mitigation, monitoring, and reporting plan (MMRP), which details the measures that need to be taken for mitigation, is included with the Final MND (See Attachment B).

- Staff indicated that during the 30 day notice period for the draft MND, four (4) comment letters were received from: 1)County of San Diego; 2)San Diego County Archaeological Society; 3) State Water Resources Control Board; and 4) Caltrans. The four letters and the responses to their comments are presented in the Final MND (See Attachment B).

- The Committee inquired about the spread of the Otay Tar Plant. Staff stated that with past experience in dealing with Otay Tar Plant, in one season it can multiply from a hundred to thousands of the species. Staff noted that it is in the mitigation measures because it is an endangered species.

- In response to comments from the Committee, staff indicated that staged construction will be performed for the project so that there are no chances for impacting sensitive bird species at the project's site. The staging will also eliminate the need for sound walls since construction will take place outside of the breeding season for the birds.

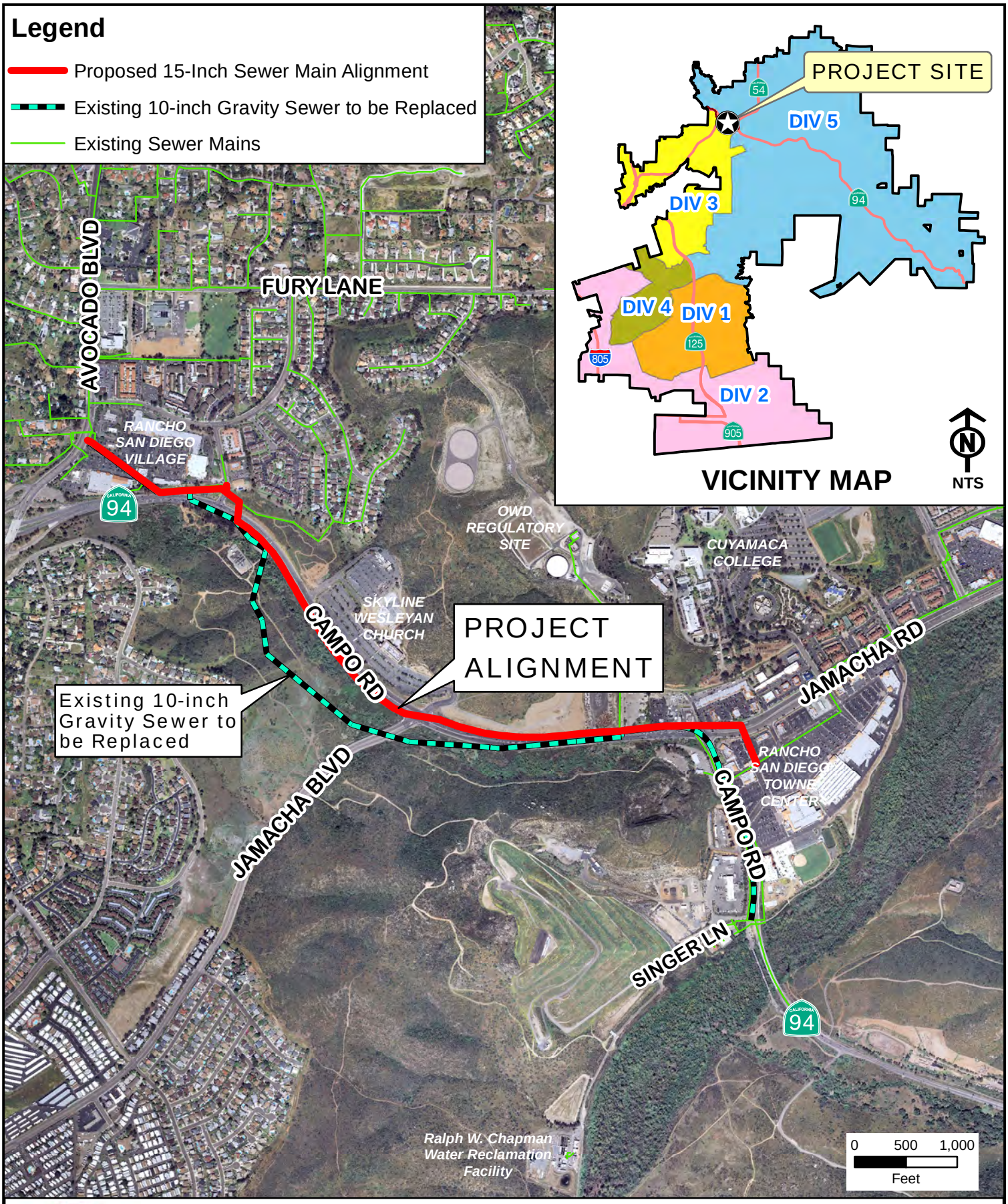
- The Committee commented that SDG&E has a project within the same area as the District's project and inquired if it was too late for staff to coordinate both projects to alleviate the impact to the community. Staff stated that it is too late to coordinate with SDG&E as they were in a rush to start their project and already have received authorization from the County of San Diego and Caltrans. SDG&E has a streamlined environmental process and were able to get their project approved quickly. District staff tried to collaborate with SDG&E, but were unsuccessful.

- The Committee recommended that staff meet with Supervisor Dianne Jacob to provide information regarding District staffs' efforts on the Campo Rd. Sewer Replacement Project to minimize impacts to the community, and also provide information on the environmental constraints.

- It was indicated that staff will look into coordinating SDG&E and District projects.

- In response to a question from the Committee, staff indicated that project construction will begin in August 2016.

Following the discussion, the committee recommended presentation to the full board as a consent item.



P:\WORKING\CIP S2024 Campo Road Sewer Replacement\Graphics\Exhibits-Figures\Exhibit A, Location Map, Oct 2015.mxd

OTAY WATER DISTRICT

CAMPO ROAD SEWER MAIN REPLACEMENT
LOCATION MAP

CIP S2024

EXHIBIT A

CLICK HERE TO VIEW THE FULL MND

Final Mitigated Negative Declaration/ Initial Study and Environmental Checklist

for the

Campo Road Sewer Replacement Project

Prepared for:

Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978

Prepared by:

HELIX Environmental Planning, Inc.
7578 El Cajon Boulevard
La Mesa, CA 91942

September 30, 2015

AGENDA ITEM 6c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist Bob Kennedy Engineering Manager	PROJECT:	P1253-001000 DIV. NO. ALL
APPROVED BY:	☒ Rod Posada, Chief, Engineering ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Project Approval and California Environmental Quality Act Notice of Exemption for the Purchase of Water from Cadiz, Inc.		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorize the General Manager and District staff to explore, negotiate and enter into a Letter of Intent or Memorandum of Understanding (LOI/MOU)between the District and Cadiz, Inc. for the purchase of 5,000 acre-feet per year (AFY) of raw water and to approve the California Environmental Quality Act (CEQA) Notice of Exemption for the potential water purchase.

See Exhibit A for the location of the Cadiz Valley Water Conservation, Recovery, and Storage Project (Cadiz Water Project).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager and District staff to General Manager and District staff to explore, negotiate and enter into a Letter of Intent or Memorandum of Understanding (LOI/MOU) between the District and Cadiz, Inc. for the purchase of 5,000 acre-feet per year (AFY) of raw water and to approve the California Environmental Quality Act (CEQA) Notice of Exemption for the potential water purchase.

ANALYSIS:

The proposed project is to allow the District to purchase 5,000 AFY of raw water from the Cadiz Water Project. The raw water that would be purchased is contained in a closed groundwater basin, located in the Mojave Desert portion of eastern San Bernardino County, California, and will be one of the new water sources in the water supply portfolio to be included in the Integrated Water Resources Plan Update (IRP). The IRP workshop with the Board will be held in February, 2016.

Cadiz Inc. will construct a wellfield on their property and the recovered groundwater would be transported through a manifold (piping) system to a 43-mile conveyance pipeline that will also be constructed for the Cadiz Water Project. The conveyance pipeline would carry the water to a tie-in point at the Colorado River Aqueduct (CRA) (see Exhibit B for Cadiz Water Project schematic). From the CRA, the water would be delivered through the same pipelines that are used to deliver water to the District by the Metropolitan Water District of Southern California (MWD), and in turn, the San Diego County Water Authority (SDCWA). The raw water delivered from the Cadiz Water Project would replace an equal amount of raw water that would normally be delivered by the MWD and SDCWA from their existing sources. The raw water would be treated as usual at the Helix Water District’s Levy Water Treatment Plant before being distributed through the District’s pipelines to customers in the northern portion of the District’s service area. No physical improvements would be required by the proposed project.

As a first step towards the eventual purchase of the water from the Cadiz Water Project, the District will prepare a LOI/MOU between Cadiz, Inc. and the District. This LOI/MOU will indicate the District’s interest in and willingness to purchase water from the Cadiz, Inc., provided that certain conditions precedent are met, including, but not limited to, successful environmental review and construction of the proposed project.

In addition, the District will file a CEQA Notice of Exemption (see Attachment B) for the purchase of 5,000 AFY of water. Approval of the proposed project would not require any physical changes to the environment by the District as all water to be purchased would be conveyed to District property via (1) existing infrastructure (i.e., Colorado River Aqueduct and existing MWD and SDCWA conveyance lines) and (2) new infrastructure proposed by Cadiz, Inc. The effects of the Cadiz Water Project have been analyzed in the Cadiz Water Project Final Environmental Impact Report (FEIR). Before any water is received by the District, the District would confirm that all necessary mitigation measures required by the Cadiz Water Project's FEIR Mitigation Monitoring and Reporting Program have been implemented. Therefore, the District's purchase of the water would have no potential of causing a significant effect on the environment and is exempt from CEQA under the "general rule", as described under Section 15061(b)(3).

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

District staff work and any outside services work on the CEQA NOE is covered by the Environmental Services Operating Budget account, P1253.

Legal services for the LOI/MOU are within the standard legal services retainer and are covered by the Operating Budget.

Based on a review of the Operating Budget, it is anticipated that there are sufficient funds to support this work.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

LCB/BK:mlc
P:\WORKING\CIP P1253\Subproject 001000\Cadiz Project\Staff Reports\BD 11-04-15, Staff Report, Cadiz Valley Water Project Approval of Water Purchase and NOE.docx

Attachments: Attachment A – Committee Action
Attachment B – CEQA Notice of Exemption

Exhibit A – Project Location
Exhibit B – Cadiz Water Project Schematic

ATTACHMENT A

SUBJECT/PROJECT: P1253-001000	Project Approval and California Environmental Quality Act Notice of Exemption for the Purchase of Water from Cadiz, Inc.

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on October 20, 2015, and the following comments were made:

- Staff recommended that the Board authorize the General Manager and District staff to explore, negotiate and enter into a Letter of Intent or Memorandum of Understanding (LOI/MOU)between the District and Cadiz, Inc. for the purchase of 5,000 acre-feet per year (AFY) of raw water and to approve the California Environmental Quality Act (CEQA) Notice of Exemption for the potential water purchase.

- Staff stated that the proposed project is to allow the District to purchase 5,000 AFY of raw water from the Cadiz Water Project. The raw water that would be purchased is contained in a closed groundwater basin, located in the Mojave Desert portion of eastern San Bernardino County, California, and will be one of the new water sources in the water supply portfolio to be included in the Integrated Water Resources Plan Update (IRP).

- Staff discussed that Cadiz Inc. will construct a well-field on their property and the recovered groundwater would be transported through a manifold (piping) system to a 43-mile conveyance pipeline that will also be constructed for the Project. The conveyance pipeline would carry the water to a tie-in point at the Colorado River Aqueduct (CRA) (see Exhibit B for Cadiz Water Project schematic). From the CRA, the water would be delivered through the same pipelines that are used to deliver water to the District by the MWD, and in turn, the SDCWA.

- Staff noted that the raw water delivered from the Cadiz Water Project would replace an equal amount of raw water that would normally be delivered by the MWD and SDCWA from their existing sources. The raw water would be treated as usual at Helix Water District’s Levy Water Treatment Plant before being distributed

through the District's pipelines to customers in the northern portion of the District's service area. Staff stated that no physical improvements would be required by the proposed project.

- It was indicated that as a first step towards the eventual purchase of the water from the Cadiz Water Project, the District will prepare a LOI/MOU between Cadiz, Inc. and the District. This LOI/MOU will indicate the District's interest in and willingness to purchase water from the Cadiz, Inc., provided that certain conditions precedent are met, including, but not limited to, successful environmental review and construction of the proposed project.

- Staff stated that the District will file a CEQA Notice of Exemption (see Attachment B) for the purchase of 5,000 AFY of water. Approval of the proposed project would not require any physical changes to the environment by the District as all water to be purchased would be conveyed to District property via (1) existing infrastructure and (2) new infrastructure proposed by Cadiz, Inc.

- Staff indicated that the effects of the Cadiz Water Project have been analyzed in the Cadiz Water Project Final Environmental Impact Report (FEIR). Before any water is received by the District, the District would confirm that all necessary mitigation measures required by the Cadiz Water Project's FEIR Mitigation Monitoring and Reporting Program have been implemented. With this in mind, staff noted that the District's purchase of the water would have no potential of causing a significant effect on the environment and is exempt from CEQA under the "general rule", as described under Section 15061(b)(3).

- The Committee inquired if Cadiz was a private entity. Staff stated yes.

- In response to a question from the Committee, staff indicated that Cadiz has performed extensive environmental and scientific work for the project. The company has been challenged, sued, and won appeals. In addition, their documents have been through rigorous tests. This project is one that has had the most stringent forces against it, but has prevailed. What the project comes down to now is the economics and the 43-mile pipeline. The EIR has constraints that may affect Cadiz's plans to align its pipelines along the railroad way. In addition, the BLM California Division has already indicated that the project does not qualify to proceed with an agreement with the railroad company; Cadiz will appeal the Division's decision. Staff noted that whatever the outcome of this project, there is low risk to

the District as the District is not the responsible party who will be building or funding the project. The District's only intention is to purchase water from Cadiz.

- In response to a question from the Committee, staff stated that a 50-year Project permit includes an average water take of 50,000 acre-feet annually. Santa Margarita Water Agency is the lead agency for the environmental aspect of the project. Staff indicated that San Bernardino and several other Orange County water districts are also interested in purchasing water from the project. The 50,000 acre-feet being produced annually would be divided between agencies who are interested in purchasing water from the Cadiz Project.

- Staff indicated that the MWD wheeling rate is also a factor that the District needs to consider before purchasing water from this project. At this time, it is unknown what MWD's wheeling rate is.

- The Committee inquired if this project would be included in the District's Water Facilities Master Plan (WFMP). Staff indicated that this project will not be included in the WFMP, but would be considered to be an alternative resource in the District's Integrated Resource Plan.

- It was indicated that the County Water Authority's wheeling rate for the Cadiz Project would be approximately $100.

- In response to a question from the Committee, staff stated that the District would prefer that Helix Water District, through CWA, treat the Cadiz water because of the Take-or-Pay water agreement that is already in place between Otay and CWA. It was indicated that there is no obligation in the agreement to buy raw water, but there is an obligation to treat water.

Following the discussion, the committee recommended presentation to the full board as a consent item.

ATTACHMENT B

NOTICE OF EXEMPTION

To: County Clerk
County of San Diego
1600 Pacific Highway, Room 260
San Diego, CA 92101

From: Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Project Title: Otay Water District Raw Water Purchase from the Cadiz Valley Water Conservation, Recovery and Storage Project
Project Location - Otay Water District in Southern San Diego County, California
Project Location – City: Various
Project Location – County: San Diego

Description of Project: The proposed project is the Otay Water District (District) purchase of 5,000 acre-feet per year of raw water from the Cadiz Valley Water Conservation, Recovery and Storage Project (Cadiz Water Project). The raw water that would be purchased is contained in a closed groundwater basin located in the Mojave Desert portion of eastern San Bernardino County, California. The Cadiz Water Project will construct a wellfield on their property and the recovered groundwater would be transported through a manifold (piping) system to a 43-mile conveyance pipeline that will also be constructed for the Cadiz Water Project. The conveyance pipeline would carry the water to a tie-in point at the Colorado River Aqueduct (CRA). From the CRA, the water would be delivered through the same pipelines that are used to deliver water to the District by the Metropolitan Water District of Southern California (MWD) and in turn, the San Diego County Water Authority (SDCWA) of which the District is a member agency. The 5,000 acre-feet of raw water delivered from the Cadiz Water Project would replace an equal amount of raw water that would normally be delivered by the MWD and SDCWA from their existing sources. The raw water would be treated as usual at the Helix Water District's Levy Water Treatment Plant before being distributed through the District's pipelines to customers in the northern portion of the District's service area. No physical improvements would be required by the proposed project.

Name of Public Agency Approving Project: Otay Water District

Name of Person or Agency Carrying Out Project: Otay Water District

Exempt Status: *(check one)*
____Ministerial (Sec. 21080 (b)(1); 15268);
____Declared Emergency (Sec. 21080(b)(3); 15269(a));
____Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
__X Categorical Exemption *(state type and section number)*: General Rule Exemption, Section 15061 (b) (3).
____Statutory Exemption *(state code Number)*:

Reason why project is exempt: Pending successful certification of the Cadiz Water Project Final Environmental Impact Report and implementation of all necessary mitigation measures required by the Cadiz Water Project's Mitigation Monitoring and Reporting Program, the District would enter into an agreement to purchase 5,000 acre-feet per year of raw water from the Cadiz Water Project. The purchase agreement is the proposed project. Approval of the

proposed project would not require any physical changes to the environment by the District as all water to be purchased would be conveyed to District property via (1) existing infrastructure (i.e. Colorado River Aqueduct and existing MWD and SDCWA conveyance lines) and (2) new infrastructure proposed by Cadiz, Inc., the effects of which have been analyzed and would be cleared in the Cadiz Water Project Final Environmental Impact Report before any water is received by the District. Therefore, because no physical changes to the environment would occur from the proposed project, approval of the water purchase agreement would have no potential of causing a significant effect on the environment and is exempt from CEQA under the "general rule" as described under Section 15061(b)(3).

Lead Agency Contact Person: Lisa Coburn-Boyd, Otay Water District
Area Code/Telephone/Extension: (619) 670-2219

Signature:_____ **Date**:_____

Signed by Lead Agency
Signed by Applicant

OTAY WATER DISTRICT

CADIZ VALLEY WATER CONSERVATION,
RECOVERY AND STORAGE PROJECT

CIP P1253

EXHIBIT A

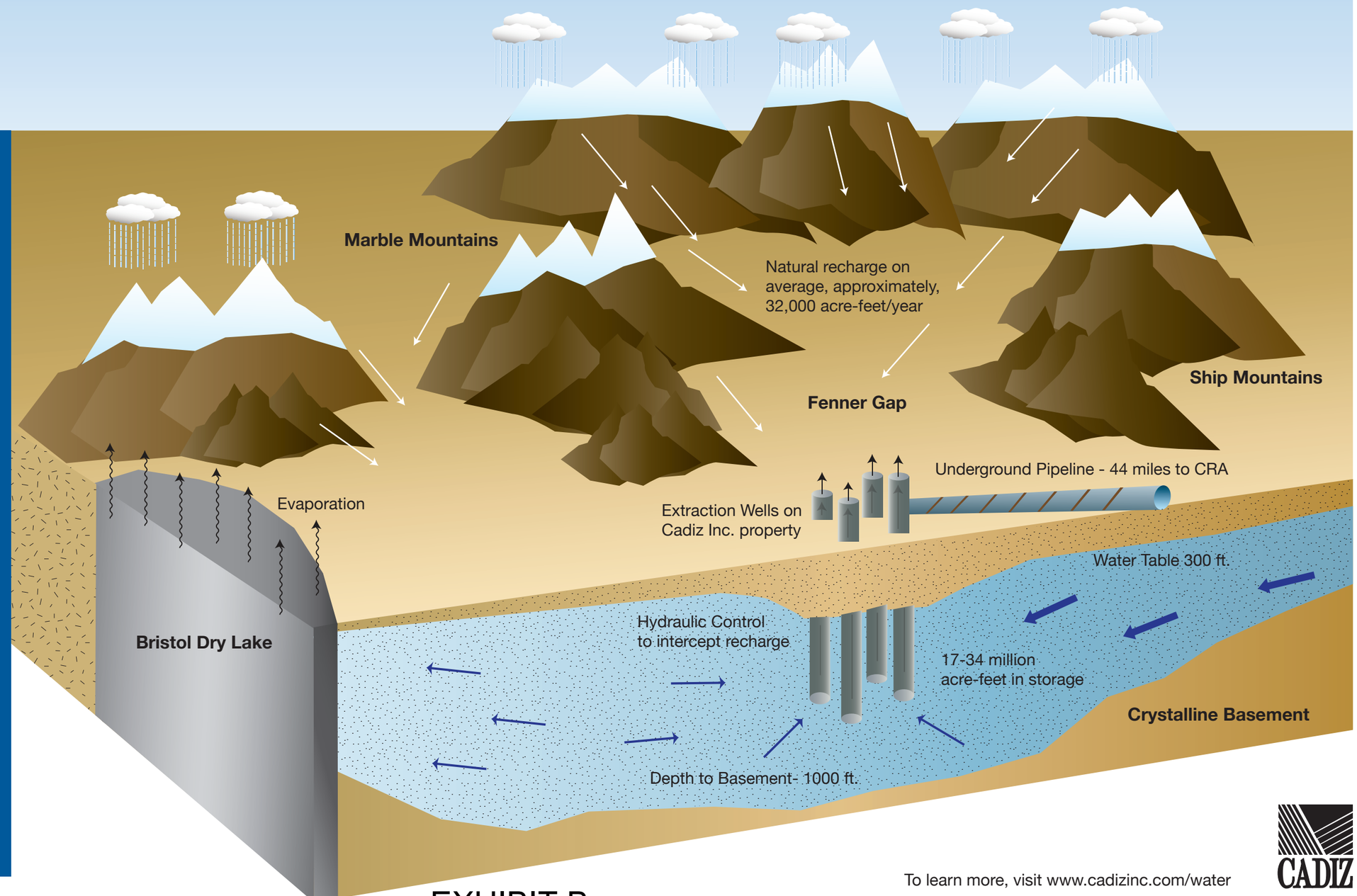
P:\WORKING\CIP P1253\Subproject 001000\Cadiz Project\Graphics\Exhibit A, Cadiz Water Project, Location Map.mxd

CADIZ VALLEY WATER CONSERVATION, RECOVERY AND STORAGE PROJECT

How It Works

Precipitation falls on surrounding mountains in the watershed as rain and snow. Water seeps underground and flows through the aquifer system beneath the Project area and discharges to dry lakes where it is lost to evaporation.

The Project will intercept and pump this water using extraction wells on Cadiz Inc. property creating hydraulic control. By instituting hydraulic control, most of the water currently lost to evaporation will be conserved. Conserved groundwater will be delivered via an underground conveyance pipeline to the Colorado River Aqueduct for delivery to water users.



To learn more, visit www.cadizinc.com/water

CADIZ

EXHIBIT B

AGENDA ITEM 6d

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Mark Watton, General Manager	PROJECT:	DIV. NO. ALL
SUBJECT:	Approve Agreement for General Counsel Services		

GENERAL MANAGER'S RECOMMENDATION:

Approve an agreement with the law firm of Stutz, Artiano, Shinoff and Holtz, A Professional Corporation, for a term of two (2) years through December 31, 2017, to provide general counsel services to the District.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To present for the Board's consideration an agreement with the law firm of Stutz, Artiano, Shinoff and Holtz, A Professional Corporation, for a term of two (2) years through December 31, 2017, to provide general counsel services to the District.

ANALYSIS:

Stutz, Artiano, Shinoff and Holtz, A Professional Corporation (SASH), has served as the District's special counsel since January 1, 2011. The District's current contract with SASH was for a two-year period and is set to expire at the end of calendar year 2015.

The District has been happy with the services SASH has provided and is recommending that the board approve the proposed agreement as per the terms indicated in the agreement (Attachment B). If approved, the agreement would provide for a two (2) year term expiring on December 31, 2017.

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

The agreement allows for one hundred (100) hours or $20,000 per calendar month of basic retainer services as described in the attached agreement. Additional services, as described in Section 4.b of the agreement, and time in excess of the one hundred (100) hours will be compensated on an hourly basis based on the rates noted in the agreement. Legal expenses associated with this agreement has been budgeted in the FY 2016 budget.

LEGAL IMPACT:

None.

Attachments:

Attachment A – Committee Actions and General Counsel Survey

Attachment B – Proposed Legal Services Agreement

ATTACHMENT A

SUBJECT/PROJECT:	Approve Agreement for General Counsel Services

COMMITTEE ACTION:

The Finance Administration and Communications Committee reviewed this item at a meeting held on October 19, 2015 and the following comments were made:

- The District's two-year agreement with Stutz Artiano Shinoff and Holtz (SASH) will expire at the end of calendar year 2015.
- Staff is recommending that the board approve another two year agreement with SASH through December 31, 2017.
- There are no changes to the contract and the rate will remain the same. The contract include a 30-day notice provision if the board wishes to cancel the agreement.
- Staff has had a successful relationship with SASH and has been happy with their work.
- The committee inquired how the District's legal costs compare to other agencies. Attached is a survey of the legal costs for the agencies within our region.

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

ATTACHMENT B

AGENCY	COUNSEL/FIRM	LAST INCREASE	INCREASE AMT.	CURRENT RATE
Encina JPA	Greg Moser / Procopio, Cory, Hargreaves & Savitch (Procopio)	2007	$25	$285
Fallbrook PUD	Robert James / Fallbrook	Formerly inhouse counsel	N/A	$183
Helix WD	Elizabeth Hull and Scott Smith / BBK	July 2015	$150/Month	Monthly retainer $9,767; $266 per hour for Partner for Service Outside Retainer
Leucadia WWD	Dwight Worden / Worden Williams APC	2014	Not Provided	$234
Olivenhain MWD	Alfred Smith / Nossaman LLP	12/2014	4%	$248.23 up to 1200 hrs per year; Varied hourly rates for Special Counsel Services
Otay WD	Daniel Shinoff, Stutz Artiano Shinoff and Holtz	Same since 2011	N/A	Monthly Retainer $20,000/100 hrs.; $240 (Partner)/ $210 (Associates) for Services Outside the Retainer
Padre Dam MWD	Paula de Sousa, BBK	July 2015	Not Provided	$240
Rainbow MWD	Greg Moser, Procopio	2007	$55	$285
Rancho California WD	BBK	June 2015	1.90%	$276
Rincon del Diablo MWD	Scott Heil, Redwine & Sherrill	2011	$10	$220 (partner) $210 (associate)*
Southbay ID	Steve Martin, BBK	June 2014	Decreased from $205 as previous GC was a Partner and the current GC is an Associate	$183
Sweetwater Authority	Paula de Sousa, BBK	July 2015	$5	$245

AGENCY	COUNSEL/FIRM	LAST INCREASE	INCREASE AMT.	CURRENT RATE
Vallecitos WD	Jeffrey G. Scott, Scott & Jackson Law	Dec 2011	$20	$185
Valley Center MWD	Paula de Sousa Mills, BBK	July 2015	$5	$253
Vista ID	Joel Kuperberg, Rutan & Tucker	10/1/2012	$10 per hour	$240
Yuima MWD	Jeffrey G. Scott, Scott & Jackson Law	Dec 2011	$20	$185

***The partner rate remained the same. The associate rate of $210 was added effective 2015.**

LEGAL SERVICES AGREEMENT

1. IDENTIFICATION OF PARTIES. This Agreement, executed in duplicate with each party receiving an executed original, is made between Stutz Artiano Shinoff & Holtz, A Professional Corporation, hereinafter referred to as "Law Firm" and Otay Water District, hereinafter referred to as "Client." This Agreement is entered into beginning the month of January, 2016, for legal services. The agreement is made for a term of two years up to and including December 31, 2017. The Client and Law Firm will hold an annual review in 2016 regarding expectations, performance, and other issues impacting the Client and Law Firm under this agreement.

2. LEGAL SERVICES TO BE PROVIDED. The legal services to be provided by Law Firm to Client are as follows:

Representation, counsel and consultation in connection with Client's general counsel needs; human resources, legal support including review of policies and procedures, contract review; preparation and participation in monthly Board meetings and special meetings ("Services").

Without limiting the generality of the foregoing, this Agreement shall govern so long as Client desires to retain the Law Firm in connection with Services.

3. RESPONSIBILITIES OF LAW FIRM AND CLIENT. Law Firm will perform the services called for under this Agreement, keep Client informed of progress and developments, and respond promptly to Client's inquiries and communications. Daniel R. Shinoff and Jeffery A. Morris are intended to be the Law Firm attorneys primarily responsible for the consultation and representation. Client will cooperate with the Law Firm in the representation set forth herein, and will timely make any payments required by this Agreement.

4. ATTORNEY'S FEES. Client will pay Law Firm for attorneys' fees for the consultation and legal services provided under this Agreement as follows:

A. Basic Retainer. Law Firm shall be compensated for the performance of basic retainer services pursuant to this Agreement in the amount of Twenty Thousand Dollars ($20,000) per calendar month commencing as of the effective date of this Agreement. Basic retainer services for the purposes of this Agreement shall be deemed to be the first one hundred (100) hours of Law Firm's legal services rendered each month.

B. Additional Services. Law Firm shall be compensated for additional services in accordance with the following:

1. As directed by the General Manager or Board President;

2. PERB hearings, writs of mandate, or other litigated matters not covered by insurance;

3. Other complex matters, employment, personnel matters, or special projects with the approval of the General Manager or Board President.

Additional services and time in excess of the one hundred (100) hours per calendar month spent by Law Firm's Attorneys, Law Firm shall be compensated on an hourly basis at $240.00 per hour for partners, $210.00 per hour for associates, and $95.00 per hour for paralegals. The Law Firm will charge in increments of one-tenth of an hour, rounded off for each particular activity to the nearest one-tenth of an hour. The minimum time charged for any particular activity will be one-tenth of an hour.

Law Firm will charge for all activities undertaken in providing consultation and legal services to Client under this Agreement, including, but not limited to, the following: time spent formulating and dispensing legal advice and opinions; negotiation; gathering relevant information; conferences; correspondence and legal documents (review and preparation); legal research; and telephone conversations.

Client acknowledges that Law Firm has made no promises about the total amount of attorneys' fees to be incurred by Client under this Agreement.

5. COSTS. Client will pay all "costs" in connection with Law Firm's representation of Client under this Agreement. Costs will be billed directly to Client unless, at the option of Law Firm, costs are advanced by Law Firm. Costs include, but are not limited to, long-distance telephone charges, messenger service fees, photocopying expenses, as well as any other items generally accepted as "costs."

6. STATEMENTS AND PAYMENTS. Law Firm will send Client monthly statements indicating attorneys' fees and costs incurred and their basis, any amounts applied from deposits, and any current balance owed. If no attorney's fees or costs are incurred for a particular month, or if they are minimal, the statement may be held and combined with that for the following month. Any balance will be paid in full within thirty (30) days after the statement is mailed.

7. MEDIATION CLAUSE. Client and Law Firm are agreeing to have any and all disputes (except where Client may request arbitration of a fee dispute by the State Bar) that arise out of, or relate to this Agreement, including but not limited to claims of negligence or malpractice arising out of or relating to the legal services provided by Law Firm to Client, go to mediation before the filing of any civil proceeding. Client, however, may request arbitration of a fee dispute by the State Bar or San Diego County Bar Association as provided by Business and Professions Code Section 6200, et seq.

8. ERRORS AND OMISSIONS INSURANCE. The Law Firm maintains errors and omissions insurance coverage applicable to the services to be rendered under this Agreement.

9. TERMINATION. The Client or the Law Firm may, at any time, with or without reason, terminate this Agreement upon thirty (30) days prior written notice to the other party. In the

event of termination, the Law Firm shall be entitled to payment only for acceptable and allowable work performed under this Agreement through the date of termination.

THE FOREGOING IS AGREED TO BY:

DATED: _____ OTAY WATER DISTRICT

By: _____
Mark Watton
General Manager

DATED: _____ STUTZ ARTIANO SHINOFF & HOLTZ
A Professional Corporation

By: _____
Daniel R. Shinoff, Esq.
Partner

AGENDA ITEM 6e

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Andrea Carey, Customer Service Manager		
APPROVED BY:	☒ Joseph R. Beachem, Chief Financial Officer ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Impose a $22,000 Fine to Sharp Chula Vista for Multiple Violations of the District's Code of Ordinances		

GENERAL MANAGER'S RECOMMENDATION:

That the Board uphold staff's recommendation to impose a $22,000 fine to Sharp Chula Vista for multiple violations of the District's Code of Ordinances.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To ensure the District continues to protect the water supply and applies violations consistent with the Code of Ordinances.

ANALYSIS:

On July 28, 2015, District Inspector Larry Cannon visited a project currently under construction at Sharp Chula Vista. The project involves the installation of two new services, one for fire flow and the other for potable use. When Mr. Cannon entered the site, he witnessed subcontractor, Kyne Construction employees, taking water out of the number 1 test port on the fire line and filling up the

private side for a hydro test through the number 4 test port. As no meter was present at the property, the water being used was unmetered. Per the Construction Pre-Con sign-in sheet for the project, connection to the District's system or fire line without a meter is subject to a $1,000 fine.

What also concerned Mr. Cannon was that no one from the site had requested that the two District valves that would feed water to these services be turned on. Water should not have been flowing from test port 1 with the valves in the off position. When Mr. Cannon walked over to the valves in the street, he found they were in the "open" position. The only time District staff has opened the valves at this site was on May 13, 2015 to do routine bacterial testing. The valves were immediately closed after the testing was complete. These valves only function to serve these two services (potable and fire) on the Sharp Chula Vista site and had no reason to be open until the project was near completion.

Section 71D of the District's Code of Ordinances (the "Code") states that "Vandalizing, tampering with, or threatening any portion of the District systems, services, facilities or property..." is prohibited. Furthermore, the Construction Pre-Con Sign-In Sheet (Attachment B) specifies that operation of District facilities is subject to a $5,000 fine.

In addition to the above violations, Kyne Construction was moving water through unapproved backflow devices and also had created a submerged inlet when pulling water out of test port 1 which had the potential to cause cross-connection. Per Section 23.04 of the Code, "It is unlawful for any person, firm, or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by the District water department and any other source of water supply;…" This is a Type II violation as it has the potential to endanger the health and safety of the public and is subject to a $5,000 fine.

The above violations are exacerbated further in that each of these violations was committed on two separate water systems and, accordingly, the penalties are doubled. Per Section 72.06B of the Code, "Nothing in this code or the limits specified per violation shall prevent the imposition of separate fines for each separate violation committed during a single act."

The chart below shows the itemized fine amounts for each service.

Summary of Fine	Amount
Tampering with District Facilities (FSV-14-009)	$ 5,000
Tampering with District Facilities (D0675-090196)	$ 5,000
Water Theft (FS-14-009)	$ 1,000
Water Theft (D0675-090196)	$ 1,000
Backflow Violations (FS-14-009)	$ 5,000
Backflow Violations (D0675-090196)	$ 5,000
Total Fine	**$22,000**

While this is the first fine assessed to Sharp Chula Vista, they have had past incidents which required staff to spend additional time on projects because changes were made without going through the proper approval process.

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

The fiscal impact is limited to the amount of the fine assessed.

STRATEGIC GOAL:

Enforce the District's Code of Ordinances and protect the public water supply.

LEGAL IMPACT:

None.

Attachments:

A) Committee Action
B) Construction Pre-Con Sign-In Sheet
C) Otay's Letter with Pictures
D) Code of Ordinances Sections 23, 71, 72 and 73
E) Sharp's Appeal Letter with Pictures

ATTACHMENT A

SUBJECT/PROJECT:	Impose a $22,000 Fine to Sharp Chula Vista for Multiple Violations of the District's Code of Ordinances

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 23, 2015 and the following comments were made:

- Staff is requesting that the board uphold staff's recommendation to impose a $22,000 fine for multiple violations of the District's Code of Ordinances.

- On July 28, the District's inspector visited a project site currently under construction at Sharp Chula Vista. The project involves the installation of two new services for fire flow and potable water. The District's inspector witnessed the subcontractor's employees, Kyne Construction, taking water out of the number 1 test port on the fire line and filling up the private side for a hydro test through the number 4 test port. As no meter was present at the property, the water being used was unmetered. The *Construction Pre-Con Sign In Sheet* (Attachment B to staffs' report), signed by the Construction Manager for the project, indicates that connecting to the District's system or fire line without a meter is subject to a $1,000 fine.

- The District's inspector also noticed that the two District valves that would feed water to these services were turned on. The District had not been asked to turn the services on, so no water should have been flowing from the valves. Kyne Construction violated Section 71D of the District's Code of Ordinance for the unauthorized operation of the District's facilities. Further, the *Construction Pre-Con Sign In Sheet* specifies that the unauthorized operation of District facilities is subject to a $5,000 fine.

- In addition to the above violations, Kyne Construction was moving water through unapproved backflow devices and had created a submerged inlet when pulling water out of test port 1 which could cause a cross-connection. This is a Type II violation of the

District’s Code as it has the potential to endanger the health and safety of the public and is subject to a $5,000 fine.

- Moreover, the violations were committed on two separate water systems and, per Section 72.06B of the District’s Code, the penalties are doubled.

- It was noted that while this was the first fine assessed to Sharp Chula Vista, they have had past incidents which required staff to spend additional time on their projects because changes were made without their going through the proper approval process.

- Sharp Chula Vista is appealing the fine and is claiming that the water they utilized was from a metered source and that they did not open the District’s valves. The District disputes their claims.

- Staff is recommending that the District impose $22,000 in penalties to Sharp Chula Vista (reference page 3 of staffs’ report for a breakdown of the imposed penalty).

- In response to an inquiry from the committee, staff indicated that Kyne Construction is a subcontractor for Sharp’s General Contractor.

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

CONSTRUCTION PRE-CON SIGN IN SHEET

Project Name: SHARP CHULA VISTA MEDICAL CTR / SHARP CHULA VISTA LOOP RD WATER MAIN
Inspector: LARRY CANNON **Project No.:** D0675-090196-0000

- Contractor is required to possess and provide a copy of either a Class A or C-34 License for water projects or a Class A or C-42 license for sewer projects.
- The Developer is required to provide two submittal copies of all parts and materials.
  Note: like parts and materials within a project shall be from the same manufacturer unless otherwise approved.

Excavation

- At the start of the project, the contractor is to pothole all tie-in locations.
- Potable pipelines have a minimum of 42" of depth; recycled pipelines have a minimum depth of 54", while sewer has a minimum depth of 60".
- Compaction requirement of backfill is 90% relative density. 25% of all compaction testing will be conducted by sand cone testing method.
- Compaction of spring line and the pipe zone shall be done through mechanical compaction.

Pipe Installation

- Use of deflection couplings are required for all vertical and horizontal bends. Deflection of pipe joints is not allowed.
- It is advised to avoid the use of excessive lubricant when assembling ring tight or push-on pipe or fittings.
- All fasteners installed below grade are to be coated in Non-Oxide grease. All fittings are to be wrapped in clear 8 mil plastic.
- Number 14 tracer wire is required on all mainline runs. Wire is to be run into test ports as indicated on the plans.
- All thrust block excavations must be inspected before and after placement of concrete. Any thrust block placed without inspection will be rejected and subject to removal.
- 6" wide plastic ID tape placement is required between the pipe zone and the trench zone. Blue for potable water, purple for recycled.
- Access is required to all valve casings. Valve cans are required to be adjusted to grade immediately after paving.
- A pre tie-in walk through will be performed with Operations. All valves shall be accessible and AV's shall have downward facing bug screens installed before tie-in.
- PVC pipe joints shall not be over inserted past the manufacturer's reference mark. If joints are found to be over inserted all joints within the project shall be exposed, inspected, and all over inserted joints shall be corrected.

Appurtenances

- The use of silver solder is not allowed on copper services, only compression fittings are permissible.
- Copper laterals on recycled lines are to be sleeved in 6 mil purple plastic.
- All service saddles shall be torqued to manufacturer's specs. All saddles will be verified for torque by the inspector.
- All recycled meter and B.O. boxes are to have integrally cast purple color.
- Where multiple pressure zones exist, applicable pressure zones are to be painted on appurtenances.
- A 15 min/250psi hydro-test will be performed on all ductile iron threaded spools.
- Pressure regulators are required on all service laterals/backflows that exist in an area of pressure 150 psi or greater, or in the Otay Mesa Area of the District.

CONSTRUCTION PRE-CON SIGN IN SHEET

Project Name: SHARP CHULA VISTA MEDICAL CTR / SHARP CHULA VISTA LOOP RD WATER MAIN
Inspector: LARRY CANNON **Project No.:** D0675-090196-0000

Pipeline Testing

- Pressure testing will not occur until there is a minimum of 2' of cover over the pipe to be tested.
- All A.V's, B.O.'s, and valves will be in the open position for hydro-testing.
- There is a five-day notice required before filling of the line to provide source sampling.
- Pipe is to be tested at class of pipe + 50 psi. CML&C pipe is required to have a 48hr soak period before testing. Threaded ductile iron pipe is tested at 250psi for 15 min.
- Contractor is required to test tracer wire in the presence of the inspector prior to any paving.
- It is highly recommended that lines not be hydro statically tested in excess of 2500' lengths.

Chlorination, Flushing, & Bacti testing

- Hydrostatic test water must be drained before beginning flushing.
- It is highly recommended that the contractor flush prior to chlorination of the line.
- It is highly recommended that lines not be chlorinated, flushed, or bacti tested in excess of 2500' lengths.
- A chlorination submittal is required prior to dosing. 50-60 ppm dose is the maximum allowed. Chlorination is to be performed only Monday - Wednesday.
- 3 cfs of flow is recommended for proper flushing. Dechlorination of flushed water is required.
- Bacteria samples shall be performed Monday - Wednesday. Two consecutive samples will be pulled, 24hrs apart. Allow a total of 4 days for results.
- If after two failed series of tests, the contractor is required to rechlorinate and flush.

Unauthorized Activities

- **Connection to the District's system or fire line without a meter is subject to a $1000.00 fine. Operation of District facilities is subject to a $5000.00 fine.**

All District Facilities shall be installed in conformance with the latest edition of the Water Agency Standards, all applicable codes, laws, rules, regulations, and the manufacturer's recommendations. Any facilities installed without the benefit of inspection shall be rejected and subject to removal.

The undersigned persons have received the Pre-Construction Memorandum and understand the District's requirements.

12-3-2014
Date

Dave Christman BRC	858 443-7280	[signature]	12-3-2014
Developer Representative	Phone #	Contractor Representative	Phone #
Drew Shahan	619 957 8675	[signature]	12-3-2014
Soils Technician	Phone#	Contractor's Competent Person	Phone #
LEIGHTON			(619) 820-4968

SIGN IN SHEET
OTAY WATER DISTRICT
PRE-CONSTRUCTION
MEETING

DATE: 12-3-14 **TIME:** 11:00 AM

SUBJECT: Sharp Chula vista loop road.

NAME	SIGNATURE	COMPANY	PHONE#	E-MAIL
Mark Henzie	Kyne Construction	Kyne Construction	(619)749-2400	m.henzie@kyneconstructioninc.com
Mitch Harkey	Ferguson Water	Ferguson	6192796065	mitchell.harkey@ferguson.com
Dave Christensen	[illegible]	BRC	858-623-7280	
DREW SHAHAN	[illegible]	LEIGHTON	6199578675	[illegible]
				dshahan@leigroup

C:\Users\larry.cannon\Desktop\Sign in sheet.doc

...Dedicated to Community Service
2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619 www.otaywater.gov

August 20, 2015

Sharp Chula Vista Medical Center
Attn: Matthew Teichner
751 Medical Center Ct
Chula Vista, CA 91911-6617

Re: NOTICE OF FINE ASSESSED- Tampering with District valve, water theft and backflow violations

Dear Mr. Teichner:

On July 28, 2015, Otay Water District ("District") Inspector Larry Cannon visited a project currently under construction at your site. When Mr. Cannon entered the site, he witnessed Kyne Construction employees taking water out of the number 1 test port on the fire service line and filling up the private side for a hydro test through the number 4 test port. Given that the contractor's actions related to two new services and that no one had asked the District for the valves to be opened, these actions alarmed Mr. Cannon. Upon further investigation, Mr. Cannon observed the following violations to the Otay Water District Code of Ordinances (the "Code"):

Violation 1: Tampering with District Facilities

As referenced above, Mr. Cannon was concerned to see the contractor using water because no one from the project had requested that the District water valves be opened for testing of the new facilities. When Mr. Cannon checked the valves, he found that both District valves in the street had been opened despite such actions requiring District approval and action. As noted in the Construction Pre-con Sign In Sheet attached hereto, operation of District facilities – which includes the unauthorized operation of District valves -- is subject to a $5,000 fine.

Violation 2: Water Theft

Kyne Construction employees were using unmetered water to perform testing. As noted in the Construction Pre-con Sign In Sheet attached hereto, connection to the District's system or fire line without a meter is subject to a $1,000 fine.

Violation 3: Backflow and Cross Connection Violations

Kyne Construction employees moved water through unapproved backflow devices and created an unprotected submerged inlet which had the potential to cause cross-connection. Per Section 23.04 of the Code, "It is unlawful for any person, firm or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by the District water department and any other source of water supply..." This violation has the potential to endanger the health and safety of the public and is subject to a $5,000 fine.

The above violations are exacerbated further in that each of these violations was committed on two separate water systems and, accordingly, the penalties are doubled. Per Section 72.06B of the Code, "Nothing in this code or the limits specified per violation shall prevent the imposition of separate fines for each separate violation committed during a single act."

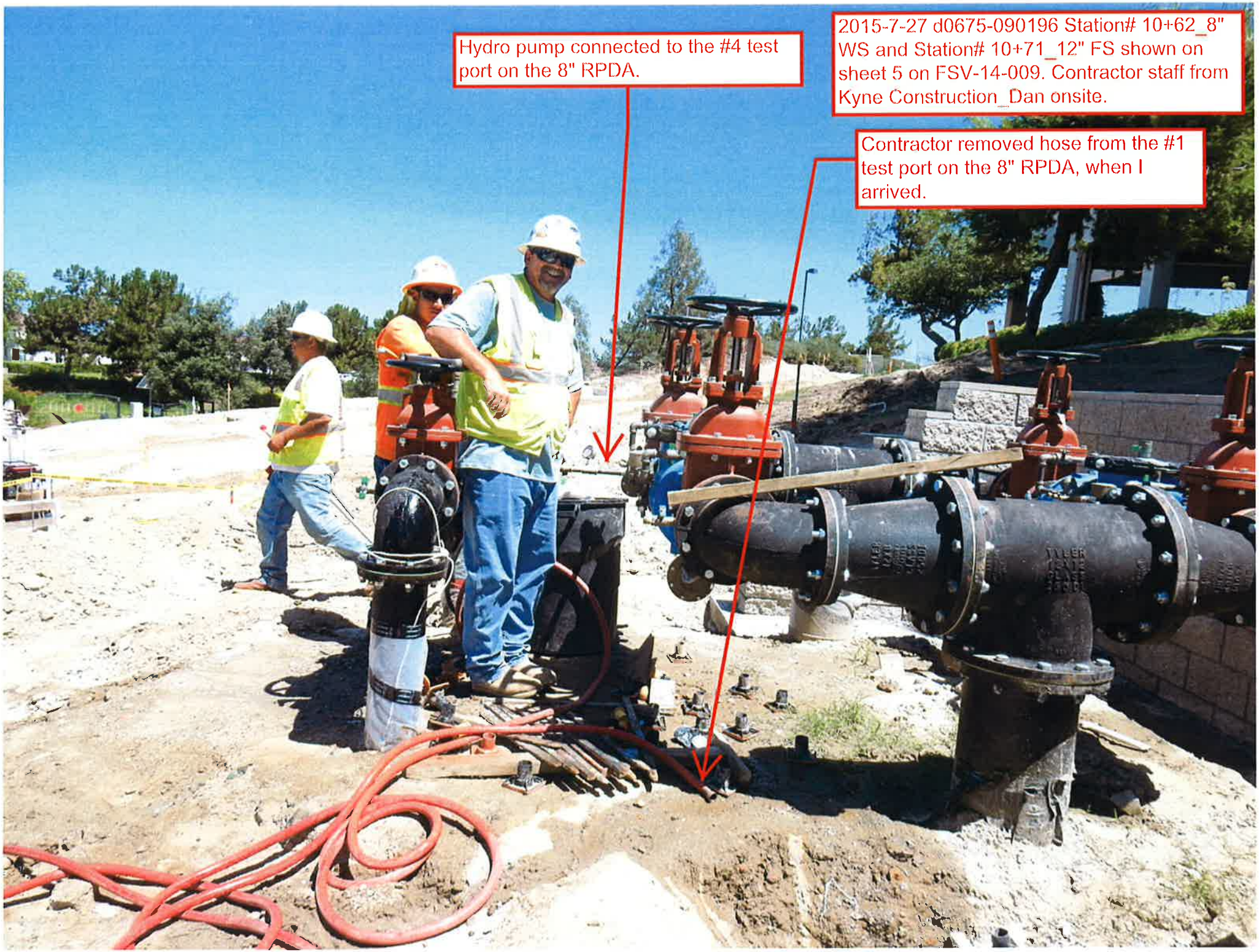
Summary of Fine	Amount
Tampering with District Facilities (FSV-14-009)	$ 5,000.00
Tampering with District Facilities (D0675-090196)	$ 5,000.00
Water Theft (FS-14-009)	$ 1,000.00
Water Theft (D0675-090196)	$ 1,000.00
Backflow Violations (FS-14-009)	$ 5,000.00
Backflow Violations (D0675-090196)	$ 5,000.00
Total Fine:	**$22,000.00**

Pursuant to Sections 72 and 73 of the Code, the District is hereby assessing a fine of $22,000.00 for the violations described above. You have the right to appeal this fine to the Board of Directors. If you would like to take advantage of this, please call Susan Cruz at 619-670-2280 within ten (10) days to notify the District in writing of your intent to appeal this charge. Your appeal would then be placed on the next available Board of Directors agenda. If you choose not to appeal, your fine will be added to the active water bill for APN 641-010-28-00. Failure to pay by the due date on you bill will result in suspension of water service to your property. If these fines remain unpaid, the District will place a lien on the property for these and any other costs and damages.

If you have any questions concerning this notice, please do not hesitate to contact Field Services Manager, Brandon DiPietro at 619-670-2203.

Sincerely,

Andrea Carey
Customer Service Manager


Hydro pump connected to the #4 test port on the 8" RPDA.
2015-7-27 d0675-090196 Station# 10+62_8" WS and Station# 10+71_12" FS shown on sheet 5 on FSV-14-009. Contractor staff from Kyne Construction_Dan onsite.
Contractor removed hose from the #1 test port on the 8" RPDA, when I arrived.

Contractor blowing non-metered water out of the #4 test port. Location has not been certified or approved by district inspection.

8"
MDL48
2014

fittings

Water due to contractor use.
HOSPITAL
ENTRANCE
250 FT
AHEAD

2015-7-27 d0675-090196 Station# 10+62_8" WS and Station# 10 +71_12" FS shown on sheet 5 on FSV-14-009. Both gate valves in the street were fully open. These gate valves have not been released by the district inspection department for operation.

SECTION 23 NON-RESPONSIBILITY OF DISTRICT

23.01 INTERRUPTIONS OF WATER SERVICE

District does not guarantee continuous delivery of water on demand. From time to time it may be necessary for the District to shut off the flow of water in any of its water systems. Except in emergencies, such stoppages will not be made without prior notice to the customers involved. District shall not assume any responsibility for loss or damages which may occur due to interruption of water service.

23.02 PRIVATELY-OWNED WATER LINES

The District assumes no responsibility for the delivery of water through privately-owned pipelines or systems, nor shall it assume any responsibility for damages resulting from the operation of any such system even though water may be received from a district water distribution system.

23.03 WATER PRESSURE REGULATION

A. Customer Responsibility. The District shall assume no responsibility for water pressure regulation within a customer's service area. The customer shall be responsible for providing adequate safeguard measures for the customer's water system wherever pressure regulation is necessary.

B. Requirement for Installation in New Construction. Customers making application for water service for new construction for residential, commercial or industrial use shall be required to install an appropriate pressure regulation device for such service.

23.04 CROSS-CONNECTIONS AND BACKFLOW DEVICES

State Regulations for Cross-Connections

The California Department of Public Health has issued Regulations Relating to Cross-Connections (California Administrative Code, Title 17 - Public Health) for the purpose of safeguarding drinking water supplies by preventing backflow into public water systems.

It is unlawful for any person, firm, or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by the District water department and any other source of water supply; or to main-

tain any sanitary fixtures or other appurtenances or fixtures which by reason of their construction may cause or allow back-flow of water or other substances into the water supply system of the District and/or the service of water pipes or fixtures of any consumer of the District.

A. Definitions: For a complete listing see California Administrative Code, Title 17, Public Health.

1. Air-Gap Separation (AG): The term "air-gap separation" means a physical break between a supply pipe and a receiving vessel. The air-gap shall be at least double the diameter of the supply pipe measured vertically above the top rim of the vessel, in no case less than one inch.

2. Approved Backflow Prevention Device: The term "approved backflow prevention device" shall mean devices which have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such test to the California Department of Health Services and the Otay Water District.

3. AWWA Standard: The term "AWWA Standard" means an official standard developed and approved by the American Water Works Association (AWWA).

4. Backflow: The term "backflow" shall mean a flow condition, caused by a differential in pressure that causes the flow of water or other liquids, gases, mixtures or substances into the distributing pipes of a potable supply of water from any source or sources other than an approved water supply source. Back-siphonage is one cause of backflow. Back pressure is the other cause.

5. Cross-Connection: The term "cross-connection" as used in this Ordinance means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome, and potable. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

6. Double Check Valve Assembly: The term "double check valve assembly" means an assembly of at least two independently acting check valves, including tightly closing shut-off valves, on each side of the check

valve assembly and test cocks available for testing the water tightness of each check valve.

7. Reduced Pressure Principle Backflow Prevention Device (RP): The term "reduced pressure principle backflow prevention device" means a device incorporating two or more check valves and an automatically operating differential relief valve located between the two check valves, a tightly closing shut-off valve on each side of the check valve assembly, and equipped with necessary test cocks for testing.

8. Reduced Pressure Detection Assembly (RPDA): Same as RP except as approved for fire services.

9. Service Connection: The term "service connection" refers to the point of connection of a user's piping to the Otay Water District facilities.

B. General Provisions

1. Unprotected cross-connections with the public water supply are prohibited.

2. Whenever backflow protection has been found necessary, the District will require the water user to install an approved backflow prevention device, by and at his/her expense, for continued services or before a new service will be granted.

3. Wherever backflow protection has been found necessary on a water supply line entering a water user's premises, then any and all water supply lines from the District's mains entering such premises, buildings, or structures shall be protected by an approved backflow prevention device. The type of device to be installed will be in accordance with the requirements of this Ordinance.

C. Where Protection is Required

1. Each service connection from the District water system for supplying water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into the public water system.

2. Each service connection from the District water system for supplying water to any premises on which any substance is handled in such fashion as may allow its entry into the water system shall be protected against backflow of the water from the premises into the public system. This includes commercial accounts, irrigation accounts, multi-family dwellings, multi-story buildings, complex piping, and locations where the handling of process waters and waters originating from the District water system may be subjected to deterioration in sanitary quality.

D. Type of Protection Required

1. The type of protection that shall be provided to prevent backflow into the approved water supply shall be commensurate to the degree of hazard that exists on the consumer's premises. The type of protective device that may be required (listed in an increasing level of protection) includes: Reduced Pressure Principle Backflow Prevention Device (RP), and an Air-gap separation (AG). The water user may choose a higher level of protection than that required by the District. The minimum types of backflow protection required to protect the approved water supply at the user's water connection to premises with varying degrees of hazard, are given in Table 1 of the California Administrative Code, Title 17, Public Health. Situations which are not covered in Table 1 shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the District.

E. Approved Backflow Prevention Devices

1. Only backflow prevention devices which have been approved by the District shall be acceptable for installation by a water user connected to the District's potable water system.

2. The District will provide to any affected customer, upon their request, a list of approved backflow prevention devices.

F. Backflow Prevention Device Installation

1. Backflow prevention devices shall be installed in a manner prescribed in Section 7603, Title 17 of

the California Administrative Code. Location of the devices should be as close as practical to the user's connection. The District shall have the final authority in determining the required location of a backflow prevention device.

a. Air-gap Separation (AG) - The air-gap separation shall be located on the user's side of and as close to the service connection as is practical. All piping from the service connection to the receiving tank shall be above grade and be entirely visible. No water use shall be provided from any point between the service connection and the air-gap separation. The water inlet piping shall terminate a distance of at least two (2) pipe diameters of the supply inlet, but in no case less than one inch above the overflow rim of the receiving tank.

b. Reduced Pressure Principle Backflow Prevention Device (RP) - The approved reduced pressure principle backflow prevention device shall be installed on the user's side of the service connection at a distance consistent with the District's Standard Drawings and Specifications. The device shall be installed a minimum of twelve inches (12") but not more than eighteen inches (18") above grade measured from the bottom of the relief valve and with a minimum of twelve inches (12") side clearance. The device shall be installed so that it is readily accessible for maintenance and testing. Water supplied from any point between the service connection and the RP device shall be protected in a manner approved by the District. Additionally, materials and installation shall at all times conform to water agency standards which can be found at www.sdwas.com.

G. Backflow Prevention Device Testing and Maintenance

1. The owners of any premises on which, or on account of which backflow prevention devices are installed, shall have the devices tested by a person who has demonstrated their competency in

testing of these devices to the District and has been approved by the District. Backflow prevention devices must be tested at least annually and immediately after installation, relocation or repair. The District may require a more frequent testing schedule if it is determined to be necessary. No device shall be placed back in service unless it is functioning as required. A report in a form acceptable to the District shall be filed with the District each time a device is tested, relocated or repaired. These devices shall be serviced, overhauled, or replaced whenever they are found to be defective and all costs of testing, repair, and maintenance shall be borne by the water user.

2. Initial testing after installation and subsequent retesting shall at all times conform to water agency standards as outlined in www.sdwas.com.

3. The District will supply affected water users with a list of persons acceptable to the District to test backflow prevention devices. The District will notify affected customers by mail when annual testing of a device is needed and also supply users with the necessary forms which must be filled out each time a device is tested or repaired.

4. Existing double check valves and pressure vacuum breakers on median strip irrigation areas which function adequately may remain in place, however, as the District no longer recognizes such devices to be commensurate with the degree of potential hazard, failures of these devices will necessitate their replacement with a reduced pressure principal backflow prevention device (RP).

H. Backflow Prevention Device Removal

1. Written approval must be obtained from the District before a backflow prevention device is removed, relocated, repaired or replaced.

   a. Removal: The use of a device may be discontinued and device removed from service upon presentation of sufficient

evidence to the District to verify that a hazard no longer exists or is not likely to be created in the future.

b. Relocation: A device may be relocated following confirmation by the District that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the device.

c. Repair: A device may be removed for repair, provided the water use is either discontinued until repair is completed and the device is returned to service, or the service connection is equipped with other backflow protection approved by the District. A retest will be required following the repair of the device.

d. Replacement: A device may be removed and replaced provided the water use is discontinued until the replacement device is installed and tested. All replacement devices must be approved by the District and must be commensurate with the degree of hazard involved.

I. User Supervisor

1. At each premise where it is necessary, in the opinion of the District, a user supervisor shall be designated by and at the expense of the water user. This user supervisor shall be responsible for the monitoring of the backflow prevention devices and for avoidance of cross connections. In the event of contamination or pollution of the drinking water system due to a cross-connection on the premises, the District shall be promptly notified by the user supervisor so appropriate measures may be taken to overcome the contamination. The water user shall inform the District of the user supervisor's required information on an annual basis or whenever a change occurs.

J. Administrative Procedures

Water System Survey

1. The District shall review all requests for new services to determine if backflow protection is needed. Plans and specifications must be submitted to the District upon request for review of possible cross-connection hazards as a condition of service for new service connections. If it is determined that a backflow prevention device is necessary to protect the public water system, the required device must be installed before service will be activated.

2. The District may require an on premise inspection to evaluate cross-connection hazards. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any customer who cannot or will not allow an on premise inspection of their piping system shall be required to install the backflow prevention device the District considers necessary.

3. The District may, at its discretion, require a reinspection for cross-connection hazards of any premise to which it serves water. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any customer who cannot or will not allow an on premise inspection of their piping system shall be required to install the backflow prevention device the District considers necessary.

K. Customer Notification - Device Installation and/or Repair (Corrective Action)

1. The District will notify the water user of the survey findings, listing corrective action to be taken if required. A period of 30 days will be given to complete all corrective action required including installation of backflow prevention devices.

2. A second notice will be sent to each water user who does not take the required corrective action prescribed in the first notice within the 30 day period allowed. The second notice will give the water user a 14 day period to take the required corrective action and will

generate the assessment of a fee in accordance with Appendix A. If no action is taken within the 14 day period, the District may terminate water service to the affected water user until the required corrective actions are taken.

3. A third and final notice will be sent to each water user who fails to take the requisite corrective action detailed in the second notice within the 14 day period allowed. The third notice will indicate the date of service termination and will generate the assessment of a fee in accordance with Appendix A.

4. Only written verification from a certified and District-approved tester/installer received in the District office within the allotted time period will constitute compliance with the above requirements.

L. Customer Notification - Testing

1. The District will notify each affected water user when it is time for the backflow prevention device installed on their service connections to be tested. This written notice shall give the water user 30 days to have the device tested and supply the water user with the necessary form(s) to be completed and submitted to the District.

2. A second notice shall be sent to each water user who does not have their backflow prevention device tested as prescribed in the first notice within the 30 day period allowed. The second notice will give the water user a 14 day period to have their backflow prevention device tested and will generate the assessment of a fee in accordance with Appendix A of this Ordinance. If no action is taken within the 14 day period, the District may terminate water service to the affected water user until the subject device is tested.

3. A third and final notice will be sent to each water user who fails to have their backflow prevention device(s) tested as required in the second notice within the 14 day period allowed. The third notice will indicate the date of service termination and will generate the

assessment of a fee in accordance with Appendix A of this Ordinance.

4. Submittal of verification of testing by a District approved tester on the appropriate form(s) received in the District office within the allotted time period will constitute compliance with the above requirements.

M. Water Service Termination

A. General

When the District encounters water uses that represent a clear and immediate hazard to the potable water supply that cannot be immediately abated, the District shall institute the procedure for discontinuing the District water service. A reconnection fee will be assessed in accordance with Appendix A.

B. Basis for Termination

Conditions or water uses that create a basis for water service termination shall include, but are <u>not limited to</u> the following items:

1. Refusal to install a required backflow prevention device;

2. Refusal to test a backflow prevention device;

3. Refusal to repair a faulty backflow prevention device;

4. Refusal to replace a faulty backflow prevention device;

5. Direct or indirect connection between the public water system and a sewer line;

6. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants;

7. Unprotected direct or indirect connection between the public water system and an auxiliary water system; and/or

8. Any situation which presents an immediate health hazard to the public water system.

Additional remedies for failure to comply with Cross-Connection requirements are referenced in Section 72 of the Code f Ordinances and may be prosecuted as set forth in Section 73.01 of this Code.

N. Water Service Termination Procedures
The District has absolute discretion to determine the corrective action required and referenced in Sections 72 and 73 of this Code.

1. For conditions 1, 2, 3, or 4, the District will terminate service to a customer's premise after 2 written notices have been sent specifying the corrective action needed and the time period in which it must be done. If no action is taken within the allowed time period water service may be terminated.

2. For conditions 4, 5, 6, 7, or 8, the District will take the following steps:

a. Make reasonable effort to advise the water user of intent to terminate water service;

b. Terminate water supply and lock service valve. The water service will remain inactive until correction of violations has been approved by the District.

O. Requirements for addition to or renewal on the Otay Water District list of approved backflow prevention device testers

A. Each applicant desiring initial addition to or annual renewal on the District’s List of Approved Backflow Prevention Device Testers shall submit a fee in accordance with Appendix A. Fees must be made in an acceptable form of payment to the District. Along with the fee, a current address and phone number must be furnished. Those applicants not meeting all qualifications specified herein will have current fees returned.

B. Applicants shall hold a valid and current certification from the American Water Works

Association (AWWA) California Nevada Section, American Backflow Prevention Association (ABPA), American Society of Sanitary Engineering (ASSE), University of Southern California Test Procedures (current edition) or from a certification program recognized by the San Diego County Health Department. Evidence of said certification shall be furnished to the District at the time of application, at the time of renewal, and at any time the District requests verification. Certification alone does not constitute District approval.

C. Each applicant shall furnish evidence to show the availability of the necessary tools and equipment to properly test and/or repair such devices. Test kits shall be recalibrated annually and evidence of this shall also be provided with both the initial application and subsequent renewals.

D. The tester shall be solely responsible for the competency and accuracy of all tests and reports prepared and submitted to the District.

The list of approved testers will be furnished upon request to any District customer requiring such service.

The testers listed will remain listed for a period of one year at which time they are subject to application for renewal. At the beginning of each year a grace period not to exceed ninety (90) days will be allowed for this process. Failure to renew within the grace period will constitute removal from the list. The District reserves the authority to revoke, suspend, or remove any tester from the list of authorized testers for improper conduct, testing, repairs, and/or reporting.

FEES

A. A second notice for required corrective action will result in a service fee, per backflow device as outlined in Appendix A.

B. A third notice (termination of service notice) will result in a service fee per backflow

device followed by the assessment of a reconnection fee if such action is required as outlined in Appendix A.

C. A reconnection fee per service is required for service to be resumed as outlined in Appendix A.

D. Applicants for addition to the list of approved backflow prevention device testers in the Otay Water District will submit an initial filing fee and an annual renewal fee, as outlined in Appendix A.

23.05 WATER SERVICE FOR STEAM BOILERS

Customers using District water to supply steam boilers are required to provide adequate storage of water for boiler use for a minimum period of 12 hours.

23.06 ELECTRICAL GROUND CONNECTIONS

The connection of electrical ground wire to water pipes is prohibited. The District shall assume no responsibility for any loss or damage resulting from such a connection.

SECTION 71. VIOLATIONS; PROHIBITED ACTIVITIES

In addition to the prohibited practices described in any other sections of this Code or by law, all persons and entities are specifically prohibited from doing, or aiding or abetting any person in, any of the following:

A. Installing or benefiting from any unauthorized connection to any District system;

B. Refusing or failing to pay for services, in full, when bills are due;

C. Entering, improving, purchasing, trading, selling, borrowing, using or otherwise benefiting from any District property or service without authorization from the District or without following authorized procedure;

D. Vandalizing, tampering with, or threatening any portion of the District systems, services, facilities or property, including but not limited to taking any action to prevent any meter or other equipment device from accurately performing its function;

E. Failing or refusing to install, maintain in good repair and working condition, or test any portion of any facilities required by the District in connection with a service, including any safety or prevention device or any measuring device;

F. Knowingly permitting leaks or other wastes of water or recycled water or leaks or spills of sewage or other discharge;

G. Preventing District staff from accessing any facilities connected to a service, including but not limited to meters located on private property, or in any manner threatening or interfering with any District staff performing his or her duties;

H. Using or allowing the use of service for more than one parcel through one meter (except for master meters approved by the General Manager under Section 24.01) or supplying, reselling, using or permitting the use of any service by any other parcel, except as permitted under Section 27.04 of this Code or in writing by the District;

I. Using or permitting the use of any District service for property outside the boundaries of an improvement district or not subject to District taxes, without prior written consent of the District;

J. Using or attempting to use or connect to any fire hydrant within the District without proper authorization as required by Section 24.04 of this Code; or

K. Violating or refusing to comply with any condition of service under this Code or with any law or regulation applicable to the use of any such service; including violating any conditions of any permit required for service or to regulate waste, such as a waste discharge permit under Sections 26 or 52 of the Code, or failing or refusing to obtain, maintain or comply with any required permit.

SECTION 72 PENALTIES AND DAMAGES

72.01 GENERAL

A. User and Owner Responsibility. Each person receiving service, or that owns a property that receives service, agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages in connection with any violation of this Code relating to their service.

B. District Not Liable. The District shall bear no liability for any cost, damage, claim or expense incurred by District or any responsible party or third party on behalf of the District arising from or related to any violation, including, but not limited to, costs, damages, claims or expenses arising from any corrective action of the District. Such corrective actions include, but are not limited to, the removal, confiscation, disposition or use of any device, equipment, improvement or material encroaching on any District property or used in connection with any other violation.

C. District Obligation to Collect Damages. Pursuant to Government Code Section 53069.6, the District shall take all practical and reasonable steps, including appropriate legal action, if necessary, to recover civil damages for the negligent, willful, or unlawful damaging or taking of property of the District.

D. Assessment of Damages. Actual damages resulting from any violation, including late payment or failure or refusal to pay for service and any interest thereon, may be assessed and collected as part of a customer's monthly bill to the extent allowed by law. The District will separately invoice any actual damages not assessed on a monthly bill, including any damages assessed against any responsible person who is not a customer.

E. Unpaid or Partially Paid Bills. Bills issued by the District are due in full as provided in such bills. Failure to timely pay bills in full may lead to a reduction, suspension, or termination of service, as provided in Section 72.02(B), below, in Section 34 of this Code, or pursuant to other provisions of this Code or applicable law. In addition, if bills remain unpaid, in full or in part, the District may lien the delinquent real property and may assess damages and penalties established by District or otherwise authorized by law.

72.02 VIOLATIONS AND GENERAL PENALTIES FOR VIOLATIONS

A. Notice of Violation. Notice and a reasonable period of time to correct a violation will be given prior to the termination, reduction or suspension of service or the imposition of any administrative fine. However, the District may, without notice, correct any condition or violation that endangers the health or safety or impairs any District service, facility or property or is otherwise determined by the District to require immediate action.

1. Investigative Procedures. If a possible violation is identified, observed or reported, the District will contact the allegedly responsible party to investigate. If the violation is in fact occurring, District staff will issue a notice of violation or otherwise inform the responsible party that corrective actions must be taken within a period of time deemed reasonable by the District, taking into consideration the nature of the violation and the potential damage that can arise if the violation continues.

2. Content of Notice of Violation. The notice will describe the violation, indicate the actions that must be taken, and indicate the date by which those actions must be taken. Unless immediate action is required, the notice will provide a reasonable time for the violation to be corrected. The notice will also specify the amount of any delinquency, actual damages or other amounts due the District, if any, and the telephone number of a representative of the District who can provide additional information.

3. No Notice Required; District Action. If the District determines that immediate or prompt correction of the violation is necessary to prevent waste or to maintain the integrity of the water supply, systems or facilities of the District, or for the immediate protection of the health, safety or welfare of persons or property, or for any other compelling reason, the District will take any action deemed necessary (including suspension, reduction or termination of service; locking or removal of meters; or repairs of any improvements) and a notice will be left at the affected parcel specifying any further corrective actions required. Any costs incurred by District and any applicable fines will be the responsibility of the responsible party.

4. Notice; Failure to Comply. The responsible party will be given an opportunity to correct the violation and to provide verbal, written and pictorial exculpatory evidence. If such evidence does not exonerate the responsible parties and if the violation(s) are not corrected to the satisfaction of the District within the time provided, the District may assess cost and penalties, administrative fines and may take any other action or pursue any other remedy available. Furthermore, if the violation concerns any service requirement or facility, or to prevent waste or protect the integrity of the system or the health and safety of the public, the District may suspend, reduce or terminate service to the extent permitted by law.

B. Service Termination, Suspension or Reduction; Removing or Locking Meters. Service may be reduced, suspended or terminated for failure to pay for service or in connection with a violation of this Code or applicable law. Termination, suspension or reduction of service will proceed as follows:

1. Notice Prior to Termination, Suspension or Reduction of Service. Except as provided in Paragraph A, above, or in other provisions of this Code or applicable law, not less than ten (10) days notice will be given prior to the date service is reduced, suspended or terminated; provided that, where service is terminated due to failure to comply with the terms of an amortization agreement, under Section 34 of this Code, only forty-eight (48) hours prior notice is required. The notice will be delivered to

the affected parcel and, if the owner of record does not reside in the affected parcel, a copy of the notice will be forwarded to the owner's address on record with the assessor's office via any available means, such as personal delivery, certified mail return receipt requested, email, fax or fed-ex.

2. Termination for failure to pay for service. The District may discontinue any or all service due to failure to pay the whole or any part of a bill issued by the District. In connection with termination of water service, the provisions of Section 60373 of the Government Code, or any other appropriate provision of law, or as set forth in Section 34 of this Code of Ordinance, will be followed. In connection with sewer, Section 71672 of the California Water Code or other applicable requirements will be followed.

C. Reconnection or Reinstatement of Service, Unlocking or Reinstalling Meters. If service is reduced, suspended or terminated for any reason, each of the following conditions applicable to the situation must be satisfied or arrangements satisfactory to the General Manager or a designee must be made ***before*** service is reinstated:

1. Outstanding amounts for service bills, including any service charges for benefits derived from the violation, must be paid;

2. All required deposits (including any security deposits), actual damages, fines, costs, charges and penalties must be paid;

3. Any amounts due for the removal, locking, servicing, repair or replacement of meters or other facilities required for service must be paid at the rates in effect at the time of reinstatement, as set forth on **Appendix A** to this Code or other schedule of fees then in effect;

4. All violations and related damages or conditions must have been corrected and/or repaired and evidence satisfactory to the District to that effect and demonstrating that it is safe to reinstate service, must have been provided to and approved by the District; and

5. If the service was originally in the name of a tenant, the District may require the owner of the parcel to request the service account under his or her name and responsibility.

D. Owner Responsibility for Account. In addition to owners' obligations under subsection (A) of section 72.01 and subsection (C)(5) of Section 72.02, above, and any other remedies provided by this Code or by applicable law, Owners may be required to deliver to the District a form of acknowledgement or authorization for service to a tenant. In addition, if (i) a tenant engages in any violation, (ii) if the District has reduced, suspended or terminated any service to a tenant three (3) times within any twenty-four (24) month period or (iii) the tenant has failed or refuses to comply with the terms of payment arrangements with the District four (4) times, the District reserves the right to demand that the property owner take responsibility for services to the tenant-

occupied parcel. The General Manager or a designee shall develop procedures to implement these requirements.

E. Right of Access to Customer's Premises; Interference. If any person refuses to consent to an investigation of a possible violation, or prevents or refuses to allow access to District staff or authorized representatives to any premises or facility during an investigation or in connection with any termination, reduction or suspension of service, the District may seek an injunction or a warrant, as provided in Section 71601 of the Water Code.

F. Other Remedies. In addition to the actions contemplated in this Section, the District may seek other remedies authorized or required by any applicable law, including imposing an administrative fine, pursuant to Section 72.06, or pursuing other available civil or criminal remedies.

72.03 CERTAIN SPECIFIC OPERATIONAL VIOLATIONS

A. Unauthorized Connections. The District shall bear no cost or liability for any unauthorized connection. In addition to other remedies, any unauthorized connection is subject to a Type II fine, pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration.., Further, the District may demand that the unauthorized connection be immediately disconnected. In the alternative, if the customer refuses to take immediate action, or if immediate actions is necessary as set forth in Section 72.02(A)(3), above, the District may immediately disconnect, remove, confiscate, destroy or dispose of any parts installed or used for the unauthorized connection, all at the expense of the customer and any other responsible party. To the extent allowed by law, the District may also, immediately or as otherwise deemed advisable by the District, terminate service to any parcel and any person that allows, uses or benefits from such unauthorized connection.

B. Water waste. No customer shall knowingly permit leaks or other wastes of water, including, but not limited to, allowing runoff on any portion of his or her property, engaging in non-permitted uses of water, or failing to take corrective action after notice of any leaks or water waste is given. If the District determines that water waste is occurring, the District will:

1. Notify the customer that they are in violation of the District's Code of Ordinances.

2. Notwithstanding the foregoing, the District may, without prior notice, repair or replace any District controlled facilities at the cost of the person identified as the responsible party, if any.

3. If the water waste is due to a condition within the customer's property or facilities, the District may (i) require the customer to repair or replace the affected facilities, immediately or within a reasonable time, depending on the situation; or (ii) if necessary to prevent further waste, adjust, lock or remove the meter. If any repair

or replacement required is not completed in a timely manner, the District may perform the repair or replacement at the cost of the customer or may terminate service without further notice.

C. Meter Tampering. In addition to other remedies, tampering is subject to a Type II fine pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration. Additionally, tampering may be prosecuted as a crime under Section 498 of the California Penal Code, as set forth in Section 73.01 of this Code.

D. Fire Service Violation. Fire service is subject to compliance with all provisions of this Code and the law concerning water service, and failure to comply with such provisions may result in the reduction, suspension, termination or disconnection of water service for fire protection, without any liability to District. Furthermore, illegal connections or other violations relating to fire service are subject to either a Type I or Type II fine, at the option of the District, and may be prosecuted as crimes.

E. Backflow prevention, screens and other safety devices. If service requirements include the installation, testing and maintenance of backflow prevention devices (Section 23.04 of this Code), screens or other safety operational items, in addition to, or in lieu of, other remedies provided herein, the District may apply any of the remedies under Section VI and VII of the District's Ordinance No. 386, as amended or renumbered. Furthermore, violations relating to backflow testing may be prosecuted as set forth in Section 73.01 of this Code. Violations of backflow requirements or knowingly filing a false statement or report required by a local health officer are subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

F. Violation Concerning Recycled Water Service. In addition to any fine, revocation, suspension or penalty imposed under Section 26 in connection with any violation of said Section, including permit suspension or revocation under Section 26.07.C, the District may (i) suspend or terminate water and or sewer service to the property, the owner and/or the operator; (ii) require payment by the owner for any damage to the District facilities, reimbursement to District of costs and expenses, or fines imposed on the District in connection with such violation; or (iii) prosecute the responsible party under any applicable provision of this Code, the Water Code or the Penal Code. Additionally, any violation concerning recycled water service is subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

G. Violation Concerning Sewer Service. In addition to any other remedy, fine or penalty provided by this Code or applicable law, failure to comply with any requirements of sewer service, including requirements for the preservation of public health, safety and welfare and including, but not limited to, the requirements established under Article II, Chapter 2, Sections 50 to 56.04 of this Code, as hereafter amended or as supplemented by other District Rules and Regulations for Sewer Service, the California Health and Safety Code, the California Code of Regulations, Titles 17 and 22, and Water

Agency Standards. Furthermore, may be prosecuted as set forth in
Section 73.01 of this Code. Additionally, any violation concerning sewer service is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

H. Theft, Fraud, or Misappropriation. In addition to any other remedy, fine or penalty provided by this Code or applicable law, any violation involving theft, fraud or misappropriation of District water, services, or property is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

72.04 VIOLATIONS OF CONSERVATION OR OTHER WATER USE RESTRICTION PROVISIONS

The District has established and published conservation measures set forth in Section 39 of the Code. Commencing with declared Level 2 conditions, the District may assess water shortage rates and charges previously adopted. In addition, after notice of the declared water shortage level is given as required by law, any person who uses, causes to be used, or permits the use of water in violation of such requirements (other than a person who qualifies for an applicable exemption, if any) may be assessed damages, penalties and fines.

A. Additional provisions concerning use restriction violations. In addition to payment of actual damages, the following may apply to a violation of any water conservation or water use restriction measure:

1. A change on the account holder shall not cause the account to revert to pre-violation status unless the new account holder provides evidence that it is not related to the violator and had no responsibility for the prior account.

2. The District may reduce, suspend or terminate service to any parcel immediately and without further notice if the violation involves or results in water waste, as set for in Section 72.03(B), above.

3. Willful violations of mandatory conservation measures described in Section 39 of this Code may be enforced by terminating service to the property at which the violation occurs, as provided by Section 356 of the California Water Code.

B. Prosecution for violations of conservation measures. Pursuant to Section 377 and 71644 of the California Water Code, each violation of the District's Conservation Ordinance, set fort in Section 39 of this Code, may be prosecuted as a misdemeanor, punishable by imprisonment in the County jail for no more than thirty (30) days or by a fine, as set forth in subsection (C), below.

C. Assessment of fines for violations of conservation or water use restriction provisions. Any responsible party who fails to comply with any conservation or use restriction measure is subject to the assessment of an administrative Type I fine, added to account, pursuant to Section 72.06, below.

72.05 VIOLATIONS INVOLVING DISTRICT REAL PROPERTY

A. Removal, Disposition and Costs. The District has absolute discretion to determine the corrective action required in connection with any violation involving District real property, including requiring the owner of any unauthorized encroachment or improvement to remove it or taking action to remove it immediately and without notice. Any improvements or uses placed within or on any District property or right of way are subject to the following:

1. Costs and Damages. All costs and damages shall be the responsibility of the customer and any other responsible party. Furthermore, the District shall not be liable for costs to repair or replace any unauthorized encroachment or improvement, or any property, improvement or thing used in connection with, supported by or attached thereto.

2. Burden of proof. The burden shall be on the user to prove to the District's satisfaction, the authority, scope and extent of any right to access, improve or use the District's property. Only written evidence in the form of an agreement, deed, statute, recorded or official map or plat, governmental regulation or other right may be used to establish such claim of right.

B. Notice. In connection with any improvement or use that does not constitute a health hazard and does not interfere with the District's use of its property, the District will give written notice of up to sixty (60) days, at the discretion of the General Manager, to cease, terminate, eliminate or remove the offending improvement, structure or use. Any written notice will be given to the responsible party or posted at the property where the trespass or encroachment occurs. If the responsible party is not the owner of any real property affected by the violation, the District will also give notice to the owner of record at the address on record with the assessor's office via personal delivery, certified mail return receipt requested or via Fed-Ex.

C. Immediate action. In connection with any improvement that constitutes a health hazard or interferes with the District's use of any District property, the District will take any immediate action deemed necessary by the General Manager.

D. Fines. In addition to all other remedies provided under this Article or under applicable law, the District may impose a fine as provided in Section 72.06. Additionally, the District may impose a fine up to either the amount specified on any sign, or a Type I or Type II fine, at the option of the District, in connection with any trespass on District property in violation of a sign prohibiting trespassing, pursuant to Section 72.06, below.

E. Separate violation. A separate violation will accrue for each day after the deadline to cease, terminate, eliminate or remove the trespass or encroachment, as set forth in the notice.

72.06 ADMINISTRATIVE FINES

Any administrative fines established herein shall be in the nature of civil penalties and shall be additional and cumulative to any other fines, damages or any other charges established by the District and are also separate from and cumulative to any other civil or criminal penalty, fine or remedy. In connection with each violation, the District may assess a fine up to the amount specified in the schedule of fines for the type of fine being imposed.

Each day during which a violation is in effect constitutes a separate violation and violations are cumulative while the account is in the name of the original violator or any person that participated in or benefited from the violation. Except where the violation creates an immediate danger to health or safety, the person responsible for the continuing violation will be provided a reasonable period of time to correct or otherwise remedy the violation(s) prior to the imposition of administrative fines.

A. Assessment of Fines for Technical Violations of Other Code Provisions. Any person who engages in a violation of any provision of this Code is subject to the assessment of a separate administrative Type I Fine, unless subject to a more severe fine as set forth in this Code.

B. Assessment of Separate Fines.

Nothing in this code or the limits specified per violation shall prevent the imposition of separate fines for each separate violation committed during a single act. For example, in connection with a violation concerning sewer service that involves a trespass on any portion of the District's real property, separate fines may be assessed for the trespass, the damage to District personal property, the damage to District real property; the damage to the sewer system and the activity resulting on all the damages.

C. Types of Fines. The amount for each type of fine specified below may increase automatically to reflect any higher amount authorized by law or regulation. The District has determined to establish two types of fines based on the nature of the violation, as follows:

1. Type I Fine. Any violation that does not have the potential to endanger the health or safety of the public. The fine will not exceed the amount specified in the Section 36900(b) of the California Government Code or Appendix A for a first, second, third or each additional violation of that same ordinance or requirement within a twelve-month period.

2. Type II Fine. Any violation that has the potential to endanger the health or safety, including, but not limited to, unauthorized or illegal connections, meter tampering, water theft, , or knowingly filing a false statement or report required by a local health officer . The fine will not exceed the amount specified on Appendix A per each day the violation is identified or continues.

D. Collection of Fines. Any fines assessed by the District are payable directly to the District, are due upon issuance or as otherwise indicated on the notice or bill, and are delinquent 30 calendar days from the due date.

E. Notice of Administrative Fine; Content. Notice of an administrative fine pursuant to this section will contain the following information: (i) a brief description of the violation(s); (ii) the date and location of the violation(s); (iii) a brief description of corrective action(s) required, as appropriate; (iv) a statement explaining that each day the violation continues constitutes a new violation; (v) in the case of violations creating an immediate danger to health or safety, the amount of civil penalty assessed or, in all other cases, the amount of civil penalty to be assessed if the violation(s) are not corrected within the time provided by the notice; (vi) a statement of the procedure for payment and the consequences of failure to pay; (vii) contact information for the District employee that should be contacted to discuss the notice and provide evidence of compliance; and (viii) a brief statement describing the responsible party's right to request further review, pursuant to subsection (F), below.

F. Option for Board Review . Persons receiving a Notice of Administrative Fine may request Board review. The request for Board consideration must be in writing, must be received by the District Secretary within ten (10) calendar days from the date of the notice and must include contact information, an explanation of the basis for the request, and any supporting documentation said person(s) wish to provide to the Board for review and consideration. District staff will review the petitioner's request and will make a recommendation to the Board in light of its investigation. The District will provide notice of the date, time and place for Board consideration by electronic means, facsimile or first class mail sent to the return addressee indicated on the written request.

G. Any fines assessed pursuant to the Notice of Administrative Fines must be timely paid notwithstanding the filing of a request for Board review.

At the time of Board review, the petitioner may, address the Board and respond to the charges to show good cause why the fine should not be imposed; however, the customer is not entitled to a full judicial-type hearing with cross examination, sworn testimony, etc. In accordance with the provisions of Government Code Section 53069.4, the Board's determination shall be final and conclusive, and shall be deemed confirmed, if not appealed within 20 calendar days to the Superior Court of the County of San Diego.

SECTION 73 ADDITIONAL DISTRICT REMEDIES

Each day during which a violation commences or continues shall constitute a separate violation which may be so prosecuted. In addition to, or on lieu of any damages, fines or other remedies provided in any other section of this Code, at the District's sole and absolute discretion, the District may enforce any other remedies available to it in law or equity.

73.01 OTHER REMEDIES OF DISTRICT

A. Collection of Unpaid Bills on Tax Roll. Pursuant to the provisions of the Health and Safety Code, commencing with Section 5470, the District may cause delinquent charges for services to be collected on the tax roll in the same manner as its general taxes.

B. Costs of Suit. Any person who violates any provision of this Code of Ordinance shall be liable for costs of any civil suit required to enforce the District's rights, including but not limited to reasonable attorney's fees in accordance with Civil Code Section 1882.2. The provisions of Civil Code Section 1882 *et seq.* are incorporated herein by reference. This Article shall be interpreted so as to be consistent with Civil Code Sections 1882 *et seq*.

C. Reward. In accordance with Government Code Section 53069.5, the District may offer and pay a reward, in an amount determined by the District, for information leading to the determination of the identity of, and the apprehension of, any person whose willful misconduct results in injury or death to any person or who willfully damages or destroys any property of the District or any property of any other local agency or state or federal agency located within the boundaries of the District. The person who has willfully damaged or destroyed such property shall be liable for the amount of any reward paid pursuant to this section.

D. Parental liability for Acts of Minors. If a violation is due to the acts of a minor child, the minor and his or her parents or guardians, as applicable, shall be jointly and severally liable to the maximum extent allowed by law, including parental liability pursuant to Section 1714.1 of the California Code of Civil Procedure, as hereafter amended or renumbered.

E. Backflow testing; Prosecution. A person is guilty of a misdemeanor in connection with the violation of any provision of the California Code of Regulations concerning backflow testing, including non-compliance with any order to test, knowingly filing a false statement or report concerning any information required by the District or failure to use a person qualified to conduct the testing. Such misdemeanor is punishable by a fine of up to $500 or by imprisonment not exceeding 30 days. Each day of a violation is a separate offense.

F. Sewer Service Violation; Prosecution. Pursuant to Section 71689.27 of the Water Code of the State of California, upon conviction of a violation of any ordinance or provision of this Code concerning the sewer system the person shall be punished by being imprisoned in the county jail.

G. Theft of Utility Services, Water or Waterworks; Prosecution. Pursuant to Sections 498, 624 and 625 of the Penal Code of the State of California, theft of District facilities or theft of water or other utility services, including theft through unauthorized connections, may be prosecuted as a crime.

H. Prosecution of Code Violations. The District may, at its option, prosecute or cause to be prosecuted any violation of this Code of Ordinance or any other Ordinance of the District as a misdemeanor, pursuant to Section 71600 of the California Water Code.

I. Receipt or Purchase of Stolen Property; Prosecution. Pursuant to Section 496a of the Penal Code of the State of California, purchase or receipt of stolen property belonging to the water system, may be prosecuted as a crime.

J. Junk Dealers and Recyclers; Remedies. To the extent provided by law, including the provisions of AB844, approved by the Governor and chaptered in September of 2008, the District will pursue remedies available through or against any junk dealer or recycler that purchases any District property without prior written authorization from District.

73.02 NOTICE TO DISTRICT CONCERNING VIOLATIONS

Any person noticing or discovering an unauthorized connection to the District's sewer, water or recycled water system from a parcel owned or occupied by such person must notify the District immediately. If the unauthorized connection affects a parcel owned by the person, he or she must remove the unauthorized connection immediately and must notify the District. If the person rents or leases the affected parcel, the person shall provide the District the name and contact information of the owner of the parcel.

73.03 SEVERABILITY

If any portion of any chapter, section, subsection, paragraph, sentence, clause, or phrase of this Article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, independent and severable provision and such holding shall not affect the validity of the remaining portions hereof.

SHARP
San Diego's Health Care Leader
1-800-82-SHARP www.sharp.com

Malcolm Baldrige National Quality Award
2007 Award Recipient

Facilities Management & Development

August 31, 2015

Re: Sharp Chula Vista Medical Center Letter of Appeal of:
Notice of Fine Assessed – Tampering with District Valve, Water Theft, and Backflow Violations.

To: Board of Directors C/O Susan Cruz
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004
(619) 670-2222 www.otaywater.gov

Dear Sir or Madam,

Sharp Chula Vista Medical Center is currently working to complete a major campus improvement project that includes the construction of three new surface parking lots, a seven story parking structure, new loop road and utility loop connecting both sides of the campus. Part of the utility loop includes new Otay Water District utilities for domestic, irrigation and fire water services on the hospital campus. This utility work includes the installation of a new fire loop with backflow devices on either end, a new domestic water loop with a 4" meter and backflow device at each end, and a new 1-1/2" potable irrigation meter.

Last week the hospital received a letter indicating that Otay Water District had assessed $22,000 worth of fines associated with testing that a contractor working for the hospital, Kyne Construction Inc., had performed on the new water utilities being installed. As Sharp Healthcare, and all of its entities, strive to be a model of regulatory compliance, we will not tolerate any violations of building codes or laws, by our contractors or our staff, on any of our construction projects. Having received this notice, hospital staff immediately interviewed the construction and inspection teams associated with this work to determine if the noted violations had indeed occurred as described in the district's notice. Based on our internal investigation we do not believe that the assertions of the district inspector are correct, and we would like to formally appeal the assessment of these fines on the hospital.

Our belief that these fines are not justly assessed is based on the following chronology of events:

Sharp Chula Vista Medical Center retained the services of the Design Builder Barnhart Reese Construction Co., who sub-contracted the work in question to Kyne Construction, Inc. Per Dan George, Kyne Construction's foreman for the work, the following chronology of events took place on July 28, 2015.

Dan George, the foreman for Kyne Construction, and his crew were pressure testing the newly installed fire line and domestic water line, on the loop road under construction at Sharp Chula Vista Medical Center. The testing of the water lines had been witnessed by Jim Thomson, Sharp's senior Inspector of Record, to satisfy testing requirements of the State of California for Hospital Utilities. Earlier in the morning the Kyne crew had filled both the domestic water line and the fire water line from the top of the jobsite at the metered backflows that had already been installed and approved by Otay Water District staff. After filling the piping in the loop they then bled the air at the newly installed air vac. and backflows at the bottom of the jobsite, near Medical Center Court. The foreman had just finished pressurizing the fire line and domestic water line at

the backflows, at the bottom of the jobsite, when Larry Cannon, the Otay Water District inspector, arrived on the jobsite.

Upon arrival the inspector asked Kyne's foreman what was happening. The foreman explained that he had been testing the looped fire line and domestic water line for the Hospital's inspector. The Otay Water District inspector appeared to get upset that test gauges were installed on the backflows and directed the foreman to bleed the pressure off of the the water lines immediately. The foreman requested the inspector's reason for this action and was told that he was stealing water. The foreman then explained to the district inspector that he had filled both water lines from the top of the jobsite where Otay Water District had previously approved and set new water meters weeks earlier.

The district inspector then stated that the foreman could not pressure test up against district valves. The foreman explained that he had the valves on the backflows closed off and that there were check valves in the backflows that would not let the water go back into the district lines. The foreman also explained that a couple of weeks earlier that he and this same inspector had tested these same backflows together, the same way, with the same gauges, and had also flushed water out of these backflows to complete their bac-t samples (plate count test). The inspector told the foreman that the pressure test that they completed was different and that the foreman needed to take the gauges off immediately. The foreman then bled the water pressure down to take the gauges off and the inspector went to his truck and retrieved his valve key. He opened up the valve cans and told the foreman that the valves in the street were in the open position and again, stated that the foreman was stealing water. The foreman again explained to the inspector that neither he, nor anyone else from Kyne Construction, had touched any of the valves in the street, that the water had been drawn from the approved meter on the other end of the loop road. The foreman noted that it was possible that district staff had not turned off the valves in the street the last time they had tested and flushed their new lines from the valves in the street to the new backflows.

Based on the chronology events witnessed by the entire construction crew on site the following facts are presented in regards to the violations and fines assessed:

In Regards to Violation 1: Tampering with District Facilities- No Kyne Construction employee, hospital employee or contractor touched the valves in the street, and no evidence or witness thereof has been presented to substantiate this.

In regards to Violation 2: Water theft- Metered water from the top of the looped system was used to fill and test the new water lines to meet state guidelines. An audit of the newly installed meters can substantiate that the hospital has been drawing water from these meters for this purpose. The water that the district inspector referred to in his statements was waste water generated from bleeding the air from the line while it was being filled from the backflows previously certified by the City using metered water from the other side of the loop.

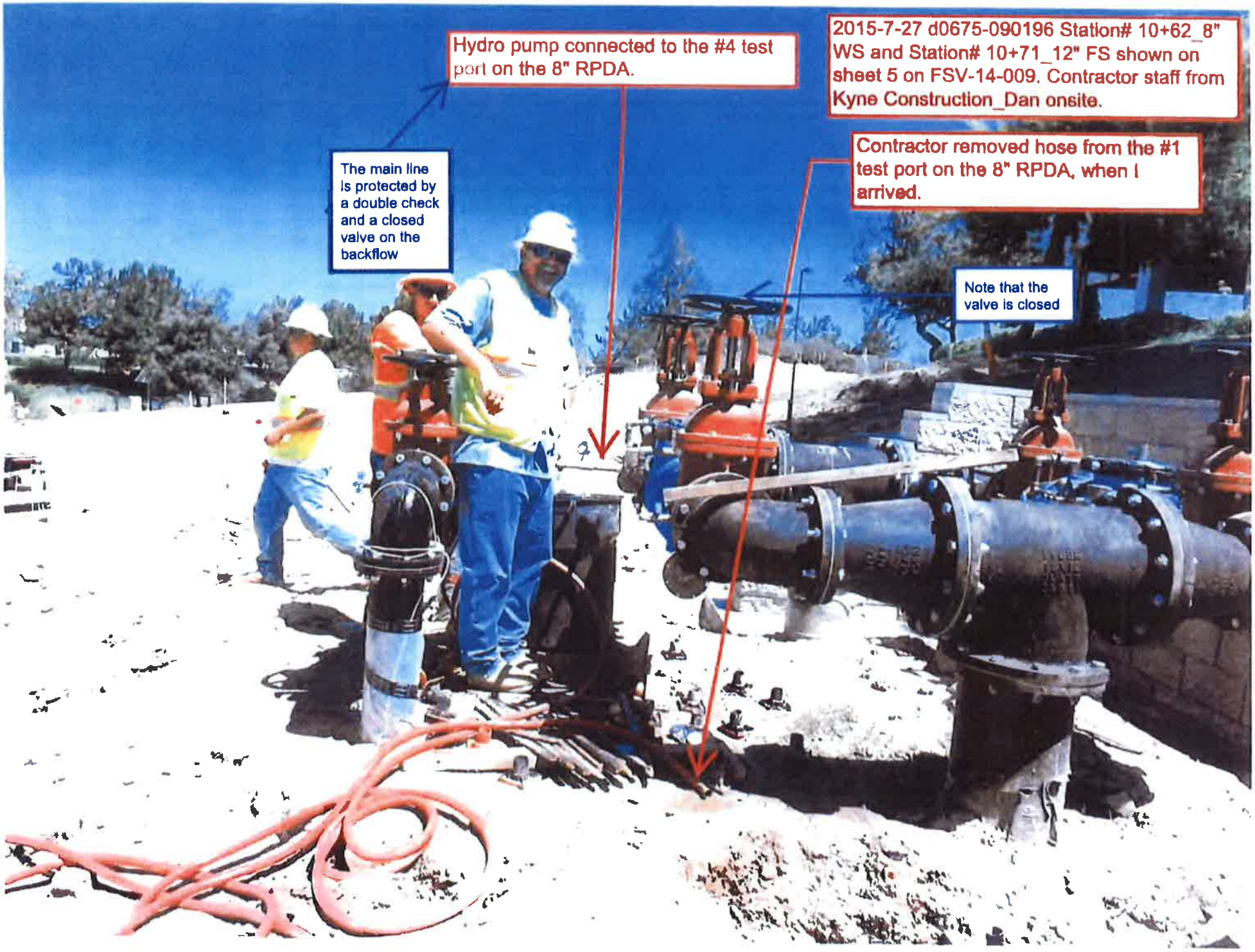
In regards to Violation 3: Backflow and cross connection violations- Again, The backflows/lines in question were being charged through previously approved backflows and water meters, on the other side of the loop, which would eliminate the possibility of any cross connection occurring. In addition, the backflows that the test gauges were on had been pressure tested by the District Inspector and Kyne Construction's foreman together and bac-t samples were taken and passed by an independent lab.

So in closing I hope that this will resolve any misunderstanding and that the district will properly consider our appeal, as regulatory compliance is our top priority and the hospital would never condone a knowing violation of any of the polices noted in the District's letter.

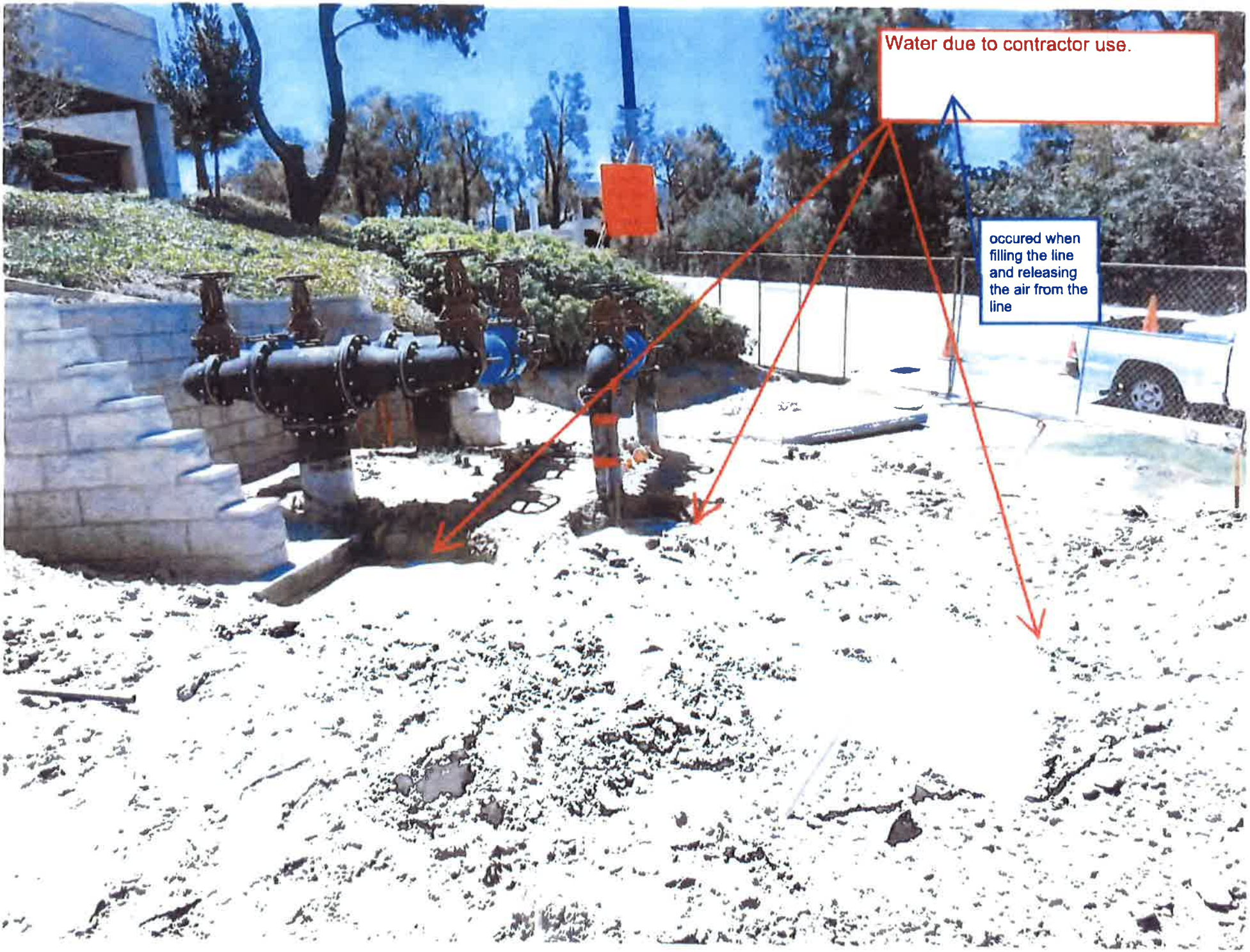
Respectfully,

Matthew Teichner
Senior Project Manager
Facilities Management and Development
Sharp Chula Vista Medical Center
Sharp HealthCare
858-334-8126 matthew.teichner@sharp.com

Attachments: Otay Water District inspector's photos with Blue Comment Responses.


Hydro pump connected to the #4 test port on the 8" RPDA.
2015-7-27 d0675-090196 Station# 10+62_8" WS and Station# 10+71_12" FS shown on sheet 5 on FSV-14-009. Contractor staff from Kyne Construction_Dan onsite.
The main line is protected by a double check and a closed valve on the backflow
Contractor removed hose from the #1 test port on the 8" RPDA, when I arrived.
Note that the valve is closed

Water is being metered and fed from the upper supply
Contractor blowing non-metered water out of the #4 test port. Location has not been certified or approved by district inspection.


Water due to contractor use.
occured when filling the line and releasing the air from the line

AGENDA ITEM 7a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Marissa Dychitan Senior Accountant		
APPROVED BY:	☒ Kevin Koeppen, Finance Manager ☒ Joseph R. Beachem, Chief Financial Officer ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Approve the District's Audited Financial Statements for the Fiscal Year Ended June 30, 2015		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the District's Audited Financial Statements (Attachment B), including the Independent Auditors' unqualified opinion, for the fiscal year ended June 30, 2015.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To inform the Board of the significant financial events which occurred during the fiscal year ended June 30, 2015 as reflected in the audited financial statements.

ANALYSIS:

Teaman, Ramirez & Smith, Inc., performed the audit and found that, in all material respects, the financial statements correctly represent

the financial position of the District. They found no material errors in the financial records or statements (Attachment D).

Total Assets:

Total assets decreased by $7.7 million or 1.33% during Fiscal Year 2015, to $568.9 million, due primarily to depreciation partially offset by investments in capital assets.

Deferred Outflows & Deferred Inflows:

In Fiscal Year 2015, the District implemented Governmental Accounting Standards Board (GASB) No. 68,*"Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No.27", and No. 71,"Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68"*. In accordance with GASB 68 and 71, contributions made subsequent to the measurement date, which was June 30, 2014 for the June 30, 2015 financial statements, should be reported as deferred contributions (outflows) to the pension plan and the net difference between projected and actual earnings on the pension plan should be reported as deferred inflows amortized over five years. In FY 2015, $3.6 million and $5.0 million are reflected as deferred outflows and inflows of resources on the Statement of Net Position.

Total Liabilities & Net Positions:

Total liabilities increased by approximately $33.2 million from the previous fiscal year to $165.1 million. This is attributable to the recognition of $38.7 million in Net Pension Liability due to the implementation of GASB 68 and 71. This increase was partially offset by the decrease in long-term debt of $3.8 million.

The beginning net position of $444.8 million was decreased by $40.4 million as a result of the implementation of GASB 68 and 71. The District's Net Position is $402.4 million as of June 30, 2015.

Capital Contributions:

Capital contributions for Fiscal Year 2015 were $3.1 million, which consists of capacity fees and contributed fixed assets from developers and betterment and availability fees collected from ratepayers.

Results of Operations:

Operating revenues decreased by $2.2 million or 2.51%, mainly as a result of the overall decrease in water sales volume from the prior fiscal year due to mandatory conservation.

Cost of water sales decreased $1.7 million or 3.04% due to less water consumption as a result of the mandatory conservation.

Non-Operating Revenues & Expenses:

Non-operating revenues total $8.9 million for FY 2015. Non-operating revenues come from property taxes and assessments, rents and leases, investment earnings, and the BABs subsidy.

Additional Audit Correspondence:

As a part of completing the audit engagement, the audit firm also provides the following letters summarizing their observations and conclusions concerning the District's overall financial processes.

- Management Letter: The auditors did not identify any deficiencies in internal controls that they considered to be material weaknesses. See Attachment C.

- Audit Committee Letter: This letter describes overall aspects of the audit, to include audit principles, performance, dealings with management, and significant findings or issues.

  There were no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

  There were no disagreements with management concerning financial accounting, reporting, or auditing matters, and there were no significant difficulties in dealing with management in performing the audit. See Attachment D.

- Report on Applying Agreed-Upon Procedures: A review of the District's investment portfolio at year end and a sample of specific investment transactions completed throughout the fiscal year was performed and there were no exceptions to compliance from the District's Investment Policy. See Attachment E.

FISCAL IMPACT:

None.

STRATEGIC GOAL:

The District ensures its continued financial health through long-term financial planning, formalized financial policies, enhanced budget controls, fair pricing, debt planning, and improved financial reporting.

LEGAL IMPACT:

None.

Attachments:

A) Committee Action Form
B) Audited Annual Financial Statements
C) Management Letter
D) Audit Committee Letter
E) Report on Applying Agreed-Upon Procedures

ATTACHMENT A

SUBJECT/PROJECT:	Approve the District's Audited Financial Statements for the Fiscal Year Ended June 30, 2015

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on October 21, 2015 and the following comments were made:

- Staff is recommending that the Board approve the District's audited financial statements, including the Independent Auditors' unqualified opinion for the fiscal year (FY) ended June 30, 2015.

- Teaman, Ramirez & Smith, Inc. performed the audit and found that, in all material respects, the financial statements correctly represent the financial position of the District.

- Staff provided a review of the District's financials for the year ending June 30, 2015 and indicated:

  - Total assets decreased $7.7 million due mainly to depreciation offset by investments in capital infrastructure and increases in cash and investments.
  - Cash and investments increased from $84.4 million to $86.0 million due to actual revenues exceeding budgeted revenues for the year.
  - Total liabilities increased by $33.2 million, which is attributable to the implementation of GASB 68 and 71 which required presentation of the Defined Benefit Pension Plan's $38.7 million Unfunded Actuarial Accrual as a liability on the Statement of Net Position. This was partially offset by $3.8 million reduction in long-term debt.
  - Capital contributions for the year totaled $3.1 million, which is a decrease of $0.3 million from FY 2014. The decrease is mainly due to fewer contributed fixed asset from developers.
  - Net Position at July 1, 2014 was decreased by $40.4 million due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 & 71. The $40.4

million is the net impact of the liabilities and assets associated with the GASB implementation. Operating revenues decreased $2.2 million while water costs decreased $1.7 million due to ongoing water conservation, while depreciation and general and administrative expenses increased $900,000.
  - The Districts Net Position as of June 30, 2015 was $402.4 million.

- It was indicated that the auditors found no material errors in the financial records or statements and there were no transactions entered into by the District during the year for which there is lack of authoritative guidance or consensus.

- Messrs. Rich Teaman, Sr. Partner, and Joshua Calhoun, Sr. Auditor, of Teaman Ramirez & Smith, Inc., were in attendance of the meeting and provided a review of the audit process and results of the audit.

  - Mr. Teaman indicated that his firm will be issuing a clean unqualified opinion. This is the highest level opinion that can be received on an audit.
  - He stated the opinion letter is two (2) pages long and the second page of the letter addresses an accounting change introduced this year, GASB 68, regarding pension liabilities. It requires that pension liabilities be included on the face of the financial statements, whereas in the past it was a footnote. The implementation of GASB 68 accounted for the big change in the District's balance sheet. In many agencies, this change would cause the net position in their financial statements to be in the negative, however, Otay WD's net position will continue to be in the positive for FY 2015.
  - He noted that the measurement date for the pension liabilities is based on the actuarial valuation for the period July 1, 2013 to June 30, 2014. As a result, when the District makes contributions to the pension plan in FY 2015, they are noted as deferred inflows and outflows on the balance sheet (reference page 11 and 12 of financial statements: *Total Deferred Outflows of Resources* [asset] is $3,575,595 in FY 2014 and *Total Deferred Inflows of Resources* [liability] is $4,967,940 in FY 2015). The deferred outflow is the contributions to the pension plan throughout FY 2015. It is an asset in FY 2015 and becomes a net pension liability in the next FY.
  - He further explained that this year, the District's financial statements show only a single year, whereas in the

past it would compare the financial results to the previous FY. Due to the implementation of GASB 68, last FY's financials are not comparable to this year's financials. He indicated the District could restate last FY's financials, however, PERS would not be able to provide the information needed to restate the financials. Next year the financials will go back to comparing the results to the previous year.

- The financials also includes more information concerning *Compensated Absences* (Page 20 of financial statements). The information is provided in a table format as was suggested by the Government Finance Officers Association (GFOA).
- He noted along with the financial statements, the audit firm issues several reports:
  - Management Letter which reviews internal controls and financial compliance which is required under government auditing standards. His firm had no findings or exceptions to report.
  - Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements which reviews internal controls and compliance with the law. There were no issues to report on either internal controls or financial compliance.
  - Agreed-Upon Procedures Report indicates their firms review of investment transactions in relation to the District's Investment Policy and State Law. His firm found no instances of non-compliance.
  - SAS 114 Report which provides the auditors an opportunity to report to the board what transpired on the audit; if there were problems, if staff was unresponsive, opinion shopping, etc. He stated that the audit went very well and they did not have any issues or problems during the audit. He stated that his firm has nothing to report.

- Mr. Teaman noted that there are estimates in the financial statements for the market value of the District's investments, the depreciable value of capital assets, the OPEB obligation and defined benefit pension plan liability. He stated that the methodology utilized by the District in estimating these items are appropriate and the numbers reflected are good based on information available today.

- Mr. Teaman reviewed page 49 of the financial statements at the committee's request. He explained that the *Total Pension Liability* was calculated using the actuarial valuation for FY 2014. GASB 68 allows the use of the prior period as, timewise, the current FY's actuarial valuation could not feasibly be

completed and audited by PERS in time to complete the District's audit. The District's total pension liability at the beginning of FY 2014 (July 1, 2013) was $106,716,218 and by the end of FY 2014 (June 30, 2014) it was $112,069,436, a net increase in liability of $5,353,218. The *Plan Fiduciary Net Position* indicates that at the beginning of FY 2014 the Pension Fund had a balance of $63,144,370 and by the end of FY 2014 the fund had $73,346,091, a net change of $10,201,721. The District increased its assets by $4,848,503 ($10,201,721 - 5,353,218) last fiscal year. It was discussed that the District has funded approximately 65% of its pension liability and part of the funding came from PERS investments, District contributions and the factors used in the Actuarial.

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

OTAY WATER DISTRICT

FINANCIAL STATEMENTS
WITH
REPORT ON AUDIT BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2015

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for DISCUSSION PURPOSES ONLY

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JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Otay Water District
Spring Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Otay Water District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Otay Water District as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and California regulations governing Special Districts.

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Emphasis of Matters

As described in Note 13 to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 48-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____ __, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Riverside, California
_____ __, 2015

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Management's Discussion and Analysis

As management of the Otay Water District (the "District"), we offer readers of the District's financial statements, this narrative overview, and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the District's financial statements that follow Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $402.4 million *(net position).* Of this amount, $43.7 million *(unrestricted net position)* may be used to meet the District's ongoing obligations to citizens and creditors.
- Total assets decreased by $7.7 million or 1.33% during Fiscal Year 2015, to $568.9 million, due primarily to depreciation offset by investments in capital infrastructure, contributions, and improved operating results.
- Net Position at July 1, 2014 was decreased by $40.4 million due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 71. The most significant impact of the implementation requires the presentation of Defined Benefit Pension Plan's $38.7 million Unfunded Actuarial Accrual as a liability on the Statement of Net Position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data supplied in each of the specific financial statements listed above.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

Financial Analysis:

As noted, net position may serve, over time, as a useful indicator of an entity's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $402.4 million at the close of the most recent fiscal year.

By far, the largest portion of the District's net position, $354.0 million (80%), reflects its investment in capital assets, less any remaining outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported effectively as a resource, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Statements of Net Position
(In Millions of Dollars)

	2015	2014	2013
Assets			
Current and Other Assets	$ 109.7	$ 109.9	$ 106.3
Capital Assets	459.2	466.7	476.0
Total Assets	568.9	576.6	582.3
Deferred Outflows of Resources			
Deferred Amount on Refunding	0.0	0.1	0.4
Deferred Contributions to Pension Plan	3.6	0.0	0.0
Total Deferred Outflows of Resources	3.6	0.1	0.4
Liabilities			
Long-Term Debt Outstanding	101.5	105.3	109.0
Net Pension Liability	38.7	0.0	0.0
Other Liabilities	24.9	26.6	25.5
Total Liabilities	165.1	131.9	134.5
Deferred Inflows of Resources			
Deferred Actuarial Pension Costs	5.0	0.0	0.0
Total Deferred Inflows of Resources	5.0	0.0	0.0
Net Position[1]			
Net Investment in Capital Assets	354.0	357.9	376.5
Restricted for Debt Service	4.7	3.9	4.6
Unrestricted	43.7	83.0	67.1
Total Net Position	$ 402.4	$ 444.8	$ 448.2

While the District's operations and population continue to grow, albeit at slower rates than the housing boom years, the pattern of reduced growth of the District's Net Position is indicative of the reduction and slow recovery of new development projects within the District. This reduction is a result of the slow recovery from the national housing slump.

[1] GASB No. 68 & 71 implemented in FY 2015. Prior years were not restated as the information was not readily available.

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In FY 2015, the District's Capital Assets increased by $8.2 million before accumulated depreciation. (See Note 3 in the Notes to Financial Statements). The District also saw a decrease in Long-Term Debt of $3.8 million due to the annual payments of long-term debt (See Note 4 in the Notes to the Financial Statements).

Certain planning and environmental study costs associated with capital projects such as the Otay Mesa Desalination and Disinfection System or San Miguel Habitat Management/Mitigation Area do not qualify as capital costs under Generally Accepted Accounting Principles and are included in the miscellaneous expenses of the District. For FY 2015 and FY 2014 those expenses were $1.2 million and $1.6 million, respectively.

At the end of FY 2015 the District is able to report positive balances in all categories of net position. This situation also held true for the prior two fiscal years.

Statements of Revenues, Expenses, and Changes in Net Position
(In Millions of Dollars)

	2015	2014	2013
Water Sales	$ 79.1	$ 81.3	$ 72.2
Wastewater Revenue	3.1	2.8	2.6
Connection and Other Fees	1.7	1.9	2.1
Non-operating Revenues	8.9	7.8	7.7
Total Revenues	92.8	93.8	84.6
Depreciation Expense	16.2	16.1	16.5
Other Operating Expense	75.7	76.5	70.8
Non-operating Expense	6.0	8.0	6.0
Total Expenses	97.9	100.6	93.3
Loss Before Capital Contributions	(5.1)	(6.8)	(8.7)
Capital Contributions	3.1	3.4	2.8
Change in Net Position	(2.0)	(3.4)	(3.1)
Beginning Net Position, As Previously Stated	444.8	448.2	454.1
Prior Period Adjustment	(40.4)	0.0	0.0
Beginning Net Position, As Restated	404.4	448.2	454.1
Ending Net Position	$ 402.4	$ 444.8	$ 448.2

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Water Sales decreased by $2.2 million in FY 2015 and increased by $9.1 million in FY 2014. The year over year reduction was mainly due to decreases in units sold during FY 2015 as a result of the ongoing drought conditions. This reduction as a result of the drought was partially offset by increases in rates. The FY 2014 increase was a result of both increasing volume due to the economic recovery and rate increases.
Other Operating Expense decreased predominantly due to the decrease in Cost of Water Sales brought about by the decrease in units purchased in FY 2015.

The reduction in District growth, as a result of the economic slowdown, continues to impact the District as Connection and Other Fees revenues declined by $0.2 million in FY 2015 and in FY 2014. During the nationwide housing mortgage crisis, developers had either slowed down or totally stopped work on projects until economic conditions improve and the demand for growth returned. While the economy has improved, the demand and development that has returned has done so at a much slower rate. This has resulted in Capital Contributions remaining low over the last three years, compared to the extended growth of the previous 10 years.

Non-operating Revenues

Non-operating Revenues by Major Source
(In Millions of Dollars)

	2015	2014	2013
Taxes and Assessments	$ 3.8	$ 3.5	$ 3.5
Rents and Leases	1.2	1.3	1.3
Other Non-operating Revenue	3.9	3.0	2.9
Total Non-operating Revenues	$ 8.9	$ 7.8	$ 7.7

The District's total non-operating revenues increased by $1.1 million in FY 2015 and by $0.1 million in FY 2014. The increase in FY 2015 was primarily a result of increased revenues from property taxes, availability fees, and investment earnings.

Capital Assets and Debt Administration

The District's capital assets (net of accumulated depreciation) as of June 30, 2015, totaled $459.2 million. Included in this amount is land. The District's net capital assets decreased by 1.6% for FY 2015 and 2.0% for FY 2014.

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Capital Assets
(In Millions of Dollars)

	2015	2014	2013
Land	$ 13.7	$ 13.7	$ 13.7
Construction in Progress	15.1	11.7	17.5
Water System	468.7	465.9	458.8
Recycled Water System	110.5	110.3	108.9
Sewer System	42.0	41.2	41.2
Field Equipment	8.7	8.8	8.9
Buildings	19.0	18.9	18.8
Transportation Equipment	3.4	3.3	3.5
Communication Equipment	3.1	2.9	2.6
Office Equipment	18.2	17.5	17.3
	702.4	694.2	690.8
Less Accumulated Depreciation	(243.2)	(227.5)	(214.8)
Net Capital Assets	$ 459.2	$ 466.7	$ 476.0

As indicated by figures in the table above, the majority of capital assets added during both fiscal years were related to the potable and recycled water systems. In addition, the majority of the cost of construction-in-progress is also related to these water systems. Additional information on the District's capital assets can be found in Note 3 of the Notes to Financial Statements.

At June 30, 2015, the District had $101.5 million in outstanding debt (net of $3.7 million of maturities occurring in FY 2016), which consisted of the following:

General Obligation Bonds	$ 4.7
Certificates of Participation	43.4
Revenue Bonds	53.4
Total Long-Term Debt	$ 101.5

In June 2013, the District issued $7.7 million of 2013 Water Revenue Refunding Bonds for an advance refunding of its 2004 Certificates of Participation, which was called on September 1, 2014. Excluding costs of issuance the District received $8.5 million in proceeds, including a $1.0 million premium, to fund the $8.1 million of outstanding principal and $0.4 million of remaining interest payments. In accordance with GASB Nos. 23 and 65, the remaining interest payments of $0.1 million in FY 2014 and $0.4 million in FY 2013 are reflected as a deferred outflow of resources on the Statement of Net Position.

Additional information on the District's long-term debt can be found in Note 4 of the Notes to Financial Statements

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Prior Period Adjustment

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *"Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27", and No. 71 "Pension Transitions for Contributions Made Subsequent to the Measurement Date-an amendment of GASB No. 68"* for periods beginning after June 15, 2014. The District implemented these standards in fiscal year 2015. The result of the implementation of these standards was to decrease the net position at July 1, 2014 by $40.4 million which consists of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

Fiscal Year 2015-2016 Budget

Economic Factors

Demand and supply of water in the San Diego area has declined over the last five years. Although San Diego received less than normal rainfall in Fiscal Year 2015, the District is expecting that San Diego's rainfall will return to its average pattern and volume in the coming years. San Diego rainfall, while a contributing factor, is not the controlling factor for our potable water supply shortage. The San Diego region imports 90% of its potable supply, so conditions elsewhere significantly affect the actual amount of water available to the District. In the event the amount of water supplied to the District is reduced, water sales revenues would decrease. Related water purchase expenses would also be reduced, mitigating the impact of the decrease in net revenues. The amount of any supply reduction would dictate the magnitude of the District's response and type of reaction.

The District continues to use the challenges presented by growth and the ongoing drought to create new opportunities and new organizational efficiencies. By utilizing and continuing to refine its Strategic Business Plan, it has captured the Board of Director's vision and united its staff in a common mission. The District has achieved a number of significant accomplishments based on its successful adherence to its Strategic Business Plan. The District is not only poised to continue successfully providing an affordable, safe, and reliable water supply for the people of its service area, but is set to reap the rewards of greater efficiencies and economies of scale.

The District is currently at about 52% of its projected ultimate population, serving approximately 217,000 people. Long-term, this percentage should continue to increase as the District's service area continues to develop and grow. By 2035, the District is projected to serve approximately 285,000 people, with an average daily demand of 46 million gallons per day (MGD). Currently, the District services the needs of this growing population by purchasing water from the San Diego County Water Authority (CWA), who in turn purchases its water from the Metropolitan Water District (MWD) and the Imperial Irrigation District (IID).

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Otay takes delivery of the water through several connections of large diameter pipelines owned and operated by CWA. The District currently receives treated water from CWA directly and from the Helix Water District via a contract with CWA. In addition, the District has an emergency agreement with the City of San Diego to purchase water in the case of a shutdown of the main treated water source. The City of San Diego also has a long-term contract with the District to provide recycled water for landscape and irrigation usage. Through innovative agreements like these, benefits can be achieved by both parties by using excess capacity of another agency, and diversifying local supply, thereby increasing reliability.

Financial

The District is budgeted to deliver approximately 27,000 acre-feet of potable water to 49,500 potable customer accounts during Fiscal Year 2015-2016. Management feels that these projections are realistic after accounting for low growth, supply changes, and a focus on conservation. A combination of factors, including the ongoing drought and recession, have created challenges in developing economic projections for the current fiscal year. Both unemployment and levels of distressed activity in the commercial and residential resale market have improved from their economic crisis peaks. However, while unemployment has recovered, housing starts remain significantly below the levels of the boom years from 2001 to 2005. The negative impacts to the District of the economic indicators and conservation are partially offset by growth as the District's commercial and residential permits have shown slow and steady improvement from previous lows. While all of these factors impact the region's water usage, people's need for water remains an underlying constant. Staff continues working diligently on developing new water supplies as they work through the financial impacts of conservation and the modest economic turnaround.

Management is unaware of any other conditions that could have a significant impact on the District's current financial position, net position, or operating results.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Otay Water District's finances for the Board of Directors, citizens, creditors, and other interested parties. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the District's Finance Department, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978-2004.

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STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS		
Current Assets:		
Cash and Cash Equivalents (Notes 1 and 2)	$	23,168,511
Restricted Cash and Cash Equivalents (Notes 1 and 2)		47,083
Investments (Note 2)		35,888,511
Board Designated Investments (Note 2)		22,395,347
Restricted Investments (Notes 1 and 2)		4,532,725
Accounts Receivable, Net		9,987,050
Accrued Interest Receivable		97,291
Taxes and Availability Charges Receivable, Net		321,178
Restricted Taxes and Availability Charges Receivable, Net		31,848
Inventories		807,008
Prepaid Items and Other Receivables		988,882
Total Current Assets		98,265,434
Non-current Assets:		
Net OPEB Asset (Note 7)		11,472,386
Capital Assets (Note 3):		
Land		13,714,963
Construction in Progress		15,106,336
Capital Assets, Net of Depreciation		430,370,095
Total Capital Assets, Net of Depreciation		459,191,394
Total Non-current Assets		470,663,780
Total Assets		568,929,214
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Contributions to Pension Plan		3,575,595
Total Deferred Outflows of Resources	$	3,575,595

Continued

The accompanying notes are an integral part of this statements.

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STATEMENT OF NET POSITION - CONTINUED
JUNE 30, 2015

LIABILITIES		
Current Liabilities:		
Current Maturities of Long-term Debt (Note 4)	$	3,690,000
Accounts Payable		9,779,477
Accrued Payroll Liabilities		3,335,149
Other Accrued Liabilities		3,642,511
Customer and Developer Deposits		2,227,173
Accrued Interest		1,540,122
Liabilities Payable from Restricted Assets:		
Restricted Accrued Interest		65,304
Total Current Liabilities		24,279,736
Non-current Liabilities:		
Long-term Debt (Note 4):		
General Obligation Bonds		4,697,208
Certificates of Participation		43,355,103
Revenue Bonds		53,402,993
Net Pension Liability		38,723,345
Other Non-current Liabilities		656,158
Total Non-current Liabilities		140,834,807
Total Liabilities		165,114,543
DEFERRED INFLOWS OF RESOURCES		
Deferred Actuarial Pension Costs (Note 6)		4,967,940
Total Deferred Inflows of Resources		4,967,940
NET POSITION		
Net Investment in Capital Assets		354,046,090
Restricted for Debt Service		4,658,306
Unrestricted		43,717,930
Total Net Position	$	402,422,326

The accompanying notes are an integral part of this statements.

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Statement of Revenues, Expenses and Changes in Net position
For The Year Ended June 30, 2015

OPERATING REVENUES		
Water Sales	$	79,135,000
Wastewater Revenue		3,044,158
Connection and Other Fees		1,686,249
Total Operating Revenues		83,865,407
OPERATING EXPENSES		
Cost of Water Sales		54,364,884
Wastewater		1,866,711
Administrative and General		19,437,141
Depreciation		16,194,992
Total Operating Expenses		91,863,728
Operating Income (Loss)		(7,998,321)
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings		656,925
Taxes and Assessments		3,856,276
Availability Charges		685,555
Gain (Loss) on Sale of Capital Assets		30,282
Rents and Leases		1,232,920
Miscellaneous Revenues		2,490,796
Donations		(117,462)
Interest Expense		(4,545,530)
Miscellaneous Expenses		(1,324,155)
Total Non-operating Revenues (Expenses)		2,965,607
Income (Loss) Before Capital Contributions		(5,032,714)
Capital Contributions		3,081,894
Change in Net Position		(1,950,820)
Total Net Position, Beginning, As Previously Reported		444,807,820
Prior Period Adjustment		(40,434,674)
Total Net Position, Beginning, As Restated		404,373,146
Total Net Position, Ending	$	402,422,326

The accompanying notes are an integral part of this statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 84,879,648
Receipts from Connections and Other Fees	1,686,249
Other Receipts	2,490,796
Payments to Suppliers	(57,803,850)
Payments to Employees	(20,838,190)
Other Payments	(1,501,218)
Net Cash Provided By (Used For) Operating Activities	8,913,435
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Receipts from Taxes and Assessments	3,877,931
Receipts from Property Rents and Leases	1,115,458
Net Cash Provided By (Used For) Noncapital and Related Financing Activities	4,993,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Contributions	2,979,305
Proceeds from Sale of Capital Assets	30,735
Proceeds from Debt Related Taxes and Assessments	685,555
Principal Payments on Long-Term Debt	(3,495,000)
Interest Payments and Fees	(4,497,782)
Acquisition and Construction of Capital Assets	(8,632,578)
Net Cash Provided By (Used For) Capital and Related Financing Activities	(12,929,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Investments	643,313
Proceeds from Sale and Maturities of Investments	44,917,589
Purchase of Investments	(53,932,480)
Net Cash Provided By (Used For) Investing Activities	(8,371,578)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,394,519)
Cash and Cash Equivalents - Beginning	30,610,113
Cash and Cash Equivalents - Ending	$ 23,215,594

Continued

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STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

Reconciliation of Operating Income (Loss) to Net Cash Flows		
Provided By (Used For) Operating Activities:		
Operating Income (Loss)	$	(7,998,321)
Adjustments to Reconcile Operating Income to		
Net Cash Provided By (Used For) Operating Activities:		
Depreciation		16,194,992
Miscellaneous Revenues		2,490,796
Miscellaneous Expenses		(1,501,218)
(Increase) Decrease in Accounts Receivable		2,892,071
(Increase) Decrease in Inventory		(32,001)
(Increase) Decrease in Net OPEB Asset		(1,087,050)
(Increase) Decrease in Prepaid Items and Other Receivables		58,826
(Increase) Decrease in Contributions to Pension Plan		(318,984)
Increase (Decrease) in Accounts Payable		(2,126,549)
Increase (Decrease) in Accrued Payroll and Related Expenses		280,629
Increase (Decrease) in Other Accrued Liabilities		245,011
Increase (Decrease) in Customer Deposits		(191,581)
Increase (Decrease) in Prepaid Capacity Fees		6,814
Net Cash Provided By (Used For) Operating Activities	$	8,913,435
Schedule of Cash and Cash Equivalents:		
Current Assets:		
Cash and Cash Equivalents	$	23,168,511
Restricted Cash and Cash Equivalents		47,083
Total Cash and Cash Equivalents	$	23,215,594
Supplemental Disclosures		
Non-Cash Investing and Financing Activities Consisted of the Following:		
Contributed Capital for Water and Sewer System	$	102,590
Change in Fair Value of Investments and Recognized Gains/Losses		23,827
Amortization Related to Long-term Debt		78,118
Amortization Related to Pension		1,241,985

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The reporting entity Otay Water District (the "District") includes the accounts of the District and the Otay Water District Financing Authority (the "Financing Authority").

The Otay Water District (the "District") is a public entity established in 1956 pursuant to the Municipal Water District Law of 1911 (Section 711 et. Seq. of the California Water Code) for the purpose of providing water and sewer services to the properties in the District. The District is governed by a Board of Directors consisting of five directors elected by geographical divisions based on District population for a four-year alternating term.

The District formed the Financing Authority on March 3, 2010 under the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code. The Financing Authority was formed to assist the District in the financing of public capital improvements.

The financial statements present the District and its component units. The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has accounted for the Financing Authority as a "blended" component unit. Despite being legally separate, the Financing Authority is so intertwined with the District that it is in substance, part of the District's operations. Accordingly, the balances and transactions of this component unit are reported within the funds of the District. Separate financial statements are not issued for the Financing Authority.

B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic measurement focus all assets and liabilities (whether current or noncurrent) associated with these activities are included on the Statements of Net Position. The Statements of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements of the Otay Water District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the assets, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of the net investment in capital assets.

Restricted Net Position

This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component of net position consists of net position that do not meet the definition of "net investment in capital assets" or "restricted net position".

The District distinguishes operating revenues and expenses from those revenues and expenses that are nonoperating. Operating revenues are those revenues that are generated by water sales and wastewater services while operating expenses pertain directly to the furnishing of those services. Nonoperating revenues and expenses are those revenues and expenses generated that are not associated with the normal business of supplying water and wastewater treatment services.

The District recognizes revenues from water sales, wastewater revenues, and meter fees as they are earned. Taxes and assessments are recognized as revenues based upon amounts reported to the District by the County of San Diego, net of allowance for delinquencies of $39,225 at June 30, 2015.

Additionally, capacity fee contributions received which are related to specific operating expenses are offset against those expenses and included in Cost of Water Sales in the Statements of Revenues and Expenses and Changes in Net Position.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied, however it is at the Board's discretion.

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) New Accounting Pronouncements

Implemented

The GASB has issued Statements No. 68, "*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*", No. 69 "*Government Combinations and Disposals of Government Operations*", and No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*". The requirements for Statements No. 68 and No. 71 are effective for financial statements for periods beginning after June 15, 2014 and Statement No. 69 is effective for financial statements for periods beginning after December 15, 2013. Statement No. 69 is not applicable to the District at this time. Statements No. 68 and No. 71 have been implemented and are reflected on the Districts financial statements and beginning net position.

Pending Accounting Standards

GASB has issued the following statement which impact the District's financial reporting requirements in the future:

i. GASB 72 – "*Fair Value Measurement and Application*", effective for the fiscal years beginning after June 15, 2015.

ii. GASB 73 – "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*", effective for fiscal years beginning after June 15, 2015.

iii. GASB 74 – "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, effective for fiscal years beginning after June 15, 2016.

iv. GASB 75 – "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", effective for fiscal years beginning after June 15, 2017.

v. GASB 76 – "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", effective for fiscal years beginning after June 15, 2015.

D) Deferred Outflows / Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category, *deferred contributions to pension plan*, which is related to contributions subsequent to the measurement date of the pension plan.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in this category. Accordingly, the item, deferred actuarial pension cost, are deferred and recognized as an inflow of resources in the period that the amounts become available.

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Statements of Cash Flows

For purposes of the Statements of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

F) Investments

Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool. All investments are stated at their fair value, the District has not elected to report certain investments at amortized costs.

G) Inventory and Prepaids

Inventory consists primarily of materials used in the construction and maintenance of the water and sewer system and is valued at weighted average cost. Both inventory and prepaids use the consumption method whereby they are reported as an asset and expensed as they are consumed.

H) Capital Assets

Capital assets are recorded at cost, where historical records are available, and at an estimated historical cost where no historical records exist. Infrastructure assets in excess of $20,000 and other capital assets in excess of $10,000 are capitalized if they have an expected useful life of two years or more. The District will also capitalize individual purchases under the capitalization threshold if they are part of a new capital program. The cost of purchased and self-constructed additions to utility plant and major replacements of property are capitalized. Costs include materials, direct labor, transportation, and such indirect items as engineering, supervision, employee fringe benefits, overhead, and interest incurred during the construction period. Repairs, maintenance, and minor replacements of property are charged to expense. Donated assets are capitalized at their approximate fair market value on the date contributed.

The District capitalizes interest on construction projects up to the point in time that the project is substantially completed. Capitalized interest for fiscal year ending June 30, 2015 of $179,476 is included in the cost of water system assets and is depreciated on the straight-line basis over the estimated useful lives of such assets.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Water System	15-70 Years
Field Equipment	2-50 Years
Buildings	30-50 Years
Communication Equipment	2-10 Years
Transportation Equipment	2-4 Years
Office Equipment	2-10 Years
Recycled Water System	50-75 Years
Sewer System	25-50 Years

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Compensated Absences

It is the District's policy to record vested or accumulated vacation and sick leave as an expense and liability as benefits accrue to employees.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	$ 2,352,861	$ 2,700,572	$ 2,523,241	$ 2,530,192	$ 253,019

(1)Balance is reflected in Accrued Payroll Liabilities on the Statement of Net Position.

J) Classification of Liabilities

Certain current liabilities have been classified as current liabilities payable from restricted assets as they will be funded from restricted assets.

K) Allowance for Doubtful Accounts

The District charges doubtful accounts arising from water sales receivable to bad debt expense when it is probable that the accounts will be uncollectible. Uncollectible accounts are determined by the allowance method based upon prior experience and management's assessment of the collectibility of existing specific accounts. The allowance for doubtful accounts was $158,716 for 2015.

L) Property Taxes

Tax levies are limited to 1% of full market value (at time of purchase) which results in a tax rate of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

The County of San Diego (the "County") bills and collects property taxes on behalf of the District. The County's tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

M) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

2) CASH AND INVESTMENTS

The primary goals of the District's Investment Policy are to assure compliance with all Federal, State, and Local laws governing the investment of funds under the control of the organization, protect the principal of investments entrusted, and generate income under the parameters of such policies.

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Cash Equivalents	$ 23,168,511
Restricted Cash and Cash Equivalents	47,083
Investments	35,888,511
Board Designated Investments	22,395,347
Restricted Investments	4,532,725
Total Cash and Investments	$ 86,032,177

Cash and Investments consist of the following:

Cash on Hand	$ 2,950
Deposits with Financial Institutions	2,074,424
Investments	83,954,803
Total Cash and Investments	$ 86,032,177

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2) CASH AND INVESTMENTS - Continued

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's Investment Policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's Investment Policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio[1]	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	None	None
Certificates of Deposit	5 years	15%	None
Corporate Medium-Term Notes	5 years	15%	None
Commercial Paper	270 days	15%	10%
Money Market Mutual Funds	N/A	15%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

[1] Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's Investment Policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk is by purchasing investments with shorter durations than what is allowable under the District investment policy and by timing cash flows from maturities, so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations are provided by the following tables that show the distribution of the District's investments by maturity as of June 30, 2015.

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2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk - Continued

Investment Type		Remaining Maturity (in Months) 12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Government Sponsored Entities	$ 62,730,204	$ 3,000,390	$ 28,006,120	$ 31,723,694	$ -
Local Agency Investment Fund (LAIF)	7,593,516	7,593,516	-	-	-
San Diego County Pool	13,584,000	13,584,000	-	-	-
Money Market Funds	47,083	47,083	-	-	-
Total	$ 83,954,803	$ 24,224,989	$ 28,006,120	$ 31,723,694	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's Investment Policy, or debt agreements, and the Moody's ratings as of June 30, 2015.

Investment Type		Minimum Legal Rating	Rating as of Year End AAA	AA	A-1	Not Rated
U.S. Government Sponsored Entities	$ 62,730,204	N/A	$ 62,730,204	$ -	$ -	$ -
Local Agency Investment Fund (LAIF)	7,593,516	N/A	-	-	-	7,593,516
San Diego County Pool	13,584,000	N/A	-	-	-	13,584,000
Money Market Funds	47,083	N/A	-	-	47,083	-
Total	$ 83,954,803		$ 62,730,204	$ -	$ 47,083	$ 21,177,516

Concentration of Credit Risk

The investment policy of the District contains various limitations on the amounts that can be invested in any one type or group of investments and in any issuer, beyond that stipulated by the California Government Code, Sections 53600 through 53692. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments as of June 30, 2015 are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	U.S. Government Sponsored Entities	$ 13,989,160
Federal Home Loan Mortgage Corp	U.S. Government Sponsored Entities	$ 22,006,280
Federal National Mortgage Association	U.S. Government Sponsored Entities	$ 8,003,200
Federal Farm Credit Banks	U.S. Government Sponsored Entities	$ 18,731,564

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2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, $1,569,955 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Local Agency Investment Fund (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost-basis.

San Diego County Pooled Fund

The San Diego County Pooled Investment Fund (SDCPIF) is pooled investment fund program governed by the County of San Diego Board of Supervisors, and administered by the County of San Diego Treasurers and Tax Collector. Investments in SDCPIF are highly liquid as deposits and withdrawals can be made at anytime without penalty.

The County of San Diego's bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of San Diego Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of San Diego Auditor-Controller's Office - 1600 Pacific Coast Highway, San Diego California 92101.

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2) CASH AND INVESTMENTS - Continued

Restricted Cash and Cash Equivalents

Debt Service:	
Water Revenue Bond Series 2010A	$ 12,816
Water Revenue Bond Series 2010B	34,267
Total	$ 47,083

Board Designated Investments

Investments are Board restricted for the cost of the following District projects:

New Water Supply	$ 287,697
Replacement	22,107,650
Total	$ 22,395,347

Restricted Investments

Debt Service:	
General Obligation Bond ID No. 27-2009	$ 793,131
Water Revenue Bond Series 2010A	1,031,267
Water Revenue Bond Series 2010B	2,708,327
Total	$ 4,532,725

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3) CAPITAL ASSETS

The following is a summary of changes in Capital Assets for the year ended June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated				
Land	$ 13,714,963	$ -	$ -	$ 13,714,963
Construction in Progress	11,642,506	9,829,453	(6,365,623)	15,106,336
Total Capital Assets Not Depreciated	25,357,469	9,829,453	(6,365,623)	28,821,299
Capital Assets, Being Depreciated				
Infrastructure	617,348,375	4,032,123	(296,458)	621,084,040
Field Equipment	8,812,693	16,188	(108,693)	8,720,188
Buildings	18,928,879	63,773	-	18,992,652
Transportation Equipment	3,308,602	205,180	(115,412)	3,398,370
Communication Equipment	2,880,141	216,927	-	3,097,068
Office Equipment	17,513,193	755,189	(44,938)	18,223,444
Total Capital Assets Being Depreciated	668,791,883	5,289,380	(565,501)	673,515,762
Less Accumulated Depreciation:				
Infrastructure	193,225,204	13,624,785	(278,683)	206,571,306
Field Equipment	7,495,508	182,754	(108,694)	7,569,568
Buildings	8,336,568	504,880	-	8,841,448
Transportation Equipment	2,299,848	259,162	(115,412)	2,443,598
Communication Equipment	1,746,613	473,344	-	2,219,957
Office Equipment	14,394,208	1,150,067	(44,485)	15,499,790
Total Accumulated Depreciation	227,497,949	16,194,992	(547,274)	243,145,667
Total Capital Assets Being Depreciated, Net	441,293,934	(10,905,612)	(18,227)	430,370,095
Total Capital Assets, Net	$ 466,651,403	$ (1,076,159)	$ (6,383,850)	$ 459,191,394

Depreciation expense for the year ended June 30, 2015 was $16,194,992.

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4) LONG-TERM DEBT

Long-term liabilities for the year ended June 30, 2015 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Improvement District No. 27 - 2009	$ 5,700,000	$ -	$ 550,000	$ 5,150,000	$ 570,000
Unamortized Bond Premium	133,563	-	16,355	117,208	-
Net General Obligation Bonds	5,833,563	-	566,355	5,267,208	570,000
Certificates of Participation:					
1996 Certificates of Participation	9,900,000	-	500,000	9,400,000	600,000
2007 Certificates of Participation	36,790,000	-	995,000	35,795,000	1,035,000
1996 COPS Unamortized Discount	(9,687)	-	(745)	(8,942)	-
2007 COPS Unamortized Discount	(204,999)	-	(9,044)	(195,955)	-
Net Certificates of Participation	46,475,314	-	1,485,211	44,990,103	1,635,000
Revenue Bonds:					
2010 Water Revenue Bonds Series A	11,435,000	-	845,000	10,590,000	870,000
2010 Water Revenue Bonds Series B	36,355,000	-	-	36,355,000	-
2013 Water Revenue Refunding Bonds	7,075,000	-	605,000	6,470,000	615,000
2010 Series A Unamortized Premium	762,617	-	74,402	688,215	-
2013 Bonds Unamortized Premium	880,873	-	96,095	784,778	-
Net Revenue Bonds	56,508,490	-	1,620,497	54,887,993	1,485,000
Total Long-Term Liabilities	$ 108,817,367	$ -	$ 3,672,063	$ 105,145,304	$ 3,690,000

General Obligation Bonds

In June 1998, the District issued $11,835,000 of General Obligation Refunding Bonds. The proceeds of this issue, together with other lawfully available monies, were to be used to establish an irrevocable escrow to advance refund and defease in their entirety the District's previous outstanding General Obligation Bond issue. In November 2009, the District issued $7,780,000 of General Obligation Refunding Bonds Improvement District No. 27-2009 to refund the 1998 issue. The proceeds from the bond issue were $7,989,884, which included an original issue premium of $209,884. An amount of $7,824,647, which consisted of unpaid principal and accrued interest, was deposited into an escrow fund. Pursuant to an optional redemption clause in the 1998 bonds, the District was able to redeem the 1998 bonds, without premium at any time after September 1, 2009. On December 15, 2009 the 1998 bonds were refunded.

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4) LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

These bonds are general obligations of Improvement District No. 27 (ID 27) of the District. The Board of Directors has the power and is obligated to levy annual ad valorem taxes without limitation, as to rate or amount for payment of the bonds and the interest upon all property which is within ID 27 and subject to taxation. The General Obligation Bonds are payable from District-wide tax revenues. The Board may utilize other sources for servicing the bond debt and interest.

The Improvement District No. 27-2009 General Obligation Refunding Bonds have interest rates from 3.00% to 4.00% with maturities through Fiscal Year 2023.

Future debt service requirements for the bonds are as follows:

For the Year Ended June 30,	Principal	Interest
2016	$ 570,000	$ 187,362
2017	585,000	169,306
2018	605,000	147,700
2019	635,000	122,900
2020	650,000	97,200
2021-2025	2,105,000	127,900
	$ 5,150,000	$ 852,368

Certificates of Participation (COPS)

In June 1996, COPS with face value of $15,400,000 were sold by the Otay Service Corporation to finance the cost of design, acquisition, and construction of certain capital improvements. An installment purchase agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principal and interest associated with the COPS. The installment payments are to be paid from taxes and net revenues, as described in the installment agreement. The certificates bear interest at a variable weekly rate not to exceed 12%. The variable interest rate is tied to the 30-day LIBOR index and the Securities Industry and Financial Markets Association (SIFMA) index. An irrevocable letter of credit facility is necessary to market the District's variable rate debt. This facility is with Union Bank and covers the outstanding principal and interest. The facility expires on June 29, 2017. The interest rate at June 30, 2014 was 0.15%. The installment payments are to be paid annually at $350,000 to $900,000 from September 1, 1996 through September 1, 2026.

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4) LONG-TERM DEBT - Continued

Certificates of Participation (COPS) - Continued

In March 2007, Revenue Certificates of Participation (COPS) with face value of $42,000,000 were sold by the Otay Service Corporation to improve the District's water storage system and distribution facilities. An installment purchase agreement between the District, as a Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principal and interest associated with the COPS. The installment payments are to be paid from taxes and net revenues, as described in the installment agreement. The certificates are due in annual installments of $785,000 to $2,445,000 from September 1, 2007 through September 1, 2036; bearing interest at 3.7% to 4.47%.

There is no aggregate reserve requirement for the COPS. Future debt service requirements for the certificates are as follows:

For the Year	1996 COPS		2007 COPS	
Ended June 30,	Principal	Interest[1]	Principal	Interest
2016	$ 600,000	$ 4,450	$ 1,035,000	$ 1,479,239
2017	600,000	4,150	1,075,000	1,439,408
2018	600,000	3,850	1,115,000	1,397,798
2019	700,000	3,508	1,155,000	1,354,234
2020	700,000	3,158	1,200,000	1,308,456
2021-2025	4,100,000	9,942	6,785,000	5,762,360
2026-2030	2,100,000	725	8,335,000	4,192,867
2031-2035	-	-	10,310,000	2,208,437
2036-2037	-	-	4,785,000	211,641
	$ 9,400,000	$ 29,783	$ 35,795,000	$ 19,354,440

[1]Variable Rate - Interest reflected at June 30, 2015 at a rate of 0.05%.

The two COP debt issues contain various covenants and restrictions, principally that the District fix, prescribe, revise and collect rates, fees and charges for the Water System which will at lease sufficient to yield, during each fiscal year, taxes and net revenues equal to one hundred twenty-five percent (125%) of the debt service for such fiscal year. The District was in compliance with these rate covenants for the fiscal year ended June 30, 2015.

Water Revenue Bonds

In April 2010, Water Revenue Bonds with a face value of $50,195,000 were sold by the Otay Water District Financing Authority to provide funds for the construction of water storage and transmission facilities. The bond issue consisted of two series; Water Revenue Bonds, Series 2010A (Non-AMT Tax Exempt) with a face value of $13,840,000 plus a $1,078,824 original issue premium, and Water Revenue Bonds Series 2010B (Taxable Build America Bonds) with a face value of $36,255,000. The Series 2010A bonds are due in annual installments of $785,000 to $1,295,000 from September 1, 2012 through September 1, 2025; bearing interest at 2% to 5.25%. The Series 2010B bonds are due in annual installments of

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4) LONG-TERM DEBT - Continued

Water Revenue Bonds - Continued

$1,365,000 to $3,505,000 from September 1, 2026 through September 1, 2040; bearing interest at 6.377% to 6.577%. Interest on both Series is payable on September 1, 2010 and semiannually thereafter on March 1st and September 1st of each year until maturity or earlier redemption. The installment payments are to be made from Taxes and Net Revenues of the Water System as described in the installment purchase agreement, on parity with the payments required to be made by the District for the 1996, and 2007 Certificates of Participation described above and the 2013 Water Revenue Refunding Bonds described below.

The proceeds of the bonds will be used to fund the project described above as well as to fund reserve funds of $1,030,688 (Series 2010A) and $2,707,418 (Series 2010B). $542,666 was used to fund various costs of issuance.

The original issue premium is being amortized over the 14 year life of the Series 2010A bonds. Amortization for the year ending June 30, 2015 was $74,402 and is included in interest expense. The unamortized premium at June 30, 2015 is $688,215.

The 2010 Water Revenue Bonds contains various covenants and restrictions, principally that the District fix, prescribe, revise and collection rates, fees and charges for the Water System which will at lease sufficient to yield, during each fiscal year, taxes and net revenues equal to one hundred twenty-five percent (125%) of the debt service for such fiscal year. The District was in compliance with these rate covenants for the fiscal year ended June 30, 2015.

In June 2013, the 2013 Water Revenue Refunding Bonds were issued to defease the 2004 Refunding Certificates of Participation. The bonds were issued with a face value of $7,735,000 plus a $984,975 original issue premium. The bonds are due in annual installments of $660,000 to $835,000 from September 1, 2013 through September 1, 2023; bearing interest at 1% to 4%. The installment payments are to be made from Taxes and Net Revenues of the Water System, on parity with the payments required to be made by the District for the 1996, and 2007 Certificates of Participation and the 2010A and 2010B described above.

The original issue premium is being amortized over the 11 year life of the Series 2013 bonds. Amortization for the year ending June 30, 2015 was $96,095 and is included in interest expense. The unamortized premium at June 30, 2015 is $784,778.

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4) LONG-TERM DEBT - Continued

Water Revenue Bonds - Continued

The total amount outstanding at June 30, 2015 and aggregate maturities of the revenue bonds for the fiscal years subsequent to June 30, 2015, are as follows:

For the Year Ended June 30,	2010 Water Revenue Bond Series A		2010 Water Revenue Bond Series B		2013 Water Revenue Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 870,000	$ 478,488	$ -	$ 2,371,868	$ 615,000	$ 243,425
2017	900,000	443,088	-	2,371,868	635,000	221,500
2018	940,000	406,287	-	2,371,868	660,000	195,600
2019	975,000	367,987	-	2,371,868	685,000	168,700
2020	1,015,000	323,112	-	2,371,868	715,000	140,700
2021-2025	5,890,000	779,569	-	11,859,342	3,160,000	258,800
2026-2030	-	-	7,745,000	10,685,177	-	-
2031-2035	-	-	10,570,000	7,756,703	-	-
2036-2040	-	-	14,535,000	3,664,212	-	-
2041-2042	-	-	3,505,000	115,262	-	-
	$ 10,590,000	$ 2,798,531	$ 36,355,000	$ 45,940,036	$ 6,470,000	$ 1,228,725

Revenues Pledged

The District has pledged a portion of future water sales revenues to repay its Water Revenue Bonds and Certificates of Participation. Total principal and interest remaining on the water revenue bonds and certificates of participation is $167,961,515 payable through fiscal year 2042. For the current year, principal and interest paid by the water sales revenues were $2,945,000 and $4,634,937, respectively.

5) NET POSITION

Designations of Net Position

In addition to the restricted net position, a portion of unrestricted net position, have been designated by the Board of Directors for the following purposes as of June 30, 2015:

Designated Betterment	$ 5,072,063
Expansion Reserve	4,486,171
Replacement Reserve	23,822,678
Designated New Supply Fund	758,956
Employee Benefits Reserve	31,445
Total	$ 34,171,313

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6) DEFINED BENEFIT PENSION PLAN

A) General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's Plan, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.7% at 55	2% at 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8%	6.25%
Required Employer Contribution Rates	20.869% - 25.435%	25.435% - 29.152%

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	161
Inactive Employees Entitled to But Not Yet Receiving Benefits	142
Active Employees	137
Total	440

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6) DEFINED BENEFIT PENSION PLAN - Continued

A) General Information about the Pension Plans - Continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B) Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using the annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2%[(1)]
Investment Rate of Return	7.5%[(2)]

[(1)] Depending on age, service and type of employment
[(2)] Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

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6) DEFINED BENEFIT PENSION PLAN - Continued

B) Net Pension Liability - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrator expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above the rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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6) DEFINED BENEFIT PENSION PLAN - Continued

B) Net Pension Liability - Continued

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

C) Changes in the Net Position Liability

The changes in the Net Position Liability for the Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Beginning Balance	$ 106,716,218	$ 63,144,370	$ 43,571,848
Changes in the Year:			
Service Cost	2,330,709		2,330,709
Interest on the Total Pension Liability	7,907,915		7,907,915
Changes in Benefit Terms		0	0
Differences Between Actual and Expected Experience	0		0
Changes in Assumptions	0		0
Contribution - Employer		3,137,174	(3,137,174)
Contribution - Employee		1,074,954	(1,074,954)
Net Investment Income		10,874,999	(10,874,999)
Benefit Payments, Including Refunds of Employee Contributions	(4,885,406)	(4,885,406)	0
Net Changes	5,353,218	10,201,721	(4,848,503)
Ending Balance	$ 112,069,436	$ 73,346,091	$ 38,723,345

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6) DEFINED BENEFIT PENSION PLAN - Continued

C) Changes in the Net Position Liability - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District for the Plan, calculated using the discount rate for the Plan, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.50%
Net Pension Liability	$	53,440,281
Current Discount Rate		7.50%
Net Pension Liability	$	38,723,345
1% Increase		8.50%
Net Pension Liability	$	26,496,138

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the District recognized pension expense of $3,256,611. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,575,595	$
Differences between actual and expected experience		
Changes in assumptions		
Net differences between projected and actual earnings on pension plan investments		(4,967,940)
Total	$ 3,575,595	$ (4,967,940)

$3,575,595 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

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6) DEFINED BENEFIT PENSION PLAN - Continued

D) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Year Ended June 30		
2016	$	(1,241,985)
2017		(1,241,985)
2018		(1,241,985)
2019		(1,241,985)
2020		
Thereafter		

E) Payable to the Pension Plan

At June 30, 2015, the District reported a payable of $167,970 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

7) OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District's defined benefit postemployment healthcare plan, (DPHP), provides medical benefits to eligible retired District employees and beneficiaries. DPHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Prior to the plan agreements signed in 2011, the eligibility in the plan was broken into 3 tiers, employees hired before January 1, 1981, employees hired on or after January 1, 1981 but before July 1, 1993 and employees hired on or after July 1, 1993. Board members elected before January 1, 1995 are also eligible for the plan. Eligibility also includes age and years of service requirements which vary by tier. Benefits include 100% medical and dental premiums for life for the retiree for Tier I, II or III employees, and up to 100% spouse premium until death of retiree or age 65 whichever is greater and dependent premium up to age 19 depending on the tier. The plan also includes survivor benefits to Medicare.

Subsequent to the agreements in 2011 and 2012 all employees are eligible for the plan after 20 years of consecutive service and unrepresented employees hired before January 1, 2013 are eligible after 15 years. Survivor benefits are covered beyond Medicare.

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7) OTHER POST EMPLOYMENT BENEFITS - Continued

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. Effective January 1, 2013, represented employees hired prior to January 1, 2013 or hired on or after January 1, 2013 from another public agency that has reciprocity without having a break in service of more than six months, contribute .75% of covered salaries. In addition, unrepresented and represented employees hired on or after January 1, 2013, and do not have reciprocity from another public agency, contribute 1.75% and 2.5% of covered salaries, respectively. DPHP members receiving benefits contribute based on their selected plan options of EPO, HMO or PPO and whether they are outside the State of California. Contributions by plan members range from $0 to $165 per month for coverage to age 65, and from $0 to $170 per month, respectively, thereafter.

Annual OPEB Cost and Net OPEB Obligation/Asset

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal annual cost. Any unfunded actuarial liability (or funding excess) is amortized over a period not to exceed thirty years. The current ARC rate is 11.4% of the annual covered payroll.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation/asset for the year ended June 30, 2015:

Annual Required Contribution (ARC)	$	1,413,000
Interest on Net OPEB Asset		(752,937)
Adjustment to Annual Required Contribution (ARC)		713,000
Annual OPEB Cost (Expense)		1,373,063
Contributions Made		2,460,113
Increase in Net OPEB Asset		(1,087,050)
Net OPEB Asset - Beginning of Year		(10,385,336)
Net OPEB Asset - End of Year	$	(11,472,386)

For 2015, in addition to the ARC, the District contributed cash benefit payments outside the trust (healthcare premium payments for retirees to Special District Risk Management Authority (SDRMA) in the amount of $929,113, which is included in the $2,460,113 of contributions shown above.

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7) OTHER POST EMPLOYMENT BENEFITS - Continued

Annual OPEB Cost and Net OPEB Obligation/Asset - Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation/asset for the fiscal years 2015, 2014 and 2013 were as follows:

THREE-YEAR TREND INFORMATION FOR CERBT

Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/15	$ 1,373,063	179%	$ (11,472,386)
6/30/14	$ 1,386,456	175%	$ (10,385,336)
6/30/13	$ 1,226,662	183%	$ (9,345,437)

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	$ 22,891,000
Actuarial Value of Plan Assets	$ 11,831,000
Unfunded Actuarial Accrued Liability (UAAL)	$ 11,060,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	51.68%
Covered Payroll (Active Plan Members)	$ 11,969,000
UAAL as a Percentage of Covered Payroll	92.41%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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7) OTHER POST EMPLOYMENT BENEFITS - Continued

The following is a summary of the actuarial assumptions and methods:

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	23-Year Fixed (Closed) Period as of the Valuation Date
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.25% (Net of Administrative Expenses)
Projected Salary Increase	3.25%
Inflation	3.00%
Individual Salary Growth	CalPERS 1997-2007 Experience Study
Healthcare Cost Trend Rate	Medical: 10% per annum graded down in approximately one-half percent increments to an ultimate rate of 5%. Dental: 4% per annum.

8) WATER CONSERVATION AUTHORITY

In 1999 the District formed the Water Conservation Garden Authority (the "Authority"), a Joint Powers Authority, with other local entities to construct, maintain and operate a xeriscape demonstration garden in the furtherance of water conservation. The authority is a non-profit public charity organization and is exempt from income taxes. During the year ended June 30, 2015, the District contributed $117,462 for the development, construction and operation costs of the xeriscape demonstration garden.

A summary of the Authority's June 30, 2014 audited financial statement is as follows (latest report available):

Assets	$	1,467,333
Liabilities		0
Net Assets	$	1,467,333
Revenues, Gains and Other Support	$	520,000
Expenses		604,707
Changes in Net Assets	$	(84,707)

9) COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District had committed to capital projects under construction with an estimated cost to complete of $12,724,286 at June 30, 2015.

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9) COMMITMENTS AND CONTINGENCIES - Continued

Litigation

Certain claims, suits and complaints arising in the ordinary course of operation have been filed or are pending against the District. In the opinion of the staff and counsel, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involved such amounts, as would not have significant effect on the financial position or results of operations of the District if disposed of unfavorably.

Refundable Terminal Storage Fees

The District has entered into an agreement with several developers whereby the developers prepaid the terminal storage fee in order to provide the District with the funds necessary to build additional storage capacity. The agreement further allows the developers to relinquish all or a portion of such water storage capacity. If the District grants to another property owner the relinquished storage capacity, the District shall refund to the applicable developer $746 per equivalent dwelling unit (EDU). There were 17,867 EDUs that were subject to this agreement. At June 30, 2015, 1,750 EDUs had been relinquished and refunded, 15,076 EDUs had been connected, and 1,041 EDUs have neither been relinquished nor connected.

Developer Agreements

The District has entered into various Developer Agreements with developers towards the expansion of District facilities. The developers agree to make certain improvements and after the completion of the projects the District agrees to reimburse such improvements with a maximum reimbursement amount for each developer. Contractually, the District does not incur a liability for the work until the work is accepted by the District. As of June 30, 2015, none of the outstanding developer agreements had been accepted, however it is anticipated that the District will be liable for an amount not to exceed $221,320 at the point of acceptance. Accordingly, the District has accrued a liability as of year end.

10) RISK MANAGEMENT

General Liability

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. Beginning in July 2003, the District began participation in an insurance pool through the Special District Risk Management Authority (SDRMA). SDRMA is a not-for-profit public agency formed under California Government Code Sections 6500 et. Seq. SDRMA is governed by a board composed of members from participating agencies. The mission of SDRMA is to provide renewable, efficiently priced risk financing and risk management services through a financially sound pool. The District pays an annual premium for commercial insurance covering general liability, excess liability, property, automobile, public employee dishonesty, and various other claims. Accordingly, the District retains no risk of loss. Separate financial statements of SDRMA may be obtained at Special District Risk Management Authority, 1112 “I” Street, Suite 300, Sacramento, CA 95814.

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10) RISK MANAGEMENT - Continued

General Liability - Continued

General and Auto Liability, Public Officials' Errors and Omissions and Employment Practices Liability: Total risk financing limits of $10 million combined single limit at $10 million per occurrence, subject to the following deductibles:

- $500 per occurrence for third party general liability property damage;
- $1,000 per occurrence for third party auto liability property damage;
- 50% co-insurance of cost expended by SDRMA, in excess of $10,000 up to $50,000, per occurrence, as respects any employment practices claim or suit arising in whole or any part out of any action involving discipline, demotion, reassignment or termination of any employee of the member.

Employee Dishonesty Coverage: Total of $400,000 per loss includes Public Employee Dishonesty, Forgery or Alteration and Theft, Disappearance and Destruction coverage's effective July 1, 2014. Coverage was increased by $600,000 during the fiscal year for a total of $1,000,000 as of June 30, 2015.

Property Loss: Replacement cost, for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of $1 billion per occurrence, subject to a $1,000 deductible per occurrence, effective July 1, 2014.

Boiler and Machinery: Replacement cost up to $100 million per occurrence, subject to a $1,000 deductible, effective July 1, 2014.

Public Officials Personal Liability: $500,000 each occurrence, with an annual aggregate of $500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage's, deductible of $500 per claim, effective July 1, 2014.

Comprehensive and Collision: On selected vehicles, with deductibles of $250/$500 or $500/$1,000, as elected; ACV limits; fully self-funded by SDRMA; Policy No. LCA - SDRMA – 2014-15, effective July 1, 2014.

Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and $5.0 million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage, effective July 1, 2014.

Health Insurance

Beginning in January 2008, the District began providing health insurance through SDRMA covering all of its employees, retirees, and other dependents. SDRMA is a pooled medical program, administered in conjunction with the California State Association of Counties (CSAC).

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10) RISK MANAGEMENT - Continued

Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

11) INTEREST EXPENSE

Interest expense for the years ended June 30, 2015 is as follows:

Amount Expensed	$ 4,545,530
Amount Capitalized as a Cost of Construction Projects	179,476
Total Interest	$ 4,725,006

12) SEGMENT INFORMATION

During the June 30, 2011 fiscal year, the District issued Revenue Bonds to finance certain capital improvements. While water and wastewater services are accounted for jointly in these financial statements, the investors in the Revenue Bonds rely solely on the revenues of the water services for repayment.

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12) SEGMENT INFORMATION - Continued

Summary financial information for the water services is presented for June 30, 2015:

Condensed Statement of Net Position
June 30, 2015

	Water Services
ASSETS	
Current Assets	$ 98,230,595
Capital Assets	441,407,136
Other Assets	11,472,386
Total Assets	551,110,117
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Contributions to Pension Plans	3,411,118
Total Deferred Outflows of Resources	3,411,118
LIABILITIES	
Current Liabilities	23,872,564
Long-term Liabilities	139,053,533
Total Liabilities	163,926,097
DEFERRED INFLOWS OF RESOURCES	
Deferred Actuarial Pension Costs	4,739,415
Total Deferred Inflows of Resources	4,739,415
NET POSITION	
Net Investment in Capital Assets	336,261,832
Restricted for Debt Service	4,658,306
Unrestricted	45,935,585
Total Net Position	$ 386,855,723

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12) SEGMENT INFORMATION - Continued

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	Water Services
Operating Revenues	
Water Sales	$ 79,135,000
Connection and Other Fees	1,679,503
Total Operating Revenues	80,814,503
Operating Expenses	
Cost of Water Sales	54,324,307
Administrative and General	19,520,170
Depreciation	15,144,486
Total Operating Expenses	88,988,963
Operating Income (Loss)	(8,174,460)
Nonoperating Revenues (Expenses)	
Investment Earnings	583,225
Taxes and Assessments	3,855,839
Availability Charges	641,002
Gain (Loss) on Sale of Capital Assets	30,282
Rents and Leases	1,232,920
Miscellaneous Revenues	2,490,796
Donations	(117,462)
Interest Expense	(4,545,530)
Miscellaneous Expenses	(1,312,480)
Total Nonoperating Revenues (Expenses)	2,858,592
Income (Loss) Before Capital Contributions	(5,315,868)
Capital Contributions	2,394,280
Change in Net Position	(2,921,588)
Total Net Position, Beginning, As Previously Stated	428,351,990
Prior Period Adjustment	(38,574,679)
Total Net Position, Beginning, As Restated	389,777,311
Total Net Position, Ending	$ 386,855,723

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12) SEGMENT INFORMATION - Continued

Condensed Statement of Cash Flows
For the Year Ended June 30, 2015

	Water Services
Net Cash Provided/(Used) by:	
Operating Activities	$ 7,808,220
Non-capital and Related Financing Activities	5,110,851
Capital and Related Financing Activities	(11,878,822)
Investing Activities	(8,434,768)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,394,519)
Cash and Cash Equivalents, Beginning	30,610,113
Cash and Cash Equivalents, Ending	$ 23,215,594

13) PRIOR PERIOD ADJUSTMENT

The prior period adjustment of $40,434,674 relates to the implementation of GASB Statements 68 and 71 for defined benefit pension plans. According to GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB 68 Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, which was implemented by the District in the 2015 fiscal year, recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to defined benefit pension plans.

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REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

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Schedule of Funding Progress for DPHP

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
6/30/13						
Miscellaneous	$ 11,831,000	$ 22,891,000	$ 11,060,000	51.68%	$ 11,969,000	92.41%
6/30/11						
Miscellaneous	$ 7,893,000	$ 18,289,000	$ 10,396,000	43.16%	$ 12,429,000	83.64%
6/30/09						
Miscellaneous	$ 6,273,000	$ 10,070,000	$ 3,797,000	62.29%	$ 11,878,000	31.97%

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SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30, 2015

Measurement Period		2013-14[1]
TOTAL PENSION LIABILITY		
Service Cost	$	2,330,709
Interest		7,907,915
Changes of Benefit Terms		0
Difference Between Expected and Actual Experience		0
Changes of Assumptions		0
Benefit Payments, Including Refunds of Employee Contributions		(4,885,406)
Net Change in Total Pension Liability		5,353,218
Total Pension Liability - Beginning		106,716,218
Total Pension Liability – Ending (a)	$	112,069,436
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$	3,137,174
Contributions - Employee		1,074,954
Net Investment Income[2]		10,874,999
Benefit Payments, Including Refunds of Employee Contributions		(4,885,406)
Other Changes in Fiduciary Net Position		0
Net Change in Fiduciary Net Position		10,201,721
Plan Fiduciary Net Position - Beginning		63,144,370
Plan Fiduciary Net Position – Ending (b)	$	73,346,091
Plan Net Pension Liability/(Asset) – Ending (a) – (b)	$	38,723,345
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		65.45%
Covered-Employee Payroll	$	12,276,578
Plan Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll		315.42%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable

[2] Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have results from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

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SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2015

Schedule of Plan Contributions[1]

		Fiscal Year 2013-14
Actuarially Determined Contribution[2]	$	3,137,174
Contributions in Relation to the Actuarially Determined Contribution[2]		(3,137,174)
Contribution Deficiency (Excess)	$	0
Covered-Employee Payroll[3,4]	$	12,276,578
Contributions as a Percentage of Covered-Employee Payroll[3]		25.55%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions toward their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year $11,919,008 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details see June 30, 2011 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Otay Water District
Spring Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Otay Water District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____ __, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

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contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Riverside, California
_____ __, 2015

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_____ __ 2015

Board of Directors
Otay Water District
Spring Valley, CA

We have audited the financial statements of the business-type activities of the Otay Water District (the "District") for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 6 to the financial statements, the District changed accounting policies related to Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, in the 2015 fiscal year. Accordingly, the cumulative effect of the accounting changes as of the beginning of the year are reported in the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the business-type activities' financial statements were:

> Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the capital assets depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of net other postemployment benefits (OPEB) obligation is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the net OPEB obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimation of defined benefit pension obligation is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the defined benefit pension obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 3 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of other postemployment benefits and the net OPEB obligation in Note 7 to the financial statements represents management's estimate based on an actuarial valuation. Actual results could differ depending on these key factors and assumptions used for the actuarial valuation.

The disclosure of defined benefit pension plan in Note 6 to the financial statements represents management's estimate based on an actuarial valuation. Actual results could differ depending on these key factors and assumptions used for the actuarial valuation.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as of a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____ __, 2015.

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Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management and discussion and analysis, and the required supplementary information section, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mr. Joseph Beachem
Chief Financial Officer
Otay Water District
Spring Valley, CA

We have performed the procedures enumerated below, which were agreed to by the Otay Water District (the "District"), solely to assist the District's senior management in evaluating the investments of the District as of and for the fiscal year ended June 30, 2015. The District's management is responsible for evaluating the investments of the District. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtain a copy of the District's investment policy and determine that it is in effect for the fiscal year ended June 30, 2015.

   Finding: At June 30, 2015, the current investment policy (Policy #27) is dated August 10, 2011 and was amended on May 7, 2014. This policy was reviewed and approved for the 2014-2015 fiscal year under Resolution No. 4233 at the May 7, 2014 regular board meeting. Therefore the investment policy is in effect for the time period under review.

2. Select 4 investments held at year end and determine if they are allowable investments under the District's Investment Policy.

   Finding: We selected the following investments: FHLMC - Maturity 7/29/2016, FHLMC - Maturity 6/16/2017, FHLB - Maturity 5/11/2018, and FFCB - Maturity 3/27/2017. All four investments are allowable and within maturity limits as stated in the District's investment policy at June 30, 2015.

3. For the four investments selected in #2 above, determine if they are held by a third party custodian designated by the District.

   Finding: The four investments examined are held by a third party custodian, Union Bank of California, designated by the District in compliance with the District's investment policy. Per discussion with the District's management and evidenced by Union Bank of California's statement, Union Bank does not act as a broker dealer for the District but acts as a custodial agent of the District holding the investments in a trust capacity.

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4. Confirm the par or original investment amount and market value for the four investments selected above with the custodian or issuer of the investments.

   Finding: No exceptions were noted as a result of our procedures.

5. Select two investment earnings transactions that took place during the year and recompute the earnings to determine if the proper amount was received.

   Finding: Selected the following investment earnings transactions: interest earned on FNMA Note on March 6, 2015 and interest earned on FHLMC Bond on September 19, 2014. No exceptions were noted as a result of our procedures.

6. Trace amounts received for transactions selected at #5 above into the District's bank accounts.

   Finding: No exceptions were noted as a result of our procedures.

7. Select five investment transactions (buy, sell, trade or maturity) occurring during the year under review and determine that the transactions are permissible under the District's investment policy.

   Finding: We selected the following investment transactions: FAMC Note purchased on January 8, 2015, FFCB Bond purchased on November 25, 2014, FHLB Bond sold on August 26, 2014, FHLB Bond purchased on March 30, 2015, and FHLMC Note purchased on December 12, 2014. Those transactions were permissible under the District's investment policy. No exceptions were noted as a result of our procedures.

8. Review the supporting documents for the five investments selected at #7 above to determine if the transactions were appropriately recorded into the District's general ledger.

   Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the investments of the District for the fiscal year ending June 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is limited solely for the information and use of the Board of Directors and senior management of the Otay Water District and is not limited to be and should not be used by anyone other than these specified parties.

Riverside, California
_____ __, 2015

DRAFT COPY – 10/12/2015
PRELIMINARY & TENTATIVE
for DISCUSSION PURPOSES ONLY

AGENDA ITEM 8a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015		
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist Bob Kennedy Engineering Manager	CIP./G.F. NO:	P2451-001102	DIV. NO.	ALL
APPROVED BY:	☒ Rod Posada, Chief, Engineering ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager				
SUBJECT:	Amendment No. 4 to the Contract with AECOM Technical Services, Inc. for the Otay Mesa Desalination Conveyance and Disinfection System Project				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve Amendment No. 4 to the existing contract with AECOM Technical Services, Inc. (AECOM) for design of the Otay Mesa Desalination Conveyance and Disinfection System Project, increasing the contract by $22,425, resulting in a higher contract amount with AECOM of an amount not-to-exceed $3,800,863 (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Amendment No. 4 with AECOM (see Exhibit B) for the Otay Mesa Desalination Conveyance and Disinfection System Project (Project), increasing the contract by $22,425, resulting in a

higher contract amount with AECOM of an amount not-to-exceed $3,800,863.

ANALYSIS:

At the November 3, 2010 Board Meeting, AECOM was awarded a professional engineering services contract for the Otay Mesa Desalination Conveyance and Disinfection System Project. The contract amount approved by the Board was for an amount not-to-exceed $3,910,297, to be completed by the end of Fiscal Year 2016. The District restricted AECOM's work to miscellaneous studies until January 24, 2013, when AECOM was authorized to initiate work on the preliminary design of a large diameter pipeline 3.5 miles long, a pump station, and a disinfection facility, along with the environmental surveys and studies for CEQA/NEPA compliance.

At the April 8, 2014 Board Meeting, Amendment No. 1 was approved by the Board increasing the contract amount by $136,409 for additional environmental surveys and project management. The new contract amount, after approval of the amendment, was $4,046,706 and the completion date of the Project was extended to June 30, 2018.

At the October 1, 2014 Board Meeting, Amendment No. 2 was approved by the Board to decrease the contract by $364,774 to eliminate construction services from AECOM's contract and to remove any suggestion of AECOM's financial interest in the construction of the Project by the firm that is completing the environmental work. This reduced the AECOM contract amount to $3,681,932.

At the May 6, 2015 Board Meeting, Amendment No. 3 was approved by the Board increasing the contract amount by $96,506 for additional project management and environmental work due to project modifications and U.S. Department of State (DOS) coordination. The new contract amount, after approval of the amendment, was $3,778,438.

The Project continues to make steady progress towards the completion of its environmental document (EIR/EIS). The draft EIR/EIS is complete and has gone through one (1) review cycle with the DOS. Two (2) additional review cycles must be completed, one for legal review and then one final review before the document can be released for its 45 day public review period. The review cycles have extended the time needed to finalize the document and, therefore, additional project

management budget is necessary for the consulting team to bring the EIR/EIS document through to certification, which is anticipated to occur in April, 2016.

The $22,425 budget increase, as detailed in the letter from AECOM, Exhibit C, consists solely of budget for project management. The budget remaining in the environmental task will be sufficient to carry the EIR/EIS document through to certification. Staff will bring another update during the April/May 2016 timeframe with further recommendations.

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

The total budget for CIP P2451, as approved in the FY 2016 budget, is $30,000,000. Expenditures to date are $3,703,144. Total expenditures, plus outstanding commitments, including this Amendment, are $6,330,192. See Attachment B for budget detail.

Although $6,330,192 has been committed as of September 30, 2015, $3,703,144 has been actually spent. Staff has stopped all activities concerning this project, except the completion of the EIR/EIS and Presidential Permit activities. It is anticipated that an additional $280,000 will be spent through the Presidential Permit process completion, expected in mid-2016.

Based on a review of the financial budget, the Project Manager anticipates that the budget for CIP P2451 is sufficient to support this Project.

The Finance Department has determined that, under the current rate model, 40% of the funding will be available from the Expansion Fund and 60% of the funding will be available from the Betterment Fund.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

LCB/BK/RP:jf
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Attachments: Attachment A – Committee Action
Attachment B – Budget Detail
Exhibit A – Location Map
Exhibit B – Contract Amendment No. 4
Exhibit C – Letter from AECOM, October 2, 2015

ATTACHMENT A

SUBJECT/PROJECT: P2451-001102	Amendment No. 4 to the Contract with AECOM Technical Services, Inc. for the Otay Mesa Desalination Conveyance and Disinfection System Project

COMMITTEE ACTION:

The Desalination Project Committee reviewed this item at a meeting held on October 19, 2015 and the following comments were made:

- AECOM was awarded a professional engineering services contract for the Otay Mesa Desalination Conveyance and Disinfection System Project in Nov 2010 in an amount not to exceed $3,910,297.

- In January 2013, AECOM was authorized to begin work on preliminary design and the environmental process for the project. Since that time there have been three amendments to the contract:

  - April 2014: An increase of $136,409 for additional environmental survey work and project management.
  - October 2014: A decrease of $364,774 for the removal of construction support services by AECOM to eliminate any potential conflict of interest as required by the Department of State (DOS).
  - May 6, 2015: An increase of $96,506 for project management and additional environmental work.

- The draft EIR/EIS is complete and has gone through one review cycle with the DOS. Two additional review cycles must be completed, a legal review and a final review before the document can be released for its 45-day public review period.

- The review cycles have extended the time needed to finalize the document and therefore, additional project management budget is necessary for the consulting team to bring the EIR/EIS document through to certification, which is anticipated to occur in April 2016. The $22,425 budget increase, as detailed in the letter from AECOM (Exhibit C), is solely for project management. The budget remaining in the environmental task will be sufficient to carry the EIR/EIS

document through to certification. Staff will bring another update during the March/April 2016 timeframe with further recommendations.

- Although the budget detail indicates that $6,330,192 has been committed as of September 30, 2015, the amount that has actually been spent is $3,703,144.

- Staff has discontinued any activity on this project, except for the completion of the EIR/EIS and Presidential Permit. It is anticipated that an additional $280,000 will be spent on the Presidential Permit process through completion which is expected in mid-2016.

- Staff is requesting that the committee recommend to the Board approval of amendment number four (4) to the District's contract with AECOM Technical Services, increasing the contract amount by $22,425, resulting in a new contract amount of $3,800,863.

- In response to an inquiry from the committee, staff indicated that the draft EIR is complete and it is going through the review process with the DOS and the District has just completed incorporating their first round of comments. The EIR will go back to the DOS for a legal review, but this review will not change the substance of the document, but may change how some areas of the document is worded. Staff will respond to the DOS comments regarding their legal review, then the EIR will go to the public for a 45-day review period. Staff will then respond to any comments received from the public.

- The committee inquired if there was any change in the scope of work for this contract. Staff indicated that there is no change in the scope of work. It was noted that AECOM has worked on this project for five (5) years and it was not anticipated that the project would be open for this length of time. Staff is requesting funding for project management only. The environmental scope of work is the same as the original contract with the exception of amendments one (1) and two (2) as noted above. The original duration of the contract was for two (2) years, but because the Rosarito Desalination Project has been delayed for a long period, the District has lost some efficiency on the project management portion of the contract.

- Staff indicated that all costs related to the environmental portion are included in the contract and should be completed as of June 2016. However, if the EIR is delayed or does not

get approved, staff will come back to the board for additional funding for project management only.

- In response to another inquiry from the committee, staff indicated that the District and AECOM would respond to any comments received from the public. Staff noted that the project that the public can comment on is a linear pipeline from the Border with Mexico to the District's Roll Reservoir. Any comments related to the impact to the ocean by the Rosarito Desalination Plant is addressed in the Rosarito Desalination Plant's environmental document. Such comments would be outside the scope of the District's project, thus, the District's response would be *comment noted and no response is required*.

- Staff indicated that the project does not include a reservoir, but the District may need to build a pump station depending on the water delivery pressure from the Rosarito Desalination Plant and possibly the water may need some treatment which will require treatment facilities.

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

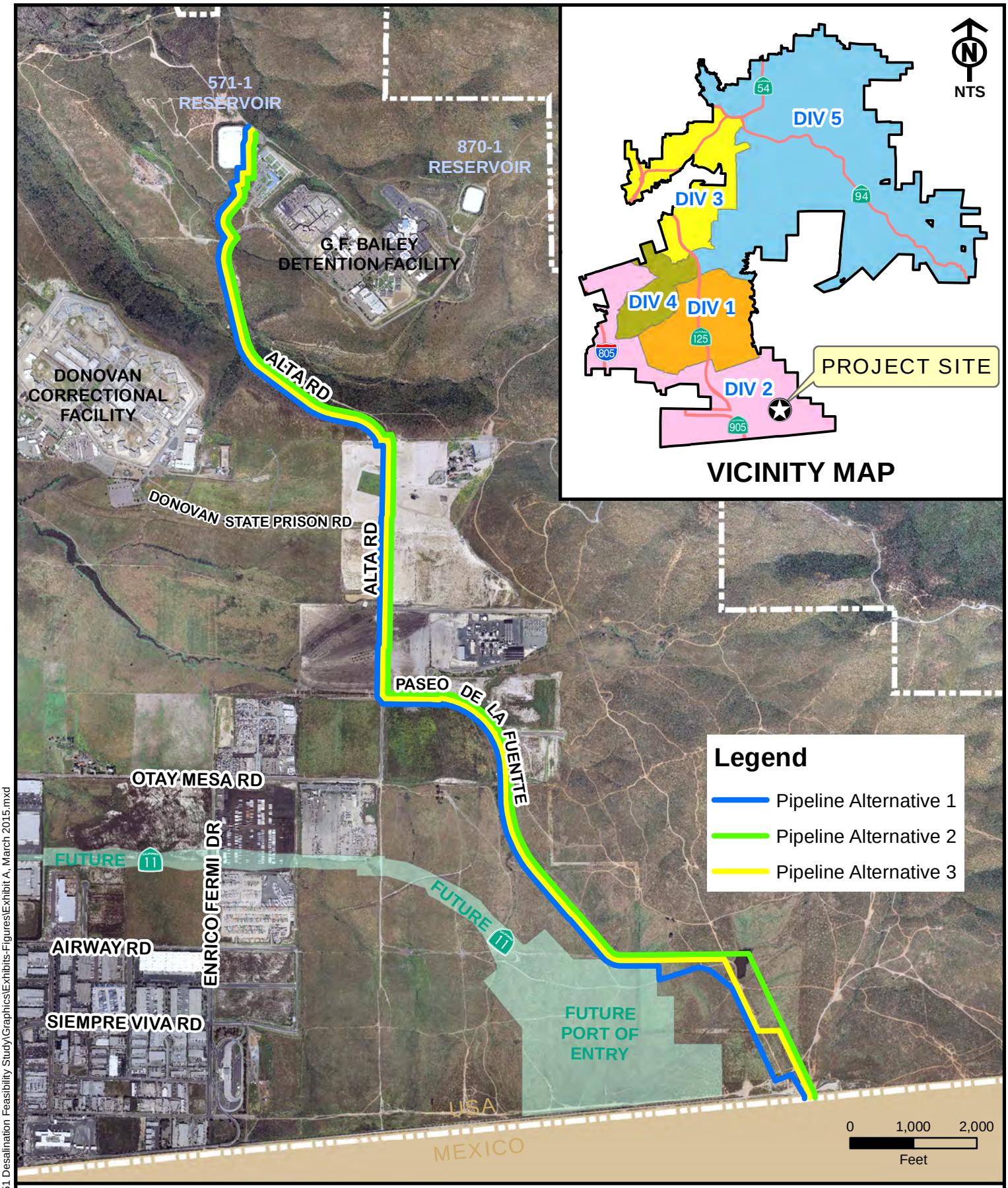
ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: P2451-001102	Amendment No. 4 to the Contract with AECOM Technical Services, Inc. for the Otay Mesa Desalination Conveyance and Disinfection System Project

Otay Water District — Date Updated: 9/30/2015

p2451-Otay Mesa Desalination Conveyance and Di

Budget 30,000,000	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
Planning					
Consultant Contracts	98,577	98,577	-	98,577	CAMP DRESSER & MCKEE INC
	13,311	13,311	-	13,311	CPM PARTNERS INC
	380,200	380,200	-	380,200	HECTOR I MARES-COSSIO
	71,531	71,531	-	71,531	MARSTON+MARSTON INC
	26,700	26,700	-	26,700	REA & PARKER RESEARCH
	4,173	4,173	-	4,173	SALVADOR LOPEZ-CORDOVA
	267,066	212,355	54,711	267,066	SILVA SILVA INTERNATIONAL
Meals, Travel, Incidentals	21,846	21,846	-	21,846	STAFF
Printing	61	61	-	61	MAIL MANAGEMENT GROUP INC
Professional Legal Fees	162,041	162,041	-	162,041	GARCIA CALDERON & RUIZ LLP
	43,175	43,175	-	43,175	SOLORZANO CARVAJAL GONZALEZ Y
	26,155	8,660	17,495	26,155	BROWNSTEIN HYATT FARBER
	32,612	32,612	-	32,612	STUTZ ARTIANO SHINOFF
Service Contracts	500	500	-	500	REBECA SOTURA NICKERSON (Interpretor)
	875	875	-	875	LEONARD VILLARREAL
	32,463	32,463	-	32,463	(W)RIGHT ON COMMUNICATIONS INC
	39,500	39,500	-	39,500	BUSTAMANTE & ASSOCIATES LLC
	290	290	-	290	SAN DIEGO DAILY TRANSCRIPT
	685	685	-	685	SAN DIEGO UNION-TRIBUNE, THE
Standard Salaries	1,079,902	1,079,902	-	1,079,902	
Total Planning	2,301,663	2,229,456	72,206	2,301,662	
Design					
Consultant Contracts	5,109	5,109	-	5,109	MARSTON+MARSTON INC
	30,270	30,270	-	30,270	MICHAEL R WELCH PHD PE
	8,818	8,818	-	8,818	CPM PARTNERS INC
	5,000	5,000	-	5,000	ATKINS
	3,778,438	1,246,021	2,532,417	3,778,438	AECOM TECHNICAL SERVICES INC
	22,425		22,425	22,425	AECOM TECHNICAL SERVICES INC AMENDMENT NO. 4
	3,952	3,952	-	3,952	AIRX UTILITY SURVEYORS INC
Professional Legal Fees	7,761	7,761	-	7,761	STUTZ ARTIANO SHINOFF
Meals, Travel, Incidentals	3,216	3,216	-	3,216	STAFF
Service Contracts	343	343	-	343	SAN DIEGO UNION-TRIBUNE LLC
	114	114	-	114	REPROHAUS CORP
Standard Salaries	162,754	162,754	-	162,754	
Total Design	4,028,200	1,473,358	2,554,842	4,028,200	
Construction					
Standard Salaries	329	329	-	329	
Total Construction	329	329	-	329	
Grand Total	**6,330,192**	**3,703,144**	**2,627,048**	**6,330,192**	



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OTAY WATER DISTRICT

OTAY MESA DESALINATION CONVEYANCE
AND DISINFECTION SYSTEM PROJECT

CIP P2451

EXHIBIT A

EXHIBIT B

FOURTH AMENDMENT TO AGREEMENT
BETWEEN OTAY WATER DISTRICT AND
AECOM TECHNICAL SERVICES, INC. RELATIVE TO
THE PROFESSIONAL ENGINEERING SERVICES FOR
THE OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM

This Fourth Amendment ("Amendment") to the original Agreement for Professional Engineering Services is made and entered into as of the _____ day of _____, 2015, by and between the OTAY WATER DISTRICT ("District"), and AECOM TECHNICAL SERVICES, INC. ("Consultant").

R E C I T A L S

A. District and Consultant entered into that certain Professional Services Agreement dated January 3, 2011 (the "Original Agreement"), under which Consultant agreed to provide the services therein described in connection with the District's Otay Mesa Conveyance and Disinfection System (the "Services"). The Original Agreement was amended on June 16, 2014 (the "Amended Original Agreement"), on October 21, 2014 (the "Second Amended Original Agreement") and on May 21, 2015 (the "Third Amended Original Agreement").

B. The Third Amended Original Agreement is due to expire on June 30, 2018 and the Services are 33% complete.

C. District and Consultant desire to enter into this Agreement to amend certain specific terms and conditions of the Amended Original Agreement as indicated below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, the parties agree as follows:

1. Exhibit A to the Amended Original Agreement, setting forth the Services to be provided by Consultant, is hereby amended and supplemented by the attached Exhibit A, Revised and Supplemented Scope of Work, attached to this Fourth Amendment and incorporated herein by reference. This revision increases Task 1, Project Management by an amount not to exceed Twenty Two Thousand Four Hundred Twenty Five Dollars ($22,425).

2. The parties agree that the aggregate amount paid by the District to the Consultant for the Professional Engineering Design Services rendered by Consultant in excess of the original Agreement shall be increased by an amount not to exceed Twenty Two Thousand Four Hundred Twenty Five Dollars ($22,425). Therefore, the total compensation paid by the District for Services described in the amended original contract and this fourth amendment shall not exceed Three Million Eight Hundred Thousand Eight Hundred Sixty Three Dollars ($3,800,863).

3. The parties agree that all terms and conditions of the Amended Original Agreement not modified or amended by this Fourth Amendment, including without limitation all indemnity and insurance requirements, are and shall remain in full force and effect.

4. This Fourth Amendment is subject to the venue, choice of law and interpretation provisions of the Original Agreement.

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to be executed as of the day and year first above written.

OTAY WATER DISTRICT By: _____ Mark Watton Its: General Manager Date: _____	CONSULTANT: AECOM TECHNICAL SERVICES, INC. By: _____ Name: _____ Its: _____ Date: _____

Approved as to form: By: _____ General Counsel	Approved as to form: By: _____ Its: _____

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Exhibit A

REVISED & SUPPLEMENTED SCOPE OF WORK				
Task No.	**Description**	**Fee**	**Previous Fee**	**Difference**
1	Project Management and Administration	$215,219.00	$192,794.00	$22,425.00
*	Tasks 2-22	$3,585,644.00	$3,585,644.00	
	Total	$3,800,863.00	**Total**	$22,425.00

*Tasks 2-22 are not modified or amended by the Fourth Amendment. The Consultant's fees for these tasks are provided by reference.

EXHIBIT C

AECOM
401 West A Street
Suite 1200
San Diego, CA 92101
www.aecom.com

619 610 7600 tel
619 610 7601 fax

October 2, 2015

Rod Posada, Bob Kennedy, and Lisa Coburn-Boyd
Chief of Engineering, Engineering Manager, and Environmental Compliance Specialist
2554 Sweetwater Springs Road
Spring Valley, CA 91978-2004

Otay Mesa Conveyance and Disinfection System Project CIP P2451
Scope of Work Augmentation: Amendment to Agreement No. 4

Dear Otay Water District:

We appreciate your consideration to process a Scope of Work augmentation to allow the AECOM team to continue our efforts and support the Otay Mesa Conveyance and Disinfection System Project (Project). This fourth Amendment to Agreement acknowleges the increased level of effort as a result of the extended schedule, and specifically covers additional project management and administration effort through April 30, 2016.

The Project's original schedule anticipated the preliminary design reports (PDRs) and Environmental Impact Report/Environmental Impact Statement (EIR/EIS) would be completed in 2011. It is currently anticipated that the draft EIR/EIS will be complete by December 31, 2015. It is also anticipated that the Final EIR/EIS will be complete by March 31, 2016, pending any extenuating circumstances outside of our or the District's control.

Amendment No. 4 includes augmentation to one (1) Scope of Work task as follows:

Task 1 – Project Management and Administration

Project Management and Administration will continue through April 30, 2016 and will consist of services provided by both DLM Engineering and AECOM, and includes time to provide general support for the Project and the District as the work progresses. It also includes the estimated level of effort for scheduling, progress reporting and status updates, and project controls through that period. Continuation of Project Management and Administration through Amendment No. 4 is limited to $22,425.

AECOM

Budget Request Associated with this Scope of Work Augmentation

Task Number and Description	Current Authorized Budget	Amended Budget	Revised Authorized Budget
Task 1 – Project Management (Continuation)	$145,244	+$22,425[1]	$167,669
Total Project Budget Including All Current Authorized Tasks	**$1,869,880**	**$22,425**	**$1,892,305**

Amendment No. 4 Budget Breakdown:

[1] – Task 1 *Project Management and Administration* requires an additional $22,425 and the amount consists of the following:

- $11,700 for DLM Engineering for November 2015 thru April 2016; limited to 60 hours.
- $10,725 for AECOM for November 2015 thru April 2016; limited to 2.5 hours per week.

As described above, this Amendment request does increase the current authorized budget for Task 1 *Project Management and Administration*, as well as the total project budget due to Scope of Work augmentations.

Thank you for your consideration. Please let us know if you have any questions or comments and look forward to continuing support of the District and this Project.

Sincerely,

Don MacFarlane, PE
Project Manager

Jason Caprio, PE
AECOM Project Manager

Alberto Vela
Vice President

AGENDA ITEM 8b

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Stephen Beppler Senior Civil Engineer Bob Kennedy Engineering Manager	PROJECT NO:	P2551-001102 P2552-001102 DIV. NO. 3
APPROVED BY:	☒ Rod Posada, Chief, Engineering ☒ German Alvarez, Assistant General Manager ☒ Mark Watton, General Manager		
SUBJECT:	Approval of Two (2) Agreements between Otay Water District and Helix Water District for the Blossom Lane and Ivy Street Metered Emergency Interconnections		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (Otay) Board of Directors (Board) authorize the General Manager to execute two (2) Agreements for metered emergency interconnections between Otay and the Helix Water District (Helix) at Blossom Lane and at Ivy Street. The design of the metered emergency interconnections has been completed by Helix and are scheduled to be constructed by early 2016 (see Exhibits A and B, respectively, for Project locations).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute two (2) Agreements between Otay and Helix, one for the Blossom Lane metered emergency interconnection and a second for the Ivy Street (referred to as South Barcelona Street in the CIP 2552 title) metered emergency interconnection.

ANALYSIS:

For many years, Otay and Helix have mutually benefited from various interconnections between the two water districts for emergencies. These interconnections have provided increased reliability and flexibility during power outages and other disruptions in service.

To-date, Otay has thirty-one (31) emergency interconnections with various water purveyors, including Cal-Am, Sweetwater Authority, City of San Diego, and Helix. Eight (8) of these interconnections are between Otay and Helix, as summarized in the table below.

Inter-connection with Helix		Date Installed	Metered/Not Metered, Flow Direction	Agreement Status
1	Blossom Lane	2016	New metered, to/from Otay	Agreement attached
2	Grand Avenue	unknown	Not metered, from Otay	no agreement
3	Ivy Street at S. Barcelona Street	2016	New metered, to/from Otay	Agreement attached
4	Sir Francis Drake Drive/ Explorer Road	2010	Metered, to Otay	Executed 2008, amended in 2013
5	Canta Lomas/Vista Grande	2001	Metered, to/from Otay	Executed 2013
6	Sweetwater Springs Boulevard/ Loma Lane	2006	Metered, to/from Otay	Executed 2005, amended in 2013
7	Gillispie Drive	2011	Metered, to/from Otay	Combined agreement executed 2012, amended in 2013
8	Del Rio Road	2011	Metered, to/from Otay	

The emergency interconnection Agreements for Blossom Lane and Ivy Street are based upon the existing agreements already in place for the five metered interconnections listed in the table above. The Agreements have been reviewed by Otay and Helix staff and corresponding General Counsels. The Agreements do not have expiration dates, which saves staff time tracking expiration dates and renewing agreements and also to preventing the oversight of an expired agreement.

The proposed interconnections are located on Blossom Lane in Lemon Grove and on Ivy Street near South Barcelona Street in Spring Valley. The Projects consist of installing a vault, 8-inch bi-directional meter, blow-offs, new telemetry, and new SCADA equipment at each location. The interconnections will benefit both Helix and Otay by allowing water to be transferred interchangeably between each system in the event of an emergency situation. In previous outages and emergencies, similar interconnections have proven to provide increased reliability and flexibility.

Since the interconnections will benefit both Districts, the Agreements state that Helix and Otay will share equally the cost for design, construction, operation, and maintenance of the facilities. Helix is the lead agency for the planning, design and construction of these interconnections, with Otay reimbursing Helix.

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

The total budget for CIP P2551, as approved in the FY 2016 budget, is $200,000.00. Total expenditures, plus outstanding commitments and forecast, are $180,000. See Attachment B-1 for budget detail.

The total budget for CIP P2552, as approved in the FY 2016 budget, is $200,000.00. Total expenditures, plus outstanding commitments and forecast, are $180,000. See Attachment B-2 for budget detail.

The District will reimburse Helix for design and construction services at 50% of the total costs incurred, as indicated in the interconnection Agreements.

Based on a review of the financial two (2) budgets for CIPs P2551 and P2552, the Project Manager anticipates that each budget is sufficient to support the Project.

The Finance Department has determined that, under the current rate model, 100% of the funding will be available from the Betterment Fund for both CIPs P2551 and P2552.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

SB/BK:mlc
P:\WORKING\CIP P2551 (Blossom Ln) & P2552 (S. Barcelona St.) Helix WD and Otay WD Interconnections\Staff Reports\BD 11-04-15, Staff Report, Helix-Otay Interconnections Agreements, (SB-BK).docx

Attachments: Attachment A – Committee Action
Attachment B-1 – Budget Detail for CIP P2551
Attachment B-2 – Budget Detail for CIP P2552
Attachment C – CIP P2551 Blossom Lane Agreement for Emergency Interconnection
Attachment D – CIP P2552 Ivy Street Agreement for Emergency Interconnection
Exhibit A – Location Map for CIP P2551
Exhibit B – Location Map for CIP P2552

ATTACHMENT A

SUBJECT/PROJECT: P2551-001102 P2552-001102	Approval of Two (2) Agreements between Otay Water District and Helix Water District for the Blossom Lane and Ivy Street Metered Emergency Interconnections

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on October 20, 2015, and the following comments were made:

- Staff recommended that the Board) authorize the General Manager to execute two (2) Agreements for metered emergency interconnections between Otay and the Helix Water District (Helix) at Blossom Lane and at Ivy Street. It was indicated that the design of the metered emergency interconnections has been completed by Helix and are scheduled to be constructed by early 2016.

- Staff stated that Otay and Helix have mutually benefited from the eight (8) interconnections between the two water districts for emergencies. These interconnections have provided increased reliability and flexibility during power outages and other disruptions in service. Staff indicated that five (5) of the existing interconnections are already metered, with the latest interconnections completed in 2011.

- It was noted that the emergency interconnection Agreements for Blossom Lane and Ivy Street are based upon the existing agreements already in place for the five metered interconnections. The Agreements have been reviewed by Otay and Helix staff and corresponding General Counsels. Staff stated that the Agreements do not have expiration dates, which saves staff time tracking expiration dates and renewing agreements and also to preventing the oversight of an expired agreement.

- The Projects consist of installing a vault, 8-inch bi-directional meter, blow-offs, new telemetry, and new SCADA equipment at each location. New connections to the water systems and abandonment of the old interconnections are involved.

- Staff highlighted that the interconnections will benefit both Helix and Otay by allowing water to be transferred interchangeably between each system in the event of an emergency situation. Helix and Otay will share equally the cost for design, construction, operation, and maintenance of the facilities. Helix is the lead agency for the planning, design and construction of these interconnections, with Otay reimbursing Helix.

- Staff discussed that each CIP has a budget of $200,000, with expenditures projected to be $180,000 per project. The design of the interconnections is complete and bids were received in September 2015. Staff anticipates that construction is scheduled to be completed in early 2016.

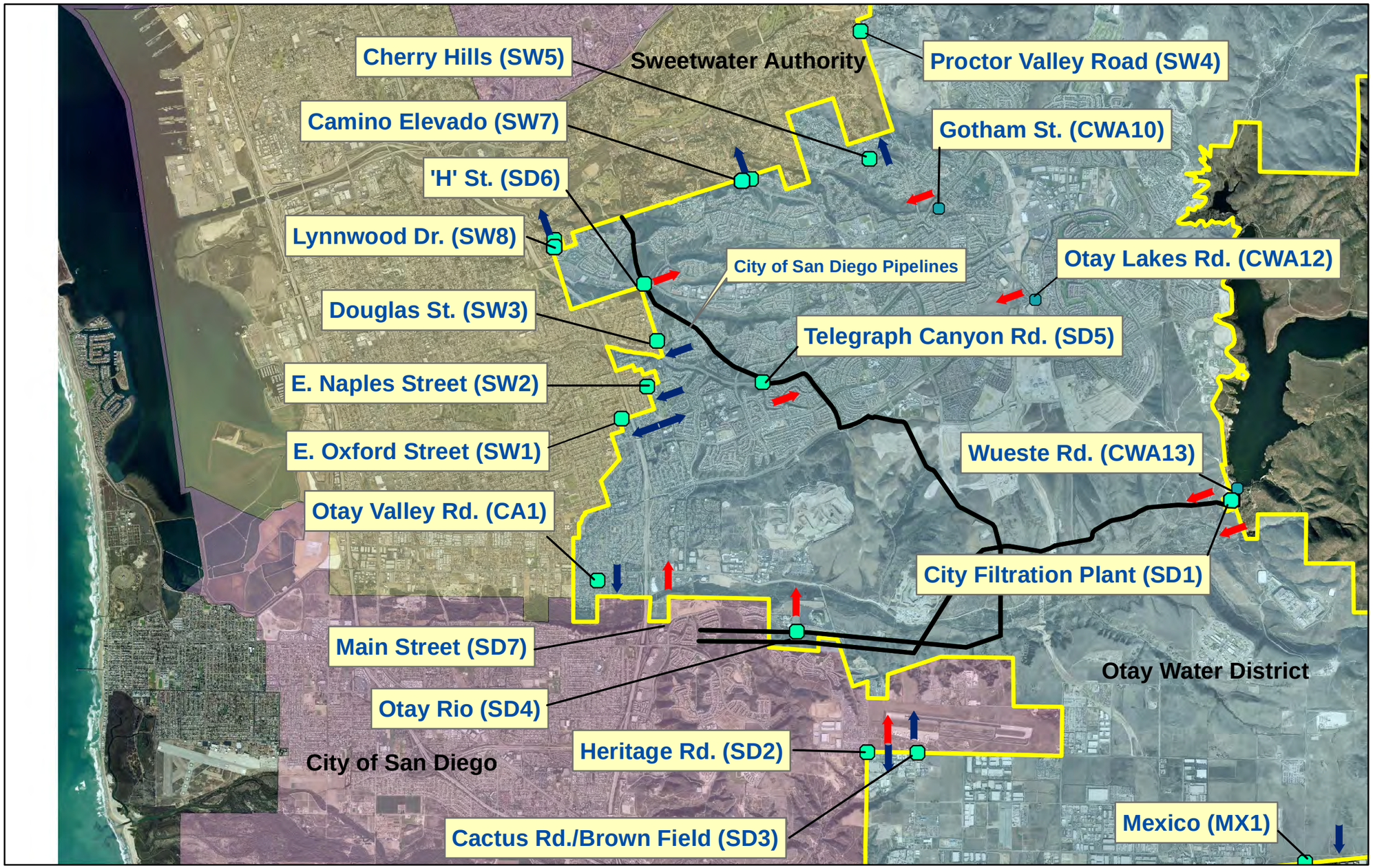
- In response to a question from the Committee, staff stated that they do not foresee any negative impacts with this project.

- The Committee commented that from a cost-risk standpoint, they believe that these interconnections are inexpensive and are a great solution in the event of any water outages.

- The Committee recommended that staff provide maps that shows current and proposed interconnections with the District.

Following the discussion, the committee recommended presentation to the full board as an action item.

Interconnections-OWD South



Inter-Agency Connections

Legend

- SDCWA Connection Location
- Interconnection Location
- City of San Diego Pipelines
- OWD Boundary
- OTAY WATER DISTRICT
- CITY OF SAN DIEGO
- HELIX WATER DISTRICT
- PADRE DAM MUNI WATER DIST
- SWEETWATER AUTHORITY

(CWA#) County Water Authority Interconnection

(SW#) Sweetwater Authority Interconnection

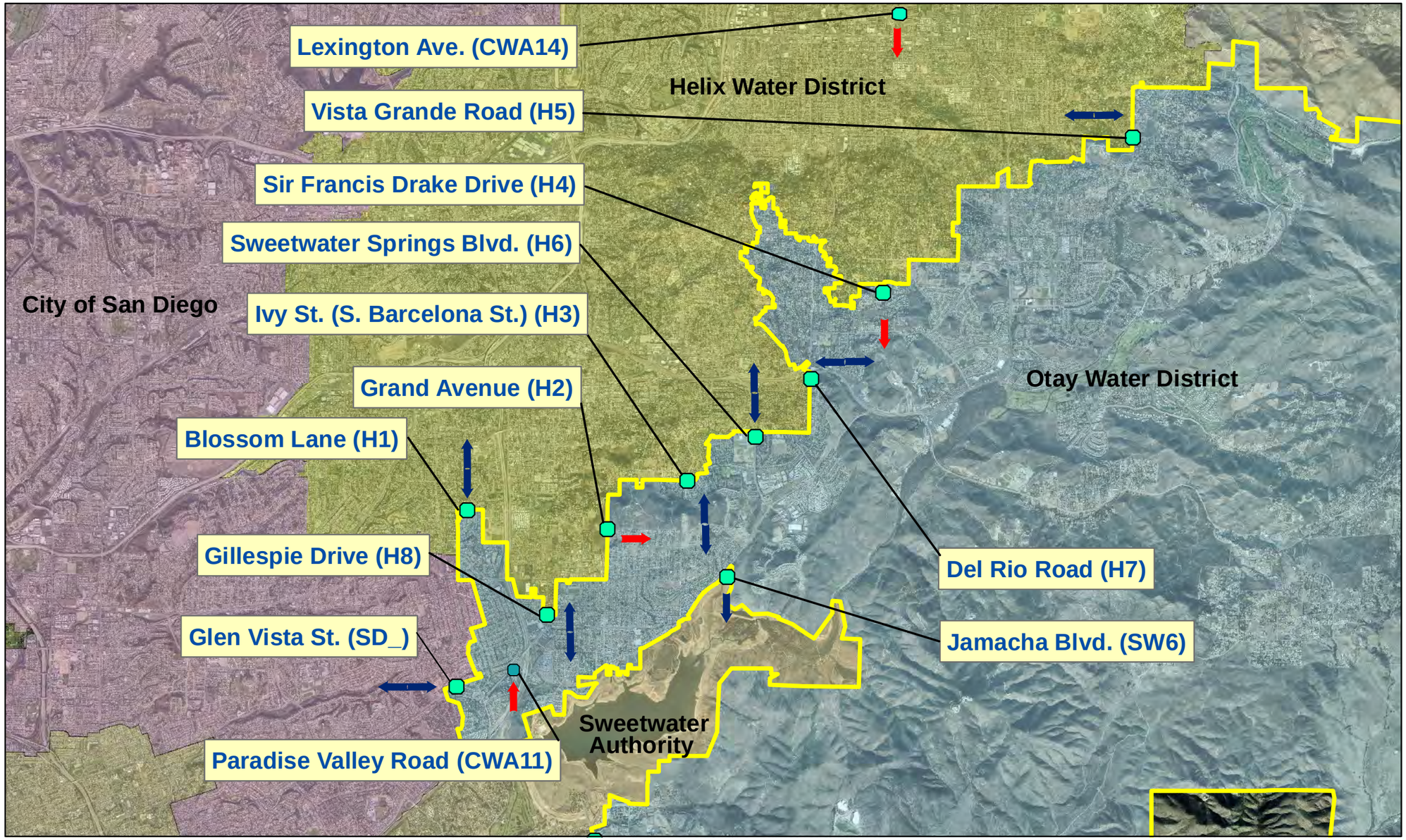
(SD#) City of San Diego Interconnection

(CA#) CalAmericanInterconnection

(MX#) Mexico Interconnection

- Service to OWD & participating Agency w/Portable Pumping Equipment
- Service to OWD Only
- Service to OWD & participating Agency
- Service to Participating Agency Only

Interconnections-OWD North



N

Inter-Agency Connections

Legend

- SDCWA Connection Location
- Interconnection Location
- City of San Diego Pipelines
- OWD Boundary
- OTAY WATER DISTRICT
- CITY OF SAN DIEGO
- HELIX WATER DISTRICT
- PADRE DAM MUNI WATER DIST
- SWEETWATER AUTHORITY

(CWA#) County Water Authority Interconnection

(SW#) Sweetwater Authority Interconnection

(H#) Helix Water Authority Interconnection

- Service to OWD & participating Agency w/Portable Pumping Equipment
- Service to OWD Only
- Service to OWD & participating Agency
- Service to Participating Agency Only

ATTACHMENT B-1

SUBJECT/PROJECT: P2551-001102 P2552-001102	Approval of Two (2) Agreements between Otay Water District and Helix Water District for the Blossom Lane and Ivy Street Metered Emergency Interconnections

Project Budget Detail
P2551 - Blossom Lane Helix WD and Otay WD Interconnection

Level	Title1	Committed	Expenditures	Outstanding Commitment	Projected Final Cost	Vendor
Budget	Budget Cost Type	$0.00	$0.00	$0.00	$0.00	
	Total	$0.00	$0.00	$0.00	$0.00	
Design	Reimbursement to Helix	$25,000.00	$0.00	$25,000.00	$25,000.00	Helix Water District
	Standard Salaries	$11,000.00	$9,673.02	$1,326.98	$11,000.00	
	Total	$36,000.00	$9,673.02	$26,326.98	$36,000.00	
Construction	Reimbursement to Helix	$130,000.00	$0.00	$130,000.00	$130,000.00	Helix Water District
	Standard Salaries	$14,000.00	$155.86	$13,844.14	$14,000.00	
	Total	$144,000.00	$155.86	$143,844.14	$144,000.00	
Budget	$200,000.00					
Total		$180,000.00	$9,828.88	$170,171.12	$180,000.00	

ATTACHMENT B-2

SUBJECT/PROJECT: P2551-001102 P2552-001102	Approval of Two (2) Agreements between Otay Water District and Helix Water District for the Blossom Lane and Ivy Street Metered Emergency Interconnections

Project Budget Detail
P2552 - S. Barcelona (Ivy St) Helix WD and Otay WD Interconnection

Level	Title1	Committed	Expenditures	Outstanding Commitment	Projected Final Cost	Vendor
Budget	Budget Cost Type	$0.00	$0.00	$0.00	$0.00	
	Total	$0.00	$0.00	$0.00	$0.00	
Planning	Standard Salaries	$114.28	$114.28	$0.00	$114.28	
	Total	$114.28	$114.28	$0.00	$114.28	
Design	Reimbursement to Helix	$25,000.00	$0.00	$25,000.00	$25,000.00	Helix Water District
	Standard Salaries	$10,885.72	$9,386.50	$1,499.22	$10,885.72	
	Total	$35,885.72	$9,386.50	$26,499.22	$35,885.72	
Construction	Reimbursement to Helix	$130,000.00	$0.00	$130,000.00	$130,000.00	Helix Water District
	Standard Salaries	$14,000.00	$155.86	$13,844.14	$14,000.00	
	Total	$144,000.00	$155.86	$143,844.14	$144,000.00	
Budget	$200,000.00					
Total		$180,000.00	$9,656.64	$170,343.36	$180,000.00	

ATTACHMENT C

OWD CIP P2551 / HELIX WO 4407
BLOSSOM LANE INTERCONNECTION

AGREEMENT FOR EMERGENCY INTERCONNECTION
BETWEEN OTAY WATER DISTRICT
AND
HELIX WATER DISTRICT

This Agreement is made and entered into as of _____ , 2015 by and between Otay Water District, a Municipal Water District organized and existing pursuant to Water Code Section 71000 *et seq*, (hereinafter referred to as "Otay") and Helix Water District, an Irrigation District organized and existing under the Irrigation District Law of the State of California, Water Code Section 20500 *et seq*, (hereinafter referred to as "Helix"). Otay and Helix are collectively referred to herein as the "Parties."

RECITALS

A. Otay and Helix are member agencies of the San Diego County Water Authority (hereinafter referred to as the "Authority"), and are retail water purveyors that receive water from the Authority.

B. The Authority is the regional wholesale water purveyor organized and existing under the County Water Authority Act of the State of California (Chapter 45, Water Code-Appendix).

C. Otay and Helix desire by this Agreement, to provide emergency water service connections to each other for purposes of providing emergency water supply to the other on an as-needed, as available basis. Such water service connections are not and shall not be used to provide a supplemental or additional water supply to meet the growth in demand not already addressed in the Water Resource Master Plans for either Party.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Definitions. For purposes of this Agreement, the following words and phrases shall have the following meanings:

   a. Emergency. "Emergency" shall mean any sudden unexpected occurrence that significantly reduces available water so as to jeopardize the public health or safety, or scheduled maintenance where the interconnection is deemed the only source of potable water.

   b. Surplus Capacity. "Surplus capacity" shall mean that amount of water, as determined by the supplying Party, in excess of the amount necessary to meet the demand of its respective system.

2. Delivery. In emergency situations, as defined above in Section 1(a), Helix and Otay shall supply treated water through their facilities to the interconnection located at Blossom Lane, within the County of San Diego and City of Lemon Grove, as shown in Exhibit A, attached hereto and incorporated herein, when requested by either Party pursuant to the terms of this Agreement. Both Parties shall use their best efforts to provide 24 hours written advance notice of the need for such emergency interconnection, and in all cases shall notify the supplying Party prior to actual use. Each request shall include the date, time, and quantity of the requested delivery. The supplying Party shall operate the interconnection.

3. Ability to Supply Water. Neither Party guarantees that surplus capacity, as defined above in Section 1(b), will be available at the time an emergency occurs. To the extent that surplus capacity is available, in the sole discretion of the supplying Party with no undue burden on its water consumers, the receiving Party may utilize the interconnection described in Exhibit A to the extent of such availability. Water service connections provided hereunder shall not be used to provide supplemental or additional water supply to meet growth in demand not already addressed in the Water Resources Master Plan for either Party.

4. Design and Construction. Otay agrees that Helix shall initially fund all costs of the design and construction of the emergency interconnection, subject to reimbursement by Otay, in the proportion set forth below, upon completion of all work related to the interconnection as set forth herein. The design and specifications shall conform to the Water Agencies' Standards (WAS). Items that are not covered by the WAS shall be subject to Otay's and Helix's mutual approval. Helix shall act as the lead agency for purposes of the California Environmental Quality Act. Helix shall furnish all materials and hire a contractor to perform all construction work necessary to make all connections, in accordance with approved plans and specifications. Upon completion, Helix shall provide Otay with "As-built" record drawings of the interconnection and provide any amendments to these drawings as they are developed. Upon completion of the work, Helix shall bill Otay for 50% of all costs incurred. Payment shall be made by Otay within 30 days of receipt of invoice.

5. Estimate of Quantity of Water Delivered. If water is to be delivered under the terms of this Agreement, the estimated quantity of water to be delivered and duration shall be mutually agreed upon by the Parties prior to its delivery. Both Parties shall use their best efforts to not exceed ninety (90) days delivery of water through the agreed upon connection in the aggregate in any calendar year.

6. Payment for Water Delivered. If water is delivered under the terms of this Agreement, the supplying Party will report the amount of water that has been supplied through a meter to the receiving Party, and to the Authority for credit, within ten (10) calendar days of receipt of delivered water. The Parties agree to request that the Authority bill this amount to the receiving Party and credit this amount to the supplying Party. The cost of the water delivered through the emergency interconnection shall be the Authority's treated water rate in effect at the time of delivery.

7. Maintenance. Helix and Otay shall be responsible for the maintenance and operation costs of the valve(s) connecting to the Parties' respective systems as shown in Exhibit A. Helix and Otay shall be responsible for any costs associated with their respective pipelines leading up to the interconnection, and shall each be responsible for 50% of all costs of any repair, required future relocation, or modification of the connection itself (vault, meter, etc.). Maintenance and maintenance costs related to the cleanup of graffiti on the facilities and meter testing and/or calibration (performed in October of each year) will alternate each calendar year between the Parties. Otay will be responsible for the even years, while Helix will be responsible for the odd years. Helix and Otay shall promptly share test results.

8. Water Quality. Neither Party warrants the quality of treated water delivered through any emergency interconnection established pursuant to this Agreement. The receiving Party shall flush the connection at its own cost prior to providing service to its customers.

9. Access. During the term of this Agreement, authorized representatives of each Party shall be granted access to the facilities and property of the other Party for the purpose of establishing an emergency interconnection pursuant to this Agreement, provided that the Party desiring access will provide at least 24 hour notice of such access. Such notice may be oral or written.

10. Indemnification. Each Party shall be responsible for the willful misconduct and negligent acts or omissions of its officers, directors, agents, employees, and subcontractors. Each Party shall indemnify, hold harmless, and defend the other from and against all claims, demands, and liabilities for bodily injury, property damage, or other damages caused by the willful or negligent act or omission of the indemnifying party or its officers, directors, agents, employees or subcontractors.

11. Term. The term of this Agreement shall be from the date of its execution until terminated pursuant to the terms of this Agreement.

12. Integration. This Agreement, including any and all exhibits to it, represents the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understandings, promises or representations with respect to those matters covered in it. This Agreement may not be modified or altered except in writing signed by both Parties.

13. Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. The Parties agree that if any dispute shall arise in relation to this Agreement, they will attempt to resolve such dispute informally, in good faith. If such good faith informal resolution does not resolve the issue, the Parties agree that the matter will be directed to the General Managers of both Parties for another good faith attempt at resolution. If that attempt does not resolve the issue, the Parties agree to mediation under the rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law. Any agreements resulting from

mediation shall be documented in writing by all Parties. All mediation results shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless all Parties otherwise agree in writing. If mediation is not successful, and an action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

14. Termination. Either Party may terminate this Agreement upon ninety (90) days written notice to the other Party. In the event of termination, Helix and Otay will each be responsible for 50% of the costs of disconnecting or removing connections. Salvaged metering devices, valves and hardware shall remain the property of the Party that is responsible as shown on the approved improvement plans. The Party that retains shared components owned 50% by each Party (e.g., meter and vault) shall pay the other Party 50% of fair market salvage value of those shared components.

15. Notice. Proposed amendments to this Agreement will be delivered by United States Post Office, certified mail, and addressed to:

General Manager
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004

General Manager
Helix Water District
7811 University Avenue
La Mesa, CA 91941-4927

Any notice or instrument required to be given or delivered by this Agreement (e.g., flow reporting) may be given or delivered by regular or electronic mail addressed to the designated representative.

16. Severability. In the event any one of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision(s) shall be replaced by a mutually acceptable provision, which being valid, legal and enforceable, comes closest to the intention of the Parties underlying the invalid, illegal or unenforceable provision.

17. Assignment. In no event shall this Agreement be assigned by either Party without first obtaining the prior written consent of the other Party.

18. Waiver. No covenant, term or condition of this Agreement shall be deemed to be waived by any Party hereto unless such waiver is in writing and executed by the Party making the waiver. No waiver of any breach of any of the terms, covenants, or conditions of this Agreement shall be construed or held to be a waiver of any

succeeding or preceding breach of the same or any other term, covenant or condition contained herein.

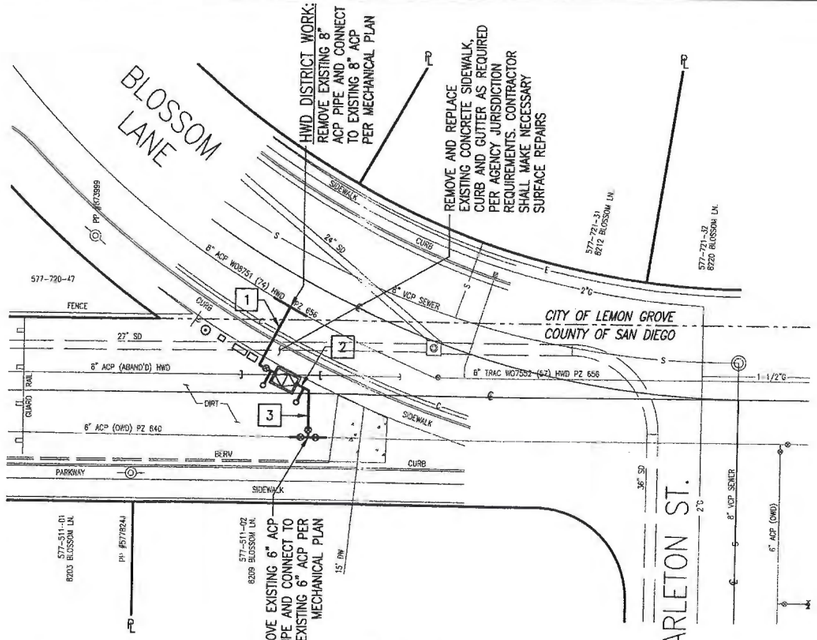
19. Execution of Agreement. This Agreement shall not be deemed to have been accepted and shall not be binding upon either Party until duly authorized officers of both Parties have executed it. This Agreement, including any and all exhibits to it, represents the entire understanding of both Parties as to those matters contained in it, and supersedes and cancels any prior oral or written understandings, promises or representations with respect to those matters covered in it. This Agreement may not be modified or altered except in writing, signed by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

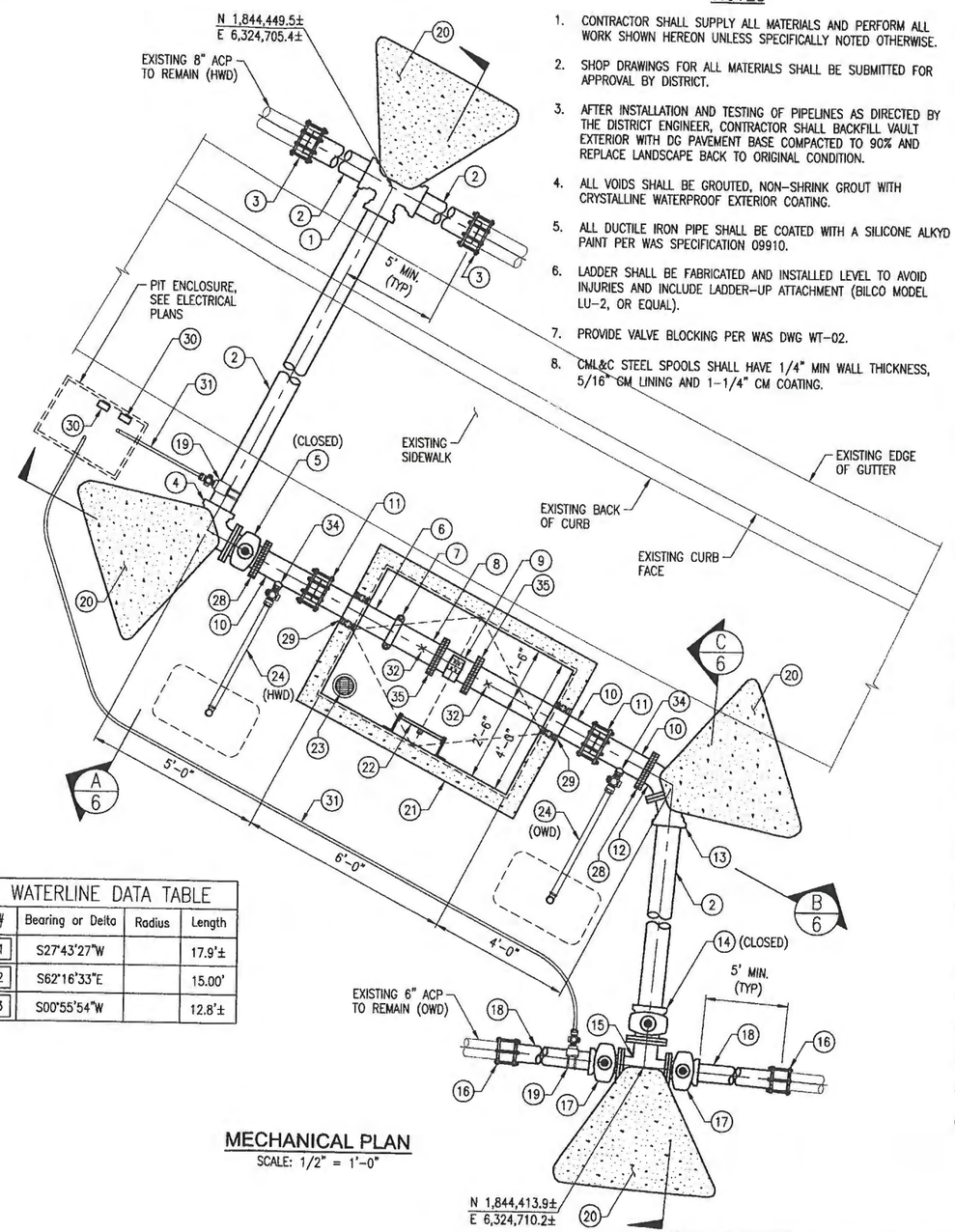
By: _____	By: _____
Mark Watton, General Manager Otay Water District	Carlos V. Lugo, General Manager Helix Water District

Approved as to form:

By: _____	By: _____
General Counsel Otay Water District	General Counsel Helix Water District



SITE PLAN
SCALE: 1" = 20'



MECHANICAL PLAN
SCALE: 1/2" = 1'-0"

NOTES

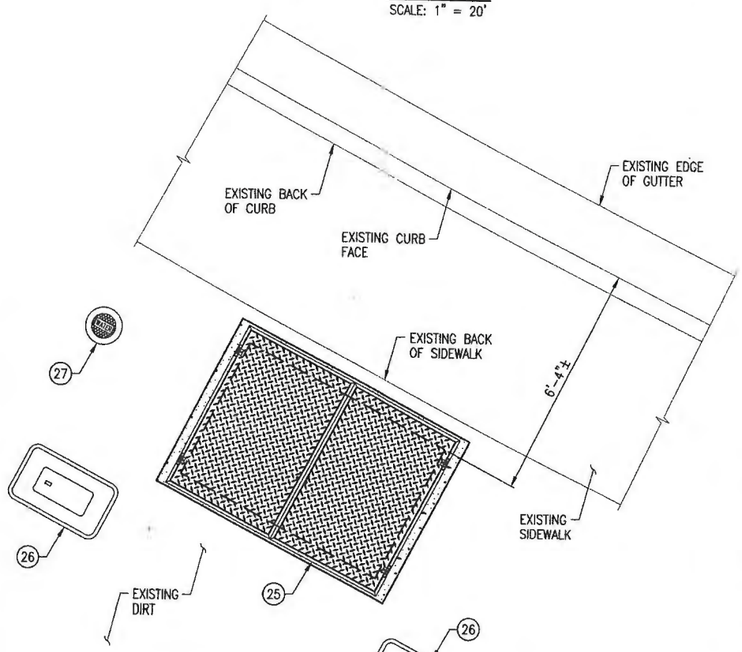
1. CONTRACTOR SHALL SUPPLY ALL MATERIALS AND PERFORM ALL WORK SHOWN HEREON UNLESS SPECIFICALLY NOTED OTHERWISE.
2. SHOP DRAWINGS FOR ALL MATERIALS SHALL BE SUBMITTED FOR APPROVAL BY DISTRICT.
3. AFTER INSTALLATION AND TESTING OF PIPELINES AS DIRECTED BY THE DISTRICT ENGINEER, CONTRACTOR SHALL BACKFILL VAULT EXTERIOR WITH DG PAVEMENT BASE COMPACTED TO 90% AND REPLACE LANDSCAPE BACK TO ORIGINAL CONDITION.
4. ALL VOIDS SHALL BE GROUTED, NON-SHRINK GROUT WITH CRYSTALLINE WATERPROOF EXTERIOR COATING.
5. ALL DUCTILE IRON PIPE SHALL BE COATED WITH A SILICONE ALKYD PAINT PER WAS SPECIFICATION 09910.
6. LADDER SHALL BE FABRICATED AND INSTALLED LEVEL TO AVOID INJURIES AND INCLUDE LADDER-UP ATTACHMENT (BILCO MODEL LU-2, OR EQUAL).
7. PROVIDE VALVE BLOCKING PER WAS DWG WT-02.
8. CML&C STEEL SPOOLS SHALL HAVE 1/4" MIN WALL THICKNESS, 5/16" CM LINING AND 1-1/4" CM COATING.

MATERIALS LIST

1. 8" DI TEE (PO)
2. 8" CLASS 305 PVC PIPE
3. 8" TRANSITION COUPLING (ACxPVC)
4. 8" DI 90° ELBOW (F,PO)
5. 8" GATE VALVE (F) WITH BURIED OPERATOR
6. 8" CML&C STEEL SPOOL (PE,GJ) LENGTH AS REQUIRED
7. 8" VICTAULIC STYLE COUPLING, OR EQUAL
8. 8" CML&C STEEL SPOOL (F,GJ) LENGTH AS REQUIRED
9. 8" MAG METER (F) PER PROJECT SPECIFICATIONS
10. 8" CML&C STEEL SPOOL (F,PE) LENGTH AS REQUIRED
11. 8" FLEXIBLE COUPLING
12. 8" DI 45° ELBOW (F)
13. 8" DI 22-1/2° ELBOW (F,PO)
14. 8" GATE VALVE (F,PO) WITH BURIED OPERATOR
15. 6"x6"x8" DI BULLHEAD TEE (F)
16. 6" TRANSITION COUPLING (ACxPVC)
17. 6" GATE VALVE (F,PO) WITH BURIED OPERATOR
18. 6" CLASS 305 PVC PIPE
19. 1" SERVICE SADDLE PER WAS DWG WS-01
20. CONCRETE THRUST BLOCK PER WAS DWG WT-01, SEE SHEET 3
21. 4'-0"x6'-0"x6'-6" DEEP PRECAST OR CAST-IN-PLACE CONCRETE VAULT
22. BILCO MODEL LU-2 (OR EQUAL) GALVANIZED STEEL LADDER-UP SAFETY DEVICE AND FRP LADDER WITH GALVANIZED STEEL HARDWARE
23. 6" DIA. HOLE IN VAULT FLOOR WITH GRATE
24. 2" BLOWOFF VALVE ASSEMBLY PER WAS DWG WB-01
25. 4'-0"x6'-0" BILCO TYPE JD-AL (OR EQUAL) DOUBLE-LEAF HATCH (H20 RATED)
26. METER BOX AND LID PER WAS DWG WB-01
27. GATE VALVE WELL AND LID PER WAS DWG WV-01
28. BURIED INSULATING FLANGE KIT PER WAS DWG WC-05
29. WALL PENETRATION PER DETAIL 2/9
30. PRESSURE TRANSMITTER
31. 1" TYPE K COPPER TO PRESSURE TRANSMITTER
32. ADJUSTABLE PIPE SUPPORT PER DETAIL 1/9
33. 3/4" COMPACTED ROCK
34. 2-1/2" WELDED COUPLING WITH NYLON BUSHING AND 2" CORP STOP
35. INSULATING FLANGE KIT PER WAS DWG WC-04

WATERLINE DATA TABLE

#	Bearing or Delta	Radius	Length
1	S27°43'27"W		17.9'±
2	S62°16'33"E		15.00'
3	S00°55'54"W		12.8'±



TOP SLAB PLAN
SCALE: 1/2" = 1'-0"

N

GRAPHIC SCALE

PSOMAS
3111 Camino Del Rio North, Suite 702
San Diego, CA 92108
(619) 961-2800 (619) 961-2392 fax
www.psomas.com

REGISTERED PROFESSIONAL ENGINEER MICHAEL ANTHONY POLLARD No. C61695 Exp. 6/30/21 CIVIL STATE OF CALIFORNIA

W.O. #: 4407 PLAT(S): TB MAP: 1290 J1
CONTRACTOR:
PIPELINE DIA/MAT/CLASS:
MFR PIPE/VALVE/FH:
INSPECTED BY: DATE:
GIS COMPLETED BY: DATE:
AS CONSTRUCTED BY: DATE:
REFERENCES: WO 7552, 8751
PRESSURE SYSTEMS:

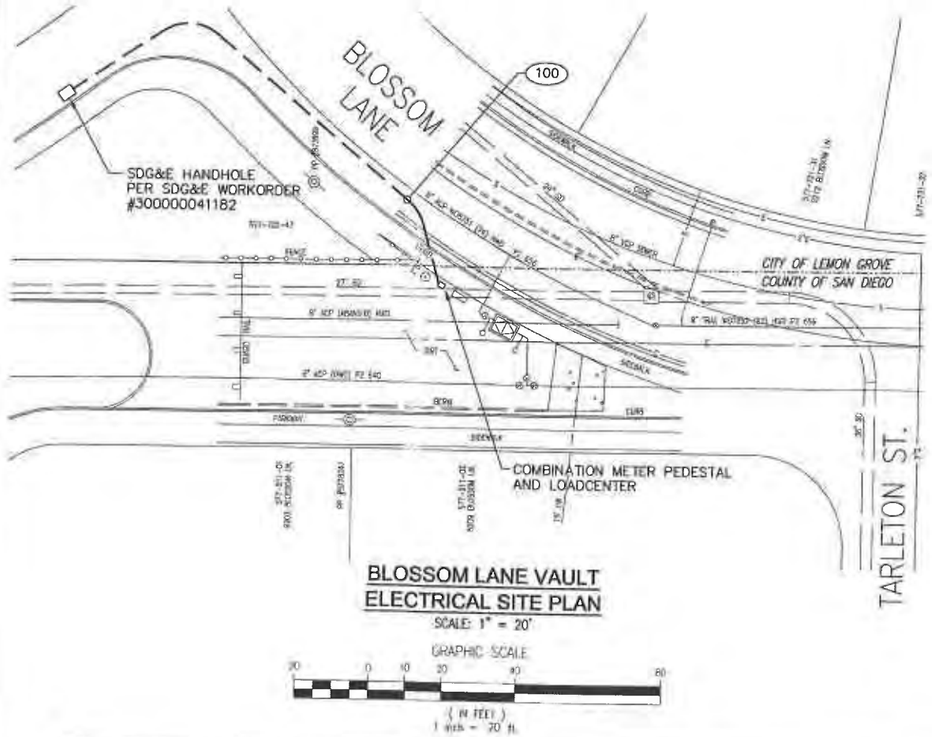
HELIX WATER DISTRICT

INTERCONNECTION VAULT AT BLOSSOM LANE

SURVEYED BY: E. BRISENDINE
DRAWN BY: M. RAMOS
CHECKED BY: M. POLLARD
CIP ID#:
SCALE: AS SHOWN
DATE: 8/27/2015
SHEET 5 OF 19
REVIEWED BY:
W.O. 4407

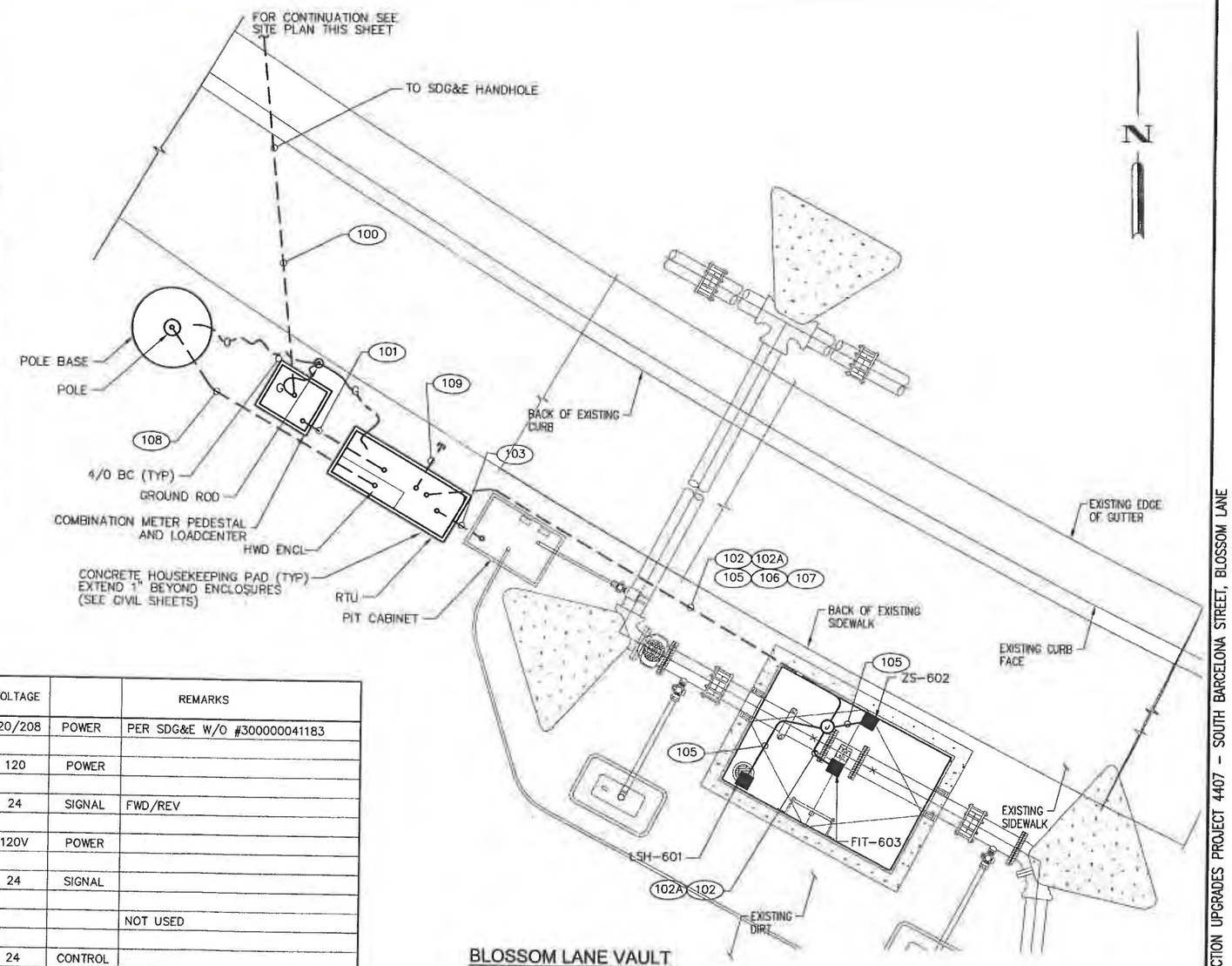
HELIX WATER DISTRICT - EMERGENCY INTERCONNECTION UPGRADES PROJECT 4407 - SOUTH BARCELONA STREET, BLOSSOM LANE

EXHIBIT A (1 OF 2)



BLOSSOM LANE VAULT
ELECTRICAL SITE PLAN
SCALE: 1" = 20'

GRAPHIC SCALE
20 0 10 20 40 80
(IN FEET)
1 inch = 20 ft.



BLOSSOM LANE VAULT
ELECTRICAL PLAN
SCALE: 1/2" = 1'-0"

GRAPHIC SCALE
1' 0 1' 2' 4'

CONDUIT NO.	CONDUIT SIZE	FROM	TO	CABLE QTY.	CABLE SIZE	CABLE GND.*	VOLTAGE		REMARKS
100	3"	SDG&E HANDHOLE	METER PEDESTAL	–	–	–	120/208	POWER	PER SDG&E W/O #300000041183
101	1"	METER PEDESTAL	RTU ENCLOSURE	10	#12	#8	120	POWER	
102	1"	RTU ENCLOSURE	FIT-603 FLOWMETER	2	#18TSP	#14	24	SIGNAL	FWD/REV
102A	1"	RTU ENCLOSURE	FIT-603 FLOWMETER	2	#12	#14	120V	POWER	
103	1"	RTU ENCLOSURE	PIT ENCLOSURE	2	#18TSP	#14	24	SIGNAL	
104									NOT USED
105	1"	RTU ENCLOSURE	VAULT FLOODING / INTRUSION	4	#14	#14	24	CONTROL	
106	1"	RTU ENCLOSURE	VAULT						SPARE ANALOG
107	1"	RTU ENCLOSURE	VAULT						SPARE DISCRETE
108	1-1/2"	HWD ENCLOSURE INSIDE RTU	ANTENNA MAST	1	CAT6	#14		SIGNAL	SHIELDED OUTDOOR CABLE
109	1"	RTU ENCLOSURE	STUB-UP						TERMINATE CONDUIT AT HWD ENCL
									SPARE

PSOMAS
3111 Camino Del Rio North, Suite 702
San Diego, CA 92108
(619) 881-3800 (619) 881-3392 fax
www.psomas.com

MORAES/PHAM & ASSOCIATES
CONSULTING ELECTRICAL ENGINEERS
2131 PALOMAR AIRPORT RD., STE. 100
CARLSBAD CA. 92011
(760) 431-7177

REGISTERED PROFESSIONAL ENGINEER
TRACY A. ALLEN
No. E18481
Exp. 3/31/16
ELECTRICAL
STATE OF CALIFORNIA

HELIX WATER DISTRICT

BLOSSOM ELECTRICAL SITE PLAN - POWER - SIGNAL AND SCHEDULE

SURVEYED BY: E. BRISENDINE	SCALE: AS SHOWN	REVIEWED:
DRAWN BY: CADD	DATE: 8/27/2015	
CHECKED BY: TAA		
CIP ID#:	SHEET 12 OF 19	W.O. 4407

HELIX WATER DISTRICT – EMERGENCY INTERCONNECTION UPGRADES PROJECT 4407 – SOUTH BARCELONA STREET, BLOSSOM LANE

EXHIBIT A (2 OF 2)

ATTACHMENT D

OWD CIP P2552 / HELIX WO 4407
IVY STREET INTERCONNECTION

AGREEMENT FOR EMERGENCY INTERCONNECTION
BETWEEN OTAY WATER DISTRICT
AND
HELIX WATER DISTRICT

This Agreement is made and entered into as of _____ , 2015 by and between Otay Water District, a Municipal Water District organized and existing pursuant to Water Code Section 71000 *et seq*, (hereinafter referred to as "Otay") and Helix Water District, an Irrigation District organized and existing under the Irrigation District Law of the State of California, Water Code Section 20500 *et seq*, (hereinafter referred to as "Helix"). Otay and Helix are collectively referred to herein as the "Parties."

RECITALS

A. Otay and Helix are member agencies of the San Diego County Water Authority (hereinafter referred to as the "Authority"), and are retail water purveyors that receive water from the Authority.

B. The Authority is the regional wholesale water purveyor organized and existing under the County Water Authority Act of the State of California (Chapter 45, Water Code-Appendix).

C. Otay and Helix desire by this Agreement, to provide emergency water service connections to each other for purposes of providing emergency water supply to the other on an as-needed, as available basis. Such water service connections are not and shall not be used to provide a supplemental or additional water supply to meet the growth in demand not already addressed in the Water Resource Master Plans for either Party.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Definitions. For purposes of this Agreement, the following words and phrases shall have the following meanings:

   a. Emergency. "Emergency" shall mean any sudden unexpected occurrence that significantly reduces available water so as to jeopardize the public health or safety, or scheduled maintenance where the interconnection is deemed the only source of potable water.

   b. Surplus Capacity. "Surplus capacity" shall mean that amount of water, as determined by the supplying Party, in excess of the amount necessary to meet the demand of its respective system.

2. Delivery. In emergency situations, as defined above in Section 1(a), Helix and Otay shall supply treated water through their facilities to the interconnection located at Ivy Street, within the County of San Diego, as shown in Exhibit A, attached hereto and incorporated herein, when requested by either Party pursuant to the terms of this Agreement. Both Parties shall use their best efforts to provide 24 hours written advance notice of the need for such emergency interconnection, and in all cases shall notify the supplying Party prior to actual use. Each request shall include the date, time, and quantity of the requested delivery. The supplying Party shall operate the interconnection.

3. Ability to Supply Water. Neither Party guarantees that surplus capacity, as defined above in Section 1(b), will be available at the time an emergency occurs. To the extent that surplus capacity is available, in the sole discretion of the supplying Party with no undue burden on its water consumers, the receiving Party may utilize the interconnection described in Exhibit A to the extent of such availability. Water service connections provided hereunder shall not be used to provide supplemental or additional water supply to meet growth in demand not already addressed in the Water Resources Master Plan for either Party.

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5. Estimate of Quantity of Water Delivered. If water is to be delivered under the terms of this Agreement, the estimated quantity of water to be delivered and duration shall be mutually agreed upon by the Parties prior to its delivery. Both Parties shall use their best efforts to not exceed ninety (90) days delivery of water through the agreed upon connection in the aggregate in any calendar year.

6. Payment for Water Delivered. If water is delivered under the terms of this Agreement, the supplying Party will report the amount of water that has been supplied through a meter to the receiving Party, and to the Authority for credit, within ten (10) calendar days of receipt of delivered water. The Parties agree to request that the Authority bill this amount to the receiving Party and credit this amount to the supplying Party. The cost of the water delivered through the emergency interconnection shall be the Authority's treated water rate in effect at the time of delivery.

7. Maintenance. Helix and Otay shall be responsible for the maintenance and operation costs of the valve(s) connecting to the Parties' respective systems as shown in Exhibit A. Helix and Otay shall be responsible for any costs associated with their respective pipelines leading up to the interconnection, and shall each be responsible for 50% of all costs of any repair, required future relocation, or modification of the connection itself (vault, meter, etc.). Maintenance and maintenance costs related to the cleanup of graffiti on the facilities and meter testing and/or calibration (performed in October of each year) will alternate each calendar year between the Parties. Otay will be responsible for the even years, while Helix will be responsible for the odd years. Helix and Otay shall promptly share test results.

8. Water Quality. Neither Party warrants the quality of treated water delivered through any emergency interconnection established pursuant to this Agreement. The receiving Party shall flush the connection at its own cost prior to providing service to its customers.

9. Access. During the term of this Agreement, authorized representatives of each Party shall be granted access to the facilities and property of the other Party for the purpose of establishing an emergency interconnection pursuant to this Agreement, provided that the Party desiring access will provide at least 24 hour notice of such access. Such notice may be oral or written.

10. Indemnification. Each Party shall be responsible for the willful misconduct and negligent acts or omissions of its officers, directors, agents, employees, and subcontractors. Each Party shall indemnify, hold harmless, and defend the other from and against all claims, demands, and liabilities for bodily injury, property damage, or other damages caused by the willful or negligent act or omission of the indemnifying party or its officers, directors, agents, employees or subcontractors.

11. Term. The term of this Agreement shall be from the date of its execution until terminated pursuant to the terms of this Agreement.

12. Integration. This Agreement, including any and all exhibits to it, represents the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understandings, promises or representations with respect to those matters covered in it. This Agreement may not be modified or altered except in writing signed by both Parties.

13. Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. The Parties agree that if any dispute shall arise in relation to this Agreement, they will attempt to resolve such dispute informally, in good faith. If such good faith informal resolution does not resolve the issue, the Parties agree that the matter will be directed to the General Managers of both Parties for another good faith attempt at resolution. If that attempt does not resolve the issue, the Parties agree to mediation under the rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law. Any agreements resulting from

mediation shall be documented in writing by all Parties. All mediation results shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless all Parties otherwise agree in writing. If mediation is not successful, and an action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

14. Termination. Either Party may terminate this Agreement upon ninety (90) days written notice to the other Party. In the event of termination, Helix and Otay will each be responsible for 50% of the costs of disconnecting or removing connections. Salvaged metering devices, valves and hardware shall remain the property of the Party that is responsible as shown on the approved improvement plans. The Party that retains shared components owned 50% by each Party (e.g., meter and vault) shall pay the other Party 50% of fair market salvage value of those shared components.

15. Notice. Proposed amendments to this Agreement will be delivered by United States Post Office, certified mail, and addressed to:

General Manager
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004

General Manager
Helix Water District
7811 University Avenue
La Mesa, CA 91941-4927

Any notice or instrument required to be given or delivered by this Agreement (e.g., flow reporting) may be given or delivered by regular or electronic mail addressed to the designated representative.

16. Severability. In the event any one of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision(s) shall be replaced by a mutually acceptable provision, which being valid, legal and enforceable, comes closest to the intention of the Parties underlying the invalid, illegal or unenforceable provision.

17. Assignment. In no event shall this Agreement be assigned by either Party without first obtaining the prior written consent of the other Party.

18. Waiver. No covenant, term or condition of this Agreement shall be deemed to be waived by any party hereto unless such waiver is in writing and executed by the party making the waiver. No waiver of any breach of any of the terms, covenants, or conditions of this Agreement shall be construed or held to be a waiver of any

succeeding or preceding breach of the same or any other term, covenant or condition contained herein.

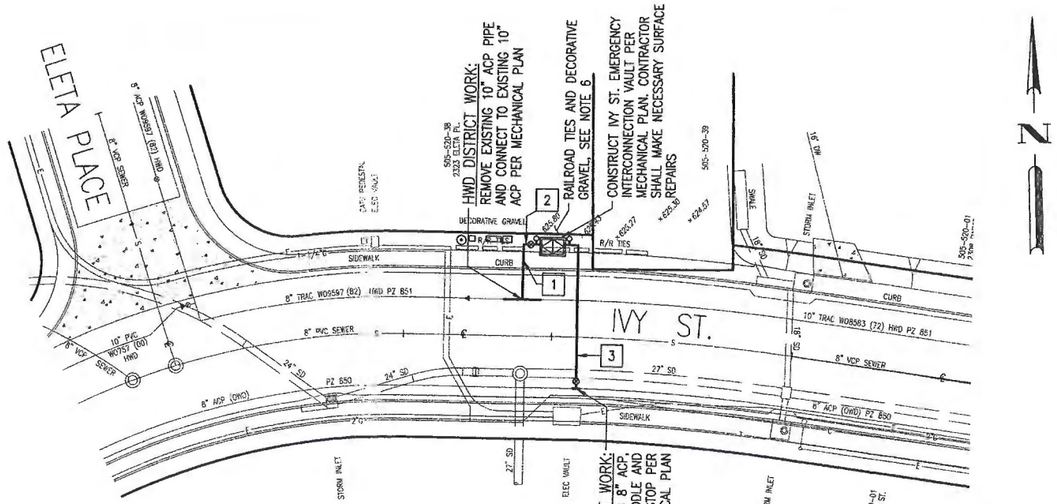
19. Execution of Agreement. This Agreement shall not be deemed to have been accepted and shall not be binding upon either Party until duly authorized officers of both Parties have executed it. This Agreement, including any and all exhibits to it, represents the entire understanding of both Parties as to those matters contained in it, and supersedes and cancels any prior oral or written understandings, promises or representations with respect to those matters covered in it. This Agreement may not be modified or altered except in writing, signed by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

By: _____	By: _____
Mark Watton, General Manager Otay Water District	Carlos V. Lugo, General Manager Helix Water District

Approved as to form:

By: _____	By: _____
General Counsel Otay Water District	General Counsel Helix Water District



SITE PLAN

SCALE: 1" = 20'

NOTES

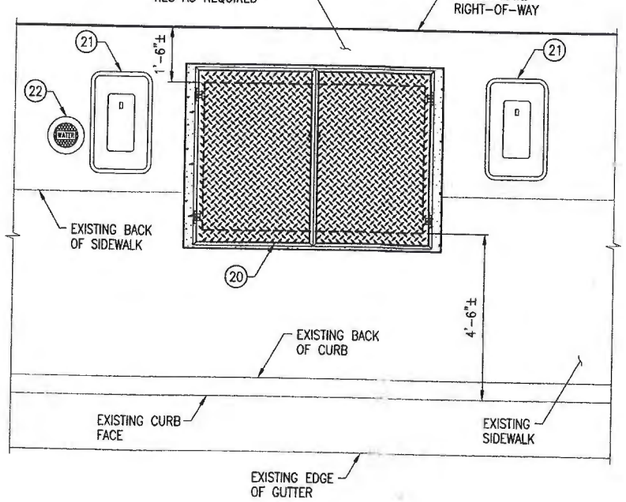
1. CONTRACTOR SHALL SUPPLY ALL MATERIALS AND PERFORM ALL WORK SHOWN HEREON UNLESS SPECIFICALLY NOTED OTHERWISE.
2. SHOP DRAWINGS FOR ALL MATERIALS SHALL BE SUBMITTED FOR APPROVAL BY DISTRICT.
3. AFTER INSTALLATION AND TESTING OF PIPELINES AS DIRECTED BY THE DISTRICT ENGINEER, CONTRACTOR SHALL BACKFILL VAULT EXTERIOR WITH DG PAVEMENT BASE COMPACTED TO 90% AND REPLACE LANDSCAPE BACK TO ORIGINAL CONDITION.
4. ALL VOIDS SHALL BE GROUTED, NON-SHRINK GROUT WITH CRYSTALLINE WATERPROOF EXTERIOR COATING.
5. LADDER SHALL BE FABRICATED AND INSTALLED LEVEL TO AVOID INJURIES AND INCLUDE LADDER-UP ATTACHMENT (BILCO MODEL LU-2, OR EQUAL).
6. REPLACE EXISTING RAILROAD TIES AND DECORATIVE GRAVEL AROUND NEW VAULT.
7. PROVIDE VALVE BLOCKING PER WAS DWG WT-02.
8. CML&C STEEL SPOOLS SHALL HAVE 1/4" MIN WALL THICKNESS, 5/16" CM LINING AND 1-1/4" CM COATING.

WATERLINE DATA TABLE

#	Bearing or Delta	Radius	Length
1	N01°28'41"E		15.0'±
2	S88°31'19"E		15.00'
3	S01°28'41"W		39'±

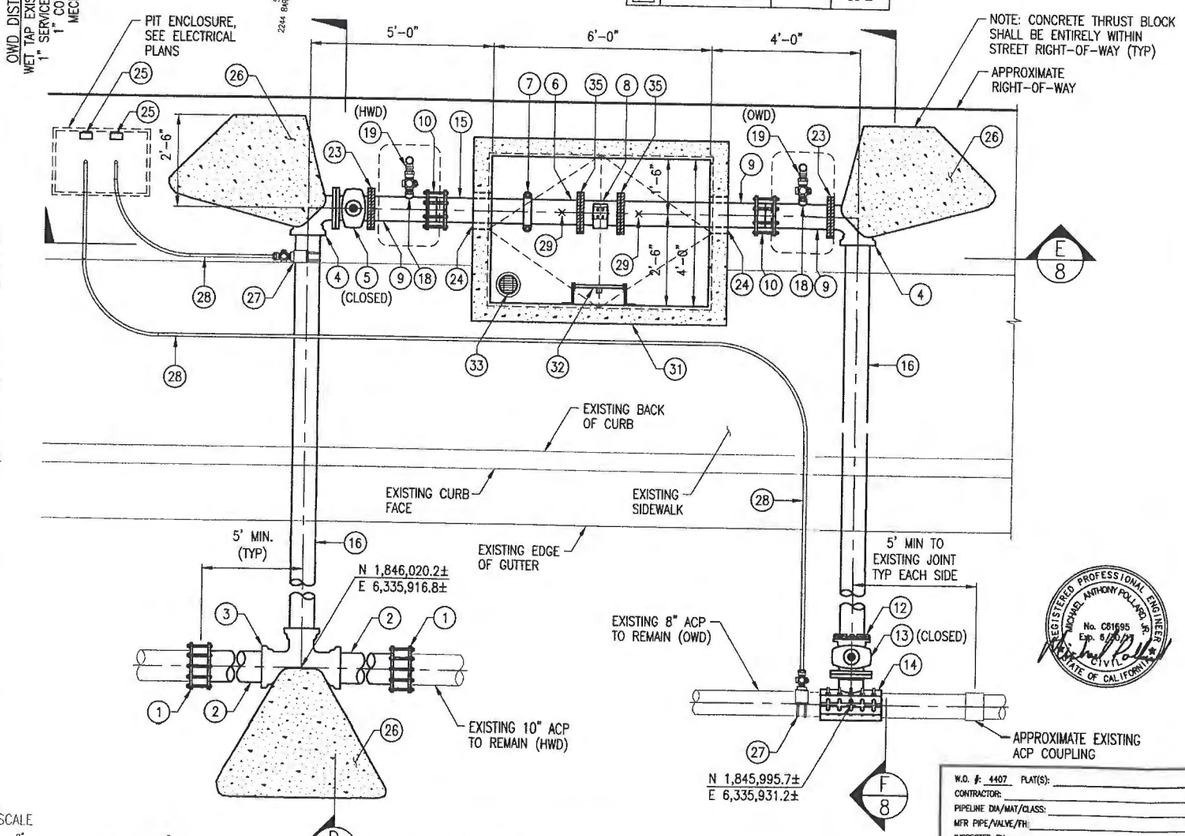
MATERIALS LIST

1. 10" TRANSITION COUPLING (ACxPVC)
2. 10" CLASS 305 PVC PIPE
3. 10"x8" DI REDUCING TEE (PO)
4. 8" DI 90° ELBOW (F,PO)
5. 8" GATE VALVE (F) WITH BURIED OPERATOR
6. 8" CML&C STEEL SPOOL (F,GJ) LENGTH AS REQUIRED
7. 8" VICTAULIC STYLE COUPLING, OR EQUAL
8. 8" MAG METER (F) PER PROJECT SPECIFICATIONS
9. 8" CML&C STEEL SPOOL (F,PE) LENGTH AS REQUIRED
10. 8" FLEXIBLE COUPLING
11. 8" DI 11-1/4° ELBOW (PO)
12. 8" MECHANICAL JOINT RESTRAINT
13. 8" TAPPING VALVE (F,MJ) WITH BURIED OPERATOR
14. 8" TAPPING SLEEVE
15. 8" CML&C STEEL SPOOL (PE,GJ) LENGTH AS REQUIRED
16. 8" CLASS 305 PVC PIPE
17. 8" DI TEE (PO)
18. 2-1/2" WELDED COUPLING WITH NYLON BUSHING AND 2" CORP STOP
19. 2" BLOWOFF VALVE ASSEMBLY PER WAS DWG WB-01
20. 4'-0"x6'-0" BILCO TYPE JD-AL (OR EQUAL) DOUBLE-LEAF HATCH (H20 RATED)
21. METER BOX AND LID PER WAS DWG WB-01
22. GATE VALVE WELL AND LID PER WAS DWG WV-01
23. BURIED INSULATING FLANGE KIT PER WAS DWG WC-05
24. WALL PENETRATION PER DETAIL 2/9
25. PRESSURE TRANSMITTER
26. CONCRETE THRUST BLOCK PER WAS DWG WT-01, SEE SHEET 3
27. 1" SERVICE SADDLE PER WAS DWG WS-01
28. 1" TYPE K COPPER TO PRESSURE TRANSMITTER
29. ADJUSTABLE PIPE SUPPORT PER DETAIL 1/9
30. 3/4" COMPACTED ROCK
31. 4'-0"x6'-0"x6'-6" DEEP PRECAST OR CAST-IN-PLACE CONCRETE VAULT
32. BILCO MODEL LU-2 GALVANIZED STEEL LADDER-UP SAFETY DEVICE AND FRP LADDER WITH GALVANIZED STEEL HARDWARE
33. 6" DIA. HOLE IN VAULT FLOOR WITH GRATE
34. CONCRETE ANCHOR BLOCK PER WAS DWG WT-01
35. INSULATING FLANGE KIT PER WAS DWG WC-04



TOP SLAB PLAN

SCALE: 1/2" = 1'-0"



MECHANICAL PLAN

SCALE: 1/2" = 1'-0"

GRAPHIC SCALE

1" 0 1" 2" 4"

REGISTERED PROFESSIONAL ENGINEER MICHAEL ANTHONY POLLARD JR. No. C61695 Exp. 6/30/17 CIVIL STATE OF CALIFORNIA

W.O. #: 4407 PLAT(S): TB MAP: 1271 D7
CONTRACTOR:
PIPELINE DIA/MAT/CLASS:
MFR PIPE/VALVE/FH:
INSPECTED BY: DATE:
GIS COMPLETED BY: DATE:
AS CONSTRUCTED BY: DATE:
REFERENCES: WO 757, 8583, 9597
PRESSURE SYSTEMS:

HELIX WATER DISTRICT

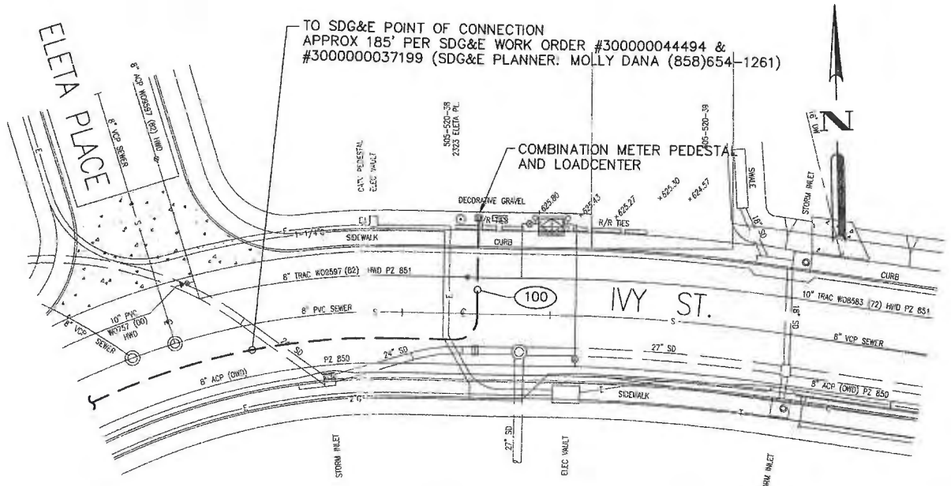
INTERCONNECTION VAULT AT IVY STREET

SURVEYED BY: E. BRISENDINE	SCALE: AS SHOWN	REVIEWED BY:
DRAWN BY: M. RAMOS	DATE: 8/23/2015	
CHECKED BY: M. POLLARD		W.O. 4407
CIP ID#:	SHEET 7 OF 19	

PSOMAS
3111 Camino Del Rio North, Suite 702
San Diego, CA 92108
(619) 961-2800 (619) 961-2392 fax
www.psomas.com

HELIX WATER DISTRICT - EMERGENCY INTERCONNECTION UPGRADES PROJECT 4407 - SOUTH BARCELONA STREET, BLOSSOM LANE

EXHIBIT A (1 OF 2)



IVY STREET VAULT
ELECTRICAL SITE PLAN

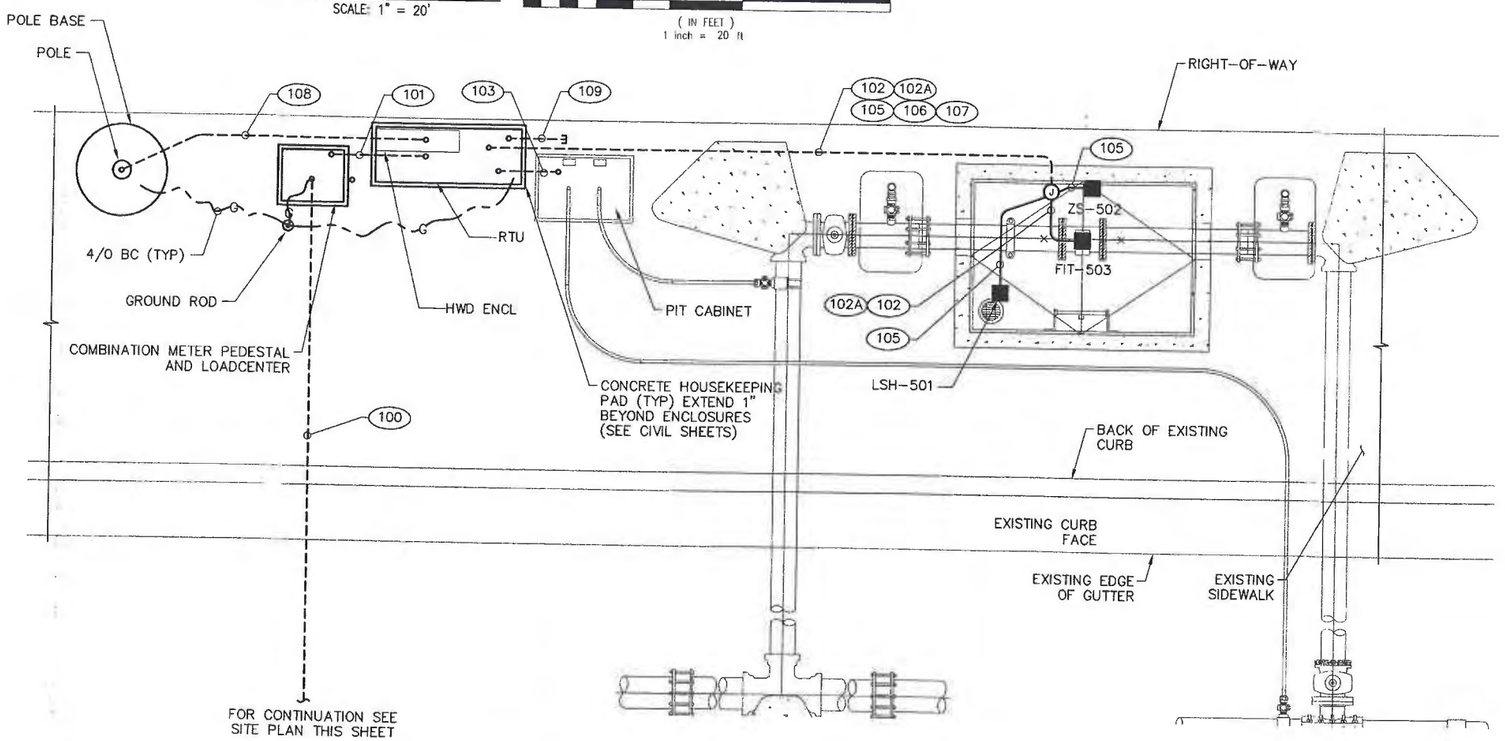
SCALE: 1" = 20'

GRAPHIC SCALE

20 0 10 20 40 80

(IN FEET)
1 inch = 20 ft

CONDUIT NO.	CONDUIT SIZE	FROM	TO	CABLE QTY.	CABLE SIZE	CABLE GND. *	VOLTAGE		REMARKS
100	3"	SDG&E POINT OF CONNECTION	METER PEDESTAL	–	–	–	120/208	POWER	PER SDG&E WO#300000044494
101	1"	METER PEDESTAL	RTU ENCLOSURE	10	#12	#8	120	POWER	
102	1"	RTU ENCLOSURE	FIT-503 FLOWMETER	2	#18TSP	#14	24	SIGNAL	FWD/REV
102A	1"	RTU ENCLOSURE	FIT-503 FLOWMETER	2	#12	#14	120V	POWER	
103	1"	RTU ENCLOSURE	PIT ENCLOSURE	2	#18TSP	#14	24	SIGNAL	
104									NOT USED
105	1"	RTU ENCLOSURE	VAULT FLOODING / INTRUSION	4	#14	#14	24	CONTROL	
106	1"	RTU ENCLOSURE	VAULT						SPARE ANALOG
107	1"	RTU ENCLOSURE	VAULT						SPARE DISCRETE
108	1-1/2"	HWD ENCLOSURE INSIDE RTU	ANTENNA MAST	1	CAT6	#14		SIGNAL	SHIELDED OUTDOOR CABLE
109	1"	RTU ENCLOSURE	STUB-UP						TERMINATE CONDUIT AT HWD ENCL
									SPARE



PSOMAS
3111 Camino Del Rio North, Suite 702
San Diego, CA 92108
(619) 961-2800 (619) 961-2392 fax
www.psomas.com

MORAES/PHAM & ASSOCIATES
CONSULTING ELECTRICAL ENGINEERS
2131 PALOMAR AIRPORT RD., STE. 120
CARLSBAD CA. 92011
(760) 431-7177

REGISTERED PROFESSIONAL ENGINEER — TRACY A. TOMLIN — No. E-18832 — Exp. 3/31/16 — ELECTRICAL — STATE OF CALIFORNIA

IVY STREET VAULT
ELECTRICAL PLAN

SCALE: 1/2" = 1'-0"

GRAPHIC SCALE

1" 0 1" 2" 4"

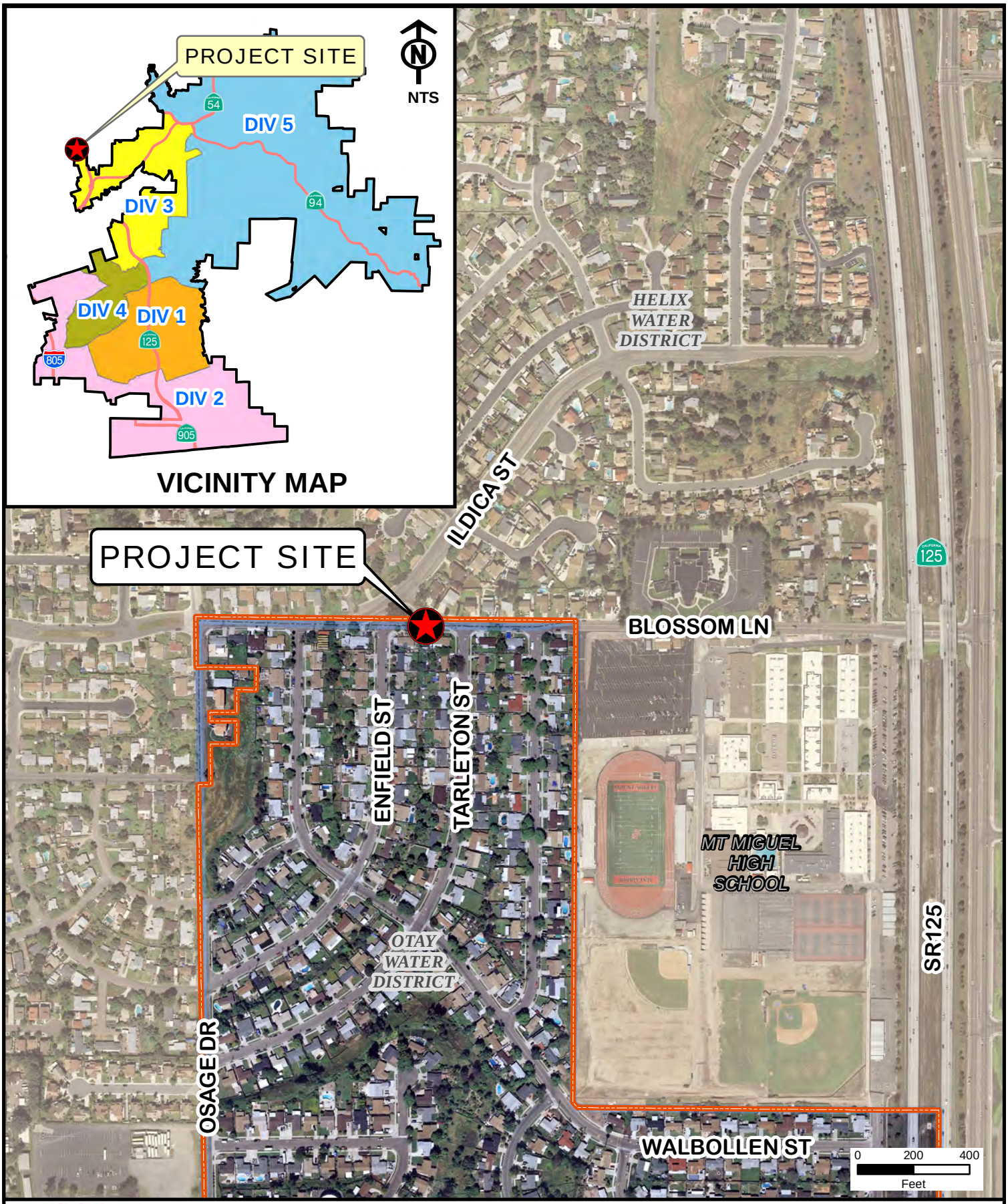
HELIX WATER DISTRICT

IVY ELECTRICAL SITE PLAN - POWER - SIGNAL AND SCHEDULE

SURVEYED BY: E. BRISENDINE	SCALE: AS SHOWN	APPROVED:
DRAWN BY: CADD	DATE: 8/27/2015	
CHECKED BY: TAA		
CIP ID#:	SHEET 14 OF 19	W.O. 4407

HELIX WATER DISTRICT – EMERGENCY INTERCONNECTION UPGRADES PROJECT 4407 – SOUTH BARCELONA STREET, BLOSSOM LANE

EXHIBIT A (2 OF 2)



OTAY WATER DISTRICT

BLOSSOM LANE INTERCONNECTION
LOCATION MAP

CIP P2551

EXHIBIT A

P:\WORKING\CIP P2551 (Blossom Ln) & P2552 (S. Barcelona St.) Helix WD and Otay WD Interconnections\Graphics\Exhibits-Figures\Exhibit A, Blossom Lane Interconnection Location Map.mxd

AGENDA ITEM 9a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	☒ Susan Cruz, District Secretary ☒ Mark Watton, General Manager		
SUBJECT:	Board of Directors 2015 and 2016 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:
At the request of the Board, the attached Board of Director's meeting calendar for 2015 and 2016 is being presented for discussion.

PURPOSE:
This staff report is being presented to provide the Board the opportunity to review the 2015 and 2016 Board of Director's meeting calendar and amend the schedule as needed.

COMMITTEE ACTION:
N/A

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

STRATEGIC GOAL:
N/A

FISCAL IMPACT:
None.

LEGAL IMPACT:
None.

Attachment: Calendar of Meetings for 2015 and 2016

Board of Directors, Workshops and Committee Meetings 2015

Regular Board Meetings:

January 7, 2015
February 4, 2015
March 4, 2015
April 1, 2015
May 6, 2015
June 3, 2015
July 1, 2015
August 5, 2015
September 2, 2015
October 7, 2015
November 4, 2015
December 2, 2015

Special Board or Committee Meetings (3rd Wednesday of Each Month or as Noted)

January 21, 2015
February 18, 2015
March 18, 2015
April 15, 2015
May 20, 2015
June 17, 2015
July 15, 2015
August 19, 2015
September 16, 2015
October 21, 2015
November 18, 2015
December 16, 2015

SPECIAL BOARD MEETINGS:

BOARD WORKSHOPS:

Board of Directors, Workshops and Committee Meetings 2016

Regular Board Meetings:	**Special Board or Committee Meetings (3rd Wednesday of Each Month or as Noted)**
January 6, 2016	January 20, 2016
February 3, 2016	February 17, 2016
March 2, 2016	March 16, 2016
April 6, 2016	April 20, 2016
May 4, 2016	May 18, 2016
June 1, 2016	June 15, 2016
July 6, 2016	July 20, 2016
August 3, 2016	August 17, 2016
September 7, 2016	September 21, 2016
October 5, 2016	October 19, 2016
November 2, 2016	November 16, 2016
December 7, 2016	December 21, 2016

SPECIAL BOARD MEETINGS:

BOARD WORKSHOPS:

AGENDA ITEM 10a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Armando Buelna Communications Officer	PROJECT:	DIV. NO. ALL
APPROVED BY:	☒ Mark Watton, General Manager		
SUBJECT:	2015 Customer Awareness and Opinion Survey Report		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors receive the findings of the 2015 Customer Awareness and Opinion Survey conducted by Rea and Parker Research Inc.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To present the Board of Directors with the findings of the 2015 residential Customer Awareness and Opinion Survey.

ANALYSIS:

The Otay Water District's Strategic Plan (Strategic Goal 1.1.100) calls for conducting a statistically reliable customer opinion and awareness survey among residential customers. The purposes are to obtain information from customers about their overall perception of the District's services, programs, and activities, track this information year-to-year, with the ultimate goal of the improving customer service.

Rea and Parker Research Inc. conducted the survey, which took place between August 31st and September 9th 2015. The survey was a random telephone survey with a sample size of 314 customers, 214 of which

were traditional landline customers and 100 cell phone customers. The margin of error is plus or minus 5.5 percent at the 95 percent confidence level.

The respondents were screened to exclude residents who have not lived in the Otay Water District's service area for at least one year. The survey cooperation rate was 47.6 percent.

The survey was available to be conducted in English or Spanish (upon request). Spanish language respondents comprised 4.4 percent of the survey population, including 6 percent of cell phone users.

The average length of the survey was 16.7 minutes.

Highlights of the 2015 survey are as follows:

- The 2015 Customer Awareness and Opinion Survey found high levels of overall satisfaction from customers with the Otay Water District as their water service provider.

- While the percentage of customers who rated the District as poor or very poor increased slightly from the last customer survey, this was overshadowed by the number of customers who rated the District as being excellent (increasing from 29 to 53 percent).

- With the drought on the mind of most customers, 7 in 10 respondents agree that the District has been a good partner in helping conserve water; nearly three-fourths (74 percent) acknowledge the District has provided its customers with adequate and timely information about the drought; nearly three-fifths (59 percent) state that the District is not at fault when it comes to the drought; and while about two-fifths (39 percent) agree with the statement "the District did not anticipate the severity of the drought and was not well-prepared for it", a near equal number (38 percent) feel the District was prepared for the severity of the drought (23 percent were unsure).

- The survey found that approximately 21 percent of customers have called the District for service or help in the past year. Among those callers, 76 percent indicated that their service was either excellent (59 percent) or very good (17 percent), an 8 percent increase from the previous survey.

- The survey has identified that two-thirds (68 percent) of respondents have a lawn or grass area for which someone in their household has direct responsibility for maintaining. Among these

customers, nearly two-fifths (37 percent) have already replaced grass with stone, water-wise plants or artificial turf. Another 12 percent plan to make some type of lawn replacement in the future.

- Nineteen percent of customers have no plans to replace grass with a water-conserving alternative. These customers cite cost as the main barrier to replacing grass. Another barrier includes customers who indicate that they rent their residences, and while reponsible to maintain their lawn areas, are not responsible for major infrastructure changes.

- Over 9 in 10 customers (93 percent) have familiarity with the mandatory water-use restrictions that are in effect across the District's service area. Of those customers, 92 percent have taken specific actions to reduce water use in response to these restrictions (86 percent of all customers).

- Sixty-two percent of Otay customers have visited the District website. This represents a 10 percent increase from the last customer survey, and continues a steady increase of customers who have visited the website since 2008 (when 27 percent indicated that they visited the website).

- Of customers who have visited the website, nearly half reported that they visited the website in order to pay their bill online.

In conclusion, the 2015 Customer Awareness and Opinion Survey Report states that among customers, "there are strong indications of support for the work of the Otay Water District", and that "the overall satisfaction with the District as a water service provider is notably higher than every survey period since this series of surveys began in 2005."

The complete survey findings are included as Attachment C

FISCAL IMPACT: ☒ Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

1.1.100 CUSTOMER - Measure customer satisfaction. This goal measures the level of overall customer satisfaction with the District.

LEGAL IMPACT:

None.

Attachments: Attachment A – Committee Action
Attachment B –2015 Customer Awareness and Opinion Survey Report PowerPoint Presentation
Attachment C - 2015 Customer Awareness and Opinion Survey Report

ATTACHMENT A

SUBJECT/PROJECT:	2015 Customer Awareness and Opinion Survey Report

COMMITTEE ACTION:

The Finance, Administration and Communications Committee discussed this item at a meeting held on October 21, 2015 and the following comments were made:

- Staff presented the results of the 2015 Customer Awareness and Opinion Survey. Measuring customer satisfaction is objective 1.1.100 of the District's Strategic Plan.

- The purpose of the survey is to gather statistically reliable information about customer satisfaction, awareness of water issues, and to compare those results against earlier surveys of District customers. Rea and Parker Research was engaged to conduct the Residential Customer Opinion and Awareness Survey.

- The survey was conducted between August 31 and September 9, 2015. There were 314 respondents which represents a margin of error of +/- 5.5% at 95% confidence. One hundred (100) of the respondents were cell phone residential customers and 214 were landline residential customers. Twenty percent of the respondents have a household income below $50,000. This is approximately the statistic for prior years, however, this year the District made a specific requirement that we achieve this percentage (20%). Lastly, 4.4% of the respondents preferred to take the survey in Spanish.

- Most of the questions are the same year-to-year for tracking purposes. However, some of the questions are adjusted based on areas the District wished to examine further. This year the District wished to get a more in depth view of what customers are hearing, seeing and understanding with regard to the drought messages and how they are responding to those messages. Are they converting their landscapes to drought tolerant plants, letting their lawns die, etc. The District also wanted to ascertain how customers' income levels impact their response to the drought messages.

- It was noted that the respondents characteristics (ethnicity, annual household income, age, etc.) is pretty consistent, overall, from year to year, however, this year there was a smaller proportion of white respondents (55% in 2012 to 43% in 2015 and a higher proportion of Hispanic respondents (26% in 2012 and 35% in 2015). Also, there was a decline in customers who own their home (91% in 2012 to 80% in 2015) and an increase in customers who rent (9% in 2012 to 20% in 2015). It was noted that this is reflective of the fact that in the second quarter of 2015 the United States hit a 48 year low in homeownership.

- It was indicated that cell phone residential customer respondents were less white, less latino, and are more asian and mixed ethnicities. Cell phone residential customer respondents also earn, on average, $14,000 per year less than landline residential customer respondents, they rent rather than own their home, and are about 10 years younger.

- He noted that the respondents demonstrated a higher level of overall satisfaction and trust with the District in this survey than any other survey. There is also a good level of awareness of water conservation issues and a considerable amount of action has been undertaken by customers to reduce their water usage. The desalination agreement for water from Rosarito Beach has seen a slow increase in support and opposition seems to have weakened somewhat. The use of online services for bill payment has remained relatively unchanged, with lower income and older customers using the services least, both of which groups are less frequent computer users in general.

- There is a large increase in respondents rating their overall satisfaction with the District as *excellent* or *very good* which is up from 64% in 2012 to 74% in 2015 which has been a steady finding with each survey. Customers also have a high level of trust in the District's ability to obtain water at a reasonable price which is up from 39% in 2012 to 54% in 2015. Of the 54% who trust in the District's ability to obtain water at a reasonable price, 49% feel the cost of water is just about right, 49% feel water cost is too much and 2% indicates it's too little.

- The District also wanted to gauge customers' opinion of the District's relationship with its customers during the drought. Seventy percent of respondents felt the District has been a good partner in helping them conserve water, 74% felt the District has provided adequate and timely information about the drought, 39% feel that the District did not anticipate the severity of the

drought and was not well prepared for it, and 59% felt the District is not at fault when it comes to the drought.

- There was a large increase in respondents' satisfaction with calls to the District's customer service department with the respondents rating the service as *excellent* increasing from 43% in 2012 to 59% in 2015.

- Respondents were also asked what they felt was the best value among utilities, ranking each utility on a 1, 2, 3 scale. In 2009 the best utility value was water collection with 25% of respondents selecting water. In 2011 trash collection bypassed water with 31% of respondents selecting trash collection and 23% selecting water. In 2012 trash collection was again ranked as the best value with 25% of respondents selecting trash collection. In the current survey, water was back on top with 28% of respondents selecting water and 26% selecting trash collection as the best utility value.

- With regard to conservation, 32% of respondents did not have responsibility for a grass area. Of the respondents who have responsibility for a grass area (68% of respondents), 37% replaced their turf with stone, water-wise plants or artificial turf; 19% do not have plans to do anything and 12% have plans to replace their turf at some point.

- Of the 19% of respondents who indicated that they would be doing nothing to replace their grass area, 44% indicated that the main barrier to replacing their grass area with low-water landscaping was cost; 28% indicated it is because they are renters; 10% indicated that it was due to aesthetics; and 18% indicated that they were either too busy (8%), their grass area was very small (4%), they were moving/selling (3%), or felt it was irrelevant/did not specify why (3%). It was noted that among those with incomes less than $50,000, 56% indicated it was because they rent and 22% indicated it is due to cost. If the respondents' income was greater than $50,000, then 54% indicated it was because of cost and 20% was because they were renters.

- The survey indicates that 92% of respondents have some familiarity with the mandatory water use restrictions and have taken action in response to the restrictions. Of the 48% who are *very familiar* with the mandatory restrictions, 96% have taken action; of the 35% who are *somewhat familiar*, 90% have taken action; and of the 10% who are a *little familiar*, 77% have taken action.

- Overall, among the 92% of respondents with some familiarity with the restrictions, 86% have taken some action. Please reference slide number 12 to review what customers have done in response to the restrictions, which included less time doing outdoor watering, taking shorter showers, watering fewer days per week, letting landscape die or removing their landscape, washing full loads, etc.

- The respondents who have heard of or visited the Water Conservation Garden (WCG) has been consistent with past survey results from 2008 (22%), 2009 (28%), 2012 (27%) with 24% in this year's survey having heard and visited the WCG and 25% having heard, but having not visited the WCG. It was noted that those respondents with incomes below $50,000, 31% have visited the WCG; and those respondents with incomes above $50,000, 22% have visited the WCG.

- Among the 24% who have visited the WCG, 52% have made changes to their landscaping as a result of visiting the WCG. This is 8% decline from 2012 where 60% made landscape changes after visiting the WCG. It was noted that this survey's result is consistent with respondents from the 2008 and 2011 surveys were 49% and 48% respectively made changes to their landscape after visiting the WCG.

- Of those who made changes to the landscape as a result of visiting the WCG, 45% changed their landscapes to waterwise/drought tolerant plants; 22% adjusted their sprinklers/reduced outdoor water use; 14% replaced their lawn with low water use plants; 10% let their landscape/lawn die; 7% collected and reused their water; and 2% upgraded their irrigation system.

- The survey shows that 59% of respondents are in favor of the District pursuing an agreement for desalinated water from the proposed Rosarito Beach Desalination Plant. This is a 2% increase over 2012 and a 13% increase over 2011. There is an increasing level of support for desalinated water from the Rosarito Plant.

- Of the 59% who favor the District pursuing an agreement for desalinated water, 50% feel that half the water should come from the Rosarito Beach Desalination Plant and 50% would prefer less to come from the desalination plant. Further, about 26% would prefer 75% to 100% of the District's water should come from the Rosarito Beach Desalination Plant. This is consistent from previous surveys.

- Of the 28% of respondents who did not favor and 13% who were unsure of the District pursuing an agreement for desalinated water, 40% indicated that they needed more information, 27% indicated that they did not trust the Mexican Government/Mexico's water quality, 13% felt the plant should be in the United States, 12% felt it would be too costly, 3% did not desire international involvement, 1% felt there was a lack of control and 1% did not want to drink sea water. The survey shows there is an increase in respondents who had interest in receiving more information about the desalination project and the lack of trust in the Mexican government is decreasing than in past surveys.

- Visits to the Otay Water District website is steadily increasing from 27% in 2008 to 62% in 2015. Of the respondents who have visited the District's website, 70% rated the user friendliness of the website as *excellent* or *very good*. However, this is a decrease from 78% in 2012 and 74% in 2011. It was indicated that this may be related to the updates and changes to the website overtime and customers' reaction to the changes. This is an area that could be explored further.

- Respondents indicated that their primary reason for visiting the District's website is to pay their bill online (49%); find billing information (21%); find drought information (9%); find conservation rebate information (7%); and 14% indicate other reasons such as general information/water quality (5%), to start their water service (4%), register a complaint (2%), find rate information (1%), find water outage information (1%), and to utilize the water savings calculator (1%).

- The survey also inquired about respondents primary source of information about water issues and 38% of respondents received their information from television; 17% from the internet (other than the District's website); 8% from the Union Tribune; 7% from the District's website; 7% from the District's newsletter; 7% from word-of-mouth; and other which included information stuffers in the District's water bill (6%), Radio (6%), other newspaper (3%) and the San Diego County Water Authority (CWA) website (1%).

- There was discussion that customers in other surveys performed by Rea and Parker Research, Inc. was similar to the District's customers in that a majority of their customers received their information on the drought from television with 55% of CWA's respondents receiving their information from television, 58% of Vallecitos MWD respondents, and 46% of Eastern MWD respondents. With regard to the internet, 29% of CWA respondents received

their information from the internet, 21% of Vallecito MWD respondents, and 32% of Eastern MWD respondents.

- The committee discussed that customers who have heard or visited the WCG has not really increased since 2008. The committee had interest in receiving the geographic location of the respondents who have heard of the WCG by zip code and the length of time the respondents have been a customer.

Following the discussion, the committee supported presentation to the board as an informational item.

Customer Satisfaction and Awareness Survey

Otay Water District----------October, 2015

OTAYWATERDISTRICT

REA & PARKER RESEARCH

Survey/Market Research
Economic Consultants

Principal Researchers:
Richard A. Parker, Ph.D.
Louis M. Rea, Ph.D.

Rea & Parker Research
Professors, School of Public Affairs, SDSU

SAMPLE

- n =314
  - 100 cell phone residential customers and 214 landline residential customers
- Margin of error = +/- 5.5% at 95% confidence
- 20% of respondents have annual household incomes below $50,000
- 4.4% preferred to take the survey in Spanish

Otay Water District General Survey Respondent Characteristics
(weighted for cell phone and landline usage)

CHARACTERISTIC	2015	2012	2011	2010	2009	2008
ETHNICITY						
White	43%	55%	56%	44%	55%	52%
Hispanic/Latino	35%	26%	26%	29%	28%	30%
Asian/Pacific Islander	13%	10%	14%	15%	8%	8%
Black/African-American	7%	5%	2%	8%	6%	6%
HOUSEHOLD INCOME						
Median	$83,800	$79,900	$80,400	$85,600	$75,700	$83,500
% $100,000 or more	33%	28%	32%	36%	26%	30%
% $25,000 to under $50,000	14%	------	-----	-----	-----	-----
% under $25,000	6%	6%	6%	10%	8%	5%
AGE						
Median	51 years	53 years	53 years	53 years	53 years	47 years
YEARS CUSTOMER						
Median	10 years	12 years	15 years	9 years	12 years	8 years
EDUCATION						
High School or Less	13%	17%	16%	12%	17%	22%
At Least One Year College, Trade, Vocational School	29%	32%	24%	30%	32%	28%
Bachelor's Degree	32%	34%	34%	41%	39%	33%
1+ Year Graduate Work	26%	17%	24%	17%	12%	17%
OWN/RENT						
Home Owner	80%	91%	97%	85%	91%	88%
Renter	20%	9%	3%	15%	9%	12%

Otay Water District 2015 General Survey Respondent Characteristics Landline and Cell Phone Customers		
CHARACTERISTIC	Landline Customers	Cell Phone Customers
ETHNICITY		
White	44%	38%
Hispanic/Latino	35%	29%
Asian/Pacific Islander	13%	18%
Black/African-American	7%	7%
ANNUAL HOUSEHOLD INCOME		
Median	$85,200	$71,300
% $100,000 or more	34%	25%
% $25,000 to under $50,000	14%	20%
% under $25,000	6%	6%
AGE		
Median	54	44
YEARS CUSTOMER OF DISTRICT		
Median	10	6
EDUCATION		
High School or Less	13%	11%
At Least One Year College, Trade, Vocational School	29%	34%
Bachelor's Degree	32%	31%
1+ Year of Graduate Work	26%	24%
OWN/RENT		
Home Owner	82%	64%
Renter	18%	36%

KEY FINDINGS

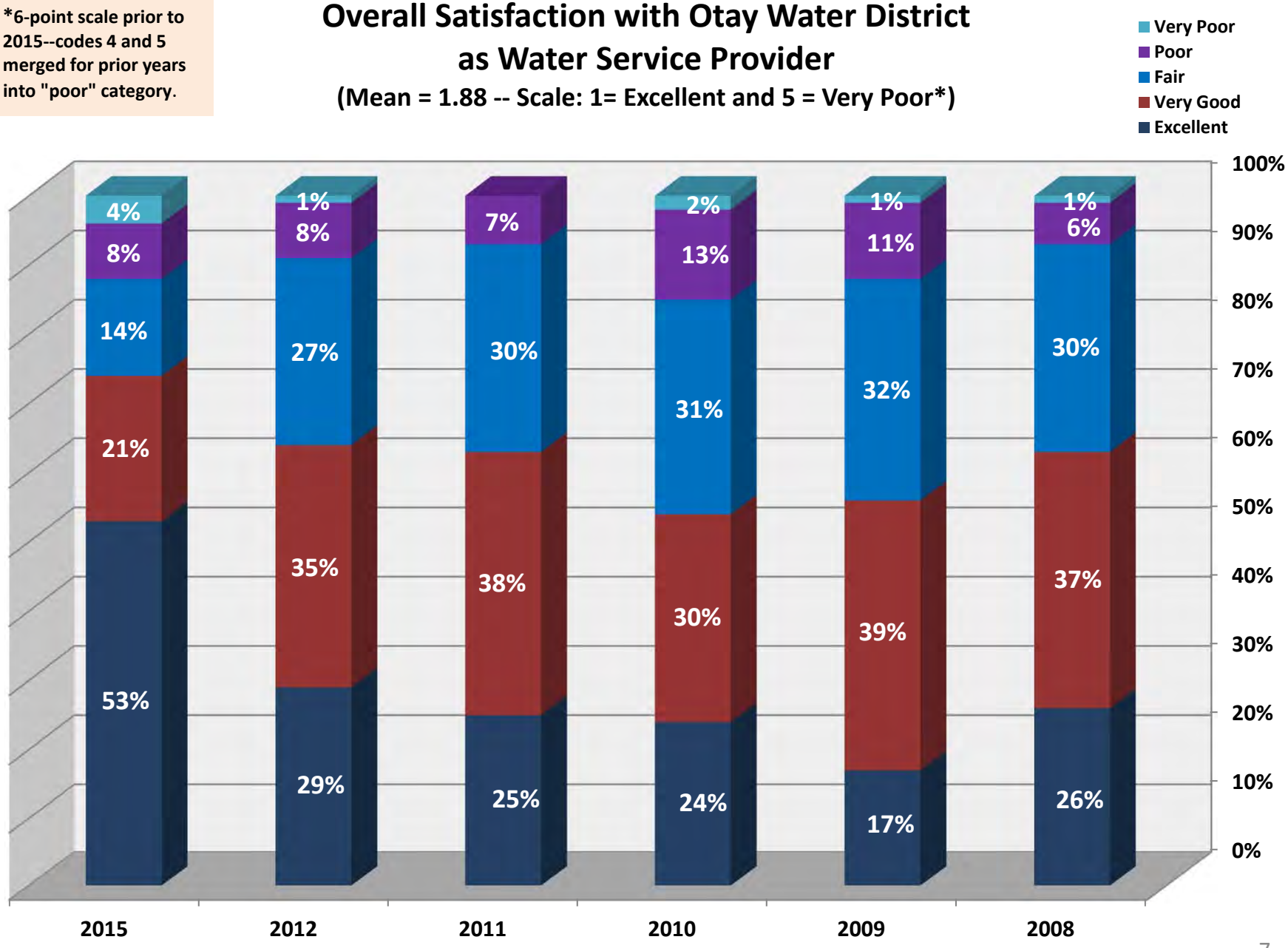
- **Very strong customer support for the work of the Otay Water District**
  - **Higher support than in any survey from 2005 forward**
- **Trust in Otay Water District to provide clean, safe water AND at reasonable prices is also higher than in any of those surveys since 2005.**
- **There is much awareness of water conservation issues and a considerable amount of action has been undertaken by customers to reduce their water usage.**
  - **The primary driver of these conservation measures is the drought.**
- **The desalination agreement for water from Rosarito Beach has seen a slow increase in overt support; however, opposition seems to have weakened somewhat.**
- **Use of online services for bill payment has remained relatively unchanged, with the least use of online services being lower income and older customers, both of which groups are less frequent computer users, in general.**

Satisfaction with Otay Water District

*6-point scale prior to 2015--codes 4 and 5 merged for prior years into "poor" category.

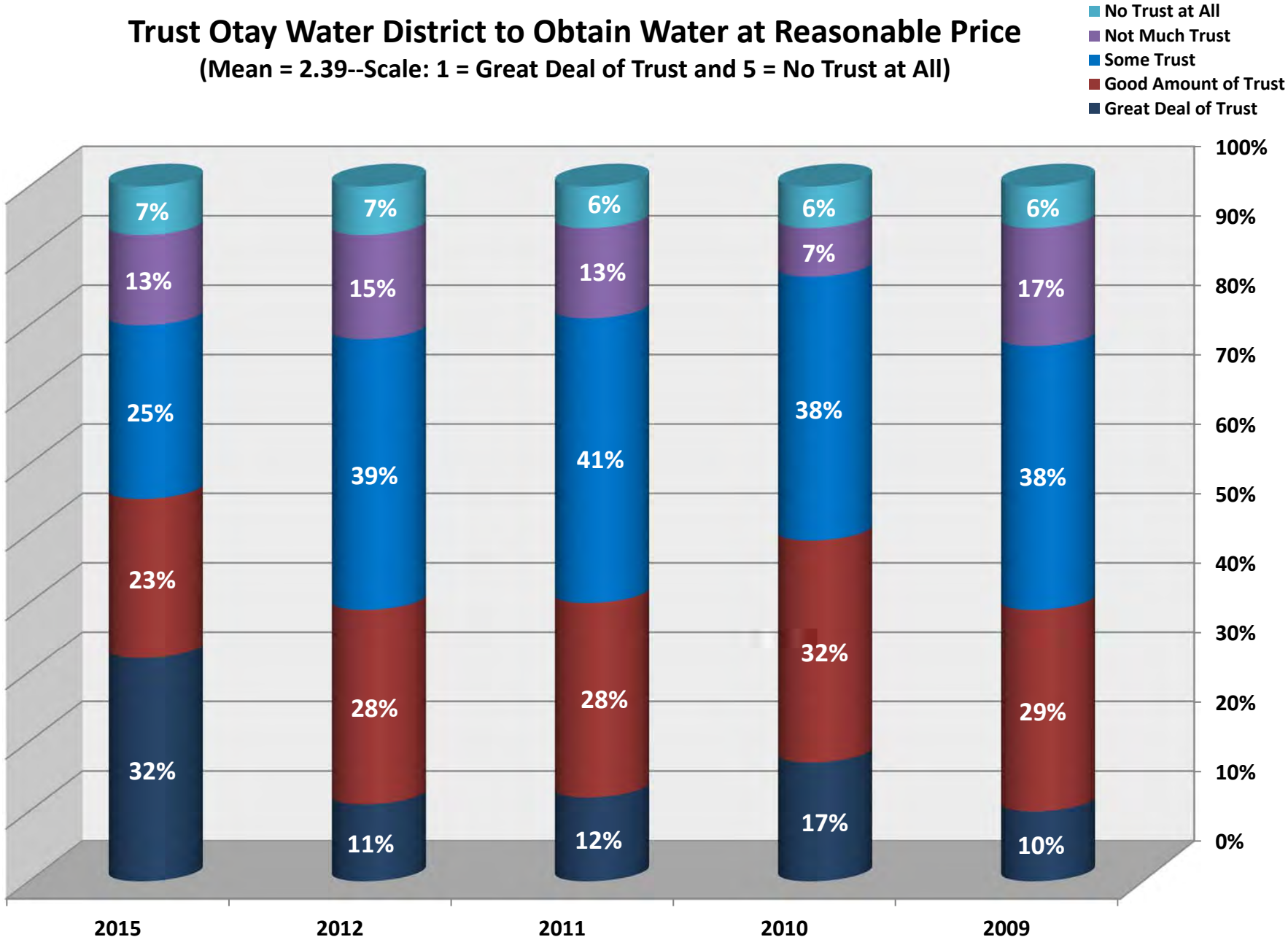
Overall Satisfaction with Otay Water District as Water Service Provider

(Mean = 1.88 -- Scale: 1= Excellent and 5 = Very Poor*)

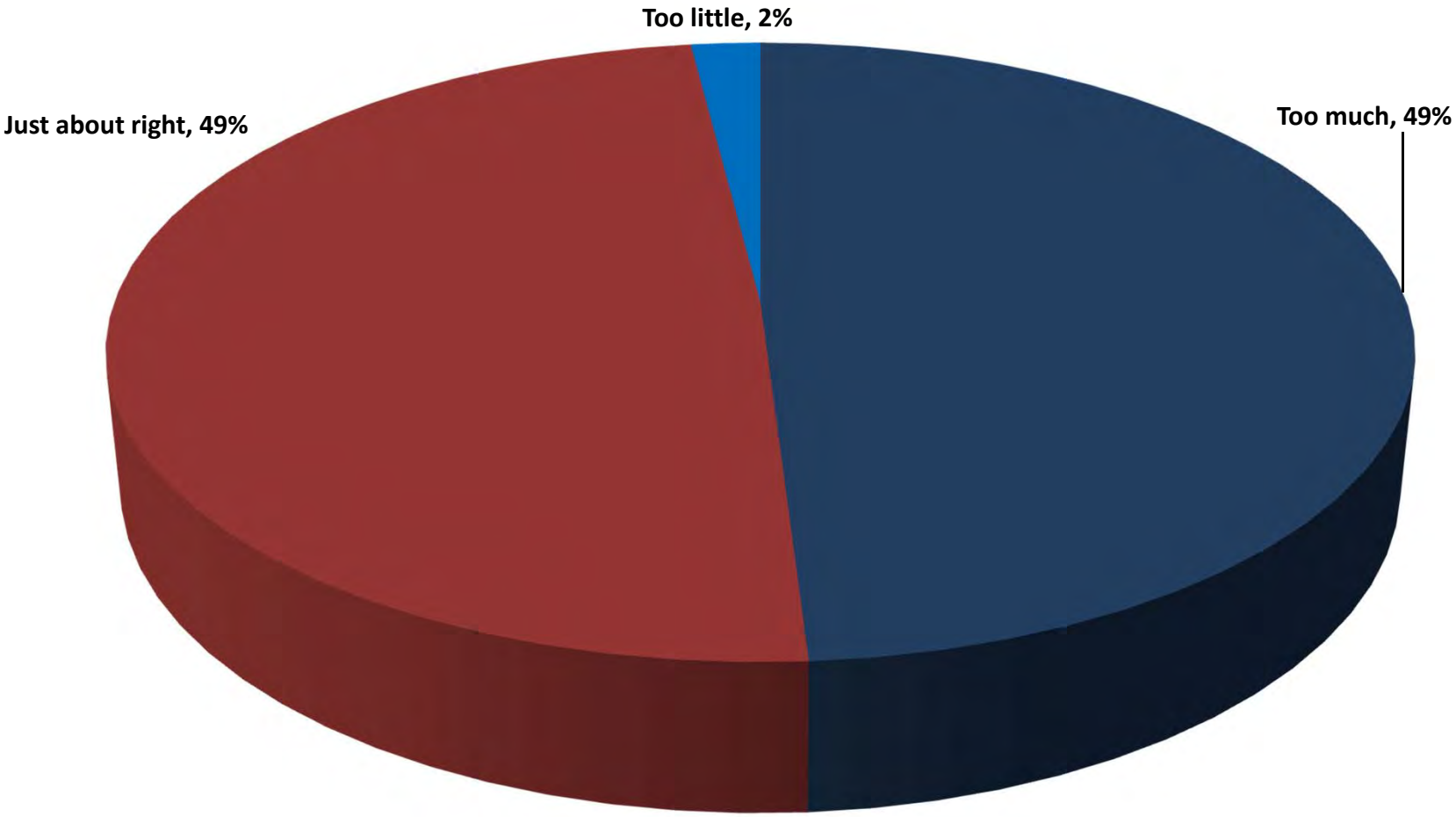


Trust Otay Water District to Obtain Water at Reasonable Price

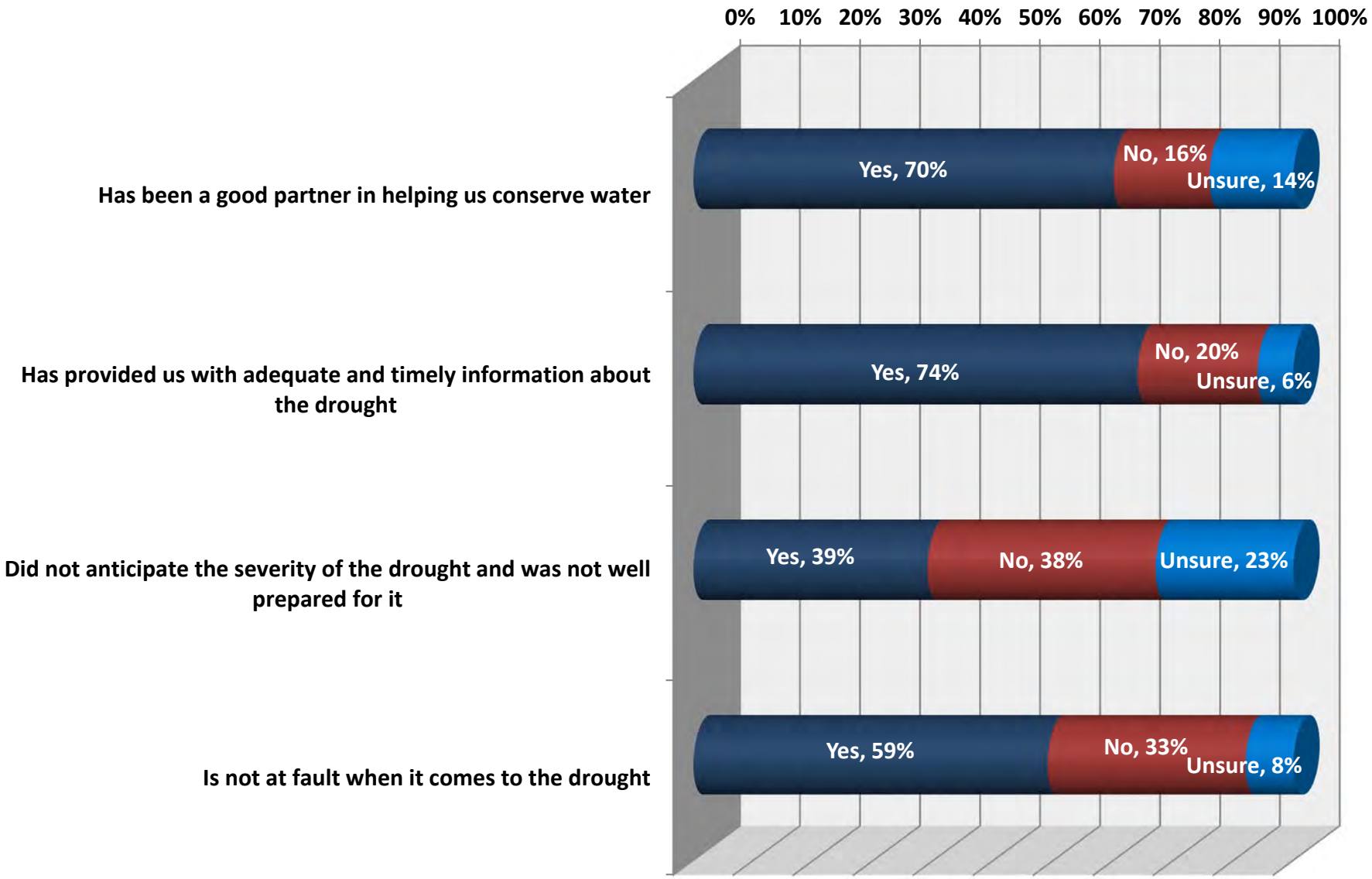
(Mean = 2.39--Scale: 1 = Great Deal of Trust and 5 = No Trust at All)



Cost of Water is...



During Recent Drought, the Otay Water District.....

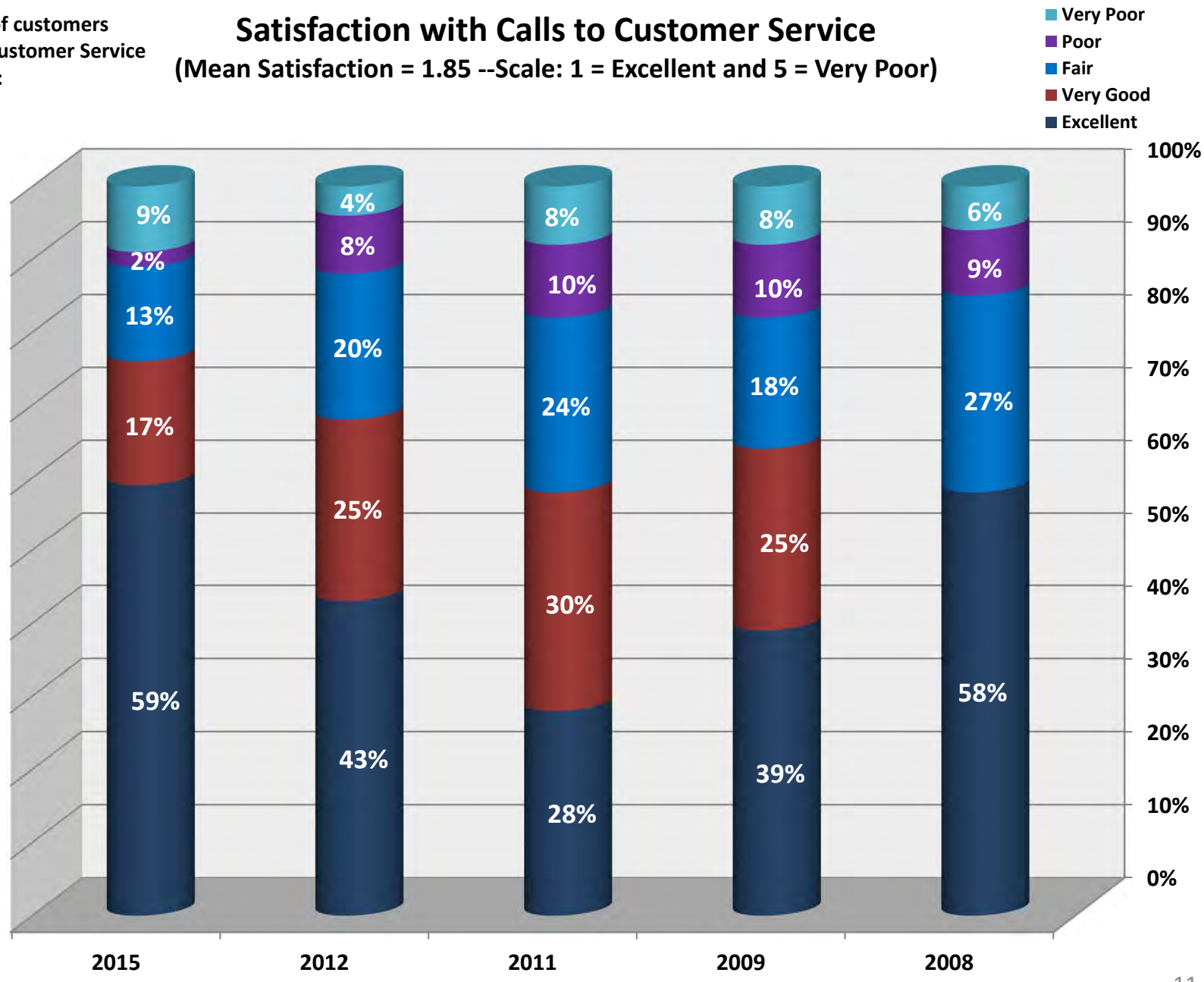


Percentage of customers who called Customer Service in past years:
2015 = 21%
2012 = 9%
2011 = 17%
2010 = 17%
2008 = 10%

Renters call more often = 31%

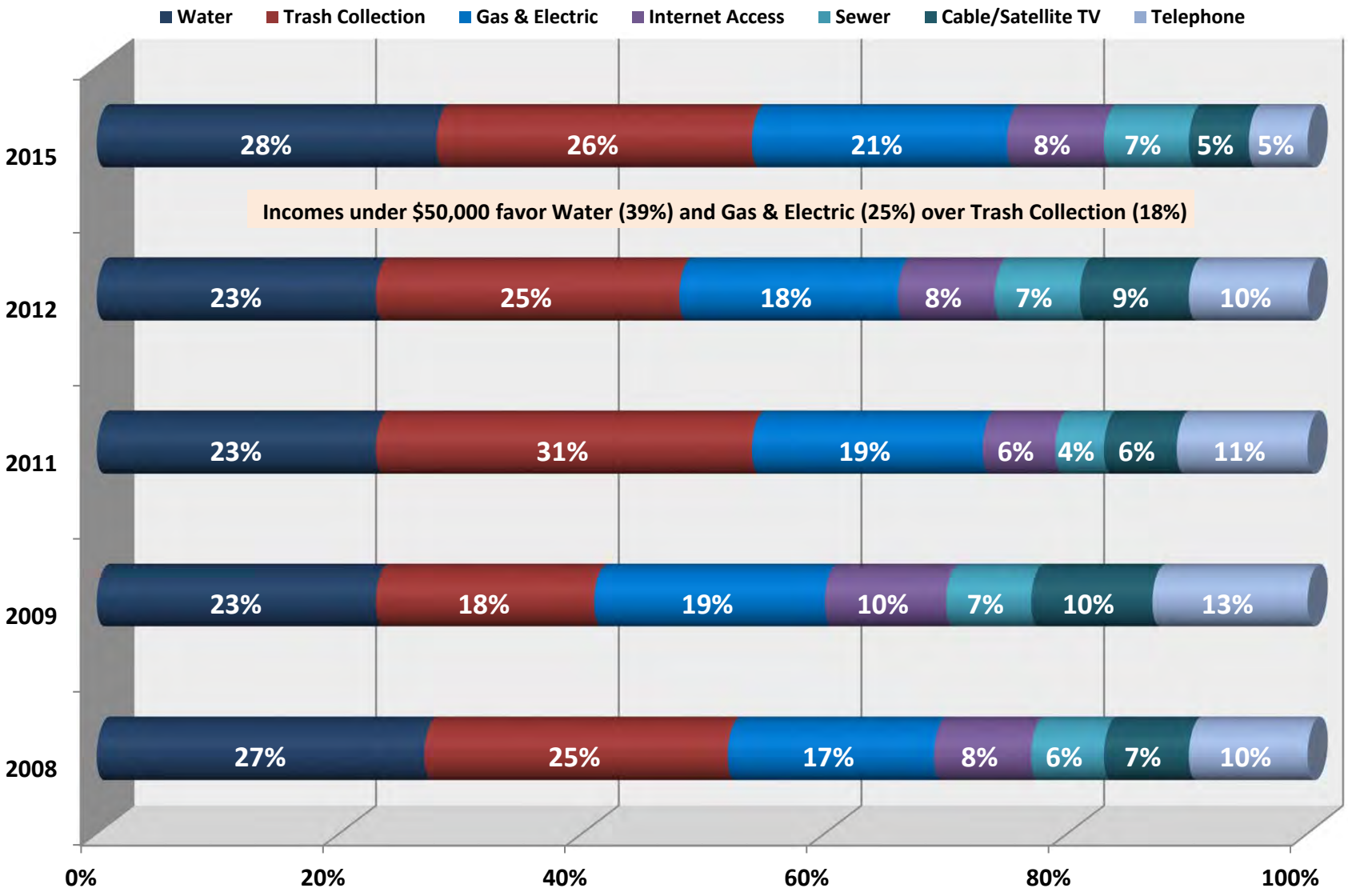
Satisfaction with Calls to Customer Service

(Mean Satisfaction = 1.85 --Scale: 1 = Excellent and 5 = Very Poor)



Best Value Among Utilities--Weighted

(Utilities Ranked 1-2-3 and weighted--3 points for first choice, 2 points for second and 1 point for third)

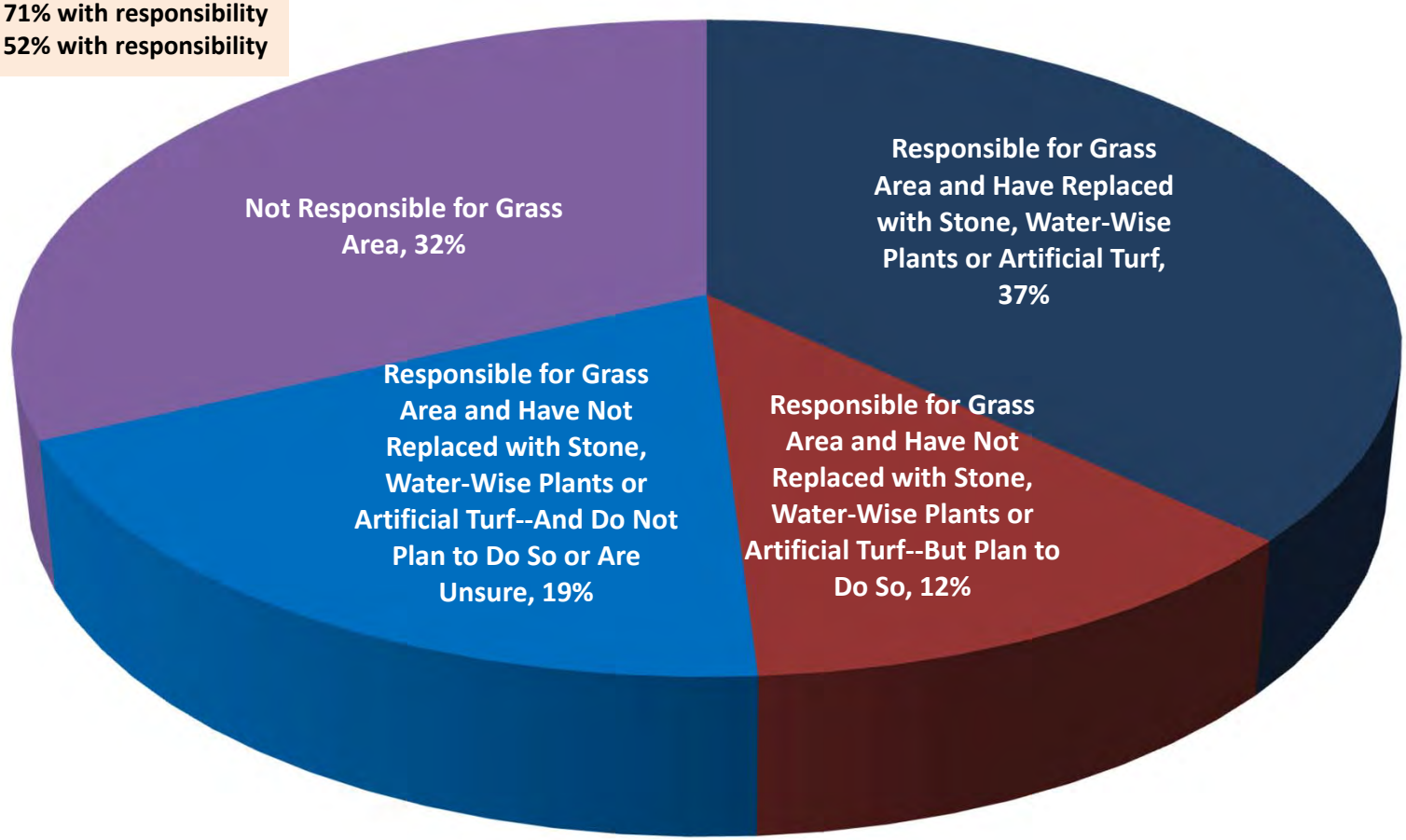


WATER CONSERVATION

Replaced All or Some of Grass Area with Low-Water Use Landscaping

Overall % responsible for grass area = 68%

Owners = 71% with responsibility
Renters = 52% with responsibility



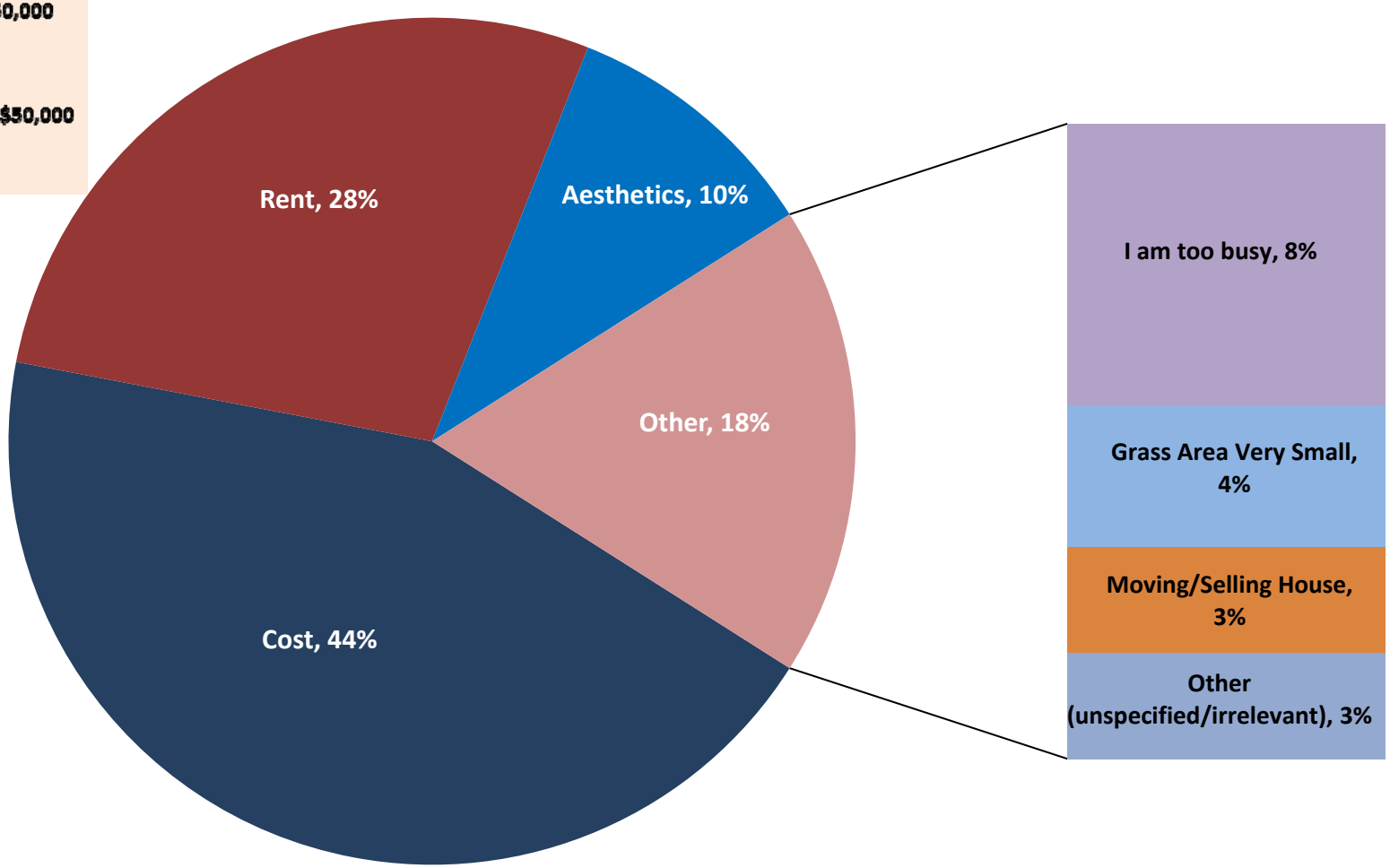
Main Barrier to Replacing Grass Area with Low-Water Landscaping

(Among 19% with Grass Area Who Have Not Replaced or Do Not Plan to Replace It)

Main Barriers:

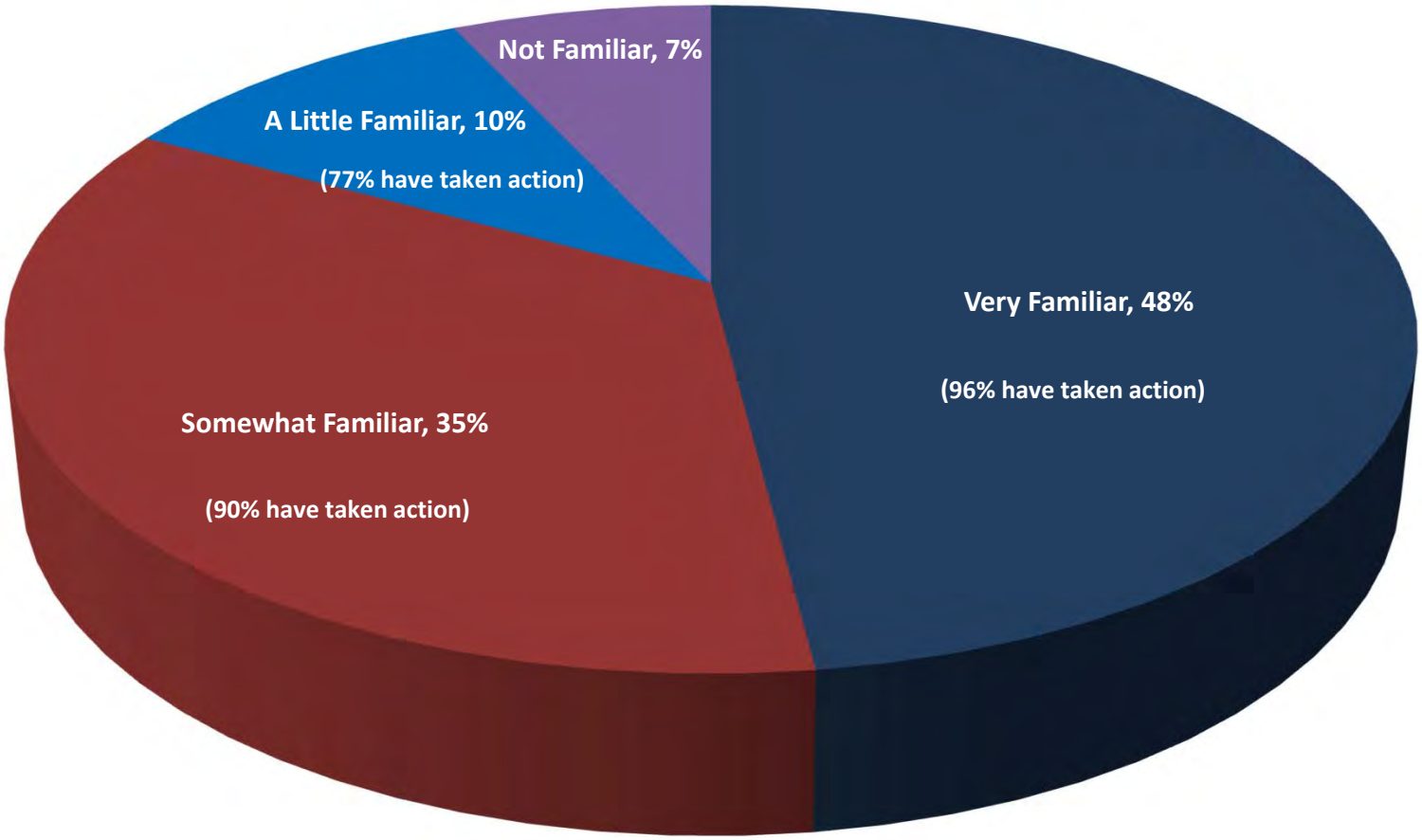
Income < $50,000
Rent = 56%
Cost = 22%

Income >/= $50,000
Cost = 54%
Rent = 26%



Familiarity with Mandatory Water-Use Restrictions

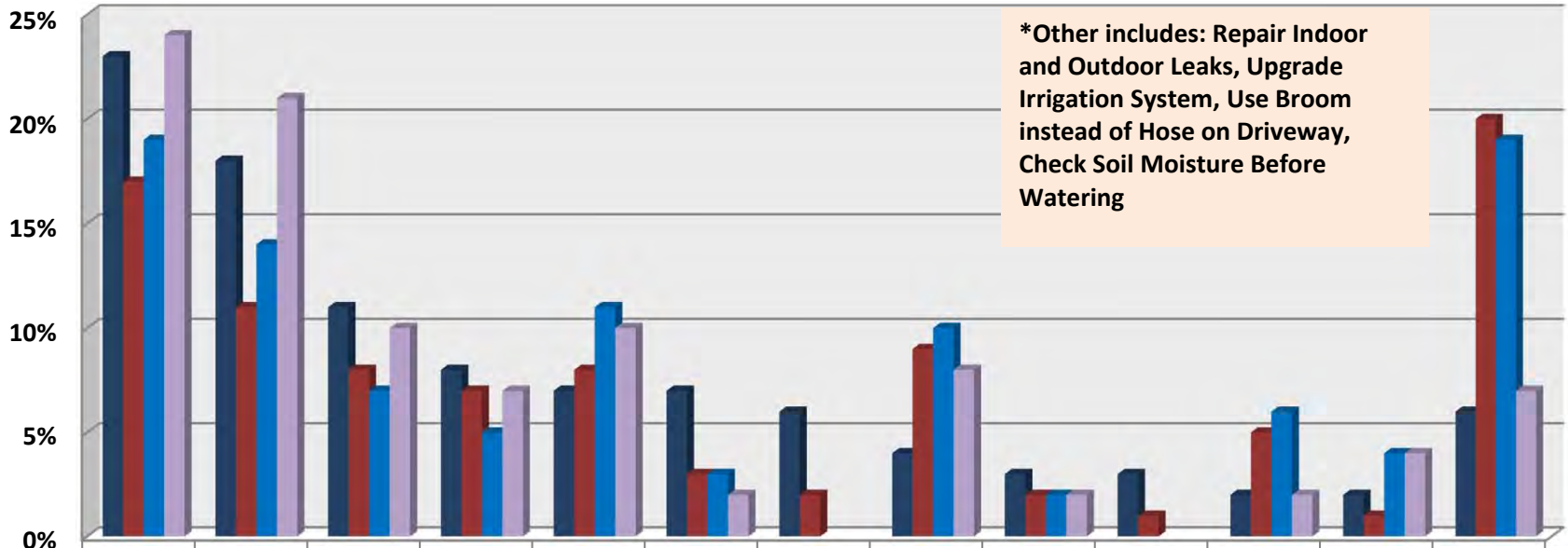
(92% with Some Familiarity Have Taken Action in Response to Restrictions)



Very or Somewhat Familiar:
Incomes under $50,000 = 88%
Incomes of $50,000 and over = 82%

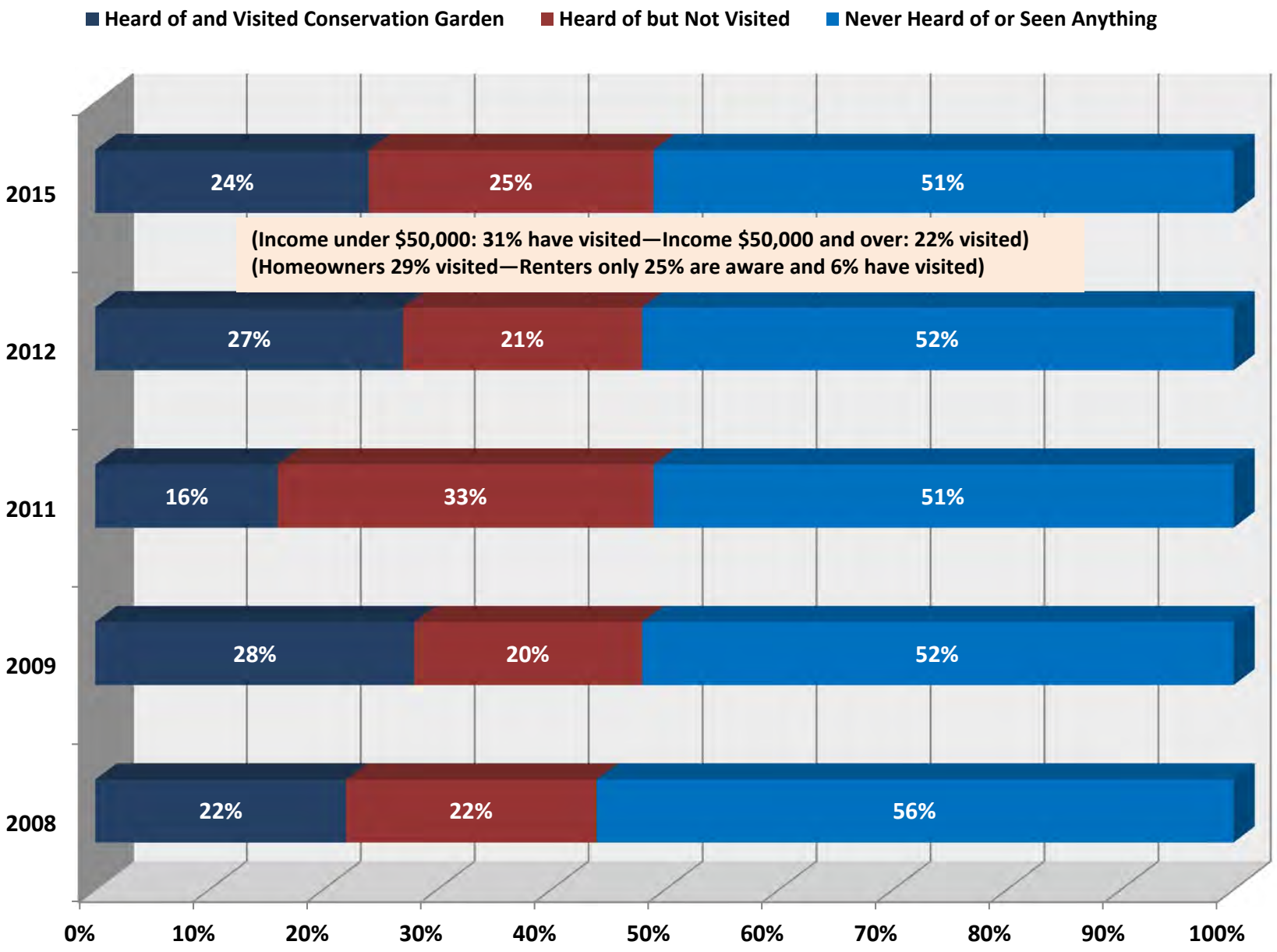
Specific Actions Taken to Reduce Water Use in Response to Mandatory Restrictions

(Among 92% of Respondents with Some Familiarity with Restrictions and Have Taken Action = 86% of All Customers)



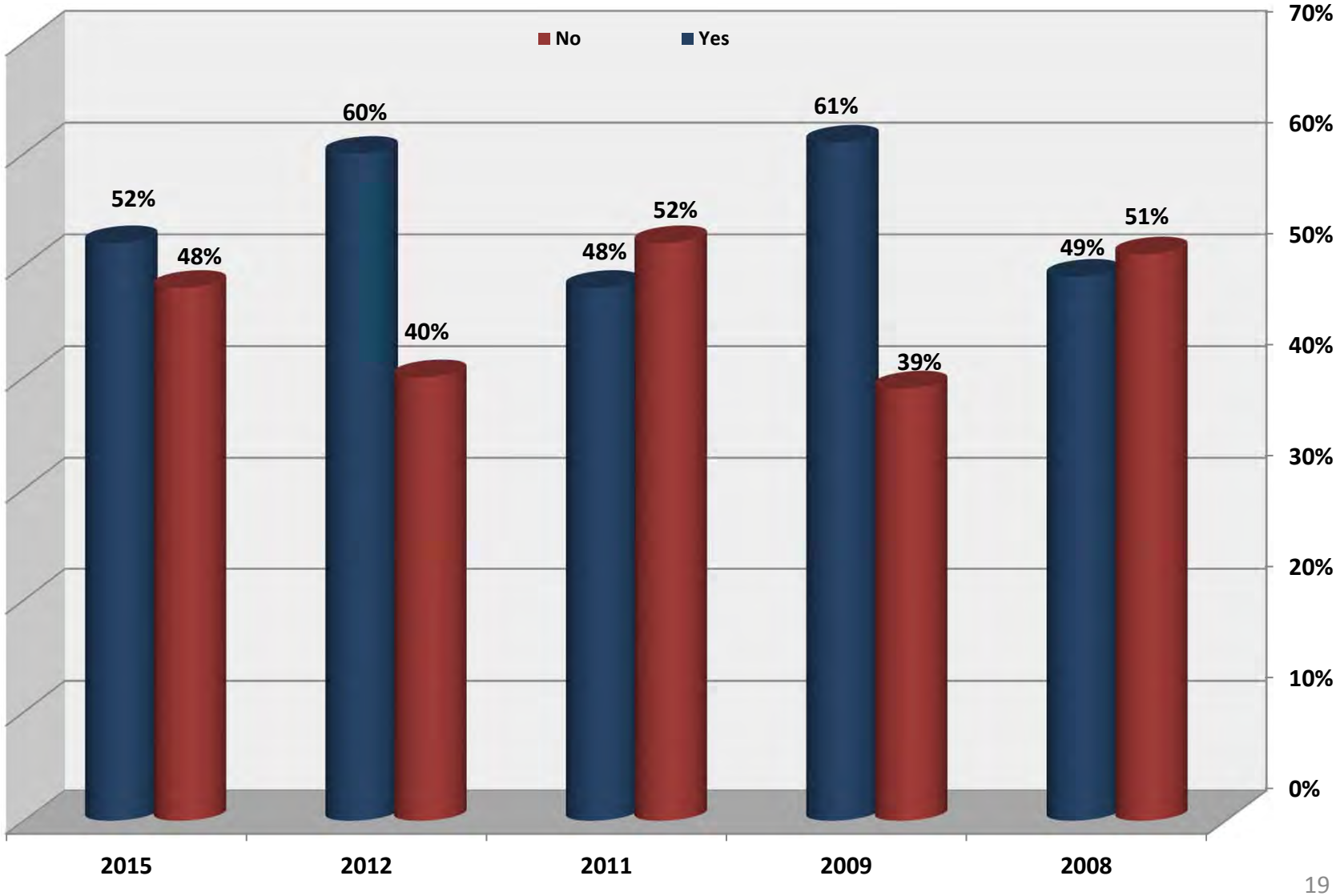
	Less Time Outdoor Water	Shorter Showers	Fewer Days per Week Outdoor Water	Let Lawn/ Plants Die-- Remove	Wash Only Full Loads of Dishes and Clothes	Collect and Reuse Water	Use Car Wash	Do Not Allow Water to Run	Replaced Turf with Low Water Plants	Replace Grass with Artificial Turf	Irrigate Early in Morning or Late at Night	High-Effic'ncy Clothes Washer/ Low-flow Fixtures	Other*
2015	23%	18%	11%	8%	7%	7%	6%	4%	3%	3%	2%	2%	6%
2012	17%	11%	8%	7%	8%	3%	2%	9%	2%	1%	5%	1%	20%
2011	19%	14%	7%	5%	11%	3%		10%	2%		6%	4%	19%
2009	24%	21%	10%	7%	10%	2%		8%	2%		2%	4%	7%

Water Conservation Garden at Cuyamaca College

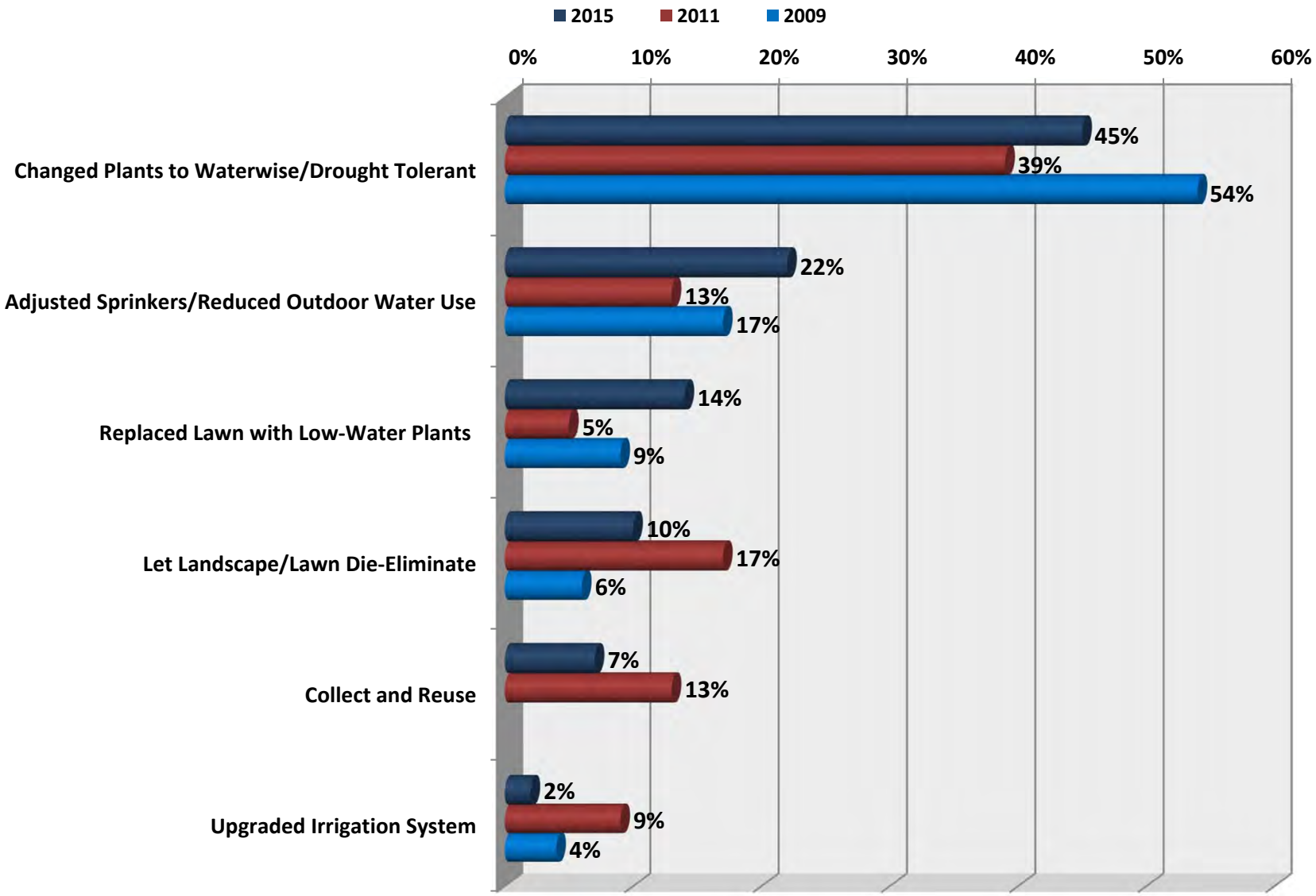


Made Changes to Landscaping as a Result of Visiting Water Conservation Garden

(Among 24% Who Have Visited)

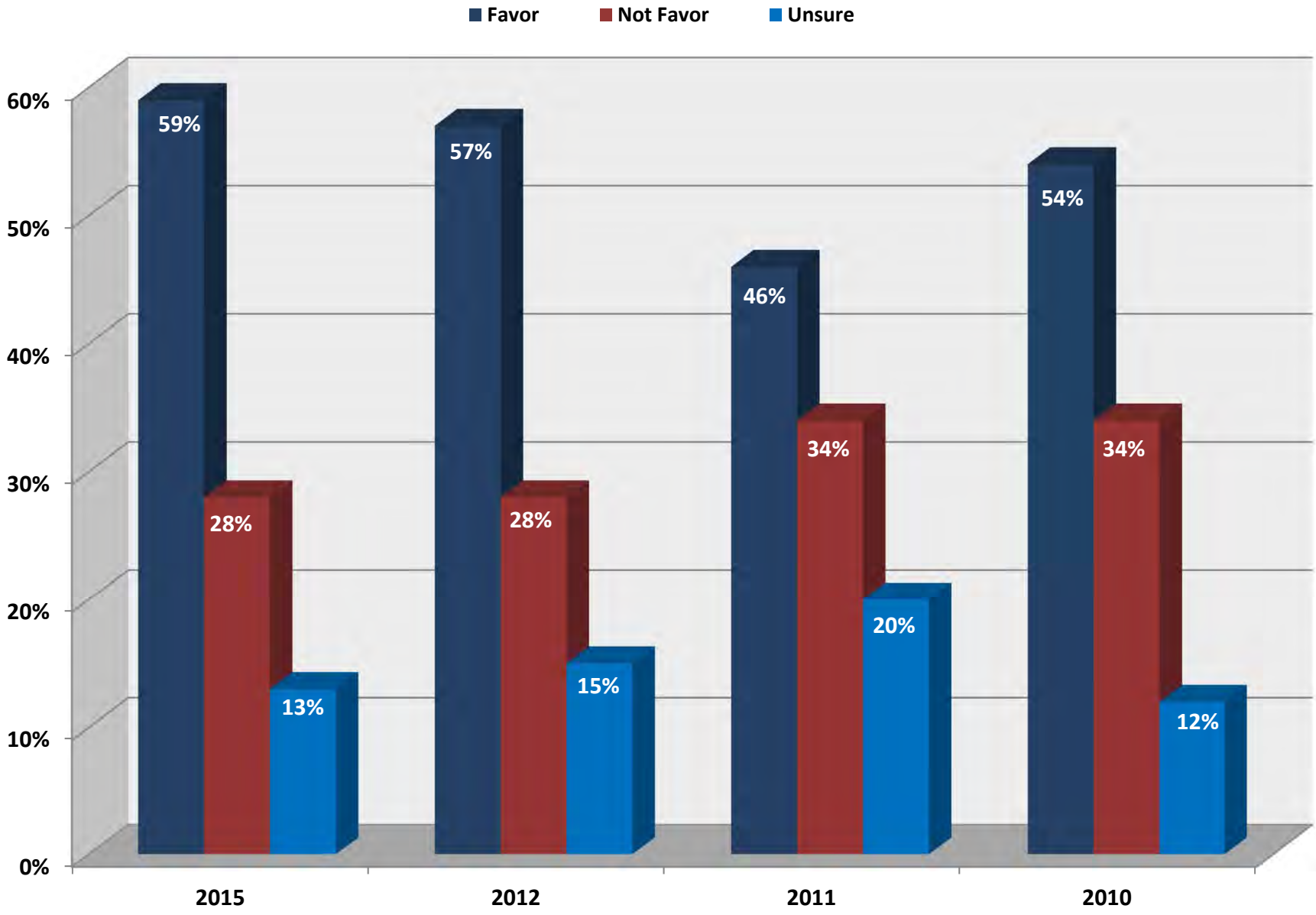


Most Significant Change in Landscape as a Result of Visiting Water Conservation Garden



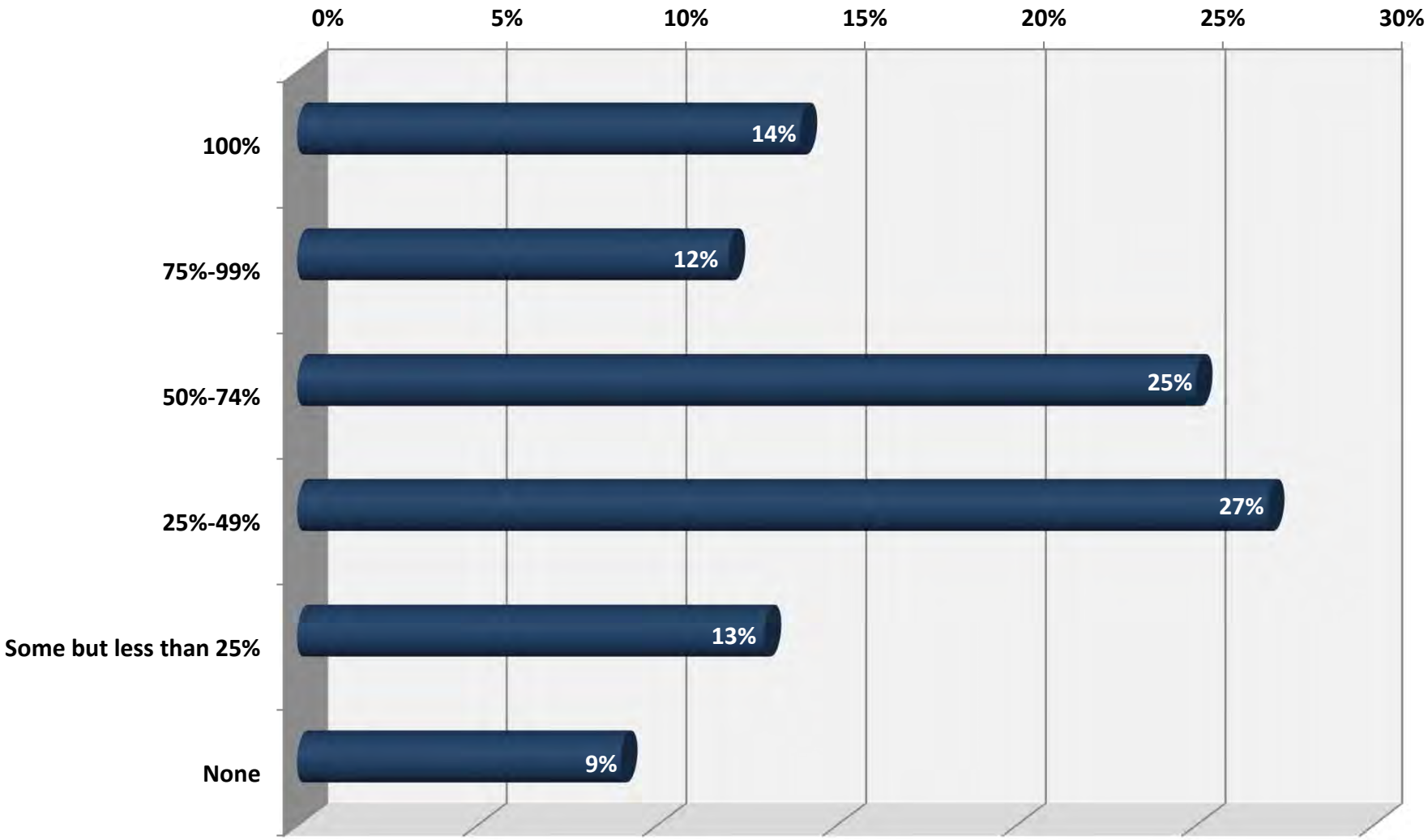
ROSARITO BEACH DESALINATION

In Favor of Pursuing Agreement for Rosarito Beach Desalinated Water



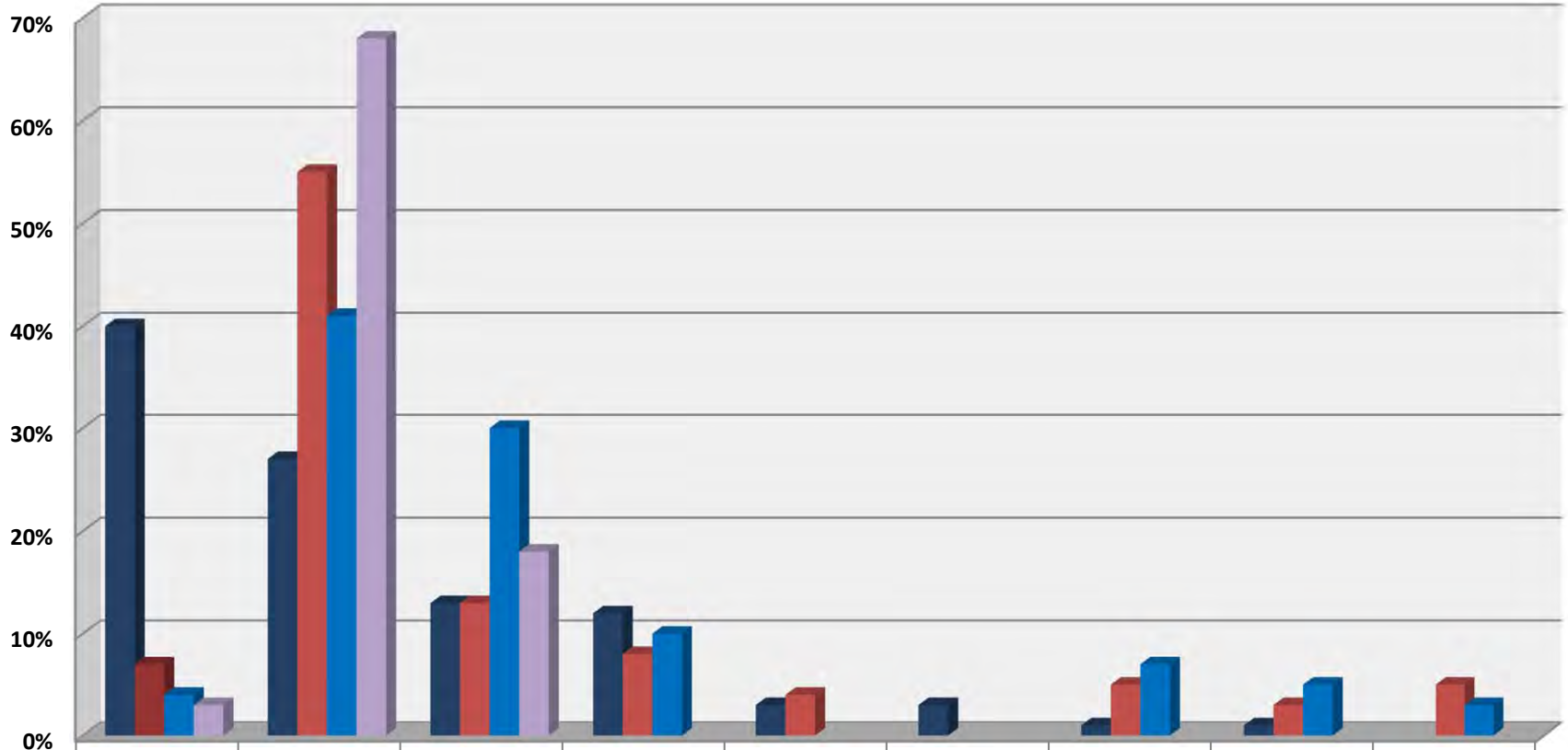
Percentage of All Otay Water District Water that is Preferred from Rosarito Beach Desalination Plant

(Among 59% Who Favor the Agreement---Median Percentage = 50%)



Why Not Favor Desalination Agreement?

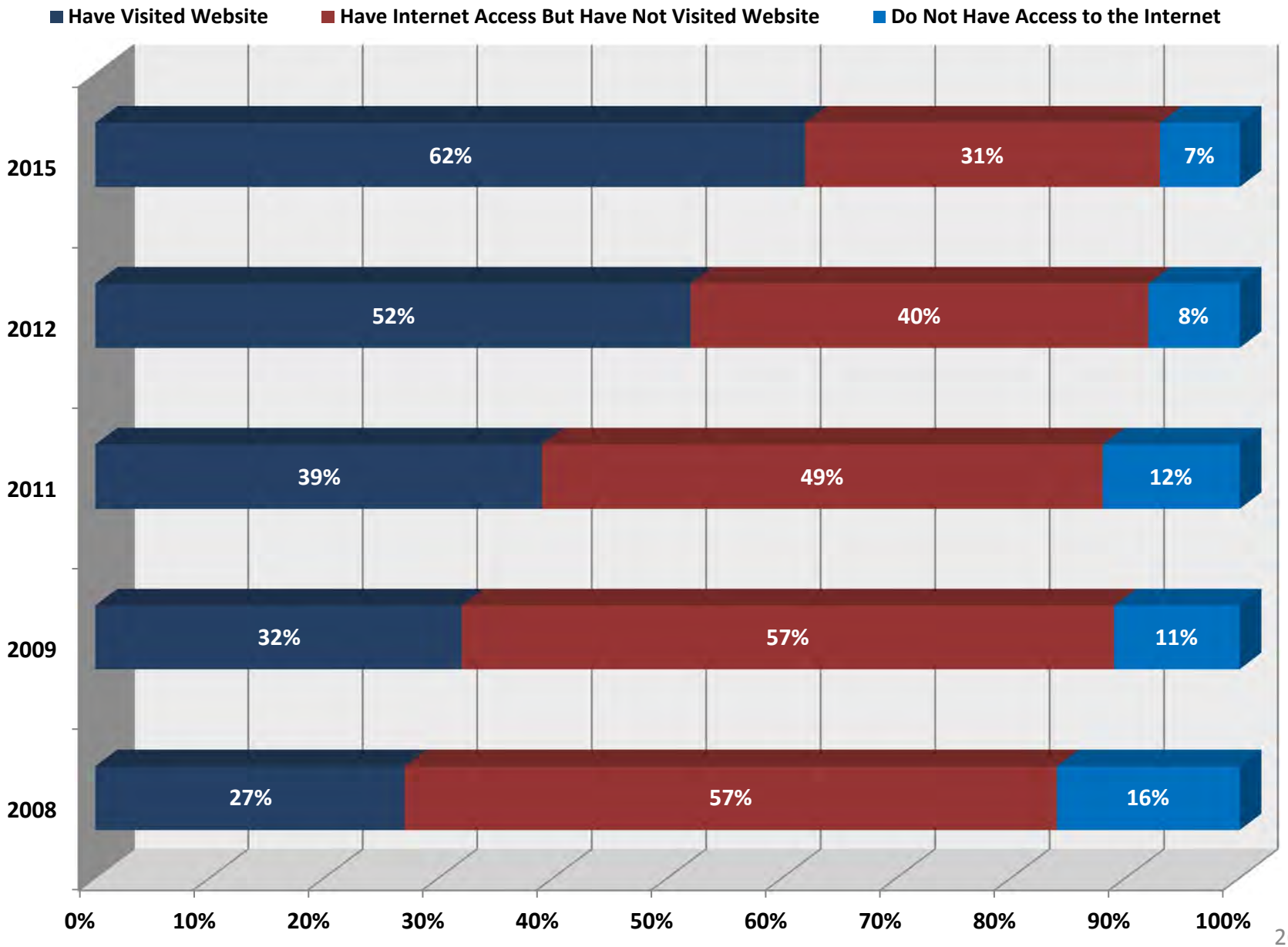
(Among 28% Not in Favor and 13% Unsure)



	Need More Infor-mation	Do Not Trust Mexican Govt/ Mexico Water Quality	Put Plant in U.S./ Create U.S. Jobs	Cost	Do Not Desire Interna-tional Involv-ment	Danger to Sea Life	Lack of Control	Do Not Want to Drink Sea-water	Do Not Like Idea/ Other
2015	40%	27%	13%	12%	3%	3%	1%	1%	
2012	7%	55%	13%	8%	4%		5%	3%	5%
2011	4%	41%	30%	10%			7%	5%	3%
2009	3%	68%	18%						

COMMUNICATION

Visited Otay Water District Website?

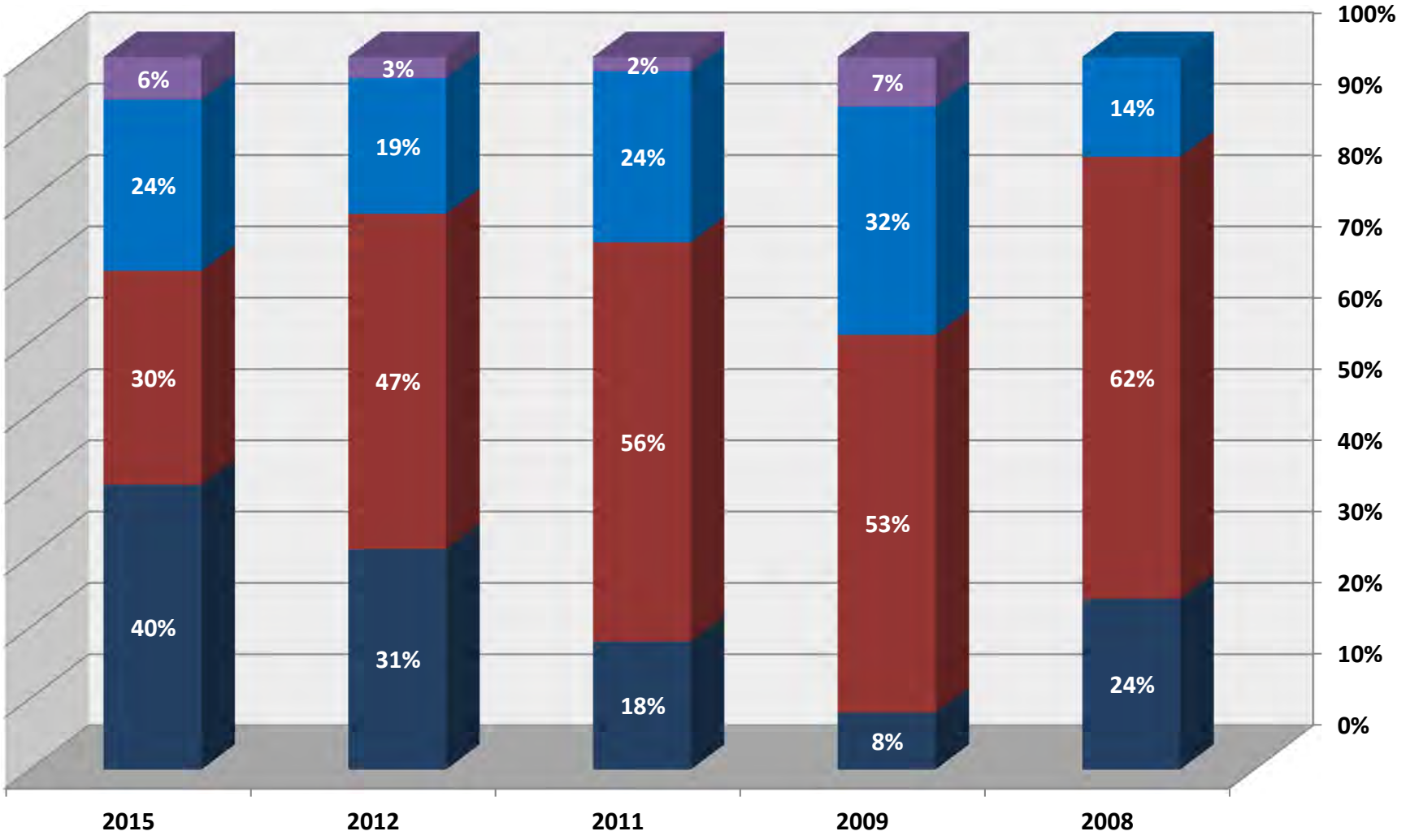


*2015: "Poor" category includes 5% who rated the website at 4 and 1% who rated it at 5. Prior years ratings were 1-4 only.

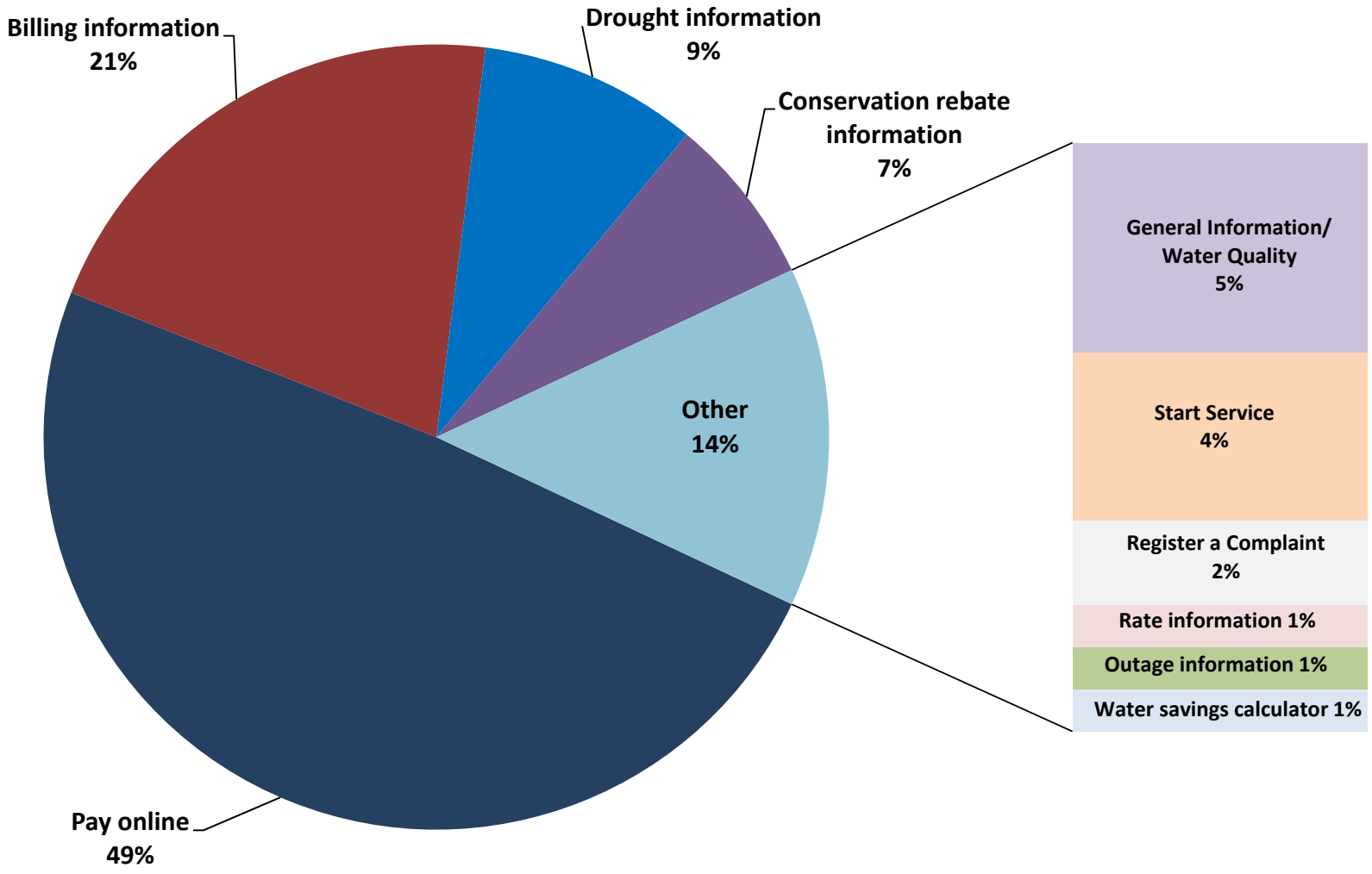
Rating of User Friendliness of Website

(respondents = 62% who have visited website)

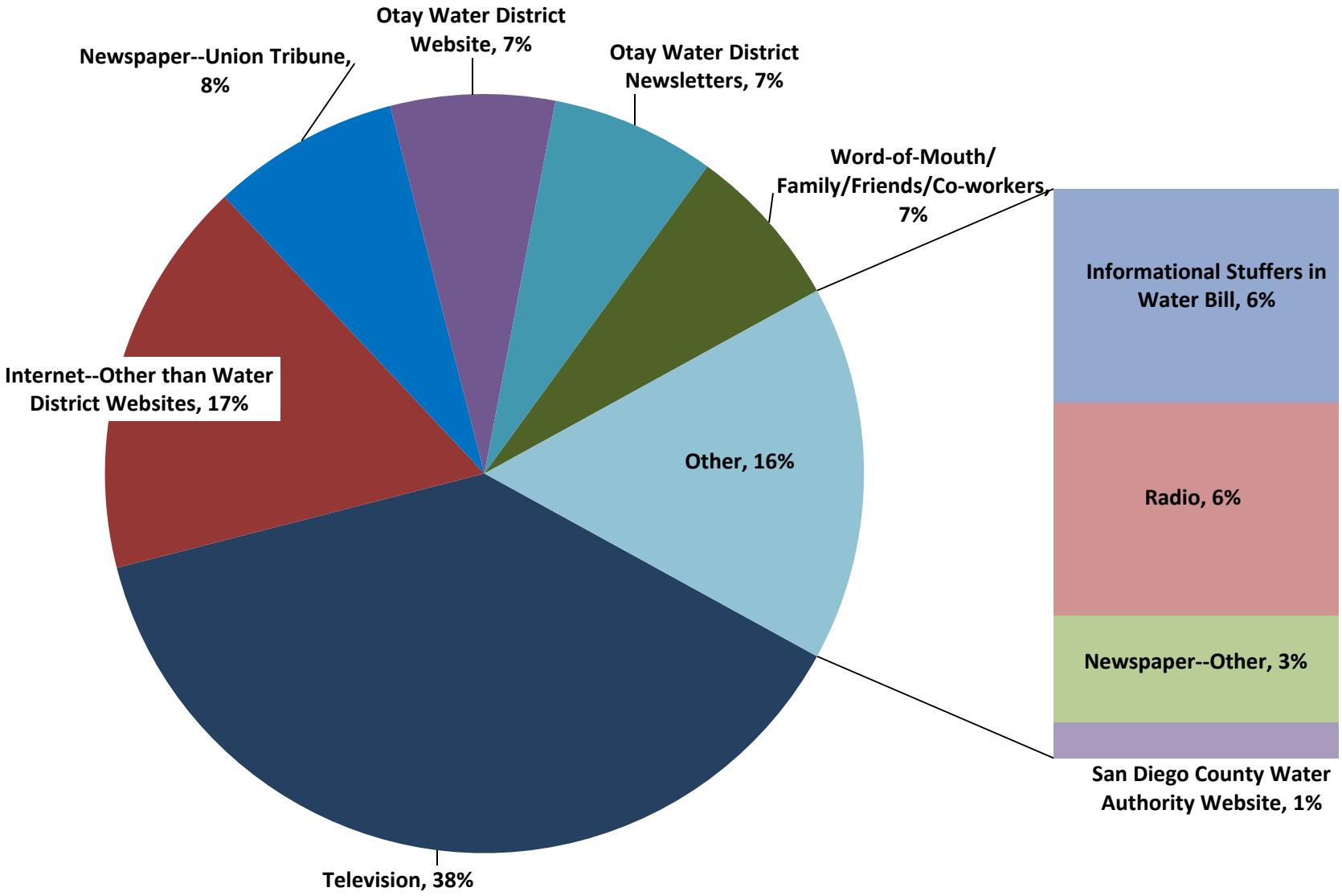
(Mean = 1.99--Scale: 1=Excellent and 5=Poor*)



Primary Reason for Visiting Website
(among 62% who had visited website)



Primary Source of Information About Water Issues



ATTACHMENT C

2015

Otay Water District Customer Awareness and Opinion Survey Report

Rea & Parker Research

September, 2015

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Otay Water District 2015 Residential Customer Opinion and Awareness Survey

Executive Summary

The Otay Water District has elected to conduct a statistically reliable customer opinion and customer awareness telephone survey among residential customers. The purpose of the survey is twofold – first, to provide information concerning customer satisfaction and customer awareness of water issues and secondly to compare the results of this 2015 study with the results of the 2005, 2006, 2008, 2009, 2011, and 2012 Residential Customer Opinion and Awareness Surveys as well as the 2010 Ocean Water Desalination Opinion Survey where data are comparable for a limited number of questions only.

Sample

The survey was conducted by a random telephone sample of 314 respondents, which equates to a margin of error of +/- 5.5% at the 95% confidence level. Among these respondents, 100 were customers who provided cell phone contact information to the District.

Respondents were a plurality of White customers (43 percent), with another 35 percent being Hispanic/Latino. Survey respondents earn an annual median household income of $83,800, with 33 percent earning $100,000 or more and 20 percent earning under $50,000, including 6 percent under $25,000. Respondents have a median age of 51 years and have been customers of the Otay Water District for a median of 10 years. Among these respondents, 58 percent possess a Bachelor's degree or higher, with 13 percent having a high school education or less. Survey respondents are mostly homeowners (80 percent) with a mean household size of 3.52.

Survey Findings

This survey report has been divided into nine essential information components as follows:

- Demographic Statistics/Respondent Characteristics
- Customer Satisfaction and Confidence and Trust in Water Reliability
- Comparative Rating of Utilities and the Cost of Water
- Outdoor Watering the Landscape Maintenance
- Water Conservation
- Cuyamaca College Water Conservation Garden
- Alternative Water Supply: Desalination
- Bill Payment
- Information about Water Issues

Customer Satisfaction and Confidence and Trust in Water Reliability

- Otay Water District customers demonstrate a very high level of satisfaction with the District as their provider of water service with almost three-fourths (74 percent) rating the District as excellent (53 percent) or very good (21 percent). These ratings are substantially higher than those recorded in the 2012 survey where 64 percent of respondents rated their

level of satisfaction as either excellent (29 percent) or very good (35 percent). This rating also greatly exceeds the satisfaction recorded in all previous surveys dating back to 2005.

- Respondents feel that the Otay Water District has responded well to issues related to the recent drought. Specifically, 70 percent of respondents agree that the District has been a good partner in helping conserve water. Nearly three-fourths (74 percent) acknowledge that the District has provided its customers with adequate and timely information about the drought. Nearly three-fifths (59 percent) state that the District is not at fault when it comes to the drought.
- Nearly four-fifths of respondents (84 percent) have a substantial amount of trust in the ability of the **O**tay Water District to provide clean, safe, water for its customers (53 percent a great deal of trust and 31 percent a good amount of trust). Only 4 percent expressed a lack of trust. These ratings represent, again, a noteworthy increase in the amount of trust respondents have in the ability of the District to provide clean, safe, water reversing the ratings portrayed in previous General Surveys.
- Well over one-half (55 percent) of customers have either a great deal of trust (32 percent) or a good amount of trust (23 percent) in the ability of the Otay Water District to obtain water at reasonable prices. This level of trust is higher than the comparable trust ratings in previous General Surveys (ranging from 39 percent in 2009 and 2012 to 49 percent in 2010).
- Among the 21 percent who called the Otay Water District for service in 2015, 76 percent indicated that their service was either excellent (59 percent) or very good (17 percent). This level of satisfaction is similar to the satisfaction level found in the 2012 General Survey. Further, the satisfaction levels in both the 2015 and 2012 Surveys substantially exceed the satisfaction levels recorded in 2009 and 2011.

Comparative Rating of Utilities and the Cost of Water

- Nearly two-fifths (37 percent) of Otay Water District customers rate trash collection as the utility with the best value for the money paid. Water (30 percent) and gas and electric (18 percent) follow trash collection in perceived value. This represents a reversal from the 2012 ratings where water was rated slightly above trash collection as the utility with the best value.
- Using a composite ranking that takes first, second, and third rankings for each utility into account, water becomes the utility with the best value followed by trash collection and gas and electric.

Outdoor Watering and Landscape Maintenance

- Over two-thirds (68 percent) of respondents have a lawn or grass area at their residence for which someone in their household has direct responsibility. Among these customers, nearly two-fifths (37 percent = 25 percent of all customers) have already replaced this grass area with a water-conserving alternative. Another 12 percent (8 percent of total customers) plan to make some type of lawn replacement.
- Among those customers who have replaced their grass area and among those who plan to do so, one-fourth (25 percent) are making use of water-wise, drought resistant plants. Another 23 percent view rocks and stones as an appropriate ground cover and one-fifth (20 percent) are replacing their lawns with artificial turf.
- Over two-fifths (44 percent) of those who do not plan to replace their grass area cite cost as the main barrier.

Water Conservation

- More than 9 in 10 customers (93 percent) have familiarity with mandatory water-use restrictions that are in effect across the Otay Water District's service area. In fact, nearly one-half (48 percent) report that they are very familiar with such restrictions.
- Among the 93 percent of customers who express familiarity with mandatory water restrictions, 92 percent (86 percent of all District customers) have taken specific actions to reduce water use. One-half (50 percent) of the actions taken involve reducing water use outdoors, including less time watering outdoors (23 percent), fewer days per week watering outdoors (11 percent), and letting lawn/plants die (8 percent).
- Just over two-fifths (44 percent) of customers are aware that the Otay Water District offers conservation rebates and incentives.

Cuyamaca College Water Conservation Garden

- Nearly one-half (49 percent) have seen or heard about the Water Conservation Garden at Cuyamaca College. Nearly one-fourth (24 percent) of all respondents have, in fact, visited the Garden. This visitation pattern is consistent with the patterns found in the 2008 survey (22 percent), the 2009 survey (28 percent), and the 2012 survey (27 percent).
- Over one-half (52 percent = 12 percent of all customers) of those who visited the Water Conservation Garden made changes to their landscaping that resulted from that visit.
- As a result of visiting the Water Conservation Garden, the most significant change customers made was an effort to use more water-wise/drought tolerant plants (45 percent). This change is followed by adjusting sprinklers and reducing outdoor water use (22 percent) and replacing lawn with low-water plants (14 percent). These adjustments are consistent with changes made in previous survey periods.

Alternative Water Supply: Desalination

- Nearly three-fifths (59 percent) of District customers favor an international agreement to purchase desalinated water from a proposed Rosarito Beach desalination facility in Mexico. This represents an increase of 2 percent from the results of the 2012 survey and 13 percent from the results of the 2011 survey where 46 percent favored such an agreement.
- The median percentage of the District's water that customers feel should derive from the proposed desalination plant is 50 percent.
- Among the 28 percent who oppose the international agreement with Mexico or are unsure (13 percent) about it, two fifths (40 percent = 16 percent of all customers) say they need more information about the Project and just over one-quarter (27 percent = 11 percent of all customers) indicates that they do not trust the quality of water in Mexico and/or they do not trust the Mexican government. Another 13 percent (5 percent of all customers) feels that the plant should be located in the United States in order to create jobs domestically.
    - These recent survey results affirm a positive trend in that a fairly large proportion of respondents who feel negatively about the project are requesting more information about it and presumably are showing more interest in it. Further, a smaller percentage of respondents exhibits distrust for the Mexican government – down from 55 percent in 2012.

Bill Payment

- Nearly two-thirds (66 percent) of respondents receive their monthly bill by mail in paper format. Among the 66 percent who receive their bill by mail, over two-fifths (44 percent) object to paperless billing because they want a paper record for bookkeeping and taxes.
- Nearly one- half (48 percent) of respondents examine their bill for water usage or other factors every time. Nearly one-fifth (17 percent) examine their bill most times and 24 percent do so sometimes.
- Over two fifths (41 percent) of customers pay their bill online, 26 percent pay their bill through automatic bank deductions, one-fourth (25 percent) pay by sending a check in the mail and others pay by credit card over the telephone (6 percent) and in person at District offices (2 percent). It is noteworthy that 46 percent of customers would prefer to pay online (5 percent more than actually do so) and 20 percent would prefer to use postal mail (5 percent less than actually do so).
- Respondents in 2015 demonstrate a decrease in the use of paying their bill by check through postal mail (36 percent in 2012 to 25 percent in 2015). The use of automatic bank deductions to pay bills increased from 18 percent in 2012 to 26 percent in 2015. There is, therefore, some evidence that customers of the Otay Water District are using or considering using electronic methods of bill paying and relying less on postal mail.
- About 7 in 10 respondents (71 percent) who currently do not pay their bill online would still not do so even if a chat function were available to interact directly with a customer service representative.
- Among customers who do not pay online and indicate a reason for not doing so, nearly one-half (45 percent) indicate that there is nothing the District can do to make paying on line more appealing. In 2012, customers who did not wish to pay online were even firmer in their resolve that the District can do nothing to motivate them to do so (55 percent). Both years show that three-fourths of those disinclined to pay on-line are not going to be easily swayed.

Information about Water Issues

- More than one-half (55 percent) of customers obtain information about water issues from television (38 percent) and the Internet (17 percent---other than Water District websites). One fifth (20 percent) receive information from sources associated with the Otay Water District (Otay Water District website and Otay Water District newsletters – each 7 percent – and informational stuffers in the water bill – 6 percent).
- Over three-fifths (62 percent) of customers have visited the Otay Water District website. This represents an increase over the 2012 survey results where 52 percent indicated that they had visited the website.
- Website visitors give the District Website very good ratings – 73 percent excellent or very good, 24 percent fair, and 6 percent poor.
- More than one-fourth of customers (26 percent) always read the newsletter or bill inserts that come in the mail with the monthly water bill, 23 percent read these materials most months, and another 33 percent read them sometimes, leaving 18 percent who never read the newsletter or bill inserts. Survey results show a consistent increase in readership patterns since 2008.
- English is not the first language of 20 percent of the survey respondents. Among these 20 percent, 18 percent can read newsletters and reports in English and nearly 2 percent cannot read newsletters and reports in English but they have someone available who can translate

this information for them. This material is inaccessible to less than 0.5 percent who cannot read English and do not have someone available to help them translate it for them.

Conclusions

The results of the 2015 General Survey not only demonstrate that there are strong indications of continued customer support for the work of the Otay Water District, but also that support has reached a higher level than has been recorded during the past decade. That is, the overall satisfaction with the District as a water service provider is notably higher than every survey period since this series of surveys began in 2005. The level of trust and confidence in the ability of the District to provide clean, safe water and to provide it at reasonable prices is also higher than in previous surveys.

Water and trash collection have been the top two utilities in the District's surveys since the inception of these surveys. That is, these two utilities represent to customers the best value that they perceive for the money paid among the most commonly used utilities.

The results of this survey should be viewed as a very powerful ratification by the public of the importance and quality of the work done by the District and as an expression of the high value to the customers of the District of the work in which the Otay Water District is engaged.

Introduction and Methodology

In 1956, the Otay Water District was authorized by the State Legislature and gained its entitlement to water that was imported into the region. Today, the District serves the needs of more than 217,000 people within 125.5 squares miles in southern San Diego County by purchasing water from the Metropolitan Water District of Southern California through the San Diego County Water Authority and Helix Water District. Sewer services are also provided to portions of the customer base. Since its inception, the Otay Water District also has collected and reclaimed wastewater generated within the Jamacha Drainage Basin and pumps the reclaimed water south to the Salt Creek Basin where it is used for irrigation and other non-potable uses, such as golf courses, playing fields, parks and roadside landscape.

The Otay Water District has elected to conduct a statistically reliable customer opinion and customer awareness telephone survey among its residential customers. The purpose of the survey is twofold – first, to provide information concerning customer satisfaction and customer awareness of water issues and secondly to compare the results of this 2015 study with the results of the 2005, 2006, 2008, 2009, 2011, and 2012 Residential Customer Opinion and Awareness Surveys (referred to throughout this report as General Surveys) as well as the 2010 Ocean Water Desalination Opinion Survey where data are comparable for a limited number of questions only.

Rea & Parker Research was selected to conduct the 2015 study, as it was for the 2005, 2006, 2008, 2009, 2010, 2011, and 2012 studies. The purpose of the research is to:

- Determine overall satisfaction with the services of the Otay Water District including the level of trust in the District to provide enough water at reasonable rates;

- Determine opinions and perceptions of various issues, including:
    - Effect of California's drought on overall satisfaction with the District
    - Effect of the drought on landscape choices
    - Cost of water
    - Awareness and interest in water conservation
    - Methods of and attitudes toward mandatory and voluntary water conservation
    - Attitudes toward desalination

- Formal district communication efforts including the official website
- Monthly billing alternatives
- Customer service
- Water Conservation Garden at Cuyamaca College
- Sources of information about water issues
- Relative value of water service in comparison to other utilities

- Obtain demographic data about the population for use in descriptive analysis and crosstabulations of data that can result in new, optimally targeted and tailored public awareness programs.

- Compare the results of this survey with the results of the 2005, 2006, and 2008, 2009, 2010, 2011, and 2012 surveys of District customers.

Sample

The survey was conducted by a random telephone sample of 314 respondents in order to secure a margin of error not to exceed +/-5.5 percent @ 95 percent confidence[1]. This figure represents the widest interval that occurs when the survey question represents an approximate 50 percent-50 percent proportion of the sample. When it is not 50 percent-50 percent, the interval is somewhat smaller. For example, in the survey findings that follow, 48.0 percent of respondent households indicate that they are "very familiar" with existing mandatory water use restrictions due to the drought. This means that there is a 95 percent chance that the true proportion of the total population of the District's service area that has not seen or heard these messages is between 42.5 percent and 53.5 percent (48.0 percent +/- 5.5 percent).

Survey respondents were screened to exclude those customers who have not lived in San Diego County for at least one year. When respondents asked about who was sponsoring the survey, they were told "this project is sponsored by the Otay Water District, and it's about issues related to your household water supply." The survey sample included, within the 314 respondents, 100 customers who indicated that they regularly use cell phones. These cell phone users were weighted back into the over data that follow to

[1] Past years' general surveys have mostly been conducted with 300 respondents and a +/- 5.7 percent margin of error at 95 percent confidence. In 2012, 480 respondents were obtained with a margin of error of +/- 4.5% at 95% confidence.

reflect 90.4 percent of Otay Water District customers who have provided a landline telephone number only to the District and 9.6 percent who provided cell phone contact information.

The survey was conducted in both English and Spanish. Spanish language respondents comprised 4.4 percent of the survey population, including 6 percent of cell phone users. The distribution of respondents according to gender was 52 percent male and 48 percent female.

The survey was conducted from August 31, 2015 to September 9, 2012. The total survey cooperation rate was 47.6 percent, as indicated in Table 1. This survey report has been divided into nine essential information components as follows:

Demographic Statistics/Respondent Characteristics

Customer Satisfaction and Confidence and Trust in Water Reliability

Comparative Rating of Utilities and the Cost of Water

Outdoor Watering and Landscape Maintenance

Water Conservation

Cuyamaca College Water Conservation Garden

Alternative Water Supplies: Desalination

Bill Payment

Information about Water Issues

Charts have been prepared for each of these major components depicting the basic survey results. Subgroup analyses for different age groups, various levels of education, gender, home ownership/rental status, household size, residential tenure in the community, different income categories, ethnicity of residents of the service area, and cell phone versus land line customers will be presented in succinct bulleted format when statistical significance and relevance warrants such treatment.

Frequency distributions for the weighted responses and verbatim listings of open-ended responses to survey questions as well as the survey instrument, itself, are contained in the Appendix.

Table 1 Otay Water District 2015 Customer Survey Telephone Call Disposition Report	
Unknown Eligibility	
No Answer/Busy	**1238**
Answering Machine	**1579**
Not Home—Call Back	**380**
Language Barrier	**34**
Refusal/Mid-term Termination	**345**
Total Unknown	***3576***
Ineligible	
Disconnect	**551**
Fax/Wrong Number	**210**
Total Ineligible	***761***
Not Qualified—less than one year	**58**
Eligible	
Complete	***314***
Total Attempts	**4,709**
Cooperation Rate (Complete/(Complete + Refusal))	**47.6%**

Survey Findings

Demographic Statistics/Respondent Characteristics

Table 2 presents selected demographic characteristics of the survey respondents. Respondents are a White plurality (43 percent), with another 35 percent being Hispanic/Latino. This is the least White and most Hispanic/Latino survey for the Otay Water District since this series of surveys began in 2005. Survey respondents earn an annual median household income of $83,800—the highest in the series of surveys, with 33 percent earning $100,000 or more and 20 percent earning under $50,000, including 6 percent under $25,000).

Table 2 Otay Water District General Survey Respondent Characteristics[2] (weighted for cell phone and land line usage)						
Characteristic	**2015**	**2012**	**2011**	**2010**	**2009**	**2008**
Ethnicity						
White	**43%**	**55%**	**56%**	**44%**	**55%**	**52%**
Hispanic/Latino	**35%**	**26%**	**26%**	**29%**	**28%**	**30%**
Asian/Pacific Islander	**13%**	**10%**	**14%**	**15%**	**8%**	**8%**
Black/African-American	**7%**	**5%**	**2%**	**8%**	**6%**	**6%**
Native American/ Middle East/ Mixed/Other	**2%**	**4%**	**2%**	**4%**	**3%**	**4%**
Annual Household Income						
Median	**$83,800**	**$79,900**	**$80,400**	**$85,600**	**$75,700**	**$83,500**
% $100,000 or more	**33%**	**28%**	**32%**	**36%**	**26%**	**30%**
% $25,000 to under $50,000	**14%[3]**					
% under $25,000	**6%**	**6%**	**6%**	**10%**	**8%**	**5%**
Age						
Median	**51 years**	**53 years**	**53 years**	**53 years**	**53 years**	**47 years**
Years Customer of Otay Water District						
Median	**10 years**	**12 years**	**15 years**	**9 years**	**12 years**	**8 years**
Education						
High School or Less	**13%**	**17%**	**16%**	**12%**	**17%**	**22%**
At Least One Year College, Trade, Vocational School	**29%**	**32%**	**24%**	**30%**	**32%**	**28%**
Bachelor's Degree	**32%**	**34%**	**34%**	**41%**	**39%**	**33%**
At Least One Year of Graduate Work	**26%**	**17%**	**24%**	**17%**	**12%**	**17%**
Own/Rent						
Home Owner	**80%**	**91%**	**97%**	**85%**	**91%**	**88%**
Renter	**20%**	**9%**	**3%**	**15%**	**9%**	**12%**
Persons Per Household						
Mean	**3.52**	**3.12**	**2.83**	**3.67**	**3.28**	**2.88**

[2] Data from 2005 and 2006 for Table 1 and all charts are available in the 2012 and prior survey reports.
[3] This new category was added to Table 2 to demonstrate that 20 percent of survey respondent households earn less than $50,000 annually. This was established as a quote that the survey sample was required to achieve.

These respondents have a median age of 51 years and have been customers of the Otay Water District for a median of 10 years. Among these respondents, 58 percent possess a Bachelor's degree or more, with 13 percent having a high school education or less. Survey respondents are mostly homeowners (80 percent) with a mean household size of 3.52. The decline in homeownership from the mid-80 percent to mid-90 percent level of past years is notable and is consistent with the lesser median number of years being a customer (10 years versus 12-15 in the 2012 and 2011 surveys). It is also consistent with the homeownership rate in the United States that reached a 48-year low in the second quarter of 2015.

Table 3 presents a comparison between the landline survey sample that has been the source of respondents for these Otay Water District Customer Opinion and Awareness Surveys since 2005 and the addition in 2015 of cell phone users. Noteworthy differences between cell phone users and landline customers can be summarized as follows:

- Cell phone customers are both less White and less Hispanic/Latino, with higher Asian/Pacific Islander (5 percent higher) and mixed or other, unspecified ethnicities (7 percent higher) present.
- Annual household income among cell phone customers is $14,000 less than for landline customers. Consistent with this is that cell phone customers are also 10 years younger.
- Cell phone customers are more likely to be renters than are landline customers (36 percent versus 18 percent). The inclusion of cell phone customers in 2015 is, therefore, another contributing factor to the lower homeownership percentage found in this 2015 General Survey. In keeping with being renters to a greater extent and being younger, cell phone users have been customers of the Otay Water District for 4 fewer years than have landline users.

Table 3 Otay Water District 2015 General Survey Respondent Characteristics Landline and Cell Phone Customers		
Characteristic	**Landline Customers**	**Cell Phone Customers**
Ethnicity		
White	**44%**	**38%**
Hispanic/Latino	**35%**	**29%**
Asian/Pacific Islander	**13%**	**18%**
Black/African-American	**7%**	**7%**
Native American/ Middle East/Mixed/ Other	**1%**	**8%**
Annual Household Income		
Median	**$85,200**	**$71,300**
% $100,000 or more	**34%**	**25%**
% $25,000 to under $50,000	**14%**	**20%**
% under $25,000	**6%**	**6%**
Age		
Median	**54**	**44**
Years Customer of Otay Water District		
Median	**10**	**6**
Education		
High School or Less	**13%**	**11%**
At Least One Year College, Trade, Vocational School	**29%**	**34%**
Bachelor's Degree	**32%**	**31%**
At Least One Year of Graduate Work	**26%**	**24%**
Own/Rent		
Home Owner	**82%**	**64%**
Renter	**18%**	**36%**
Persons Per Household		
Mean	**3.27**	**3.95**

Customer Satisfaction and Confidence and Trust in Water Reliability

Chart 1 shows that customers of the Otay Water District demonstrate a high level of satisfaction with the District as their provider of water service. In fact, 74 percent rate the Otay Water District as either excellent (53 percent) or very good (21 percent). It is noteworthy that the percentage of respondents rating the Otay Water District as "excellent" in the current survey is substantially higher than the percentage of respondents who provided this rating in the 5 previous general surveys that are shown on **Chart 1** and is also higher than the two surveys done prior to those shown on the chart. That is, this opinion that the Otay Water District is serving its customers in an excellent fashion exceeds any such rating during the past 10 years.[4]

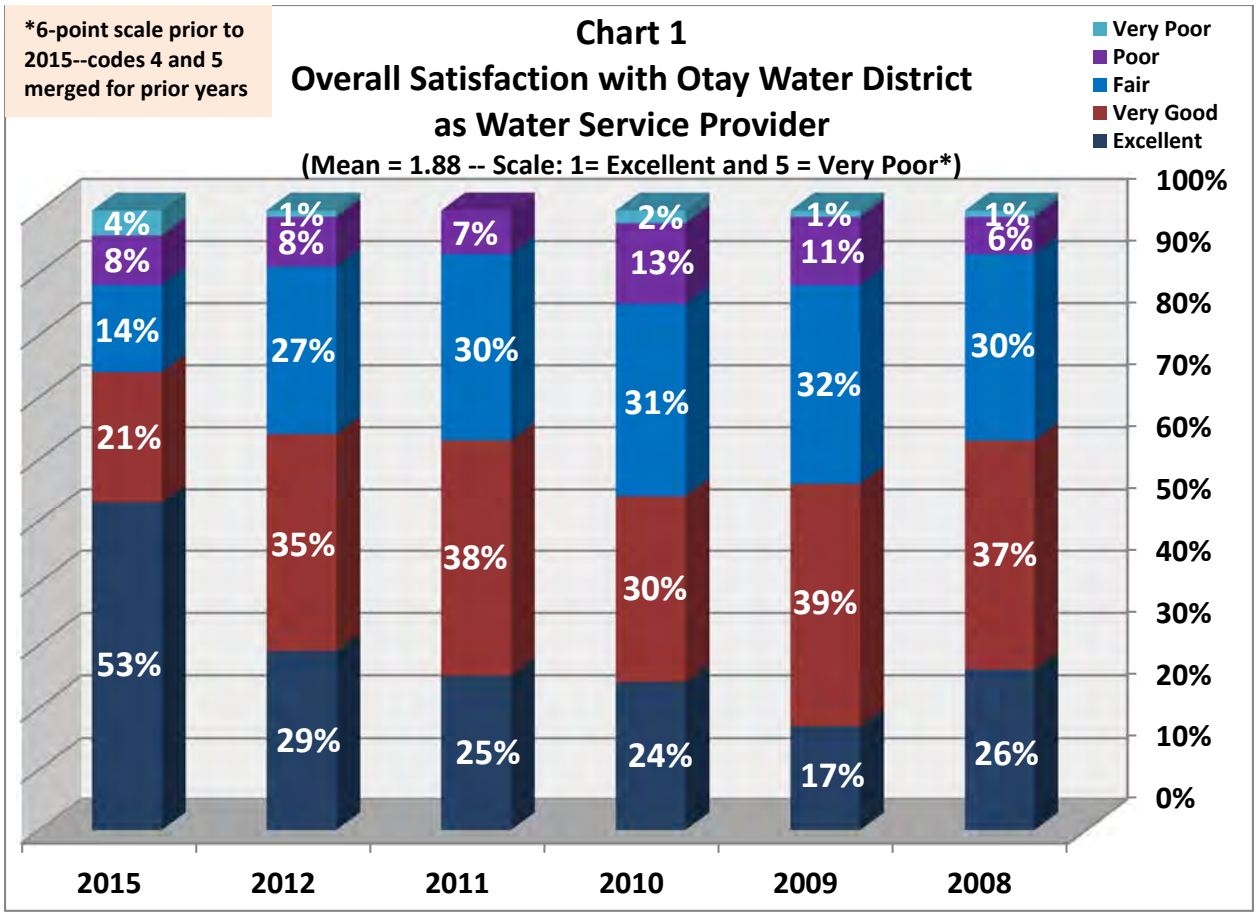
Using a broader measure, the 2015 satisfaction ratings (74 percent excellent or very good) exceed those recorded in the 2011 and 2012 surveys where 63 percent and 64 percent of respondents respectively rated their level of satisfaction as either excellent or very good. The ratings in 2011, 2012, and 2015 are notably higher than those expressed in the 2009 and 2010 Surveys. For example, in 2009, 56 percent of customers rated the Otay Water District as either excellent or very good, and, in 2010, 54 percent indicated either a very good or excellent rating. Since 2009, there has been a clear trend toward higher levels of satisfaction with the services provided by the Otay Water District.

The high level of satisfaction accorded to the Otay Water District by its customers is further affirmed by the mean satisfaction rating of 1.88. This mean rating is based on a scale of 1 to 5, where 1 = excellent, 2 = very good, 3 = fair, 4 = poor, and 5 = very poor.

- Customers with some graduate education (mean of 2.17) are less satisfied with the Otay Water District than are customers in all other education categories combined (mean of 1.79); this favorability among groups with less education is particularly the case for customers with a high school education or less (mean of 1.54).
- Cell phone users (mean of 1.61) have a higher level of satisfaction than landline users (mean of 1.91).

Over four-fifths (83 percent) of respondents indicate that their satisfaction with the Otay Water District has stayed the same over the past year (**Chart 2**). This finding represents a measure of stability over the past year reaffirming the highly favorable satisfaction ratings expressed in **Chart 1**.

[4] Rea & Parker Research is in possession of comparable data as far back as 2005.


*6-point scale prior to 2015--codes 4 and 5 merged for prior years
Chart 1
Overall Satisfaction with Otay Water District as Water Service Provider
(Mean = 1.88 -- Scale: 1= Excellent and 5 = Very Poor*)
Very Poor
Poor
Fair
Very Good
Excellent
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
4%
8%
14%
21%
53%
1%
8%
27%
35%
29%
7%
30%
38%
25%
2%
13%
31%
30%
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2015
2012
2011
2010
2009
2008

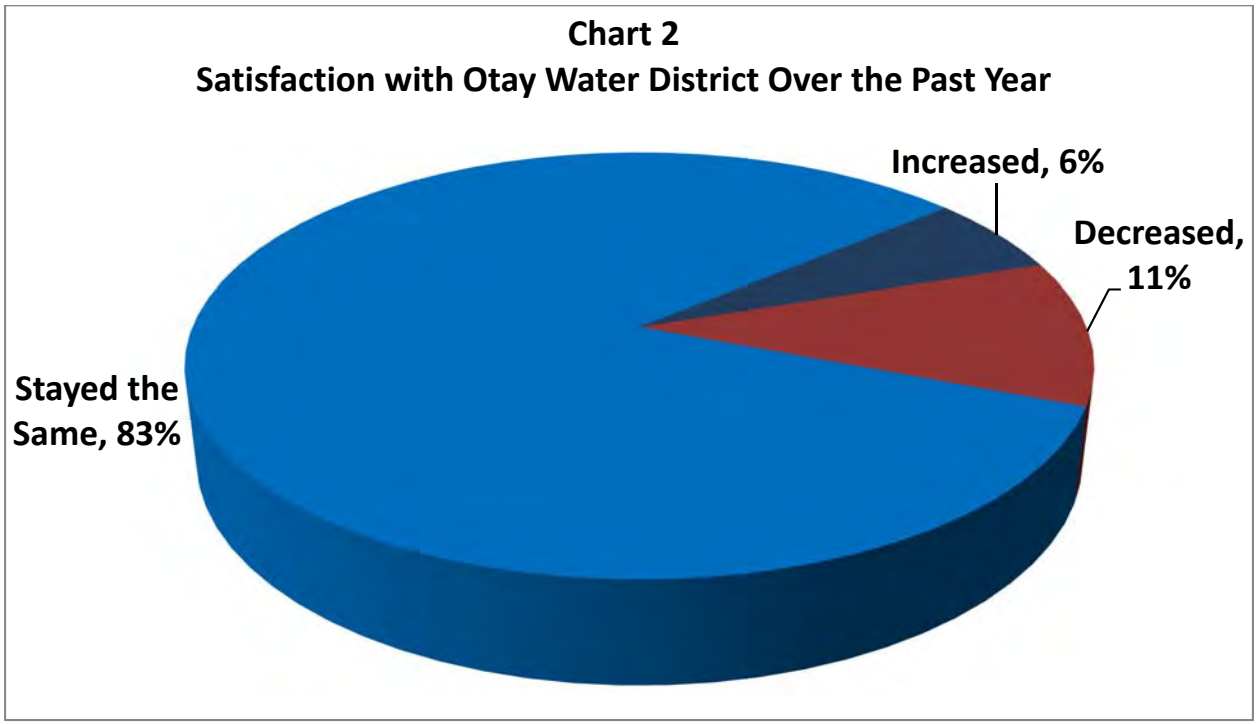
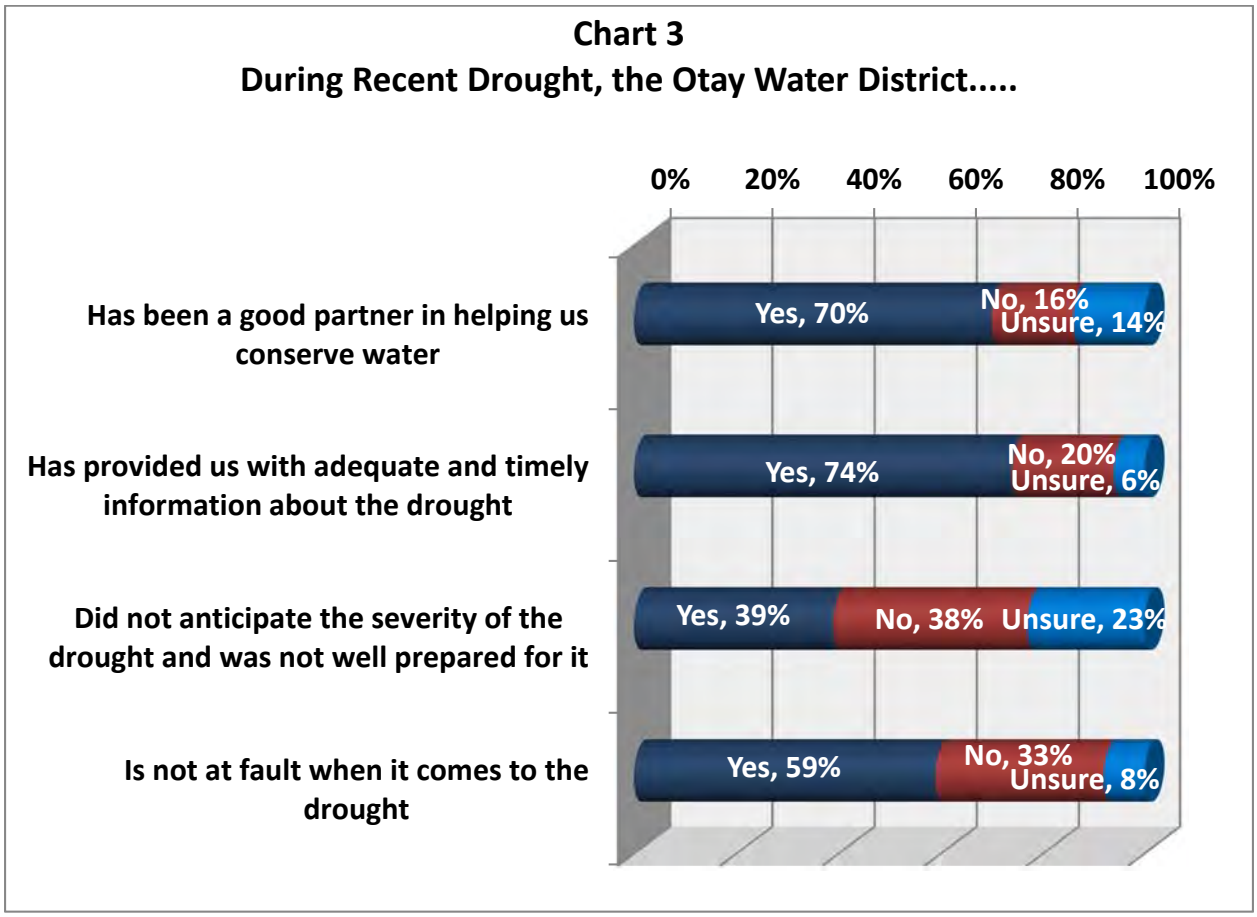


Chart 2
Satisfaction with Otay Water District Over the Past Year
Increased, 6%
Decreased, 11%
Stayed the Same, 83%

Chart 3 shows that respondents feel that the Otay Water District has responded well to issues related to the recent drought. For example, 7 in 10 respondents agree that the Otay Water District has been a good partner in helping conserve water. Nearly three-fourths (74 percent) acknowledge that the District has provided its customers with adequate and timely information about the drought. Further, nearly three-fifths (59 percent) state that the Otay Water District is not at fault when it comes to the drought. Customers, however, have mixed feelings regarding the District's preparation to address the drought. About two-fifths (39 percent) agree that the District did not anticipate the severity of the drought and was not well-prepared for it, while another 38 percent feel that the District was prepared for the severity of the drought.



The following significant relationships are associated with customer sentiment regarding the response by the Otay Water District to the drought.

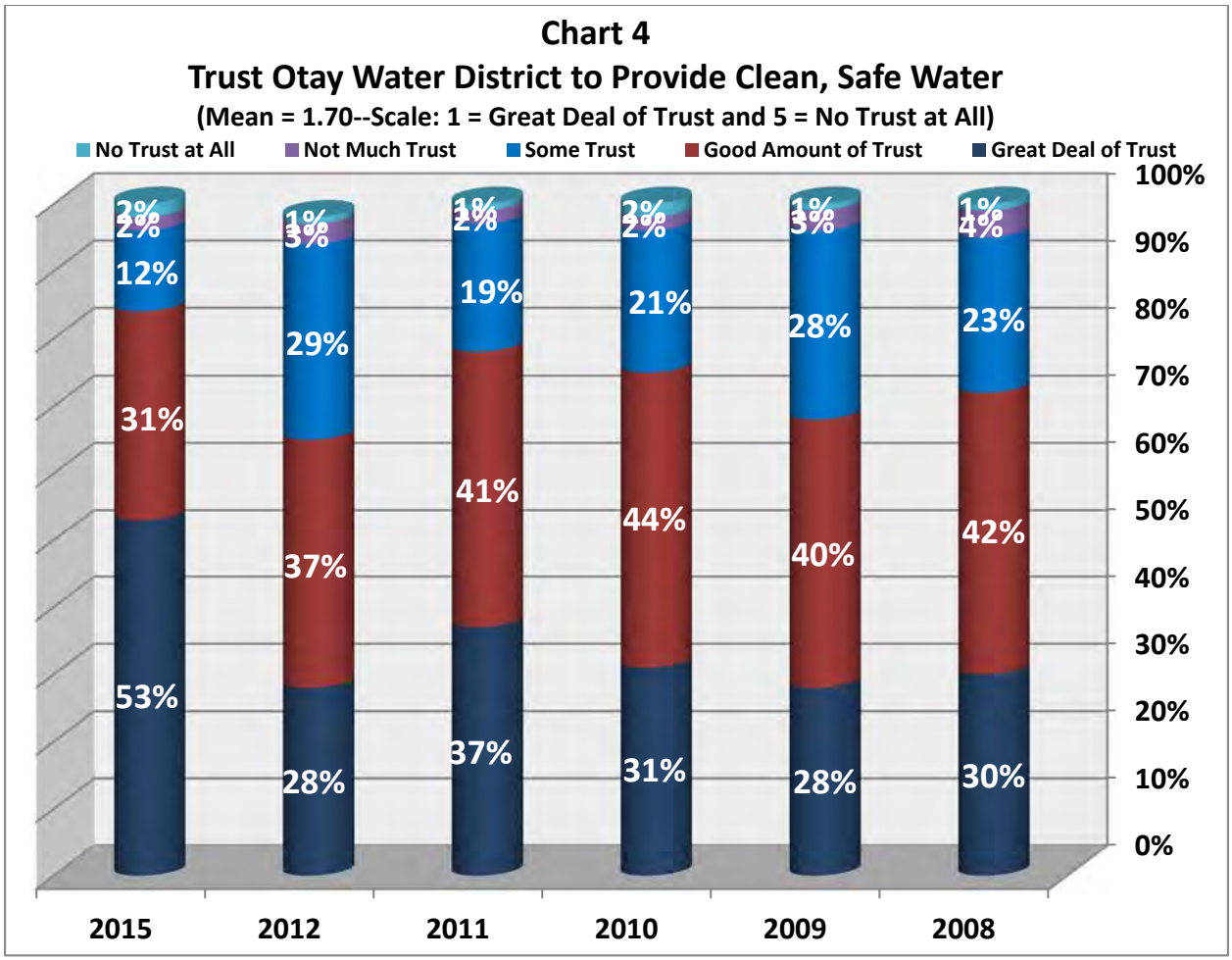
- The following subgroups agree that the Otay Water District is a good partner in helping to conserve water:
  - Cell phone users (84.0 percent) versus landline users (68.2 percent).
  - Customers with one year of college education or less (78.6 percent) as opposed to those who have a college degree or more education (63.5 percent).

- The following subgroups acknowledge that the Otay Water District has provided adequate and timely information about the drought:
    - Customers whose first language is English (75.5 percent) versus those whose first language is not English (67.2 percent)
    - Customers with larger household sizes – 3 or more persons per household (78.7 percent) versus customers with 1 and 2 persons per household (63.9 percent).
- The following subgroups are in agreement that the Otay Water District is not at fault when it comes to the drought:
    - Customers who are 54 years of age and under (65.2 percent) versus those who are 55 years of age and older (49.3 percent).
    - Cell phone users (69.0 percent) as opposed to landline users (57.5 percent).

Chart 4 shows that over four-fifths of respondents (84 percent) have a substantial amount of trust in the ability of the Otay Water District to provide clean, safe, water for its customers (53 percent demonstrate a great deal of trust and 31 percent a good amount of trust). Only 4 percent expressed a lack of trust. In previous surveys from 2008 to 2012, the percentage of respondents expressing "a great deal of trust" was much lower than in the current survey – ranging from 28 percent in 2009 and 2012 to 37 percent in 2011. These current 2015 ratings represent an increase in the amount of trust respondents have in the ability of the District to provide clean, safe, water, reversing a slight downward trend in this rating in the 2010, 2011, and 2012 surveys where 78 percent, 75 percent and 65 percent respectively indicated either a great deal of trust or a good amount of trust.

The high level of trust accorded to the Otay Water District by its customers to provide clean, safe, water is further confirmed by the mean rating of 1.70. This mean rating is based on a scale of 1 to 5, where 1 = a great deal of trust, 2 = a good amount of trust, 3 = some trust, 4 = not much trust, and 5 = no trust at all. This mean rating is clearly more favorable than the mean rating in the 2012 Survey – 2.06.

Chart 5 shows that 55 percent of customers have either a great deal of trust (32 percent) or a good amount of trust (23 percent) in the ability of the Otay Water District to obtain water at reasonable prices. One-fifth (20 percent) lack trust in the District's ability to provide water at reasonable prices – not much trust (13 percent) and no trust at all (7 percent). This level of trust in the ability of the District to provide water at reasonable prices, exhibited in the current survey, is notably higher than the comparable trust ratings in previous General Surveys (ranging from 39 percent in 2009 and 2012 to 49 percent in 2010). It is important to note that nearly one-third (32 percent) of respondents in the current survey have "a great deal of trust" in the District to obtain water at reasonable prices, while in previous surveys respondents expressing a great deal of trust ranged from 10 percent in 2009 to 17 percent in 2010.



The relatively high level of trust accorded to the Otay Water District by its customers to obtain water at reasonable prices is further affirmed by the mean rating of 2.39. This mean rating is based on a scale of 1 to 5, where 1 = a great deal of trust, 2 = a good amount of trust, 3 = some trust, 4 = not much trust, and 5 = no trust at all. This mean rating is clearly more favorable than the mean rating in the 2012 Survey – 2.79.

The following subgroups tend to have a lower level of trust in the ability of the Otay Water District to obtain water at reasonable prices.

- Customers with some graduate education (mean of 2.90) have less trust in the Otay Water District to obtain water at reasonable prices than do customers in all other education categories combined (mean of 2.22); particularly the case for customers with a high school education or less (mean of 1.95).
- Customers who are between 55 and 64 years of age (mean of 2.88) have less trust in the Otay Water District to obtain water at reasonable prices than do customers in all other age brackets combined (mean of 2.19); particularly the case for customers who are 34 years of age and under (mean of 1.96).
- Customers who have lived in the District for 11 years or more (mean of 2.60) have less trust that water will be obtained at reasonable prices than those who have lived in the District for 5 years or less (mean of 2.12).

- Landline users (mean of 2.42) have less trust in the District regarding prices than do cell phone users (mean of 2.11),

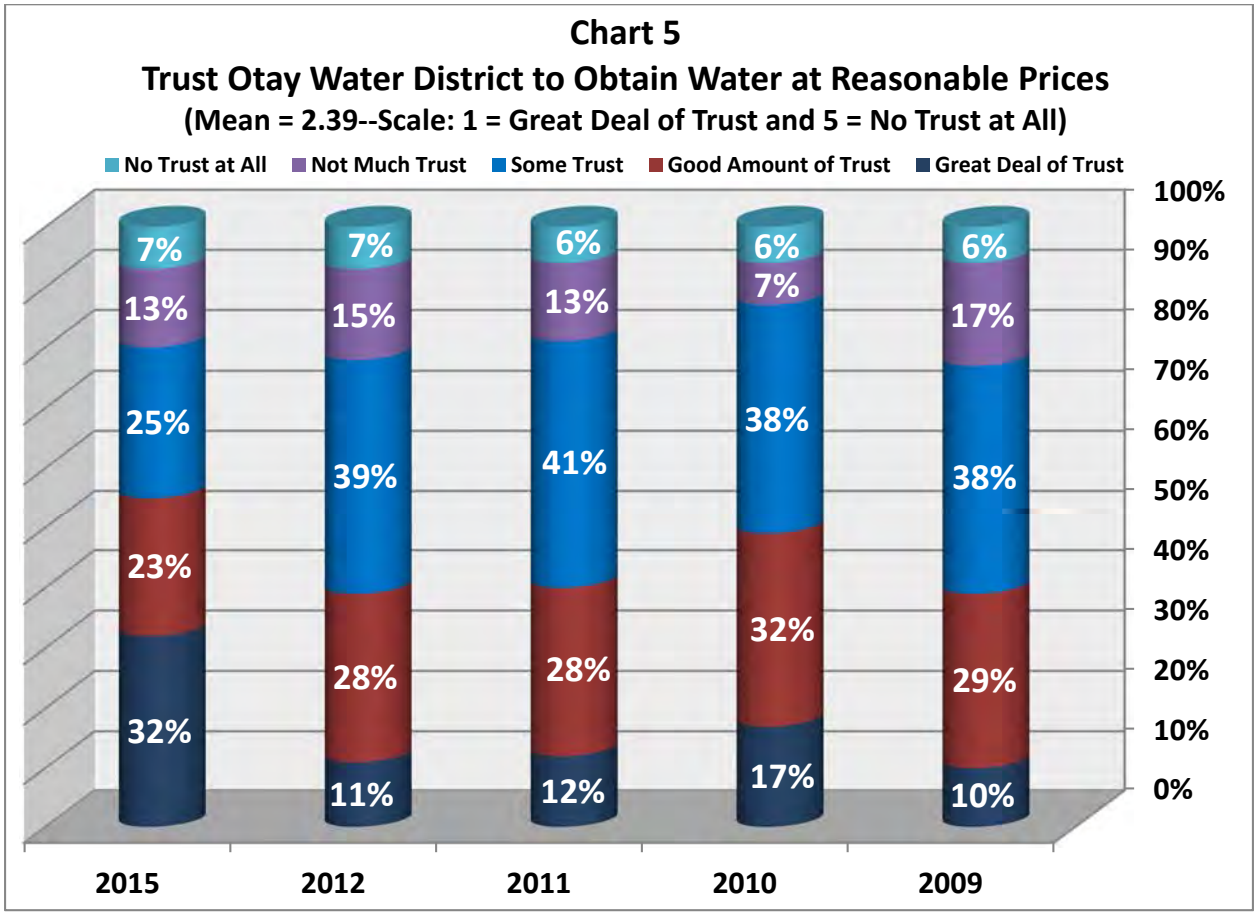
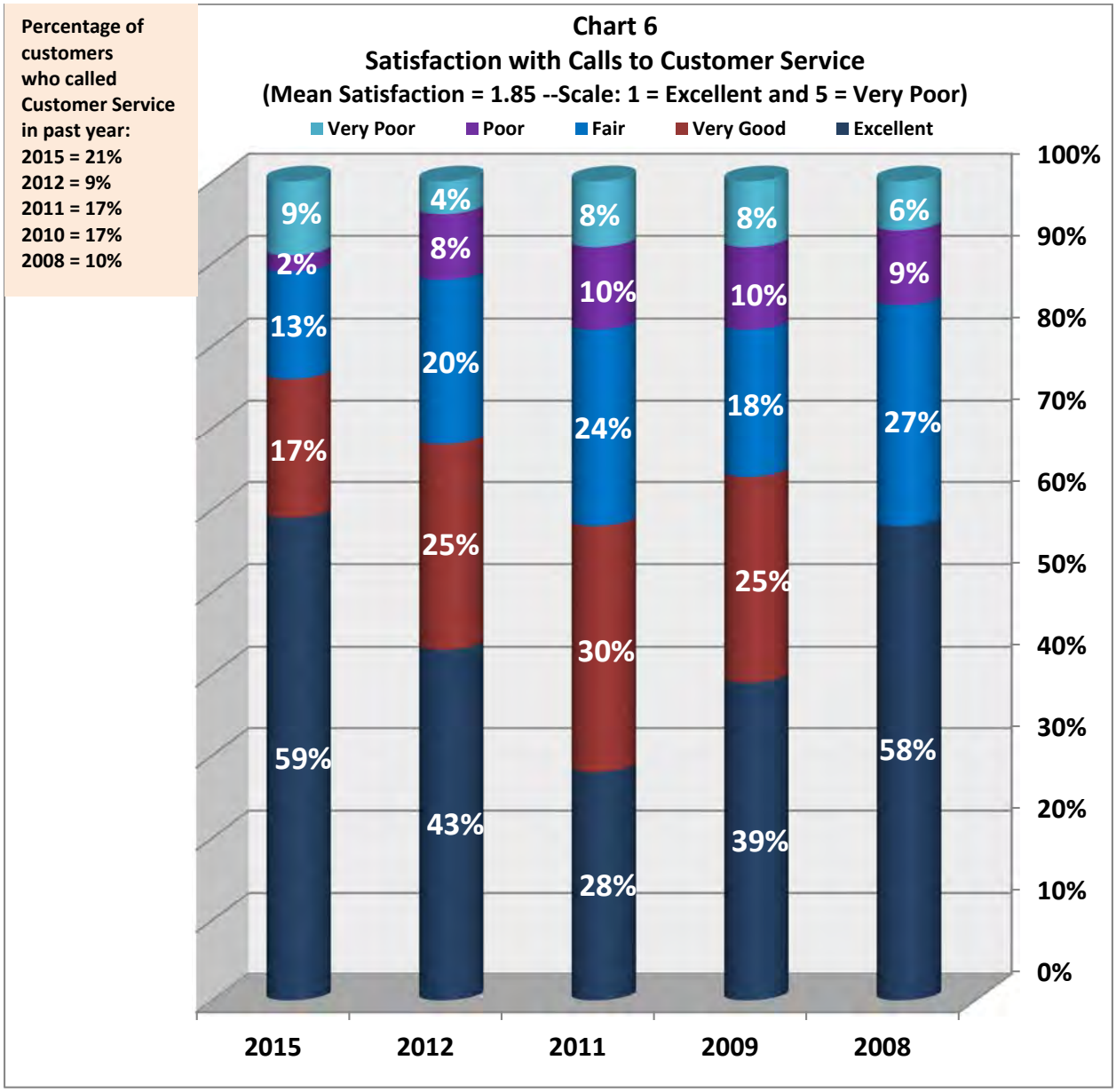


Chart 6 indicates that 21 percent of customers have called the Otay Water District for service or help in the past year. In previous surveys, customers were asked to indicate whether they called the District for service or help in the previous 6 months. This doubling of the call period coincides with a doubling of the call rate from the 2012 survey period, where the percentage of customers who reported to have called the District for service was 9 percent. It can be concluded that the call rate has not changed from the 2012 survey period. The effective call rates in 2015 and 2012 are lower than the call rates in the 2009 and 2011 surveys – both at 17 percent. This can be taken as one possible indication of the high satisfaction level demonstrated by Otay Water District customers. Among the 21 percent who called for service in the current 2015 survey, 76 percent indicated that their service was either excellent (59 percent) or very good (17 percent) **(Chart 6)**. This level of satisfaction is similar to the satisfaction level found in the 2012 Survey. Further, the satisfaction levels in both the 2015 and 2012 General Surveys substantially exceed the satisfaction levels recorded in 2009 and 2011.

- Customers who rent their residence (30.6 percent) are more likely to call the Otay Water District for service than are those who own their residence (18.5 percent).



Comparative Rating of Utilities and the Cost of Water

Chart 7 indicates that 37 percent of Otay Water District customers rate trash collection as the utility with the best value for the money paid. Water (30 percent) and gas and electric (18 percent) follow trash collection in perceived value. This represents a reversal from the 2012 ratings where water was rated

slightly above trash collection as the utility with the best value; moreover, the current 2015 ratings represent a return to 2011 where trash collection was rated as the best value and water was rated second.

The following subgroups tend to rate trash collection as the utility with the best value:

- Customers who earn $100,000 or more annually (51.6 percent) versus those who earn under $100,000 annually (28.0 percent)
- Respondents with a higher level of education – 1 year of college or more education (38.0 percent) as opposed to those with a high school education or less (24.4 percent).

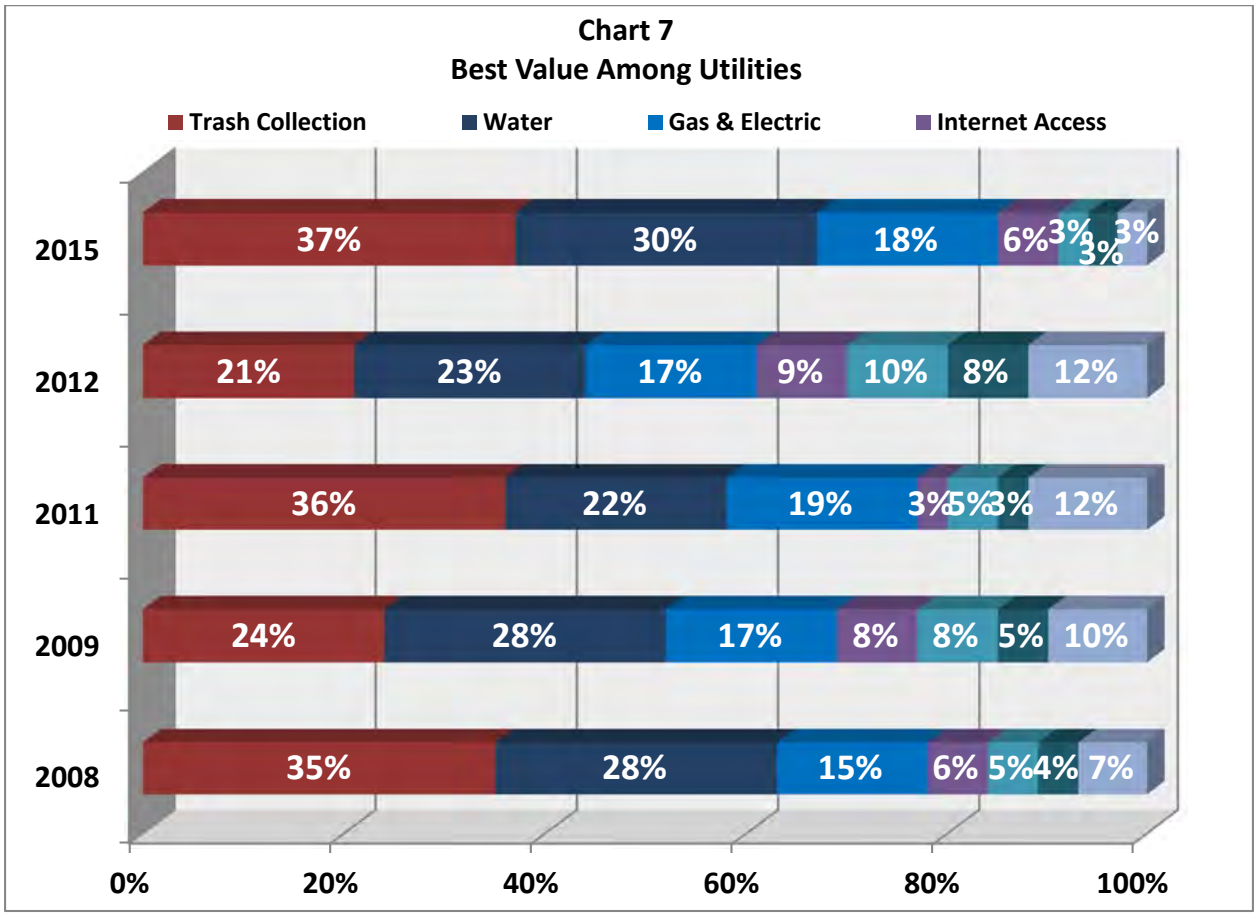
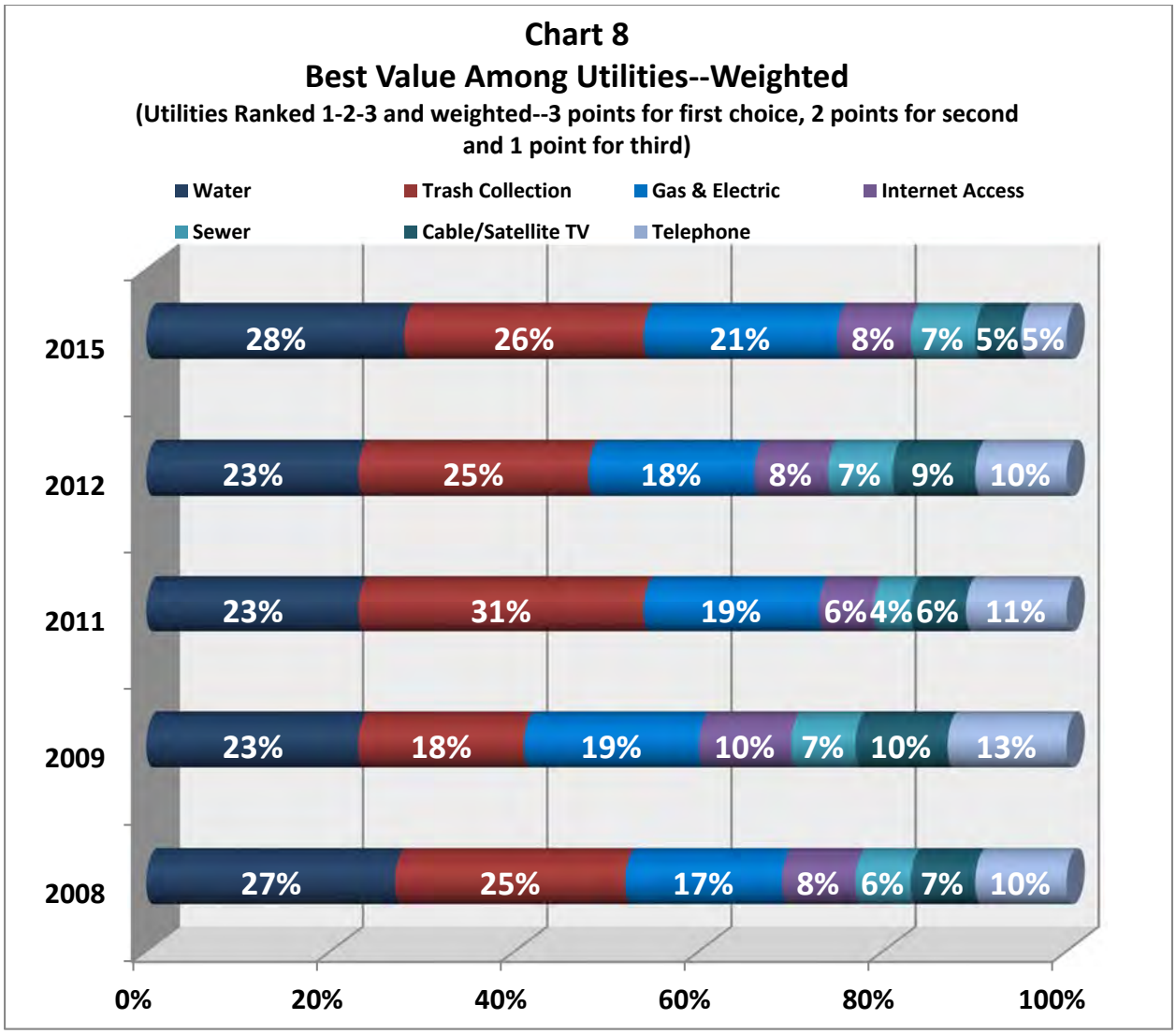


Chart 8 further analyzes the customers' ratings regarding the utility with the best value by accounting for second and third rankings. Using a composite ranking that takes first, second, and third rankings for each utility into account, water becomes the utility with the best value followed by trash collection and gas and electric. Other utilities are far behind by comparison. In 2011 and 2012, trash collection emerged as the best value when composite, weighted rankings were used. However, in 2008 and 2009, based on composite rankings, water was reported to be the best value with trash collection following in second place.

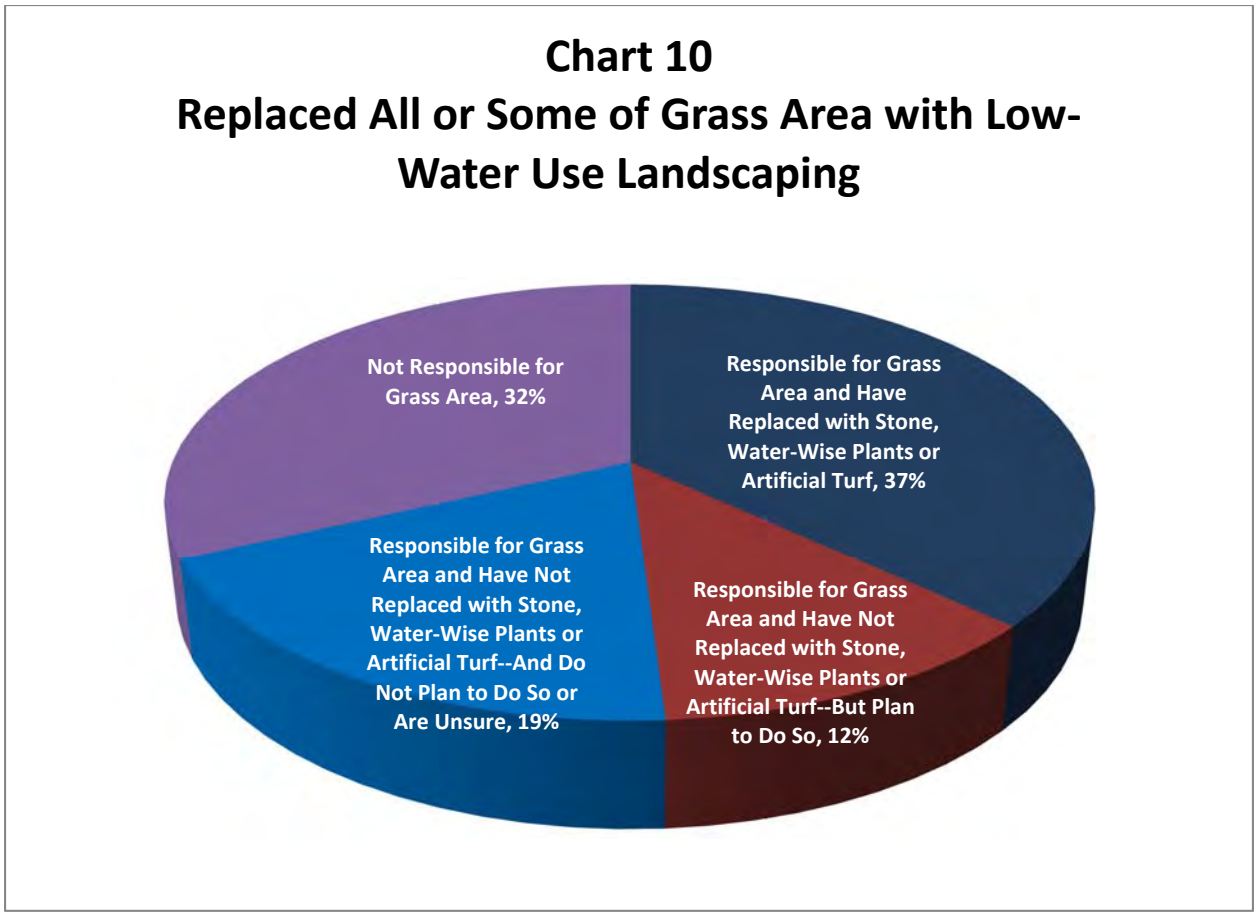


Nearly one-half (49 percent) of District customers report that the cost of water is too high. Another 49 percent indicate that the cost is just about right (**Chart 9**).

- Customers whose first language is English (53.9 percent) are more likely to feel that the cost of water is just about right more so than those whose first language is not English (32.8 percent).

Outdoor Watering and Landscape Maintenance

Chart 10 shows that over two-thirds (68 percent) of respondents have a lawn or grass area at their residence for which someone in their household has direct responsibility. Among these customers, nearly two-fifths (37 percent) have already replaced this grass area with stone, water-wise plants or artificial turf. Another 12 percent plan to make some type of lawn replacement. Nearly one-fifth (19 percent) of those who are responsible for a grass area do not plan to replace their grass with a water-conserving alternative.



Among those customers who have replaced their grass area (37 percent) and among those who plan to do so (12 percent), one-fourth (25 percent = 12 percent of total population) of them are making use of water-wise, drought resistant plants. Another 23 percent (11 percent of total) view rocks and stones as an appropriate alternative ground cover and one-fifth (20 percent= 10 percent of total) are replacing their lawns with artificial turf (**Chart 11**). Over two fifths (44 percent) of those who do not plan to replace their grass area cite cost as the main barrier. Another 28 percent indicated that they rent their residence and, while they are responsible to maintain their lawn area, they are not responsible for major infrastructural changes in the landscape of their residence (**Chart 12**).

The following subgroup plans to replace some or all of their lawn with low-water use landscaping within the next year.

- Customers with a higher level of education – College degree or more (45.6 percent) versus one year of college or less (26.3 percent).

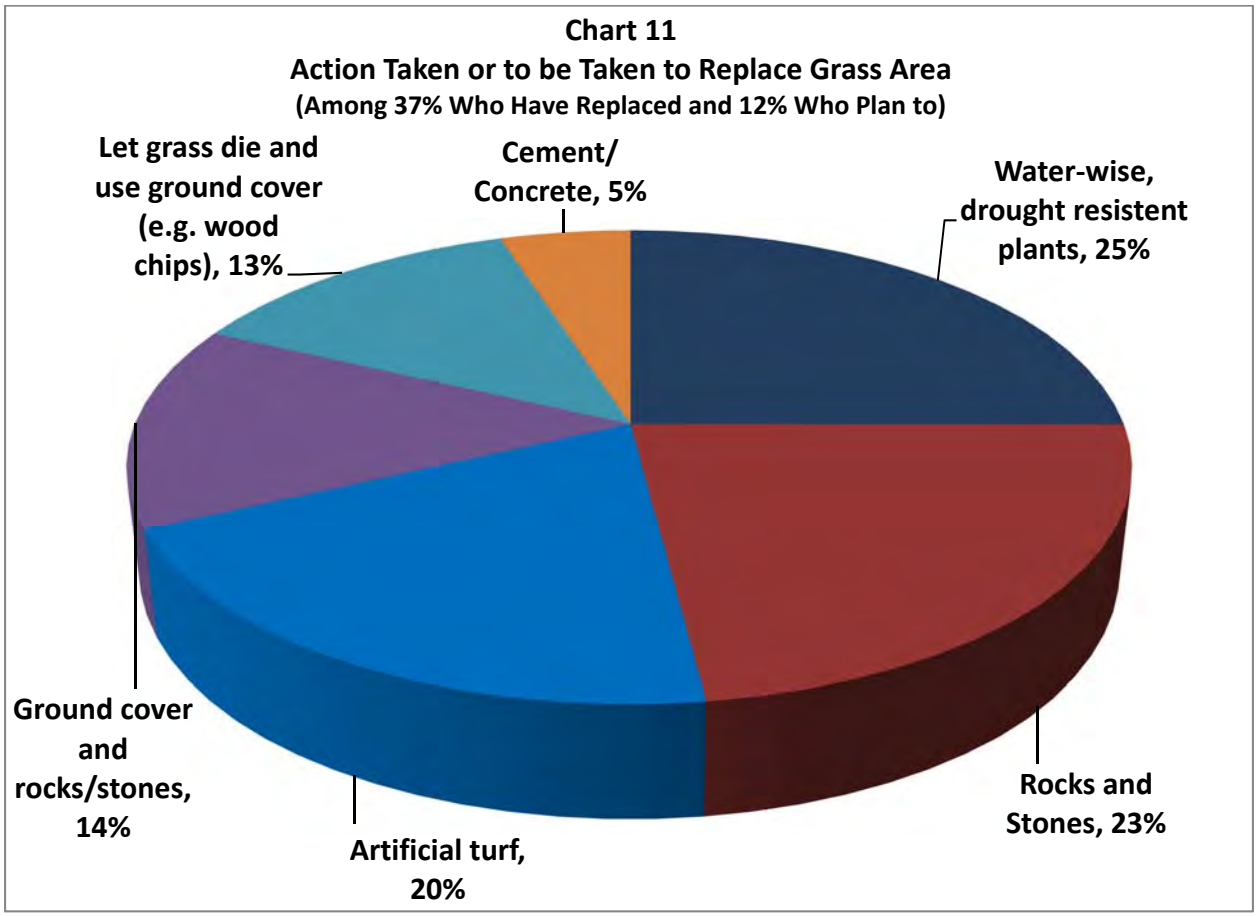
The following subgroups have taken action or plan to take action to replace their grass area within the next year:

- Let grass die or replace grass with ground cover

- Customer households earning less than $100,000 annually (19.3 percent) versus household earning over $100,000 (2.0 percent).
- Females (20.3 percent) versus males (6.8 percent).

- Replace lawn with water-wise plants
  - Males (28.4 percent) versus females (14.5 percent)
  - Customer households earning less than $50,000 annually (36.0 percent) as opposed to those earning $50,000 or more (15.0 percent).

- Replace lawn with rocks and stones
  - Females (24.6 percent) versus Males (18.9 percent).



Water Conservation

Chart 13 indicates that over 9 in 10 customers (93 percent) have familiarity with mandatory water-use restrictions that are in effect across the Otay Water District's service area. In fact, nearly one-half (48 percent) report that they are very familiar with such restrictions. Among the 93 percent of customers who express familiarity with mandatory water restrictions, 92 percent have taken specific actions to reduce water use in response to these restrictions. This represents 86 percent of all customers.

Chart 12
Main Barrier to Replacing Grass Area with Low-Water Landscaping
(Among 19% with Grass Area Who Have Not Replaced or Do Not Plan to Replace It)

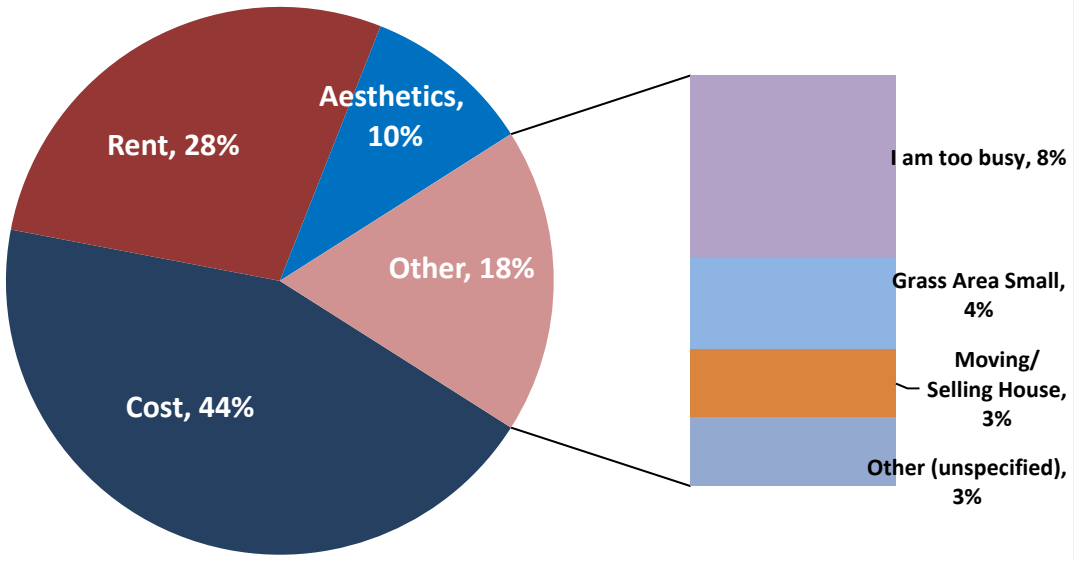
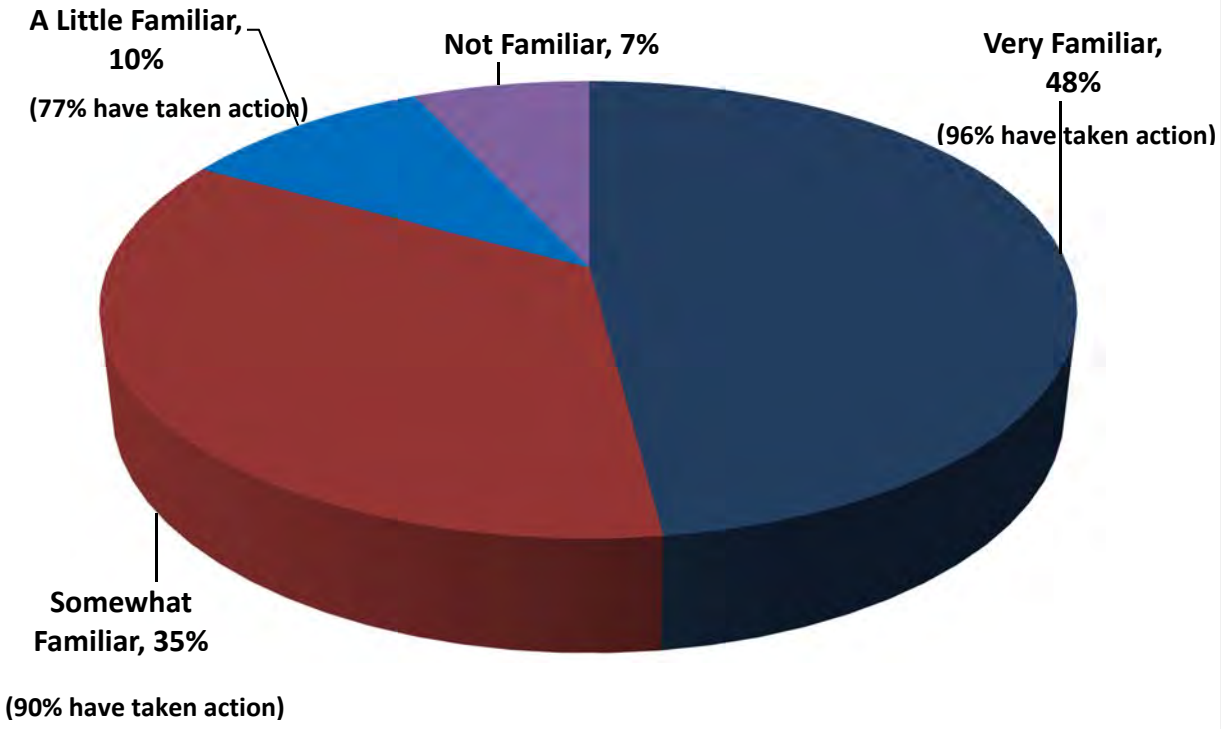


Chart 13
Familiarity with Mandatory Water-Use Restrictions



- Customers who are over the age of 55 tend to be very familiar (61.9 percent) with mandatory water restrictions more so than are those 54 years of age and under (36.7 percent).
- The following two subgroups are either very familiar or somewhat familiar with mandatory water restrictions:
    - Females (88.0 percent) versus males (78.1 percent).
    - Customers whose first language is English (87.5 percent) as opposed to those whose first language is not English (67.2 percent).

Chart 14 shows that one-half (50 percent) of the actions taken by customers to comply with these restrictions involves reducing water use outdoors, including less time watering outdoors (23 percent), fewer days per week watering outdoors (11 percent), and letting lawn/plants die (8 percent). Nearly one-fifth (18 percent) of those who have taken action report that they take shorter showers. Similar actions were taken by customers in previous survey periods to reduce water use. In 2012**,** nearly one-fifth (17 percent) spent less time watering outdoors and 11 percent took shorter showers. Similar to the current survey, customers in the 2011 survey also indicated that the dominant methods they used to conserve water were through spending less time watering outdoors (19 percent) and taking shorter showers (14 percent).

Chart 15 shows that just over two fifths (44 percent) of customers are aware that the Otay Water District offers conservation rebates and incentives.

The following two subgroups tend to be particularly aware of conservation rebates and incentives:

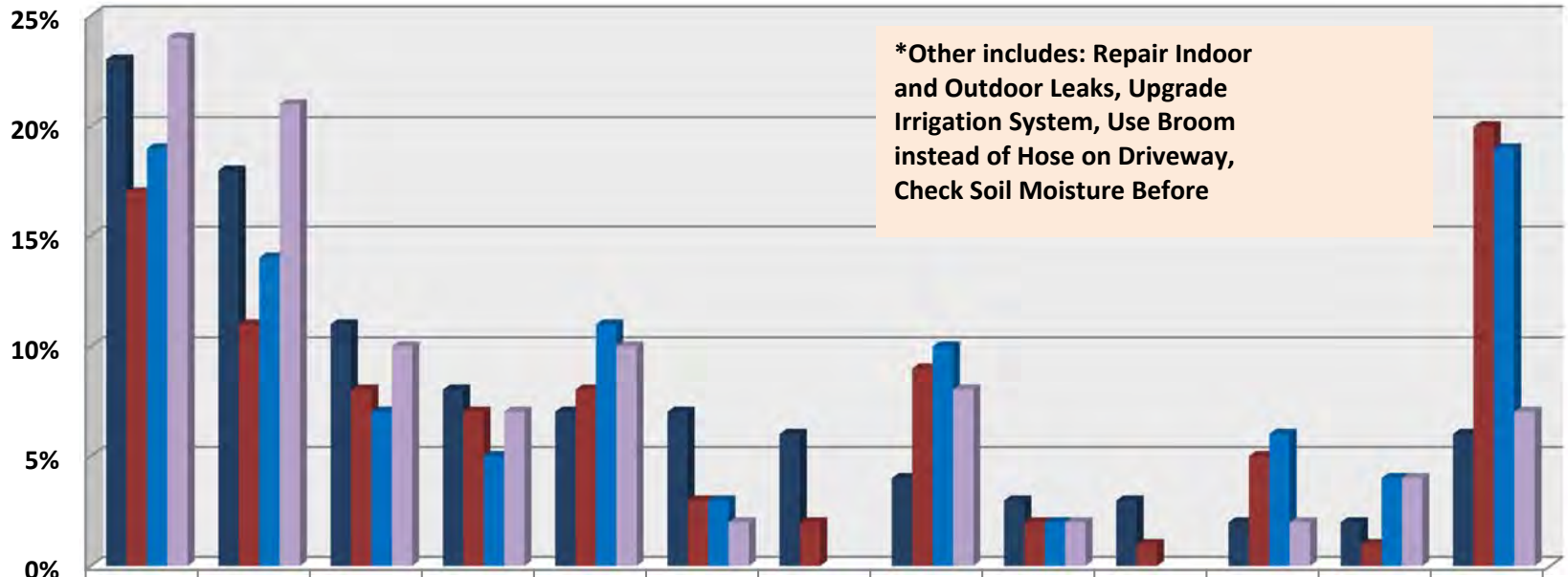
- Customers whose first language is English (48.5 percent) versus those whose first language is not English (27.1 percent).
- Whites (53.1 percent) versus African-Americans (28.6 percent) and Asians (23.7 percent).

Cuyamaca College Water Conservation Garden

A Water Conservation Garden is located at Cuyamaca College in El Cajon. The Garden demonstrates various drought resistant and water efficient plants in an attractive and educational environment. Respondents were asked if they had ever seen or heard anything about the Garden and nearly one-half of the respondents (49 percent) responded in the affirmative; 24 percent of all respondents have, in fact, visited the Cuyamaca College Water Conservation Garden. The visitation pattern in the current survey is consistent with the patterns found in the 2008 survey (22 percent), the 2009 survey (28 percent), and the 2012 survey (27 percent). In 2008, visitation was notably low at 16 percent **(Chart 16**).

Chart 14
Specific Actions Taken to Reduce Water Use in Response to Mandatory Restrictions

(Among 92% of 93% with Some Familiarity with Restrictions=86% of All Customers)



	Less Time Outdoor Water	Shorter Showers	Fewer Days per Week Outdoor Water	Let Lawn/ Plants Die--Remove	Wash Only Full Loads of Dishes and Clothes	Collect and Reuse Water	Use Car Wash	Do Not Allow Water to Run	Replaced Turf with Low Water Plants	Replace Grass with Artificial Turf	Irrigate Early in Morning or Late at Night	High-Effic'ncy Clothes Washer/ Low-flow Fixtures	Other*
2015	23%	18%	11%	8%	7%	7%	6%	4%	3%	3%	2%	2%	6%
2012	17%	11%	8%	7%	8%	3%	2%	9%	2%	1%	5%	1%	20%
2011	19%	14%	7%	5%	11%	3%		10%	2%		6%	4%	19%
2009	24%	21%	10%	7%	10%	2%		8%	2%		2%	4%	7%

Chart 15
Aware that Otay Water District Offers Conservation Rebates and Incentives

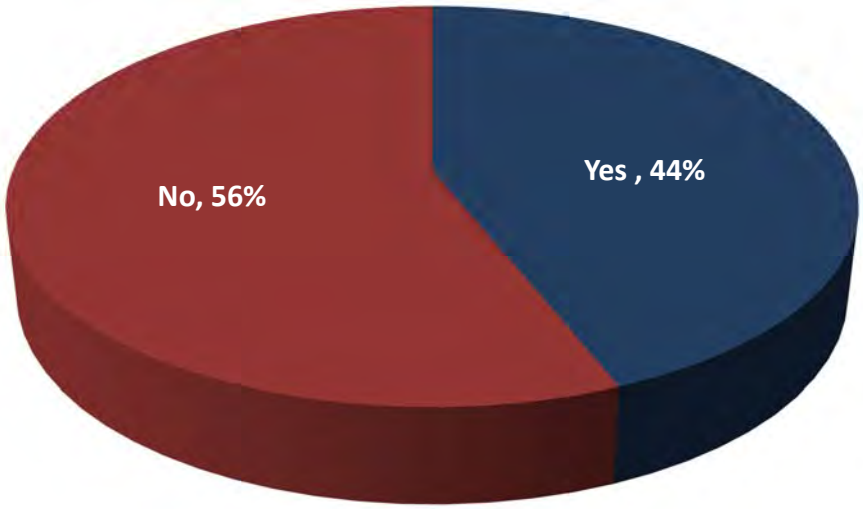
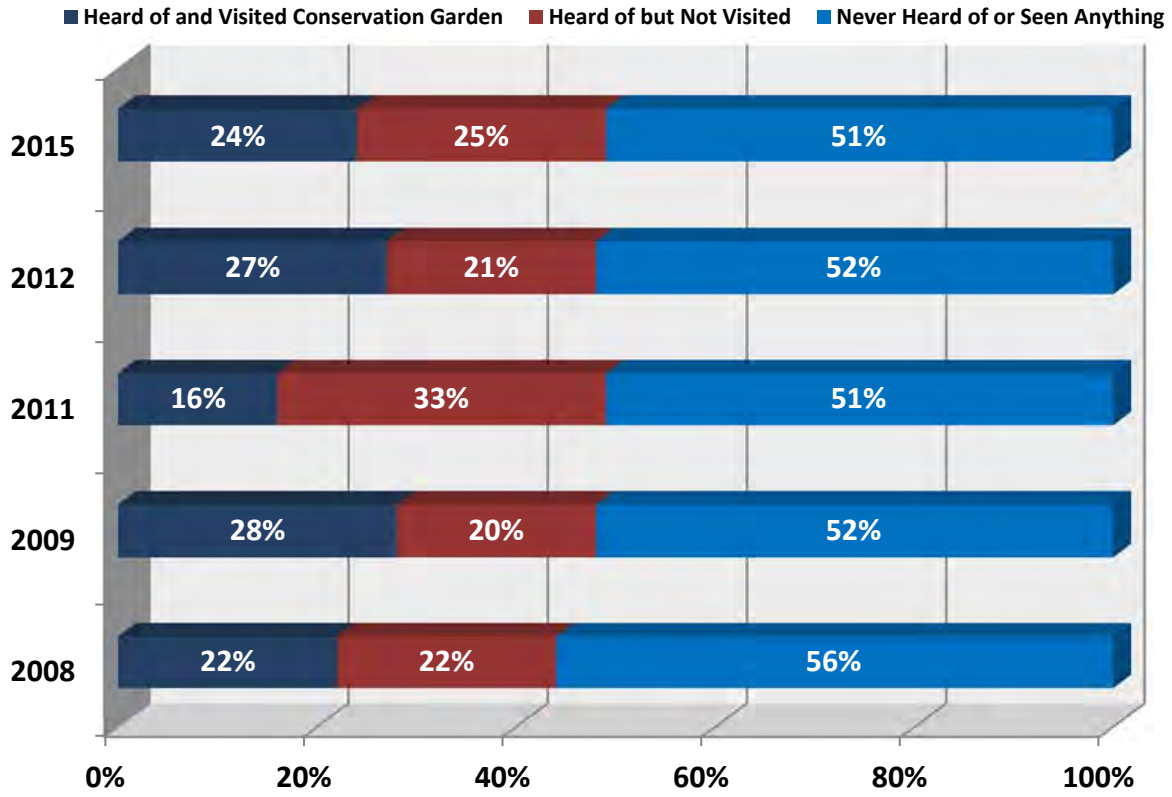


Chart 16
Water Conservation Garden at Cuyamaca College



The following subgroups are more likely to have heard or seen something about the Cuyamaca College Water Conservation Garden:

- Females (57.2 percent) versus males (41.6 percent).
- Whites (60.2 percent) versus Latinos (40.6 percent), Asians (35.1 percent), and African-Americans (28.6 percent).
- Longer-term customers of the Otay Water District (6 or more years – 48.7 percent) versus shorter term customers (5 or fewer years – 31.2 percent).
- Homeowners (54.9 percent) versus renters (25.4 percent).
- Smaller household sizes (1 and 2 persons per household – 64.8 percent) versus larger households of 3 persons or more (41.1 percent).
- Customers who are 45 years of age and older (59.3 percent) versus those who are 44 years of age and younger (32.2 percent).
- Landline users (50.2 percent) versus cell phone users (37.8 percent).

The following subgroups are more likely to have visited the Cuyamaca College Water Conservation Garden:

- Homeowners (53.0 percent) versus renters (25.0 percent).
- Customers with a higher level of education – one year of college or more (52.6 percent) as opposed to high school or less (20.0 percent).

Chart 17 shows that over one-half (52 percent) of those who visited the Water Conservation Garden made changes to their landscaping that resulted from their visit(s). This represents a decline among visitors who made changes to their watering and landscaping practices from 2012 where 60 percent made such changes. The results of the current survey are more consistent with customers in 2011 (48 percent) and 2008 (49 percent) than they are with customers in 2009 (61 percent) in terms of those who made changes to their landscaping as a result of visiting the Garden.

- After visiting the Garden, males (66.7 percent) are more likely to make changes to their landscaping than are females (38.5 percent).

As a result of visiting the Water Conservation Garden, the most significant change customers made was an effort to use more water-wise/drought tolerant plants (45 percent). This change is followed by adjusting sprinklers and reducing outdoor water use (22 percent) and replacing lawn with low-water plants (14 percent). These adjustments are fairly consistent with the changes made by customers in 2011 and 2009 after they visited the Cuyamaca Water Conservation Garden (**Chart 18**).

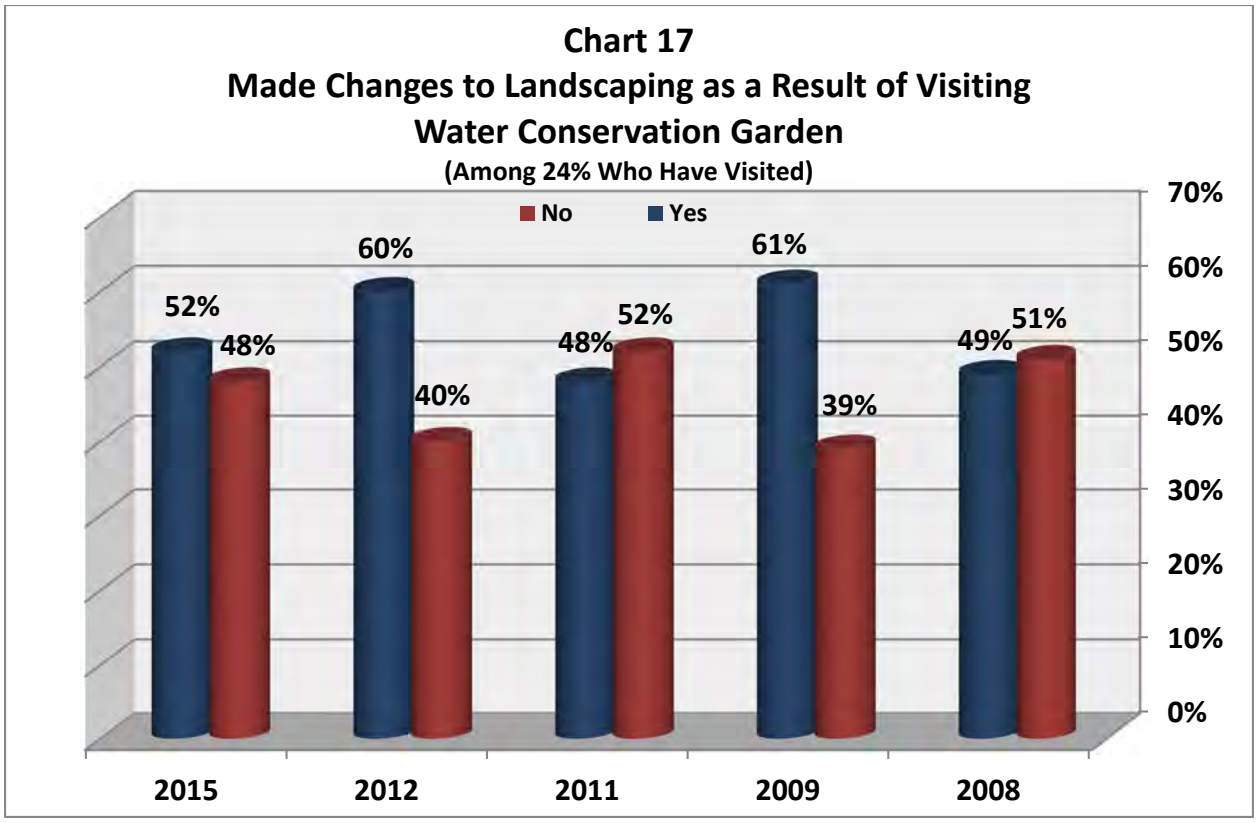
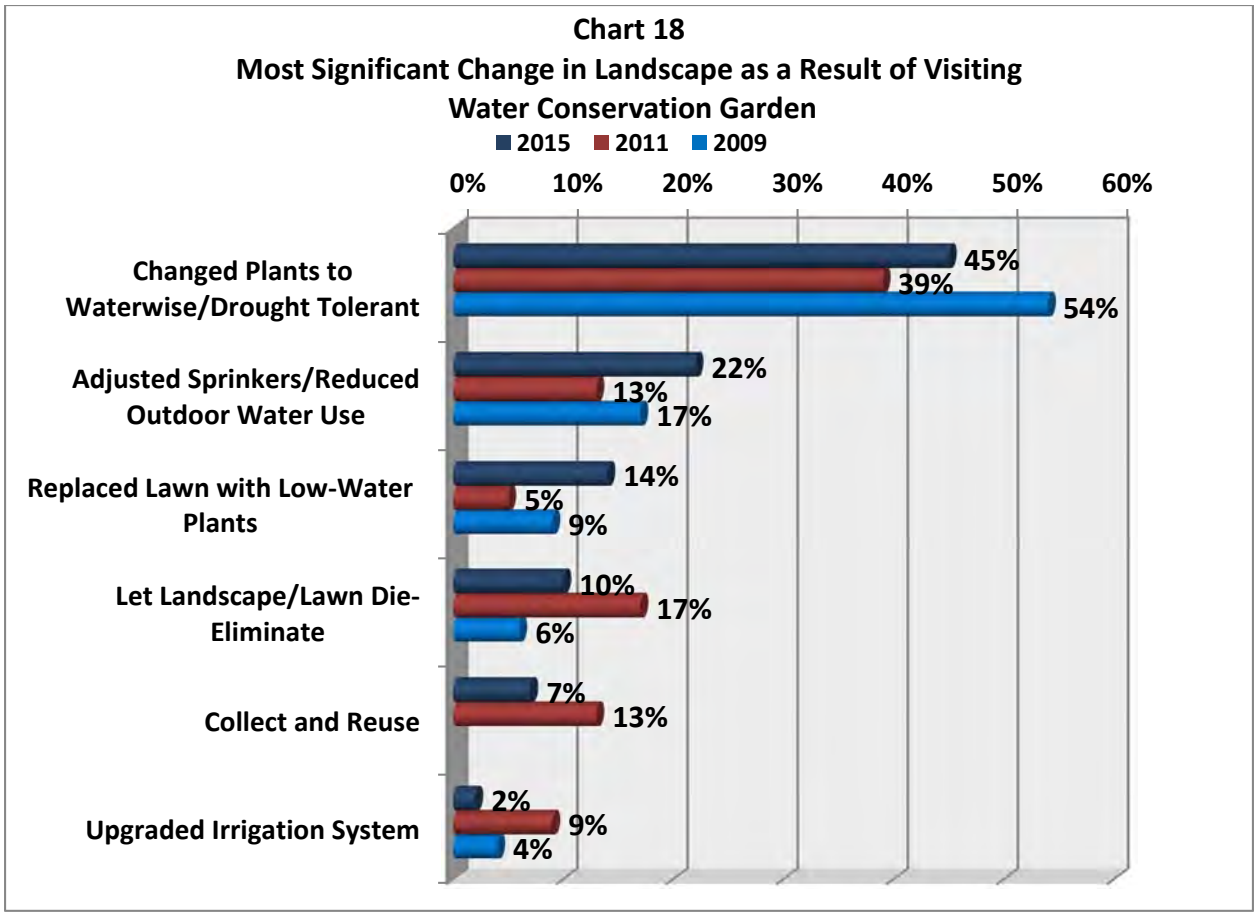


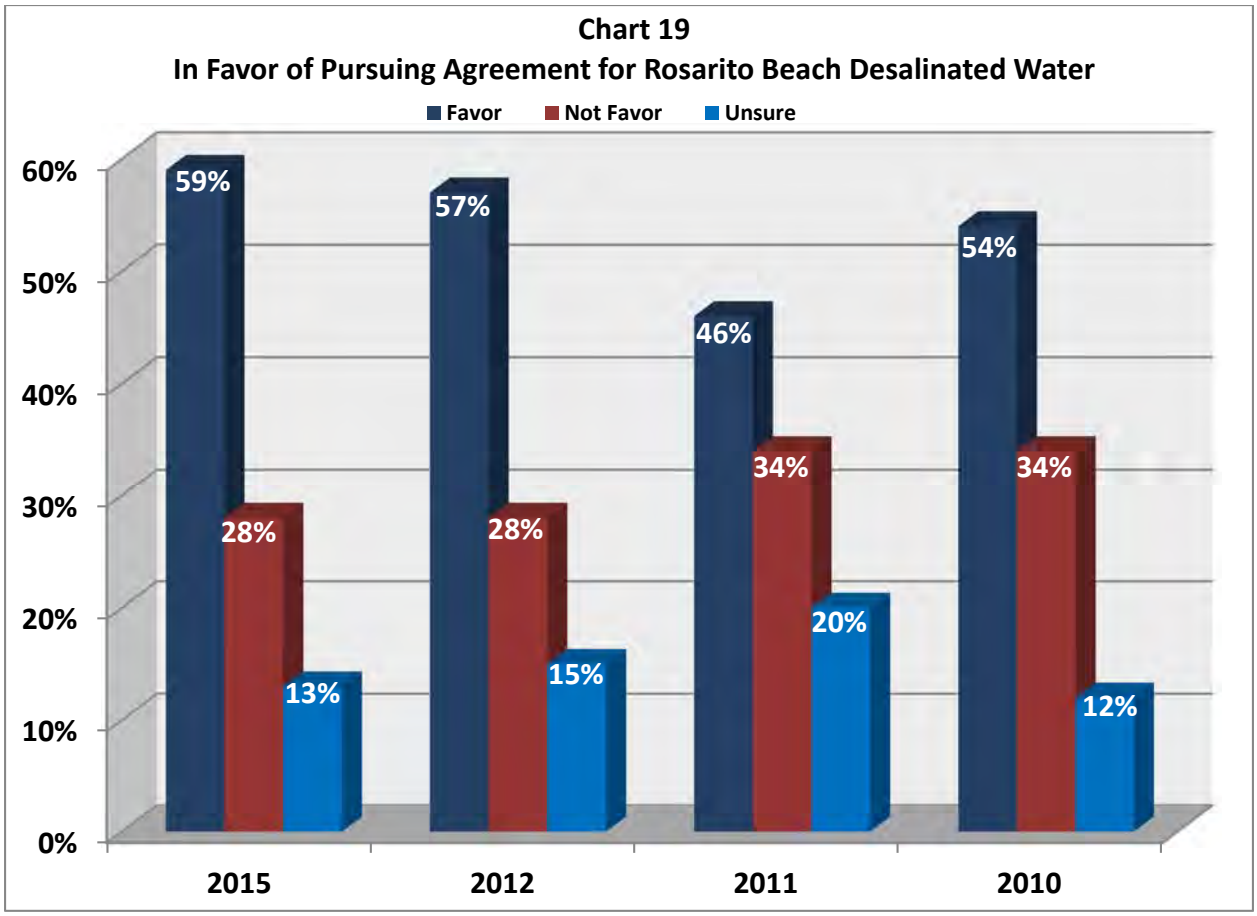
Chart 17
Made Changes to Landscaping as a Result of Visiting
Water Conservation Garden
(Among 24% Who Have Visited)
No
Yes
52%
48%
60%
40%
48%
52%
61%
39%
49%
51%
70%
60%
50%
40%
30%
20%
10%
0%
2015
2012
2011
2009
2008



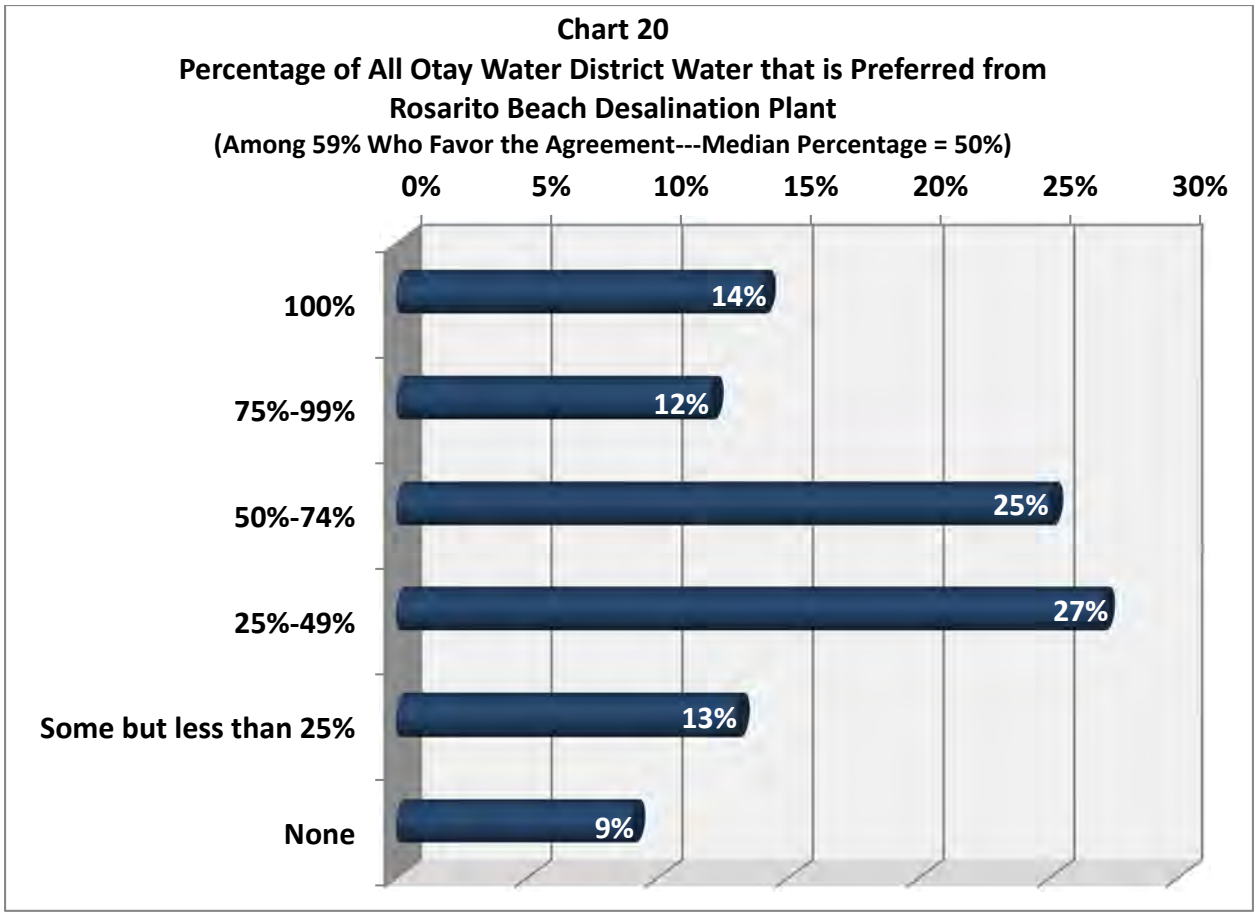
Alternative Water Supply: Desalination

Chart 19 shows that 59 percent of District customers favor an international agreement to purchase desalinated water from a proposed Rosarito Beach desalination facility in Mexico. This percentage represents an increase of 2 percent from the results of the 2012 survey and 13 percent from the results of the 2011 survey where 46 percent favored such an agreement. The favorability rating in the current survey is comparable to the one in 2010 where 54 percent of customers indicated that they favored an international agreement with Mexico. It is important to recall that the 2010 survey was conducted specifically about desalination and a great deal of information was included in that survey in contrast to the few questions and limited information in the 2011, 2012 and 2015 general customer surveys. The evidence shows that customer support is building for an international agreement with Mexico to purchase desalinated ocean water from the proposed Rosarito Beach facility.

- Males (67.3 percent) tend to favor an international agreement with Mexico more so than do females (49.0 percent).



Among the 59 percent of District customers who favor the Agreement, over one-fourth (26 percent) feels that 75 to 100 percent of the District's water should derive from the Rosarito Beach desalination plant. Another 25 percent thinks that 50 to 74 percent of the District's water should come from this plant. The median percentage of the District's water that customers feel should derive from the proposed Desalination Plant is 50 percent (i.e. half of the residents who favor the plant prefer a higher percentage and half prefer a lower percentage) (**Chart 20**).

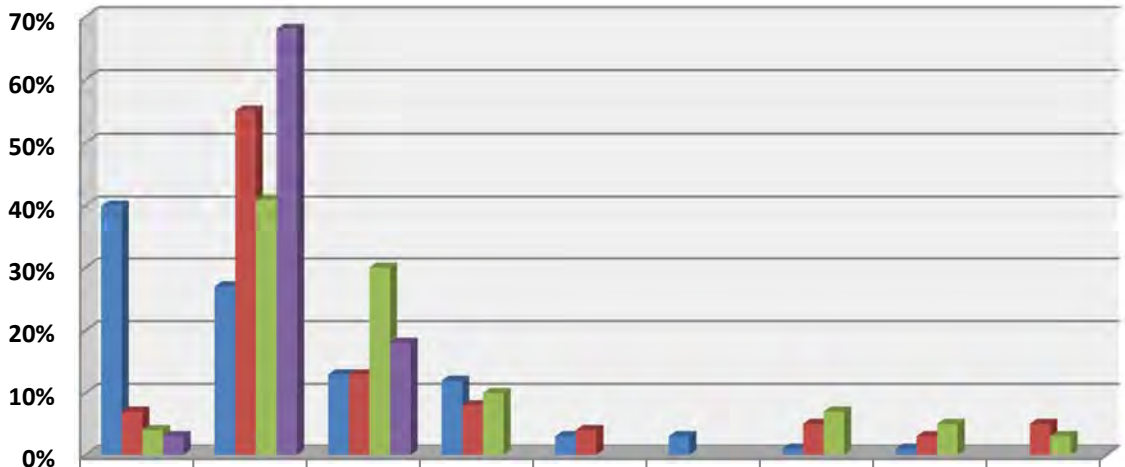


Among the 28 percent who oppose the international agreement with Mexico or are unsure (13 percent) about it, two fifths (40 percent) say they need more information about the Project and just over one-quarter (27 percent) indicates that they do not trust the quality of water from Mexico and/or they do not trust the Mexican government. Another 13 percent feels that the plant should be located in the United States in order to create jobs domestically. In previous surveys, the opinions for opposing the desalination agreement with Mexico differ from the current survey in three important ways. First, a much smaller percentage of respondents in 2012 (7 percent), 2011 (4 percent), and 2009 (3 percent) needed more information about the Desalination Plant than in 2015. Trust in the Mexican government and in water quality in Mexico has improved substantially since 2009 when 68 percent expressed a lack of trust in Mexico. Since 2011, a smaller percentage of respondents are advocating that the Desalination Plant should be located in the U.S. to create jobs in the U.S. (13 percent) – down from 30 percent in 2011. A positive trend emerges as respondents have become interested enough in the Desalination Project to require more information about it, they have less distrust in the Mexican government and the quality of water in Mexico, and there is less negative sentiment about locating the plant in Mexico as opposed to the United States and the foregone opportunity to create jobs in the United States (**Chart 21**). This likely reflects either a greater degree of

faith in the U.S. economy than in 2011 or an increased recognition that the time and cost to create such a plant in the United States may be problematic.

- Customers who are 45 years of age and older (17.9 percent) tend to distrust the Mexican government and the water quality in Mexico more so than those 44 years of age and under (7.7 percent).

Chart 21
Why Not Favor Desalination Agreement?
(Among 28% Not in Favor and 13% Unsure)

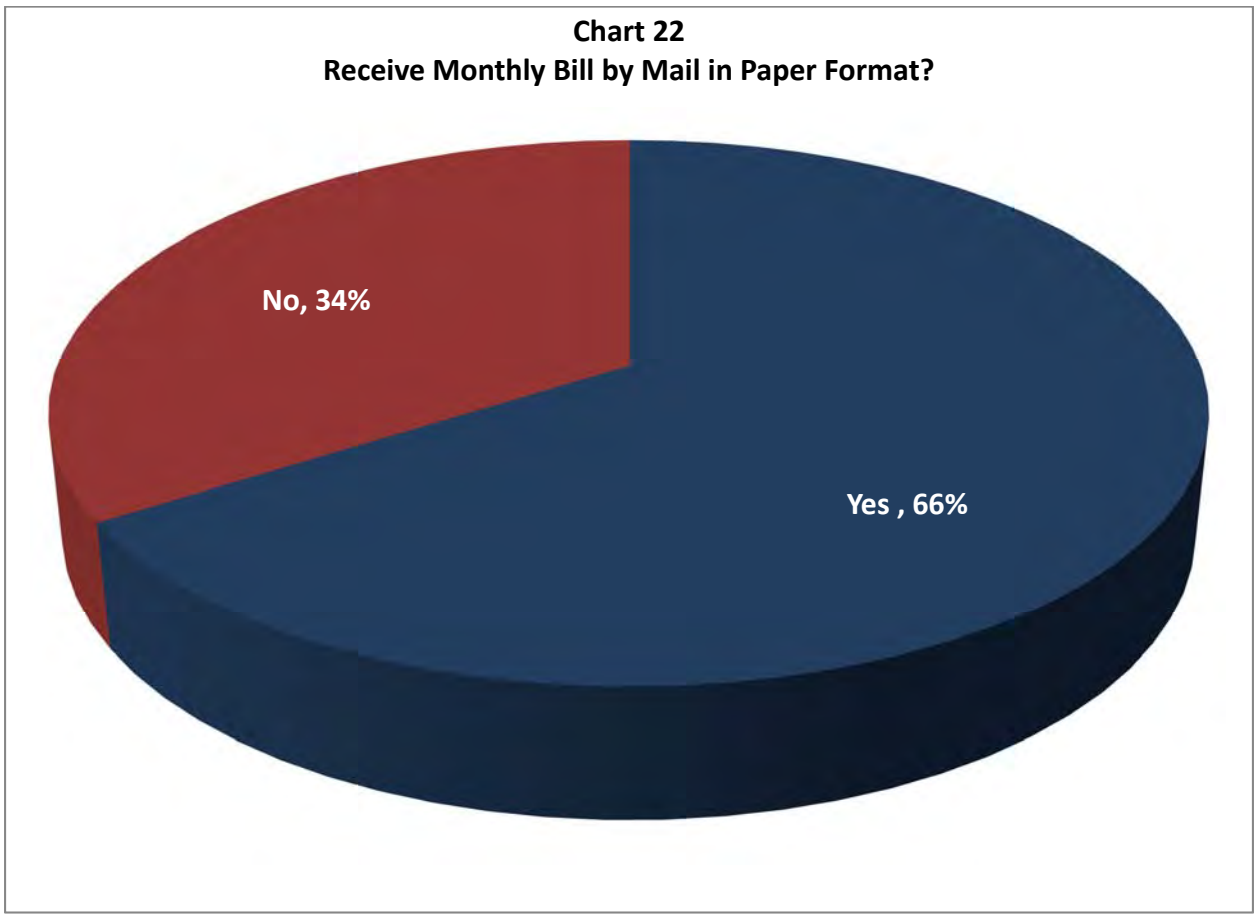


	Need More Infor-mation	Do Not Trust Mexican Govt/ Mexico Water Quality	Put Plant in U.S./ Create U.S. Jobs	Cost	Do Not Desire Interna-tional Involv-ment	Danger to Sea Life	Lack of Control	Do Not Want to Drink Sea-water	Do Not Like Idea/ Other
2015	40%	27%	13%	12%	3%	3%	1%	1%	
2012	7%	55%	13%	8%	4%		5%	3%	5%
2011	4%	41%	30%	10%			7%	5%	3%
2009	3%	68%	18%						

Bill Payment

Chart 22 shows that nearly two-thirds (66 percent) of respondents receive their monthly bill by mail in paper format. Among the 66 percent who receive their bill by mail, over two-fifths (44 percent) object to paperless billing because they want a paper record for bookkeeping and taxes and 15 percent indicate that they do not use computers very often. The percentage of customers who are concerned that the paperless option does not afford a paper record increased substantially since the 2011 survey (27 percent in 2011 to

44 percent in 2015). Computer use seems to be increasing among these respondnets to a limited extent. Those who indicated that they do not use computer very often fell from 23 percent in 2011 to 16 percent in 2012 and to 15 percent in 2015. Finally, in the current 2015 survey, respondnents also offered the following reasons for their objection to paperless bill paying: They will forget to check the computer for the bill and the bill simply comes by mail and I pay it– each 9 percent (**Chart 23**).



The following subgroups are more likely to receive a paper copy of their bill:

- African-Americans (76.2 percent), Whites (68.7 percent), and Latinos (68.6 percent) as opposed to Asians (45.0 percent).
- Longer-term customers of the Otay Water District – 11 or more years (78.5 percent) versus 10 years and under (54.8 percent).
- Older residents of the Otay Water District – 65 years of age and older (85 percent) versus 34 years of age and under (52.3 percent).

- Residents with less education – high school education or less (87.5 percent) as opposed to 1 year of college or more (61.8 percent).

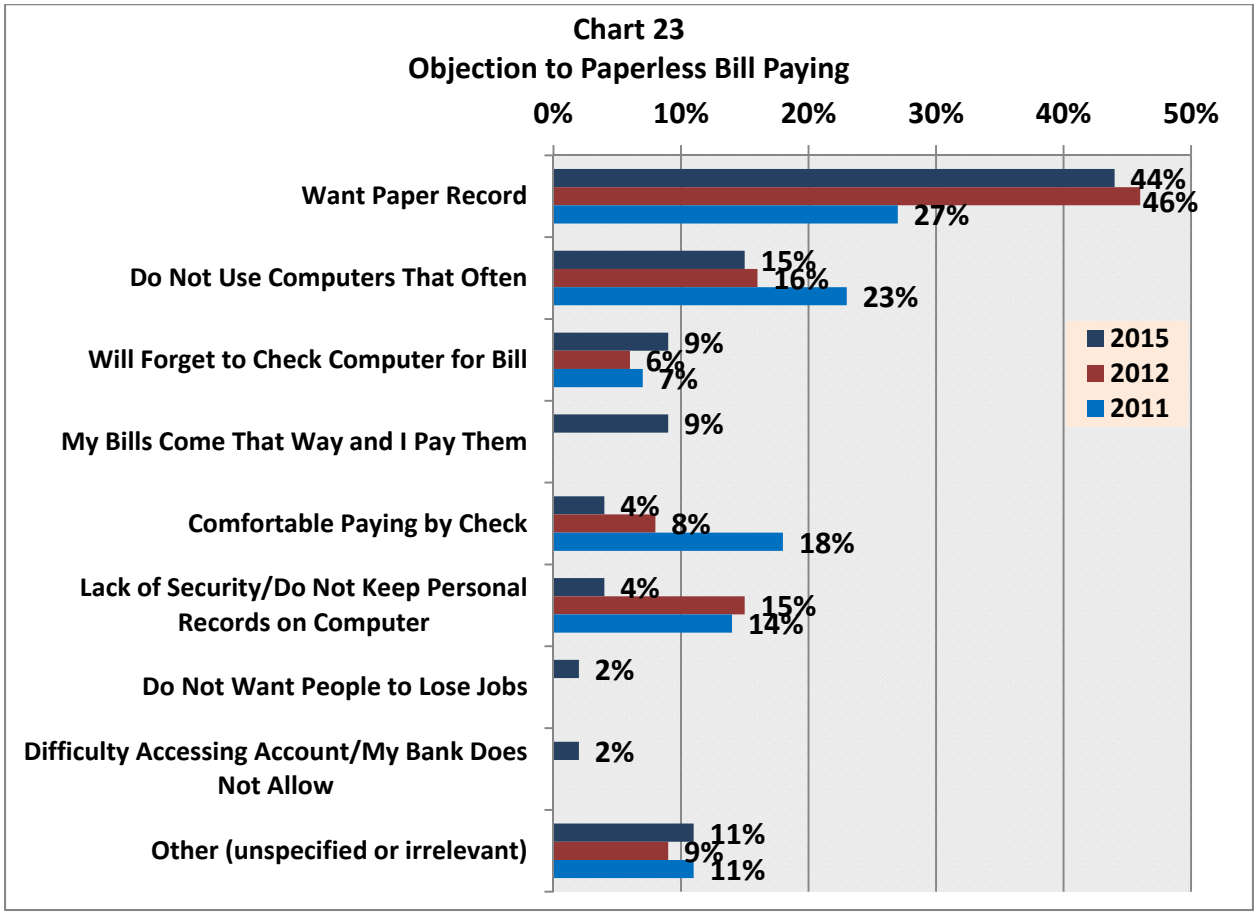
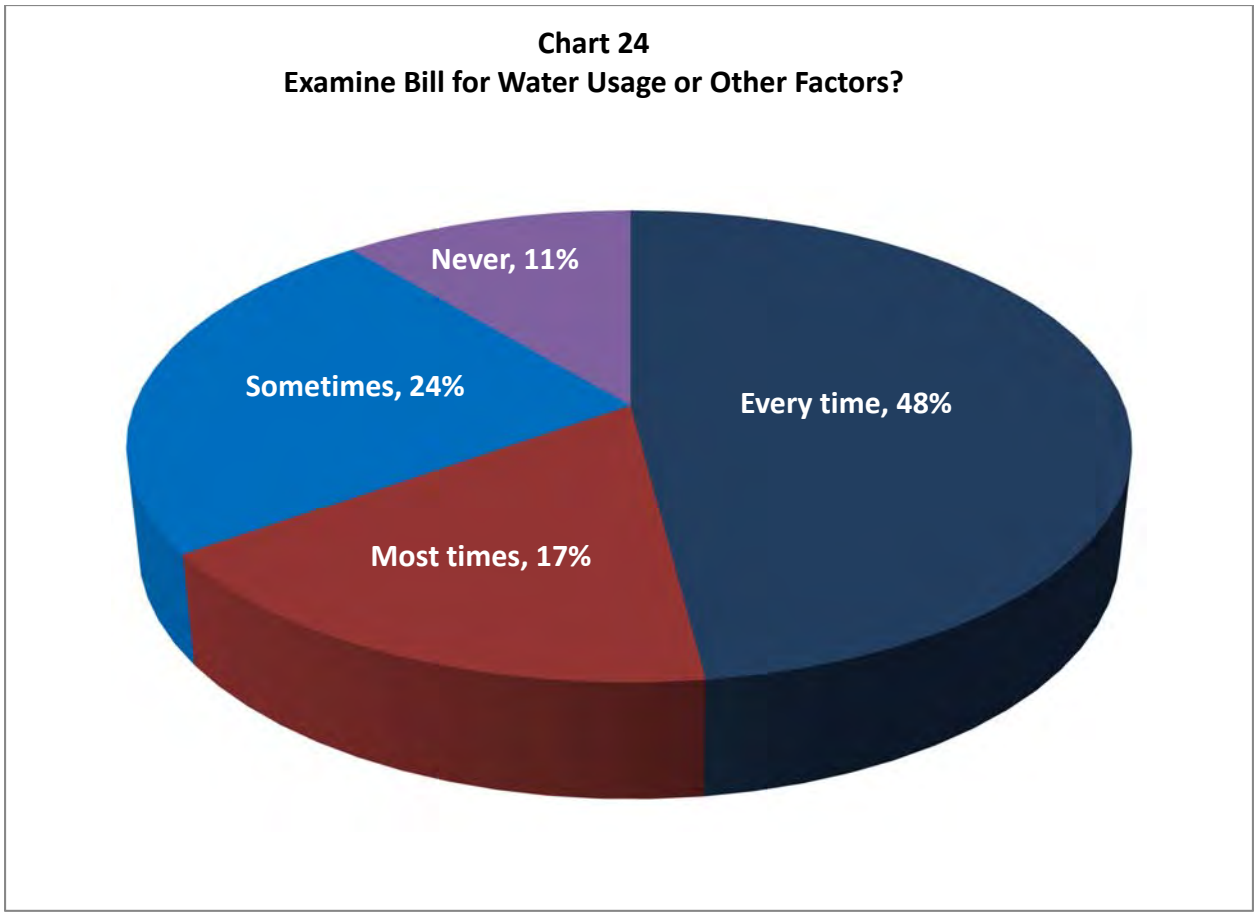


Chart 24 indicates that nearly one- half (48 percent) of respondents examine their bill for water usage or other factors every time. Nearly one-fifth (17 percent) examine their bill most times and 24 percent do so sometimes.



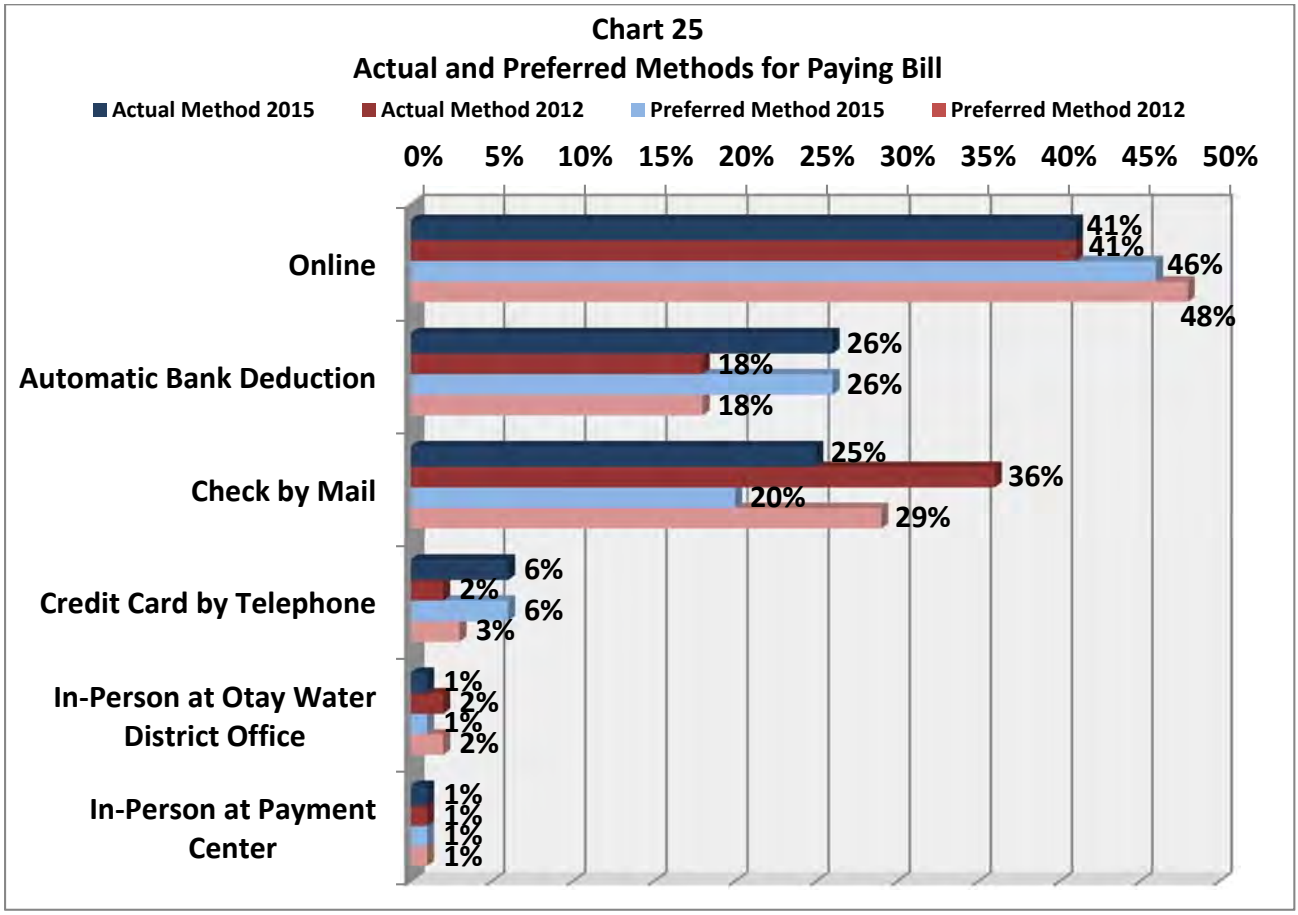
The following subgroups tend to examine their bill frequently.

- Customers who examine their bill everytime:
  - Whites (56.9 percent) versus African-Americans (45.0 percent), Latinos (41.0 percent), and Asians (35 percent).
  - Homeowners (52.6 percent) as opposed to renters (31.7 percent).

- Customers who examine their bill everytime or most months:
  - Longer-term residents of the Otay Water District – 11 years or more (71.8 percent) versus 10 years and under (59.9 percent).
  - Customers who are 55 years of age and over (78.2 percent) as opposed to those 54 years of age and under (56.3 percent).

Chart 25 shows that over two fifths (41 percent) of customers pay their bill online, 26 percent pay their bill through automatic bank deductions, one-fourth (25 percent) pay by sending a check in the mail and others pay by credit card over the telephone (6 percent) or in person at District offices (2 percent). It is noteworthy that 46 percent of customers would prefer to pay online (5 percent more than actually do so) and 20 percent would prefer to use postal mail (5 percent less than actually do so). Respondents in 2015

demonstrate a decrease in the use of paying their bill by check through postal mail (36 percent in 2012 to 25 percent in 2015). The use of automatic bank deductions to pay bills increased from 18 percent in 2012 to 26 percent in 2015). These trends point to the conclusion that customers of the Otay Water District are either using or considering the use of electronic methods of bill paying and wish to rely less on postal mail.



The following subgroups are more likely to pay their water bill online (Internet);

- Larger households of 3 persons or more (45.4 percent) versus smaller households of 1 or 2 persons (34.0 percent).
- Cell phone users (47.5 percent) versus landline users (40.6 percent).
- Renters (49.2 percent) versus owners (39.3 percent).
- Customers with some graduate education (54.4 percent) as opposed to those with a college degree or less education (37.4 percent).
- Latinos (56.3 percent) versus Asians (35.0 percent, Whites (34.6 percent), and African-Americans (23.8 percent).
- Customers who earn $50,000 or more annually (48.0 percent) as opposed to those who earn under $50,000 (27.6 percent).
- Customers who have less residential tenure in the District – 20 years or fewer (45.5 percent) versus 21 or more years (26.9 percent).

The following subgroups tend to pay their water bill by sending a check in the mail.

- Homeowners (27.1 percent) versus renters (14.3 percent)
- Landline users (25.5 percent) as opposed to cell phone users (14.1 percent).
- Smaller households of 3 persons or fewer (33.3 percent) versus larger households of 4 or more persons (14.8 percent).
- Longer term customers of the District – 21 or more years (49.3 percent) versus customers who have lived in the District for 20 years and under (17.3 percent).

The following subgroups indicate that they would prefer to pay their bill on-line no matter how they currently pay their bill.

- Renters (53.2 percent) versus homeowners (43.7 percent).
- Customers with some graduate education (57.5 percent) as opposed to those with a college degree or less – 42.6 percent).
- Latinos (61.2 percent) versus African-Americans (23.8 percent).
- Cell phone users (54.5 percent) versus landline users (44.3 percent).
- Shorter-term residential tenure in the District – 20 years or less (49.8 percent) versus 21 or more years (28.8 percent).
- Customers who are 54 years of age and under (59.9 percent) versus those who are 55 years of age and older (26.2 percent.

The following subgroups would prefer to pay their water bill by sending a check in the mail no matter how they currently pay their bill.

- Homeowners (22.3 percent) versus renters (9.7 percent).
- Landline users (20.8 percent) versus cell phone users (10.1 percent).
- Residents whose annual household income is $50,000 and over (51.8 percent) as opposed to those who earn less than $50,000 (32.1 percent).
- Longer-term residential tenure – 21 years or more (43.9 percent) versus 20 years or less (13.2 percent).

Chart 26 shows that about 7 in 10 respondents (71 percent) of the 59 percent who currently do not pay their bill on-line would still not do so even if a chat function were available to interact directly with a customer service representative.

The following subgroups are more likely to use a chat function to interact directly with a customer service representative.

- Asians (46.2 percent) versus Whites (8.0 percent).
- Renters (35.5 percent) as opposed to homeowners (19.0 percent).
- Cell phone users (39.6 percent) versus landline users (20.3 percent).
- Residents of the District for 20 years or less (28.6 percent) as opposed to those who are residents of 21 years or more (3.9 percent).

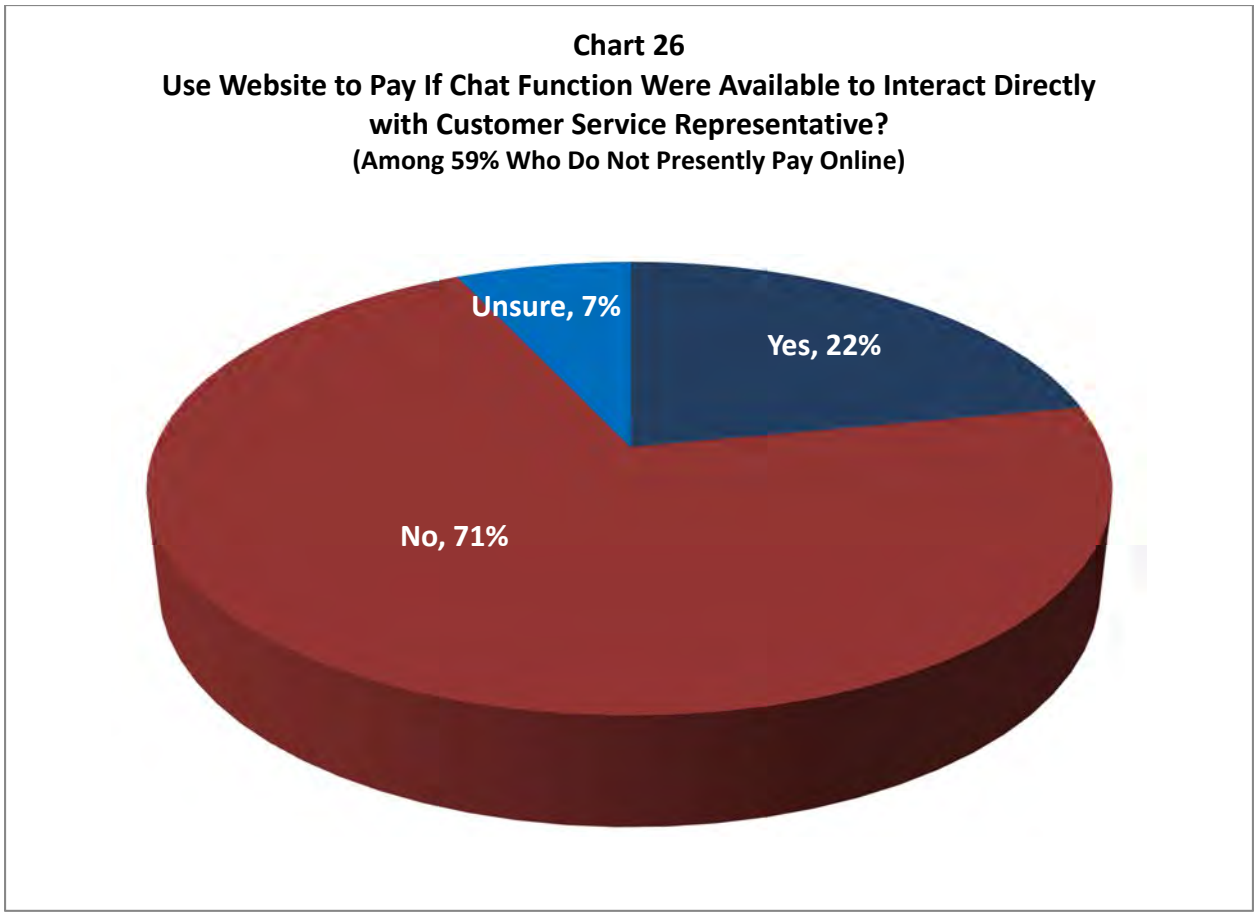
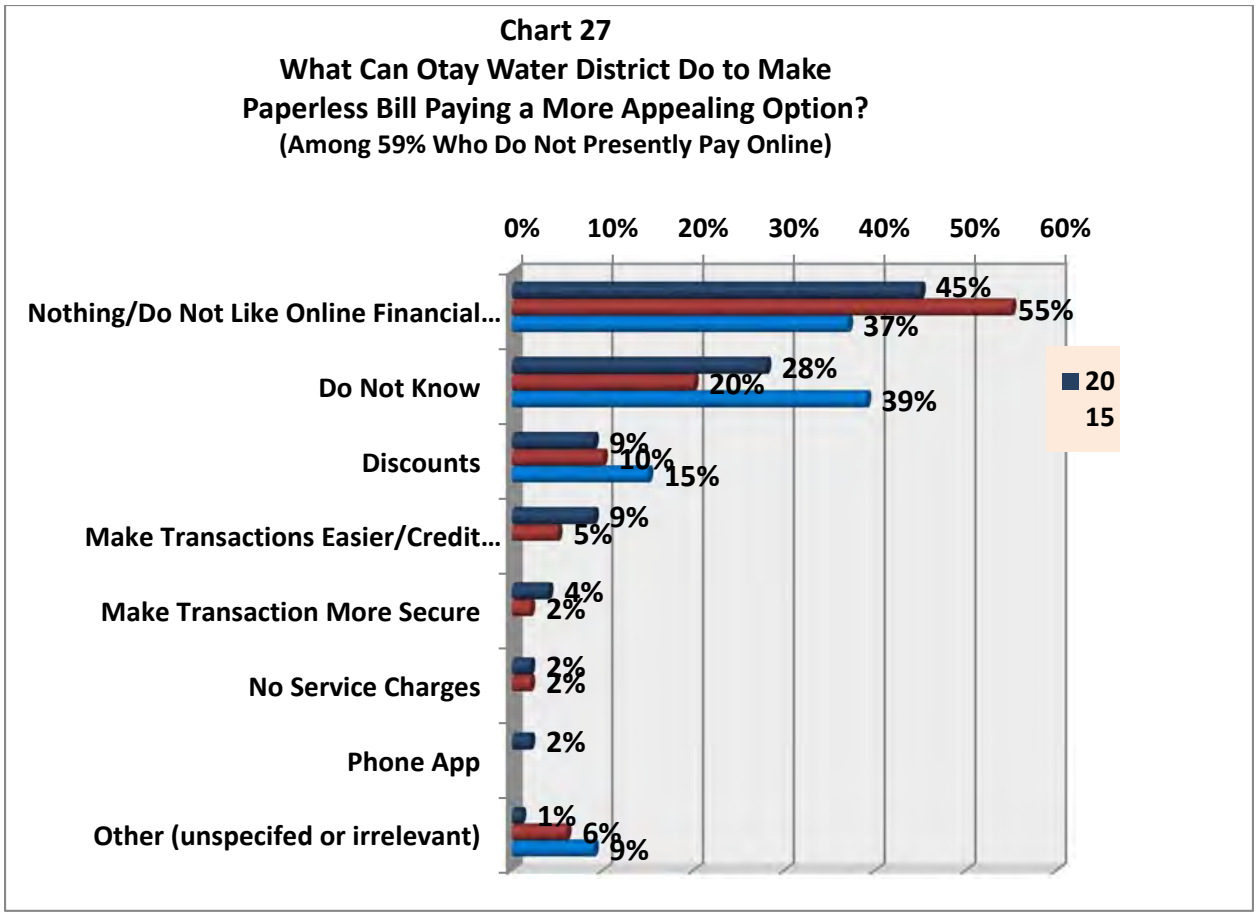


Chart 27 shows that, among customers who do not pay online and indicate a reason for not doing so, nearly one-half (45 percent) indicate that there is nothing the District can do to make paying online more appealing and another 28 percent do not really know what the District can do in this regard. Some customers indicate that discounts on their bill would make paying on-line more appealing and multiple payment options to make transactions easier would facilitate online bill paying – 9 percent each. In 2012, customers who did not wish to pay online were even firmer in their resolve that the District can do nothing to motivate them to do so (55 percent). Further, in 2012, the uncertainty about what the District could do to make online bill paying more appealing stood at 20 percent. In both 2015 and 2012, these two dominant responses indicate that these customers cannot think of anything that would move them toward online bill payment— both years show that three-fourths of those disinclined to pay online are not going to be easily swayed.



Information about Water Issues

Chart 28 shows that more than one-half (55 percent) of customers obtain information about water issues from television (38 percent) and the Internet (17 percent--other than Water District websites). One fifth (20 percent) receive information from various sources associated with the Otay Water District (Otay Water District Website and Otay Water District Newsletters – each 7 percent – and informational stuffers in the water bill – 6 percent).

The following subgroups are more likely to obtain information about water issues from the Internet:

- Latinos (22.5 percent) versus African-Americans (5.0 percent)
- Shorter residential tenure – 10 years or less as a resident of the District (20.7 percent) as opposed to 11 or more years (11.2 percent).
- Cell phone users (36.4 percent) versus landline users (14.6 percent).

The following subgroups are more likely to obtain information about water issues from television.

- Customers with an annual household income of under $100,000 (43.2 percent) versus those with household incomes of $100,000 or more (23.3 percent).

- African-Americans (50 percent) and Asians (45.0 percent) versus Whites (36.6 percent) and Latinos (33.3 percent).
- Landline users (38.5 percent) as opposed to cell phone user (29.3 percent).
- Customers who are 18-24 years of age (75.0 percent) versus customers who are 25 years of age and over (37.8 percent).

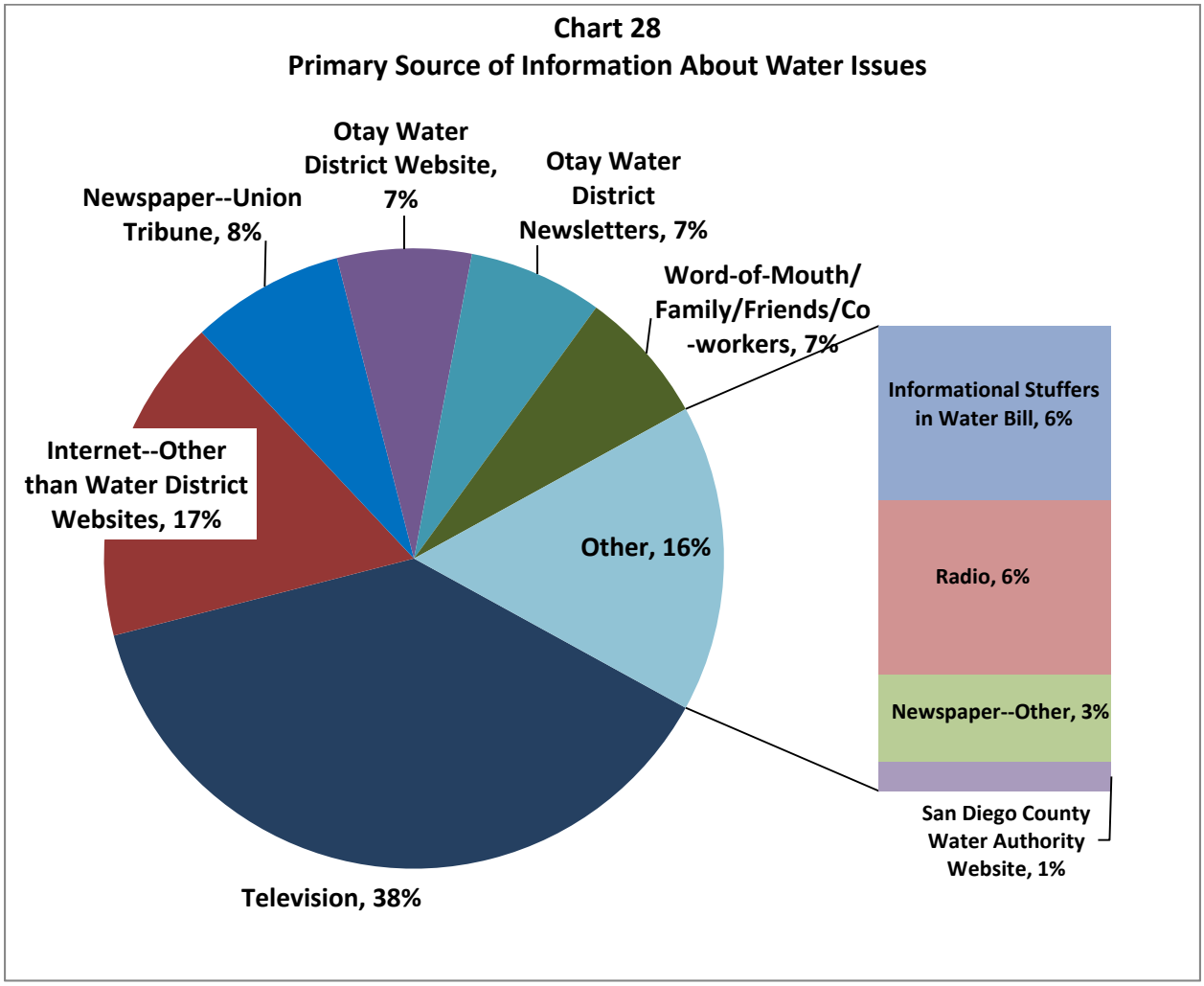


Chart 29 shows that over three-fifths of customers (62 percent) have visited the Otay Water District website. This represents a substantial increase over the 2012 survey results where 52 percent indicated that they had visited the website. Further, there has been a steady increase of customers who have visited the Otay Water District website since 2008. Specifically, in 2008, 27 percent visited the website, 32 percent visited the website in 2009, and 39 percent visited the website in 2011.

The following subgroups are more likely to have visited the Otay Water District website:

- Customers of 10 years or less – 75.4 percent versus longer term customers of 11 years or more – 46.8 percent.

- Customers who rent their residence (71.0 percent) as opposed to those who are homeowners (60.1 percent).
- Customers with annual incomes $50,000 and over (67.9 percent) versus those with annual incomes of under $50,000 (35.1 percent).
- Respondents who are 54 years of age and under (74.7 percent) as opposed to those 55 years of age and older (44.3 percent).

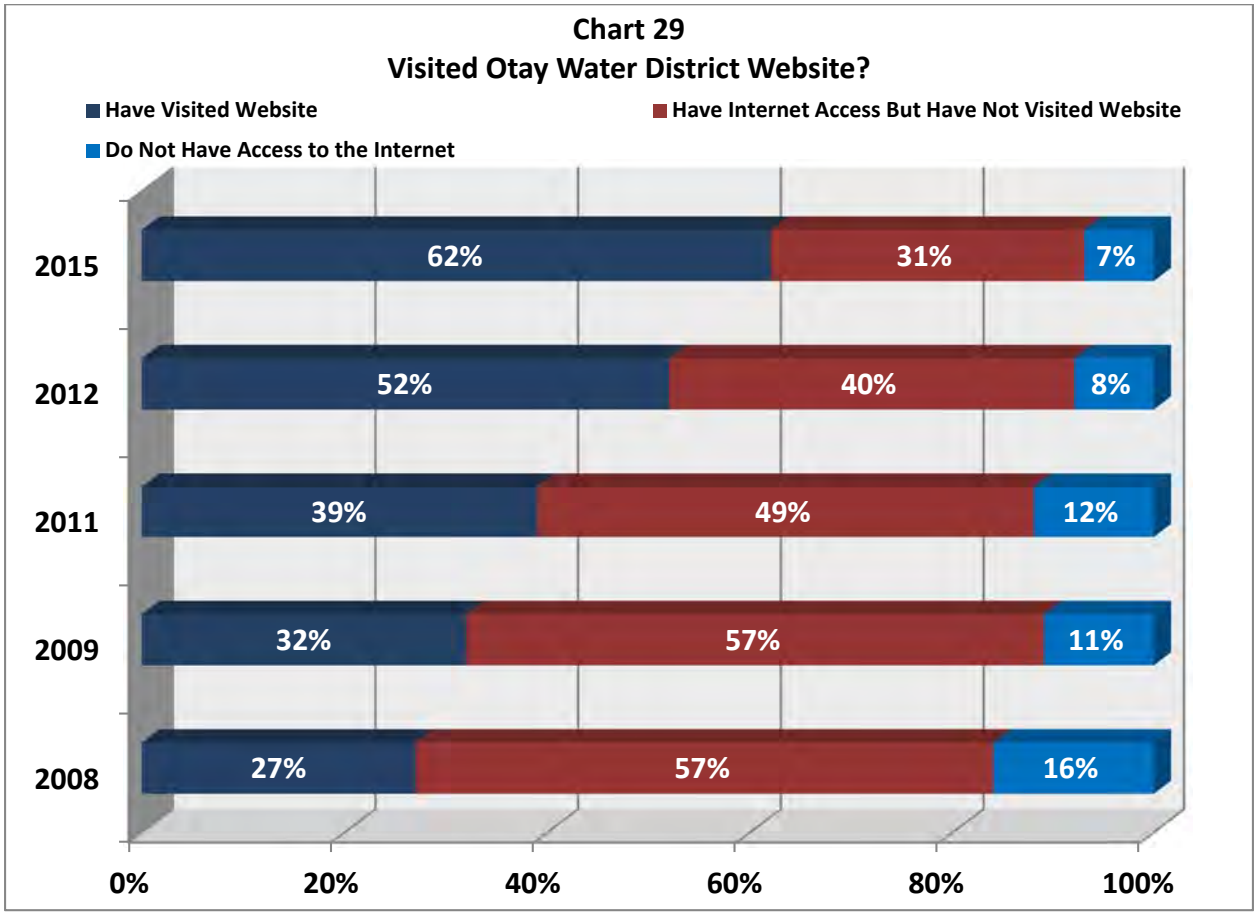
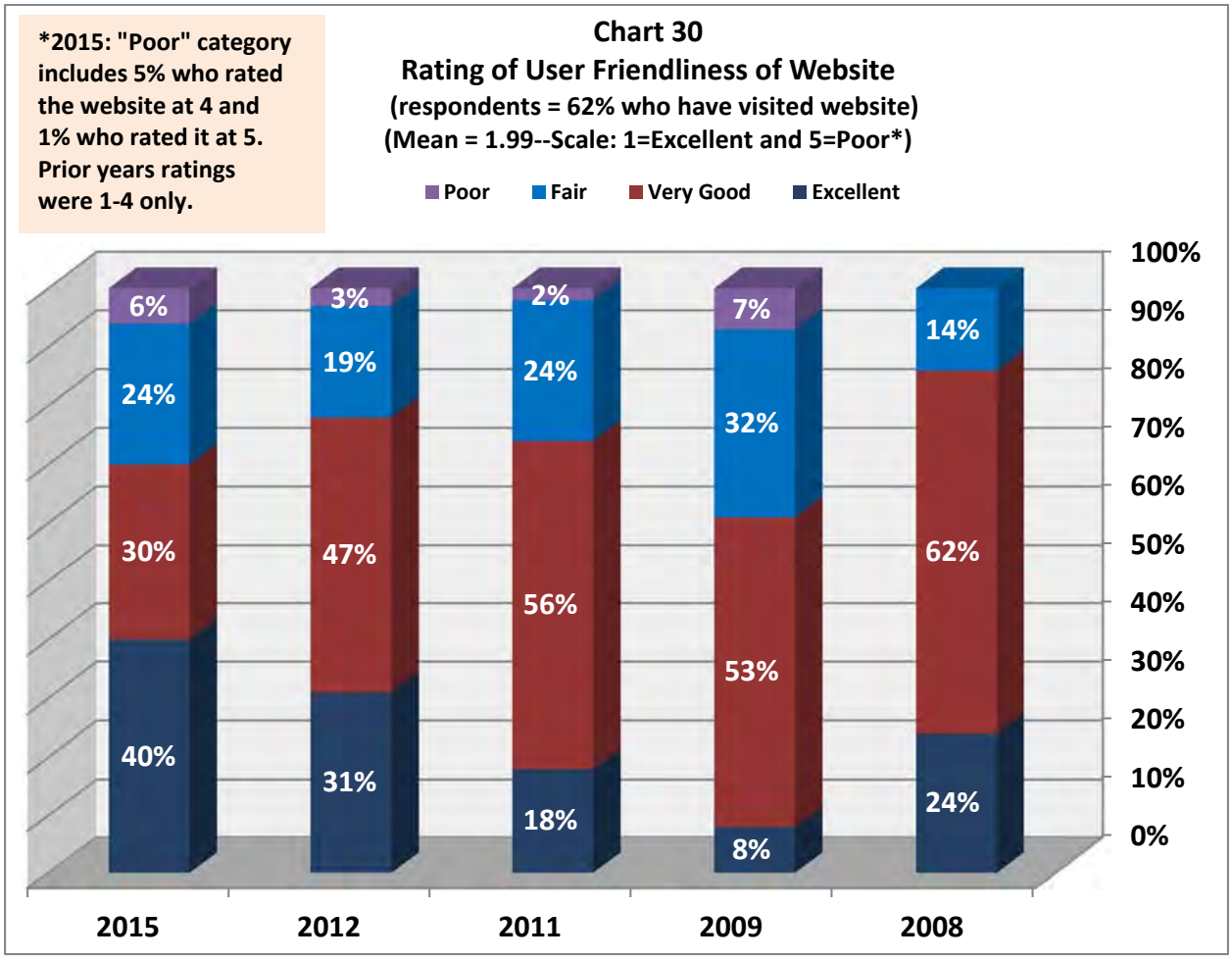


Chart 30 indicates that website visitors give the Otay Water District website very good ratings – 70 percent excellent or very good, 24 percent fair, and 6 percent poor. These ratings represent a decline from the 2012 survey ratings where 78 percent rated the website as either excellent or very good. The current 2015 ratings are well above the 2009 ratings (61 percent rating the Website as excellent or very good) but well below the 2008 ratings (86 percent rating the Website as excellent or very good). The rating of the website, therefore, varies considerably from year-to-year, which could parallel updates and changes to the website. It might be interesting to examine this potential correlation.

Customers who have visited the website rate the website with an overall mean of 1.99. This mean is based upon a scale of 1 to 4, where 1 = excellent, 2 = very good, 3 = fair, and 4 = poor. This reaffirms the

relatively high rating indicated and explained above. The current mean rating is less positive, however, than the 1.83 rating recorded in 2012.

- Higher income customers rate the Website less favorably -- $150,000 or more (mean of 2.53) versus all other income categories (mean of 1.85).



Among the 62 percent of customers who visited the Otay Water District Website, nearly one half (49 percent) reported that they do so in order to pay their bill online (**Chart 31**). Another one fifth (21 percent) access the website to obtain billing information. Nearly 1 in 10 (9 percent) of website visitors are seeking drought information and 7 percent are in search of conservation rebate information.

Chart 32 shows that 26 percent of customers always read the newsletter or bill inserts that come in the mail with the monthly water bill, 23 percent read these materials most months, and another 33 percent read them sometimes, leaving 18 percent who never read the newsletter or bill inserts. These results show a consistent increase in readership patterns since 2008. For example, in the current 2015 survey, 49 percent of

respondents read these materials every month or most months. In 2012 and 2011, 52 percent and 49 percent of customers respectively read the newsletter and bill inserts that frequently. It is noteworthy that the last four survey periods (2009, 2011, 2012, and 2015) show a higher readership pattern than does the 2008 survey (31 percent every month or most months). Also, the percentage of customers who never read the newsletter or bill inserts decreased by 9 percent over the 2008 survey (27 percent in 2008 to 18 percent in 2015).

- Customers with longer residential tenure in the District tend to read the Newsletter and bill inserts every time or most times more so than do customers with a shorter residential tenure (11 years or more – 57.7 percent; 10 years and under -- 41.3 percent)

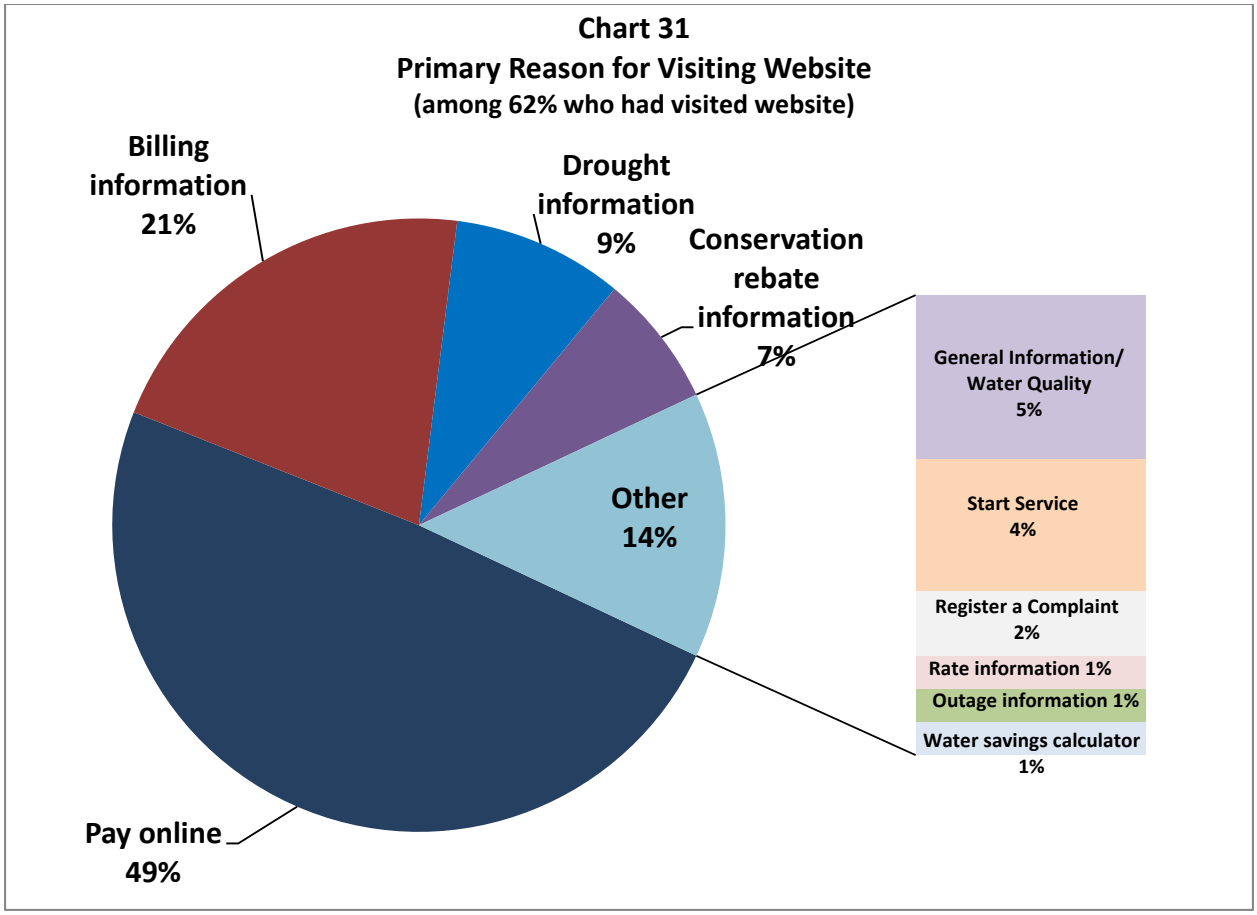
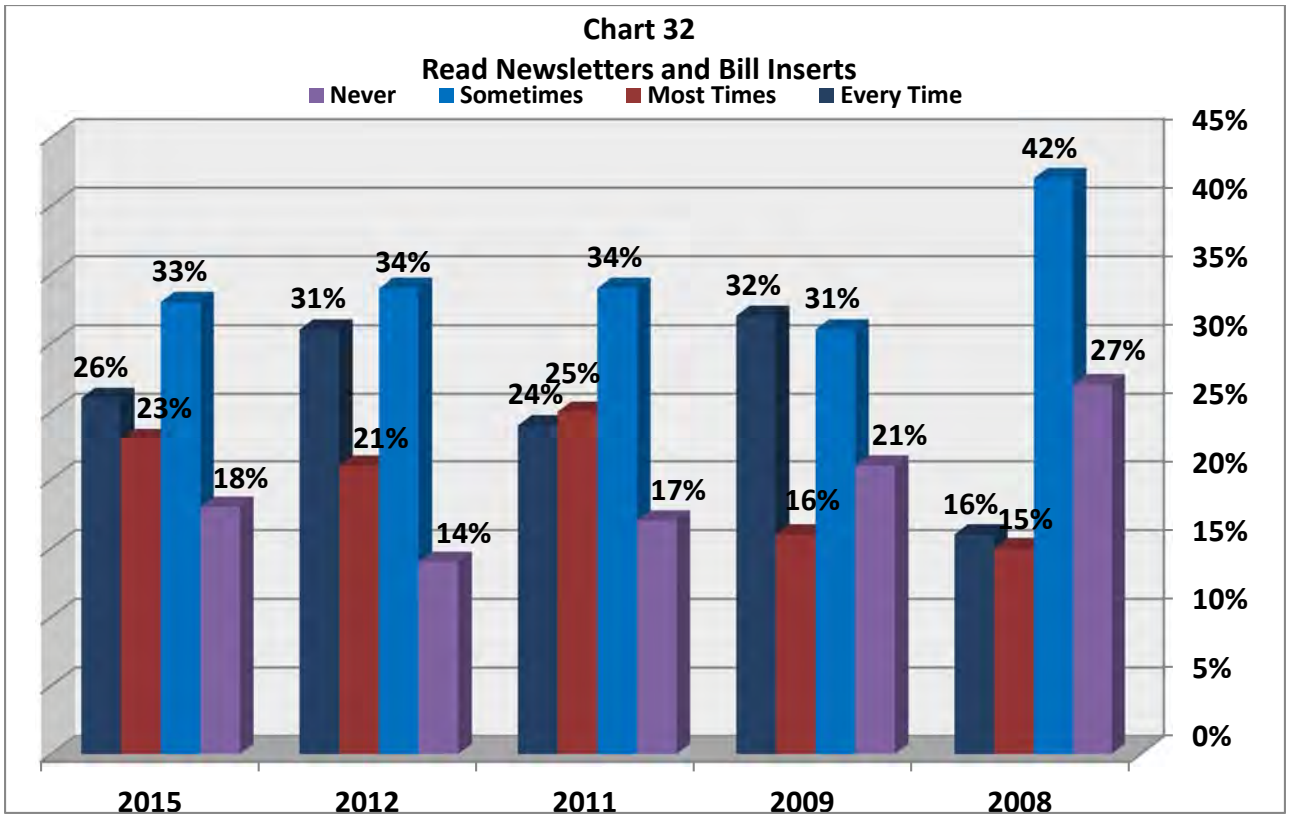
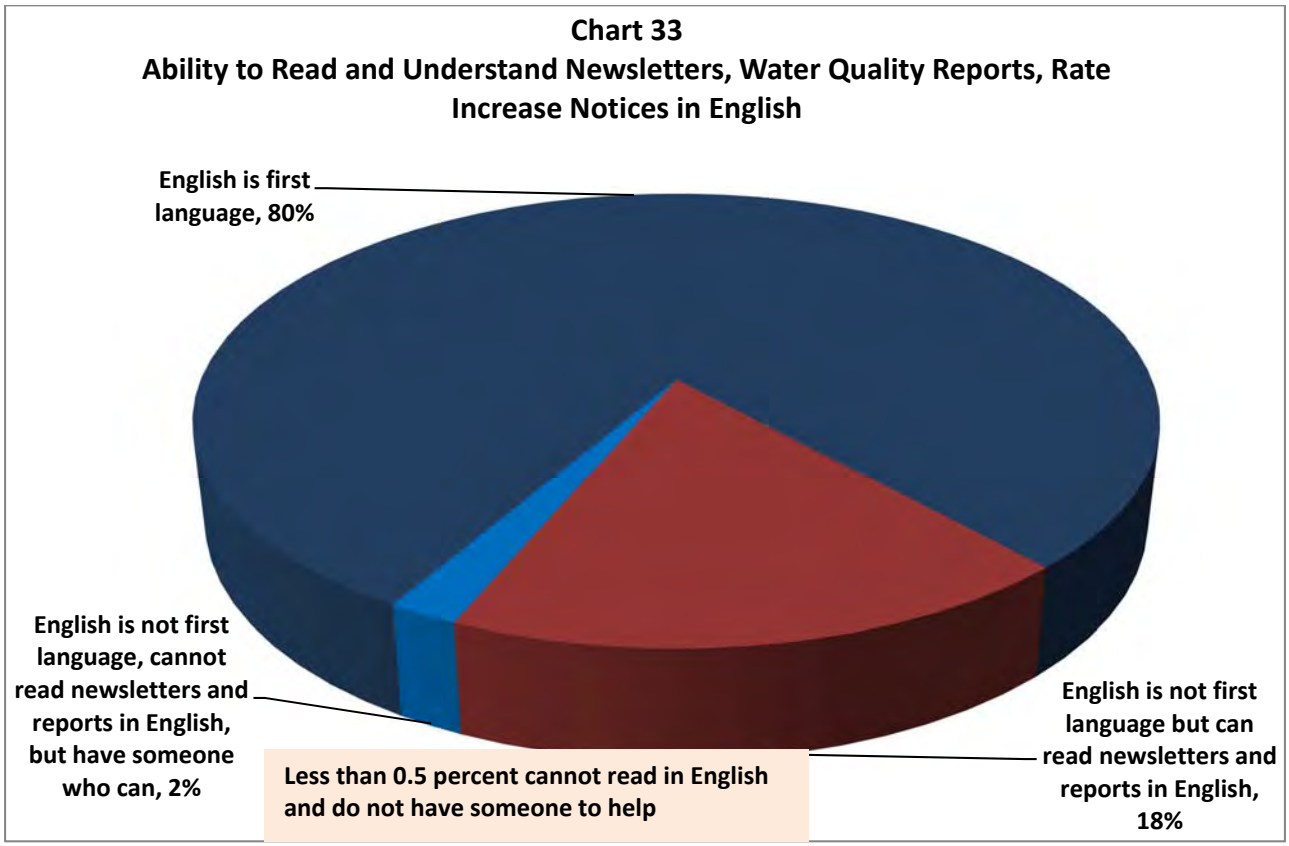


Chart 33 indicates that English is not the first language of 20 percent of the survey respondents. Among these 20 percent, 18 percent can read newsletters and reports in English and nearly 2 percent cannot read newsletters and reports in English but they have someone available who can translate this information for them. Less than 0.5 percent cannot read English and do not have someone available to help them translate newsletters and reports for them.





Conclusions

The results of the 2015 General Survey not only demonstrate that there are strong indications of continued customer support for the work of the Otay Water District, but also that support has reached a higher level than has been recorded during the past decade. That is, the overall satisfaction with the District as a water service provider is notably higher than every survey period since this series of surveys began in 2005. The level of trust and confidence in the ability of the District to provide clean, safe water and to provide it at reasonable prices is also higher than in previous surveys.

Water and trash collection have been the top two utilities in the District's surveys since the inception of these surveys. That is, these two utilities represent to customers the best value that they perceive for the money paid among the most commonly used utilities.

The results of this survey should be viewed as a very powerful ratification by the public of the importance and quality of the work done by the District and as an expression of the high value to the customers of the District of the work in which the Otay Water District is engaged.

APPENDIX

Questionnaire

Frequencies—Weighted

Open-Ended Responses, including Other, Please Specify

Otay Water District
General Survey 2015

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

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

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

IC. Let me assure you that no names or addresses are associated with the telephone numbers, and all of your responses are completely anonymous. The questions take about 15 minutes. To ensure that my work is done honestly and correctly, this call may be monitored. Do you have a few minutes right now?

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

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

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

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

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

1 - MALE
2 - FEMALE

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

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

1 - English or
2 - Spanish?

SATISFACTION---OPERATIONAL EXCELLENCE

Q1: On a scale of 1 to 5, where 1 is Excellent and 5 is Poor, how would you rate your overall satisfaction with the Otay Water District as your water service provider?

1---Excellent
2—
3 --
4 --
5—Poor
9 - DK/REF [DO NOT READ]

Q2. During the past year, has your satisfaction with the Otay Water District…

1—Increased?
2—Decreased?
3—Stayed the same?
9 - DK/REF [DO NOT READ]

Q3a-d. During this recent drought, would you say that the Otay Water District…

Yes (1) No (2**)** **DK/REF(9) Do Not Read**

a---has been a good partner in helping us to conserve water?
b—has provided us with adequate and timely information about the drought?
c—did not anticipate the severity of the drought and was not well prepared for it?
d—is not at fault when it comes to the drought?

Q4: Have you called the Otay Water District for service or other help during the last year?

1 - YES
2 - NO **– [GO TO Q5]**
9 - DK/REF [DO NOT READ]**– [GO TO Q5]**

Q4a**—[IF Q4 = 1]** On a scale of 1 to 5, where 1 is Excellent and 5 is Poor, how would you rate your overall level of satisfaction with the service you received when you called for service or help? **REVERSE**

1---Excellent
2
3
4
5—Poor
9 - DK/REF [DO NOT READ]

Q5. With 1 being a great deal of trust and 5 being no trust at all, how much trust do you have in the ability of the Otay Water District to provide clean, safe water to the district? **REVERSE**

1 – a great deal of trust,
2
3
4
5 – no trust at all?
9 - DK/REF [DO NOT READ]

Q6. Again with 1 being a great deal of trust and 5 being no trust at all, how much trust do you have in the Otay Water District to obtain this water for you at a reasonable price? **REVERSE**

1 – a great deal of trust,
2
3
4
5 – no trust at all
9 - DK/REF [DO NOT READ]

Q7. Have you ever visited the Otay Water District website?

1 - YES
2 – HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE **---------> GO TO Q8**
3—DO NOT HAVE ACCESS TO THE INTERNET**----------→GO TO Q8**
9 - DK/REF [DO NOT READ)----------> GO TO Q8

Q7a. **[IF Q7 = 1]** On a scale of 1 to 5, with 1 being excellent and 5 being poor, how would you rate the user friendliness of the website? Would you say...

1 - excellent
2
3
4
5 - poor
9 - DK/REF [DO NOT READ]

Q7b. What was the reason for your last visit to the Otay Water District website?

_____

RECORD ONE RESPONSE

<u>DO NOT READ</u>----------CODE USING FOLLOWING SCHEMA]

1. Drought Information
2. Water Savings Calculator
3. Billing Information
4. Pay Online
5. Rate Information
6. How to Read the Water Meter

7. How to Check for Leaks
8. Outages
9. Conservation Rebate Information
10. Board of Directors Meetings and Information
11. Employee Directory
20. Other, specify_____
25. DK/REF

WATER RATES

Q8a-c. I am going to mention six utilities that serve the needs of residents and businesses in the region. Considering only those utilities that you pay for, which would you say is the best value for the amount of money that you pay. Which ones are second and third? **[ROTATE LIST]**

	MOST (8a)	SECOND (8b)	THIRD (8c)
a. Trash collection	1	1	1
b. Water	2	2	2
c. Sewer	3	3	3
d. Telephone	4	4	4
e. Cable or Satellite TV	5	5	5
f. Internet access	6	6	6
g. Gas & Electric	7	7	7

Q9. Do you feel that water costs too much, too little, or priced about right?
1. water costs too much
2. the cost of water is just about right
3. water costs too little

BILLING

We would like to ask a few questions about the District's invoices

Q10. Do you get a paper copy of your bill?
1. YES
2. NO –**GO TO Q11**
3. **DK/REF—DO NOT READ—GO TO Q11**

Q10a. [**IF Q10 =1]** Why haven't you chosen to receive electronic, paperless invoices?

_____

[USE FOLLOWING CODING BUT DO NOT READ—ENTER OTHER ANSWERS VERBATIM—99 = DK/REF]

1. **Want paper record**
2. **Computers can fail**
3. **Trust/security**
4. **Do not use computers that often**
5. **I do not keep personal records on the computer**
6. **Used to paying by check**
7. **I will forget to check for the bill on the computer**
8. **That is just the way the bills have been coming**

20. Other, specify_____

Q11**.** No matter how you get your monthly water bill, do you look through your monthly water bill to examine your water usage or other factors …

1 - every time,
2 - most times,
3 - sometimes, or
4 - never? ----------
9 - DK/REF [DO NOT READ]----

Q12. How do you pay your water bill most months?

1—Send check by mail
2—Automatic bank deduction
3—Credit card over the telephone
4—In person at the Otay Water District office
5—In person at payment center
6—On-line (Internet**) [GO TO Q13]**

Q12a**. [IF Q12 DOES NOT = 6]** Do you think that you would use the website to pay your bill if a chat function were available that allows you to ask questions directly to a customer service representative?

1—YES
2—NO
9 - DK/REF—DO NOT READ

Q12b**. [IF Q12 DOES NOT = 6]** What else can the District do to make paying on-line a more appealing option for you?

_____

DK/REF = 99

[USE THE FOLLOWING CODES BUT DO NOT READ THEM. ENTER ALL OTHER ANSWERS VERBATIM—CODE 20]

1. **THERE IS NOTHING THAT WOULD MAKE ME PAY ONLINE**
2. **OFFER DISCOUNTS ON THE BILL**
3. **OFFER MORE PAYMENT OPTIONS (SUCH AS PAYPAL, CREDIT/DEBIT CARDS)**

4. NO SERVICE CHARGES
5. ENHANCED SECURITY
20. Other, specify_____

Q13. No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?

1—Send check by mail
2—Automatic bank deduction
3—Credit card over the telephone
4—In person at the Otay Water District office
5—In person at payment center
6—On-line (Internet)
9 - DK/REF [DO NOT READ

SOCIAL MEDIA/INFORMATION

Q14. What source do you primarily rely upon to get information about water issues affecting our region? **(DO NOT READ: PROBE AND RECORD ONLY ONE)**

1 – NEWSPAPER: UNION TRIBUNE
2 - NEWSPAPER: OTHER
3. – OTAY WATER DISTRICT WEBSITE
4. - THE SAN DIEGO COUNTY WATER AUTHORITY WEBSITE
5. – THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA WEBSITE
6 - INTERNET—other than water district websites
7. – RADIO
8. – TELEVISION
9. – MAGAZINES
10. – SPEAKERS AT COMMUNITY GROUPS
11. – WORD-OF-MOUTH/FAMILY/FRIENDS/CO-WORKERS
12. – Otay Water District Newsletters
13. – Informational stuffers in my water bill
20. – OTHER, SPECIFY: _____
99—NONE—DK/REF—DO NOT READ

Q. 15 Do you read the newsletter or bill inserts that come in the mail or come electronically with your bill

1 - every time,
2 - most times,
3 - sometimes, or
4 - never?
9 - DK/REF [DO NOT READ]

CONSERVATION GARDEN

Q16. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

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

Q16a. **[IF Q16 = 1:]** Have you or any member of your family ever visited the garden?

1 - YES
2 - NO
3 - DK/REF

Q16b. **[IF Q16a = 1]**. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

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

Q16c. What is the most significant change you have made as a result of visiting the garden?

[DO NOT READ----------CODE USING FOLLOWING SCHEMA]

1 Adjusted sprinklers/reduced water usage
2. Changed plants to be more drought-tolerant/waterwise
3. Eliminated plants/let plants die
4. Eliminated lawn/let lawn die—replaced with waterwise ground cover
5. Replaced unused turf with low-water plants
6. Check the soil's moisture level before watering
7. Upgraded irrigation system to include new, higher-efficiency equipment
20. Other, specify _____

OUTDOOR WATERING

Q17. These next few questions deal with using water outdoors. Does your residence have any lawn or grass area that someone in your household is directly responsible for maintaining?

1 - YES
2 - NO/APT/CONDO/NO YARD RESPONSIBILITIES **----------> GO TO Q19**
3 **- DK/REF—DO NOT READ ----------> GO TO Q19**

Q18. Have you replaced some or all of your lawn or grass area with low-water-use landscaping including water-wise plants, stone or artificial turf?

1 – YES –**GO TO Q18b-c**
2 - NO **(GO TO Q18a)**
9 **- DK/REF [DO NOT READ]—GO TO Q18a**

Q18a**.** Do you plan to replace some or all of your grass area with low-water-use landscaping including water-wise plants, stone or artificial turf within the next year?

1 – YES
2 - NO **(GO TO Q18d)**
9 **- DK/REF [DO NOT READ]—GO TO Q18d**

Q18b-c. What did you do to replace your grass area or what are you planning to do within the next year?

[DO NOT READ----------CODE USING FOLLOWING SCHEMA]

RECORD UP TO TWO RESPONSES

1—Let grass area die and will leave as is or throw ground cover (e.g. wood chips) on former grass area

2—Ground cover and rocks/stones

3—Rocks and stones

3—Water-wise, drought resistant plants

4—artificial turf

9—other, specify_____

GO TO Q19

Q18d. (IF Q18a = 2 or 3) What is the main barrier keeping you from replacing some or all of your grass with low-water-use landscaping including water-wise plants, stone or artificial turf?

[DO NOT READ----------CODE USING FOLLOWING SCHEMA]

1. Cost
2. Homeowner association regulations
3. Need help knowing which plants to use
4. Not physically capable of doing the work
5. Don't know where to start
6. Aesthetics. Don't like rocks, cactus or succulents
7. I am too busy
20. Other, specify _____

CONSERVATION

Q19. Mandatory water-use restrictions are in effect across the Otay Water District's service area. Generally speaking, how familiar are you with the restrictions in your community?

1. **Very familiar**
2. **Somewhat familiar**
3. **A little familiar**
4. **Not at all familiar (GO TO Q22)**

Q20a-b. What specific actions, if any, have you taken to reduce your water use in response to the mandatory water-use restrictions?

[DO NOT READ----------CODE USING FOLLOWING SCHEMA:]

RECORD UP TO TWO RESPONSES

1 – OUTDOOR WATER LESS TIME
2 - USE THE **WATERING** CALCULATOR **FOUND ON THE DISTRICT'S WEBSITE OR AT WWW.BEWATERWISE.COM** TO SET A WATER-WISE IRRIGATION SCHEDULE
3 - IRRIGATE EARLIER IN THE MORNING OR LATER AT NIGHT
4—LET MY LANDSCAPE/LAWN DIE
5 - OUTDOOR WATERING FEWER DAYS DAY PER WEEK
6 - CHECK THE SOIL'S MOISTURE LEVEL BEFORE WATERING
7 - REPLACE UNUSED TURF WITH LOW-WATER PLANTS
8 - UPGRADE IRRIGATION SYSTEM TO INCLUDE NEW, HIGH-EFFICIENCY EQUIPMENT
9 – PURCHASE A HIGH EFFFICENCY CLOTHES WASHER
10 – WASH ONLY FULL LOADS OF CLOTHES OR DISHES
11 – TAKE SHORTER SHOWERS
12 – USE A BROOM INSTEAD OF A HOSE ON PAVED AREAS
13 – FIX INDOOR LEAKS (TOILET, FAUCET, ETC.)
14 – FIX OUTDOOR LEAKS (SPRINKLERS, SPAS, ETC.)
15-- DO NOT LET WATER RUN
16 – COLLECT AND REUSE
17 – REPLACE GRASS WITH ARTIFICIAL/SYNTHETIC TURF
20 – OTHER, SPECIFY___
_____
25—NONE **(GO TO Q22)**
99—DK/REF **(GO TO Q22)**

Q21a-b. What motivated you to reduce your water use?

[DO NOT READ—CODE USING FOLLOWING SCHEMA RECORD UP TO TWO RESPONSES]

1. Watching our budget/trying to save money
2. Concerned about the drought
3. Water agency tells us to
4. Messages in the media
5. Conserving water is the "right" thing to do
6. Anticipating higher rates in the future and want to be better prepared
15. Other, specify_____
20. DK/REF/NOTHING—DO NOT READ

Q.22 Are you aware that the Otay Water District offers conservation rebates and incentives to help the District's customers reduce their water usage?

1 - YES
2 - NO
3 **- DK/REF [DO NOT READ]**

DESALINATION

Q23. AN OCEAN WATER DESALINATION PLANT IS TENTATIVELY PLANNED FOR THE CITY OF ROSARITO BEACH IN MEXICO AND THE OTAY WATER DISTRICT HAS THE OPPORTUNITY TO PURCHASE SOME OF THAT WATER AS EARLY AS 2018. THIS PROJECT WOULD BE FINANCED AND OPERATED BY INTERNATIONAL COMPANIES WITH CONSIDERABLE EXPERIENCE IN OCEAN WATER DESALINATION, WITH TIJUANA, ROSARITO BEACH, AND THE OTAY WATER DISTRICT BEING THE PLANT'S CUSTOMERS.

Would you be in favor of pursuing such an agreement with these international companies to develop additional supplies of water from ocean water desalination?

1. Yes
2. No—**GO TO Q23b**
9 - DK/REF [DO NOT READ]—**GO TO Q23b**

Q23a. **[IF Q23 =1** Please stop me when I say the approximate percentage of all of the water supplied by the Otay Water District that would you like to see come from this desalination plant? _____

[REVERSE]

1. All/100%
2. Not all but at least 75%
3. Between half/50% and 75%
4. Between one-fourth/25% and half/50%
5. Some, but less than 25%
6. None

(GO TO LAN)

Q23b. **[IF Q23 NOT = 1]** Why are you not in favor or uncertain about this desalination agreement?

_____

[USE FOLLOWING CODING BUT DO NOT READ—ENTER OTHER ANSWERS VERBATIM WITH CODE = 20— DK/REF = 99]

1.	**Questionable water quality**
2.	**It should be done in U.S—US needs the jobs.**
3.	**Do not trust/want to deal with Mexico**
4.	**High cost**
5.	**Do not know enough yet—Need more information**
6.	**Do not want to drink ocean/sea water**
7.	**Want local control**

ASK ALL:

In closing, these questions are for comparison purposes only.

LAN (IF LP=1—Otherwise go to LAN-a): Is English your first language?

1—YES **(Go to PPH)**
2—NO
9 - DK/REF—DO NOT READ (GO TO PPH)

LAN-a: The Otay Water District sends its customers information in newsletters, water quality reports and rate increase notices in English. Are you able to read and understand this information that the District sends to you?

1—YES **(Go to PPH)**
2—NO
9 - DK/REF—DO NOT READ

LAN-b. Do you have someone available who can translate this information for you?

1—YES
2—NO
9 - DK/REF—DO NOT READ

PPH. How many persons, <u>including</u> yourself, live in your household?

_____
99 - DK/REF

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

1 - OWN
2 - RENT/OTHER STATUS
9 - DK/REF [DO NOT READ

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

1 - high school or less,
2 - at least one year of college, trade or vocational school,
3 - graduated college with a bachelor's degree, or
4 - at least one year of graduate work beyond a bachelor's degree?
9 - DK/REF [DO NOT READ

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

1 - 18 to 24,
2 - 25 to 34,
3 - 35 to 44,
4 - 45 to 54,
5 - 55 to 64, or
6 - 65 or over?
9 - DK/REF [DO NOT READ

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

1 - white, not of Hispanic origin;
2 - black, not of Hispanic origin;
3 - Hispanic or Latino;
4 - Asian or Pacific Islander;
5 - Native American;
6 – Middle Eastern
15 - another ethnic group? [SPECIFY:] _____
20 **- DK/REF [DO NOT READ**

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

1 - under $25,000,
2 - $25,000 up to but not including $50,000,
3 - $50,000 up to (but not including) $75,000,
4 - $75,000 up to (but not including) $100,000,
5 - $100,000 up to but not including $150,000?
6 -- $150,000 and over
9 - DK/REF [DO NOT READ

ZIP. **RECORD ZIP CODE FROM CALL LIST** _____

PHONE. RECORD FROM CALL LIST
1—Landline
2---Cell Phone

Frequency Table--WEIGHTED

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	29	9.3	9.4	9.4
	2	33	10.4	10.5	19.9
	3	15	4.7	4.7	24.6
	4	15	4.9	5.0	29.6
	5	18	5.8	5.8	35.5
	6	12	3.8	3.8	39.3
	7	12	3.9	3.9	43.1
	8	11	3.4	3.5	46.6
	9	4	1.3	1.3	47.9
	10	18	5.7	5.8	53.7
	11	4	1.1	1.1	54.9
	12	9	2.7	2.8	57.6
	13	6	1.8	1.8	59.4
	14	8	2.5	2.6	62.0
	15	15	4.9	5.0	67.0
	16	12	3.9	3.9	70.9
	17	2	.7	.7	71.6
	18	3	1.0	1.0	72.7
	19	1	.4	.4	73.1
	20	15	4.9	5.0	78.1
	21	3	.8	.9	78.9
	22	1	.4	.4	79.3
	23	4	1.3	1.3	80.6
	24	1	.4	.4	81.0
	25	9	2.7	2.8	83.8
	26	4	1.3	1.3	85.1
	27	3	.8	.9	85.9
	30	12	3.8	3.8	89.8
	31	4	1.3	1.3	91.0

	35	4	1.3	1.3	92.3
	36	1	.4	.4	92.8
	37	1	.4	.4	93.2
	38	5	1.7	1.7	94.9
	39	3	.8	.9	95.7
	40	5	1.7	1.7	97.4
	41	1	.4	.4	97.9
	44	3	.8	.9	98.7
	50	4	1.3	1.3	100.0
	Total	311	99.1	100.0	
Missing	Don't Know	0	.1		
	System	2	.8		
	Total	3	.9		
Total		314	100.0		

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	165	52.4	52.4	52.4
	Female	149	47.6	47.6	100.0
	Total	314	100.0	100.0	

Language Preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	English	302	96.0	96.0	96.0
	Spanish	12	4.0	4.0	100.0
	Total	314	100.0	100.0	

Q1: How would you rate your overall satisfaction with the Otay Water District as your water service provider?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	163	51.9	52.8	52.8
	Very Good	66	21.0	21.4	74.2
	Neutral	43	13.8	14.1	88.3
	Not Good	24	7.7	7.8	96.1
	Poor	12	3.8	3.9	100.0
	Total	308	98.2	100.0	
Missing	DK/REF	6	1.8		
Total		314	100.0		

Q2. During the past year, has your satisfaction with the Otay Water District…

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increased	17	5.4	5.4	5.4
	Decreased	35	11.1	11.2	16.7
	Stayed the same	258	82.3	83.3	100.0
	Total	310	98.7	100.0	
Missing	DK/REF	4	1.3		
Total		314	100.0		

Q3a. OWD has been a good partner in helping us to conserve water

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	219	69.7	69.7	69.7
	No	51	16.4	16.4	86.1
	DK/REF	44	13.9	13.9	100.0
	Total	314	100.0	100.0	

Q3b. OWD has provided us with adequate and timely information about the drought

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	232	74.0	74.0	74.0
	No	64	20.3	20.3	94.2
	DK/REF	18	5.8	5.8	100.0
	Total	314	100.0	100.0	

Q3c. OWD did not anticipate the severity of the drought and was not well prepared for it

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	121	38.5	38.5	38.5
	No	119	38.0	38.0	76.5
	DK/REF	74	23.5	23.5	100.0
	Total	314	100.0	100.0	

Q3d. OWD is not at fault when it comes to the drought

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	184	58.6	58.6	58.6
	No	106	33.6	33.6	92.2
	DK/REF	24	7.8	7.8	100.0
	Total	314	100.0	100.0	

Q4: Have you called the Otay Water District for service or other help during the last year?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	66	20.9	21.0	21.0
	No	247	78.7	79.0	100.0
	Total	313	99.6	100.0	
Missing	DK/REF	1	.4		
Total		314	100.0		

Q4a: How would you rate your overall level of satisfaction with the service you received when you called for service or help?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	38	12.1	59.1	59.1
	Very Good	11	3.4	16.8	75.9
	Neutral	9	2.7	13.3	89.2
	Not Good	1	.4	2.1	91.3
	Poor	6	1.8	8.7	100.0
	Total	64	20.5	100.0	
Missing	DK/REF	1	.4		
	System	248	79.1		
	Total	250	79.5		
Total		314	100.0		

Q5. How much trust do you have in the ability of the Otay Water District to provide clean, safe water to the district?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A great deal of trust	160	51.1	52.8	52.8
	Some trust	95	30.2	31.2	84.0
	Neutral	36	11.3	11.7	95.7
	More distrust than trust	7	2.1	2.1	97.8
	No trust at all	7	2.1	2.2	100.0
	Total	304	96.9	100.0	
Missing	DK/REF	10	3.1		
Total		314	100.0		

Q6. How much trust do you have in the Otay Water District to obtain this water for you at a reasonable price?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A great deal of trust	99	31.5	32.2	32.2
	Some trust	72	22.8	23.4	55.6
	Neutral	76	24.1	24.7	80.4
	More distrust than trust	39	12.4	12.7	93.0
	No trust at all	21	6.8	7.0	100.0
	Total	306	97.6	100.0	
Missing	DK/REF	8	2.4		
Total		314	100.0		

Q7. Have you ever visited the Otay Water District website?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	194	61.7	62.2	62.2
	Have access to the internet, but have not visited the websit	97	30.9	31.2	93.4
	Do not have access to the internet	21	6.5	6.6	100.0
	Total	311	99.2	100.0	
Missing	DK/REF	3	.8		
Total		314	100.0		

Q7a. How would you rate the user friendliness of the website? Would you say...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	73	23.2	39.8	39.8
	Very Good	54	17.2	29.5	69.3
	Neutral	44	13.9	23.9	93.1
	Not Good	10	3.1	5.4	98.5
	Poor	3	.8	1.5	100.0
	Total	183	58.3	100.0	
Missing	DK/REF	11	3.4		
	System	120	38.3		
	Total	131	41.7		
Total		314	100.0		

Q7b. What was the reason for your last visit to the Otay Water District website?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Drought information	18	5.8	9.4	9.4
	Water savings calculator	1	.4	.7	10.1
	Billing information	40	12.7	20.6	30.6
	Pay online	95	30.3	49.1	79.7
	Rate information	3	.9	1.5	81.2
	Outages	1	.4	.7	81.9
	Conservation rebate information	13	4.3	6.9	88.9
	Start service	8	2.6	4.2	93.1
	Register a complaint	3	1.0	1.7	94.7
	General information--water quality information--check out website	10	3.2	5.3	100.0
	Total	194	61.7	100.0	
Missing	System	120	38.3		
Total		314	100.0		

Q8a. Considering only those utilities that you pay for, which would you say is the best value for the amount of money that you pay.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trash collection	115	36.5	36.5	36.5
	Water	95	30.2	30.2	66.7
	Sewer	9	2.9	2.9	69.7
	Telephone	8	2.6	2.6	72.3
	Cable or satellite TV	9	2.8	2.8	75.1
	Internet access	20	6.4	6.4	81.5
	Gas & Electric	58	18.5	18.5	100.0
	Total	314	100.0	100.0	

Q8b. Second best value among utilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trash collection	51	16.1	16.1	16.1
	Water	87	27.6	27.6	43.6
	Sewer	28	8.8	8.8	52.4
	Telephone	22	6.9	6.9	59.4
	Cable or satellite TV	17	5.5	5.5	64.8
	Internet access	29	9.2	9.2	74.0
	Gas & Electric	82	26.0	26.0	100.0
	Total	314	100.0	100.0	

Q8c. Third best value among utilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trash collection	52	16.6	16.6	16.6
	Water	64	20.4	20.4	37.0
	Sewer	48	15.3	15.3	52.3
	Telephone	23	7.2	7.2	59.5
	Cable or satellite TV	38	12.2	12.2	71.8
	Internet access	33	10.5	10.5	82.3
	Gas & Electric	56	17.7	17.7	100.0
	Total	314	100.0	100.0	

Q9. Do you feel that water costs too much, too little, or priced about right?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Water costs too much	154	49.1	49.1	49.1
	The cost of water is just about right	154	49.0	49.0	98.1
	Water costs too little	6	1.9	1.9	100.0
	Total	314	100.0	100.0	

Q10. Do you get a paper copy of your bill?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	205	65.3	65.6	65.6
	No	108	34.3	34.4	100.0
	Total	313	99.6	100.0	
Missing	DK/REF	1	.4		
Total		314	100.0		

Q10a-1. Why haven't you chosen to receive electronic, paperless invoices?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Want a paper record	89	28.4	43.9	43.9
	Trust/security	7	2.2	3.4	47.3
	Do not use computers that often	27	8.5	13.2	60.5
	I do not keep personal records on the computer	0	.1	.1	60.6
	Used to paying by check	8	2.6	4.1	64.7
	I will forget to check for the bill on the computer	18	5.8	9.0	73.7
	That is just the way the bills have been coming	19	6.0	9.2	83.0
	Difficulty accessing account/Bank will not allow automatic deduction	4	1.2	1.9	84.9
	Not aware of paperless option	2	.6	.9	85.8
	Do not want people to lose jobs	3	.9	1.5	87.3
	Other	26	8.2	12.7	100.0
	Total	203	64.7	100.0	
Missing	DK/REF	2	.6		
	System	109	34.7		
	Total	111	35.3		
Total		314	100.0		

Q11. No matter how you get your monthly water bill, do you look through your monthly water bill to examine your water usage or other factors...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Every time	150	47.9	48.2	48.2
	Most times	54	17.3	17.4	65.5
	Sometimes	74	23.7	23.8	89.3
	Never	33	10.6	10.7	100.0
	Total	312	99.5	100.0	
Missing	DK/REF	2	.5		
Total		314	100.0		

Q12. How do you pay your water bill most months?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Send check by mail	76	24.2	24.4	24.4
	Automatic bank deduction	81	25.7	25.9	50.3
	Credit card over the phne	18	5.7	5.8	56.1
	In person at the Otay Water Discrict office	4	1.3	1.3	57.4
	In person at payment center	4	1.4	1.4	58.8
	On-line (internet)	128	40.8	41.2	100.0
	Total	311	99.1	100.0	
Missing	DK/REF	3	.9		
Total		314	100.0		

Q12a. Do you think that you would use the website to pay your bill if a chat function were available that allows you to ask questions directly to a customer service representative?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	13.0	22.0	22.0
	No	131	41.7	70.6	92.5
	DK/REF	14	4.4	7.5	100.0
	Total	186	59.2	100.0	
Missing	System	128	40.8		
Total		314	100.0		

Q12b-1. What else can the District do to make paying on-line a more appealing option for you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	There is nothing that would make me pay online/do not use internet	81	25.7	62.9	62.9
	Offer discounts on the bill	17	5.4	13.1	76.0
	Offer more payment options (such as paypal, credit/debit car	3	.8	2.1	78.1
	No service charges	4	1.4	3.3	81.4
	Enhanced security	6	1.8	4.4	85.8
	Make it easier to use/ability to talk to somebody/instructions online	10	3.1	7.6	93.4
	phone app	4	1.4	3.3	96.8
	My bank does not make it available	2	.7	1.7	98.5
	Other	2	.6	1.5	100.0
	Total	128	40.9	100.0	
Missing	DK/REF	50	15.9		
	System	136	43.2		
	Total	186	59.1		
Total		314	100.0		

Q13. No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Send check by mail	61	19.6	19.7	19.7
	Automatic bank deduction	82	26.0	26.2	46.0
	Credit card over the telephone	19	6.1	6.2	52.2
	In person at the Otay Water District office	4	1.1	1.1	53.3
	In person at payment center	4	1.4	1.4	54.7
	On-line (internet)	141	44.9	45.3	100.0
	Total	311	99.1	100.0	
Missing	DK/REF	3	.9		
Total		314	100.0		

Q14. What source do you primarily rely upon to get information about water issues affecting our region?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Newspaper: Union Tribune	23	7.5	7.8	7.8
	Newspaper: Other	9	3.0	3.1	10.9
	Otay Water District website	21	6.5	6.8	17.6
	The San Diego County Water Authority website	3	.9	1.0	18.6
	Internet - other than water district websites	51	16.1	16.8	35.4
	Radio	17	5.3	5.5	40.9
	Television	114	36.2	37.6	78.5
	Speakers at community groups	0	.1	.1	78.6
	Word-of-mouth/family/friends/co-workers	22	7.1	7.4	86.0
	Otay Water District newsletters	22	7.1	7.4	93.4
	Informational stuffers in my water bill	19	5.9	6.2	99.6
	Other	1	.4	.4	100.0
	Total	302	96.1	100.0	
Missing	DK/REF	12	3.9		
Total		314	100.0		

Q15. Do you read the newsletter or bill inserts that come in the mail or come electronically with your bill

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Every time	82	26.1	26.3	26.3
	Most times	71	22.6	22.7	49.0
	Sometimes	103	32.7	32.9	81.8
	Never	57	18.1	18.2	100.0
	Total	312	99.5	100.0	
Missing	DK/REF	2	.5		
Total		314	100.0		

Q16. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	150	47.9	49.0	49.0
	No	156	49.8	51.0	100.0
	Total	307	97.7	100.0	
Missing	DK/REF	7	2.3		
Total		314	100.0		

Q16a. Have you or any member of your family ever visited the garden?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	74	23.6	49.3	49.3
	No	76	24.3	50.7	100.0
	Total	150	47.9	100.0	
Missing	System	164	52.1		
Total		314	100.0		

Q16b. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	12.3	52.1	52.1
	No	36	11.3	47.9	100.0
	Total	74	23.6	100.0	
Missing	System	240	76.4		
Total		314	100.0		

Q16c. What is the most significant change you have made as a result of visiting the garden?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Adjusted sprinklers/reduced water usage	9	2.7	22.1	22.1
	Changed plants to be more drought-tolerant/waterwise	18	5.6	45.4	67.6
	Eliminated plants/let plants die	1	.4	3.4	71.0
	Eliminated lawn/let lawn die-replaced with waterwise ground	3	.8	6.9	77.9
	Replaced unused turf with low-water plants	5	1.7	13.7	91.6
	Upgraded irrigation system to include new, higher-efficiency	1	.2	1.6	93.1
	Collect and reuse	3	.8	6.9	100.0
	Total	39	12.3	100.0	
Missing	System	275	87.7		
Total		314	100.0		

Q17. Does your residence have any lawn or grass area that someone in your household is directly responsible for maintaining?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	211	67.3	67.5	67.5
	No/Apt/Condo/No yard responsibilities	101	32.3	32.5	100.0
	Total	313	99.6	100.0	
Missing	DK/REF	1	.4		
Total		314	100.0		

Q18. Have you replaced some or all of your lawn or grass area with low-water-use landscaping including water-wise plants, stone or artificial turf?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	115	36.7	55.0	55.0
	No	94	30.1	45.0	100.0
	Total	210	66.7	100.0	
Missing	DK/REF	2	.5		
	System	103	32.7		
	Total	104	33.3		
Total		314	100.0		

Q18a. Do you plan to replace some or all of your grass area with low-water-use landscaping including water-wise plants, stone or artificial turf within the next year?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	36	11.4	37.4	37.4
	No	52	16.5	54.0	91.4
	DK/REF	8	2.6	8.6	100.0
	Total	96	30.6	100.0	
Missing	System	218	69.4		
Total		314	100.0		

Q18b. What did you do to replace your grass area or what are you planning to do within the next year?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Let grass area die and will leave as is or throw ground cove	19	6.1	13.2	13.2
	Ground cover and rocks/stones	22	7.1	15.6	28.8
	Rocks and stones	31	9.8	21.4	50.2
	Water-wise, drought resistant plants	32	10.2	22.1	72.3
	Artificial turf	31	10.0	21.7	94.1
	Cement/Concrete	7	2.3	5.0	99.1
	Other	1	.4	.9	100.0
	Total	144	45.9	100.0	
Missing	DK/REF	4	1.4		
	System	166	52.7		
	Total	170	54.1		
Total		314	100.0		

Q18c. What did you do to replace your grass area or what are you planning to do within the next year? Second change.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Let grass area die and will leave as is or throw ground cove	6	1.9	11.0	11.0
	Ground cover and rocks/stones	5	1.7	9.9	20.9
	Rocks and stones	14	4.6	26.7	47.5
	Water-wise, drought resistant plants	16	5.0	29.4	76.9
	Artificial turf	9	3.0	17.6	94.5
	Cement/Concrete	3	.9	5.5	100.0
	Total	54	17.1	100.0	
Missing	DK/REF	4	1.1		
	System	257	81.7		
	Total	260	82.9		
Total		314	100.0		

Q18d. What is the main barrier keeping you from replacing some or all of your grass with low-water-use landscaping including water-wise plants, stone or artificial turf?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cost	24	7.7	44.1	44.1
	Homeowner association regulations	0	.1	.6	44.7
	Aesthetics. Don't like rocks, cactus or succulents	6	1.8	10.3	55.0
	I am too busy	4	1.4	7.9	62.8
	Renter	15	4.9	28.2	91.0
	Moving/selling home	2	.5	3.0	94.0
	Grass area very small	2	.6	3.5	97.6
	Other	1	.4	2.4	100.0
	Total	54	17.4	100.0	
Missing	DK/REF	6	1.8		
	System	254	80.9		
	Total	259	82.6		
Total		314	100.0		

Q19. Mandatory water-use restrictions are in effect across the Otay Water District's service area. Generally speaking, how familiar are you with the restrictions in your community?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very familiar	150	47.9	47.9	47.9
	Somewhat familiar	110	35.1	35.1	83.0
	A little familiar	32	10.3	10.3	93.2
	Not at all familiar	21	6.8	6.8	100.0
	Total	314	100.0	100.0	

Q19a - Have you taken any specific actions to reduce your water use in response to the mandatory water-use restrictions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	258	82.0	91.8	91.8
	No	23	7.4	8.2	100.0
	Total	281	89.4	100.0	
Missing	DK/REF	12	3.8		
	System	21	6.8		
	Total	33	10.6		
Total		314	100.0		

Q20a. What specific action, if any, have you taken to reduce your water use in response to the mandatory water-use restrictions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Outdoor Water Less Time	85	26.9	32.8	32.8
	Use The Watering Calculator Found On The District's Website	2	.5	.6	33.5
	Irrigate Earlier In The Morning Or Later At Night	6	2.0	2.4	35.9
	Let My Landscape/Lawn Die	23	7.3	8.9	44.8
	Outdoor Watering Fewer Days Day Per Week	34	10.7	13.1	57.9
	Check The Soil's Moisture Level Before Watering	5	1.7	2.1	60.0
	Replace Unused Turf With Low-Water Plants	12	3.8	4.6	64.6
	Upgrade Irrigation System To Include New, High-Efficiency Eq	3	.9	1.1	65.7
	Wash Only Full Loads Of Clothes Or Dishes	11	3.6	4.4	70.1
	Take Shorter Showers	38	12.2	14.9	85.0
	Use A Broom Instead Of A Hose On Paved Areas	1	.4	.5	85.5
	Fix Indoor Leaks (Toilet, Faucet, Etc.)	3	.9	1.1	86.7

	Fix Outdoor Leaks (Sprinklers, Spas, Etc.)	3	.8	1.0	87.7
	Do Not Let Water Run	6	1.9	2.3	90.0
	Collect And Reuse	8	2.6	3.1	93.1
	Replace Grass With Artificial/Synthetic Turf	5	1.6	1.9	95.0
	Do not wash car at home	7	2.4	2.9	97.9
	Replaced toilet/dishwasher/shower heads	5	1.5	1.8	99.7
	Wash car with buckets/restricted hose nozzle	1	.2	.2	99.9
	Other	0	.1	.1	100.0
	Total	258	82.0	100.0	
Missing	System	56	18.0		
Total		314	100.0		

Q20b. What specific action, if any, have you taken to reduce your water use in response to the mandatory water-use restrictions? Second action

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Outdoor Water Less Time	21	6.8	12.8	12.8
	Irrigate Earlier In The Morning Or Later At Night	3	.8	1.6	14.4
	Let My Landscape/Lawn Die	12	3.9	7.3	21.7
	Outdoor Watering Fewer Days Day Per Week	13	4.0	7.5	29.2
	Replace Unused Turf With Low-Water Plants	4	1.4	2.6	31.8
	Purchase A High Effficency Clothes Washer	1	.2	.4	32.1
	Wash Only Full Loads Of Clothes Or Dishes	17	5.4	10.2	42.3
	Take Shorter Showers	32	10.2	19.1	61.5
	Use A Broom Instead Of A Hose On Paved Areas	0	.1	.2	61.7
	Fix Indoor Leaks (Toilet, Faucet, Etc.)	4	1.3	2.4	64.0

	Fix Outdoor Leaks (Sprinklers, Spas, Etc.)	3	.9	1.8	65.8
	Do Not Let Water Run	9	3.0	5.7	71.5
	Collect And Reuse	19	6.1	11.5	83.0
	Replace Grass With Artificial/Synthetic Turf	7	2.3	4.3	87.3
	Do not wash car at home	11	3.6	6.8	94.1
	Replaced toilet/dishwasher/shower heads	3	.9	1.8	95.9
	Wash car with buckets/restricted hose nozzle	1	.2	.4	96.3
	Displacers in toilet/Less flushing	5	1.5	2.7	99.0
	Other	2	.5	1.0	100.0
	Total	167	53.1	100.0	
Missing	DK/REF	3	1.0		
	System	144	45.8		
	Total	147	46.9		
Total		314	100.0		

Q21a. What motivated you to reduce your water use?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Watching our budget/trying to save money	45	14.3	17.5	17.5
	Concerned about the drought	134	42.5	51.8	69.3
	Water agency tells us to	20	6.3	7.7	77.0
	Messages in the media	1	.2	.2	77.2
	Conserving water is the "right" thing to do	54	17.2	21.0	98.2
	Anticipating higher rates in the future and want to be better prepared	3	.8	1.0	99.3
	Other	2	.6	.7	100.0
	Total	258	82.0	100.0	
Missing	System	56	18.0		
Total		314	100.0		

Q21b. What motivated you to reduce your water use? Second motivation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Watching our budget/trying to save money	16	5.0	23.6	23.6
	Concerned about the drought	11	3.5	16.7	40.2
	Water agency tells us to	6	1.9	8.9	49.1
	Messages in the media	1	.4	2.0	51.1
	Conserving water is the "right" thing to do	16	5.1	24.0	75.1
	Anticipating higher rates in the future and want to be better prepared	6	1.8	8.4	83.6
	Other	11	3.5	16.4	100.0
	Total	66	21.2	100.0	
Missing	System	247	78.8		
Total		314	100.0		

Q.22 Are you aware that the Otay Water District offers conservation rebates and incentives to help the District's customers reduce their water usage?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	135	43.0	43.7	43.7
	No	174	55.3	56.3	100.0
	Total	309	98.3	100.0	
Missing	DK/REF	5	1.7		
Total		314	100.0		

Q23. Would you be in favor of pursuing such an agreement with these international companies to develop additional supplies of water from ocean water desalination?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	185	58.8	58.8	58.8
	No	87	27.8	27.8	86.6
	DK/REF	42	13.4	13.4	100.0
	Total	314	100.0	100.0	

Q23a. Please stop me when I say the approximate percentage of all of the water supplied by the Otay Water District that would you like to see come from this desalination plant?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	All/100%	26	8.2	14.0	14.0
	Not all but at least 75%	21	6.8	11.6	25.6
	Between half/50% and 75%	46	14.7	25.0	50.6
	Between one-fourth?25% and half/50%	51	16.1	27.4	78.0
	Some, but less than 25%	24	7.8	13.3	91.3
	None	16	5.1	8.7	100.0
	Total	185	58.8	100.0	
Missing	System	129	41.2		
Total		314	100.0		

Q23b-1. Why are you not in favor or uncertain about this desalination agreement?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Questionable water quality	10	3.1	9.1	9.1
	It should be done in the US, US needs the jobs	15	4.8	14.1	23.2
	Do not trust/want to deal with Mexico	14	4.5	13.3	36.5
	High cost	13	4.1	12.0	48.5
	Do not know enough yet, need more information	48	15.3	45.1	93.6
	Want local control	1	.3	.8	94.5
	Do not trust international companies	3	.8	2.5	97.0
	Danger to sea life	3	1.0	3.0	100.0
	Total	107	34.0	100.0	
Missing	DK/REF	22	7.1		
	System	185	58.8		
	Total	207	66.0		
Total		314	100.0		

Q23b-2. Why are you not in favor or uncertain about this desalination agreement? Second reason

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Questionable water quality	6	1.8	46.3	46.3
	It should be done in the US, US needs the jobs	1	.4	11.0	57.2
	Do not trust/want to deal with Mexico	3	.8	21.9	79.1
	High cost	1	.4	11.0	90.1
	Do not want to drink ocean/sea water	1	.3	7.4	97.5
	Want local control	0	.1	2.5	100.0
	Total	12	3.9	100.0	
Missing	System	302	96.1		
Total		314	100.0		

Is English your first language?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	241	76.7	79.8	79.8
	No	61	19.4	20.2	100.0
	Total	302	96.0	100.0	
Missing	System	12	4.0		
Total		314	100.0		

LAN-a: The Otay Water District sends its customers information in newsletters, water quality reports and rate increase notices in English. Are you able to read and understand this information that the District sends to you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	65	20.6	88.3	88.3
	No	9	2.7	11.7	100.0
	Total	73	23.3	100.0	
Missing	System	241	76.7		
Total		314	100.0		

LAN-b. Do you have someone available who can translate this information for you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	2.2	81.0	81.0
	No	2	.5	19.0	100.0
	Total	9	2.7	100.0	
Missing	System	305	97.3		
Total		314	100.0		

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	25	8.1	8.1	8.1
	2	81	25.9	26.0	34.1
	3	57	18.2	18.2	52.3
	4	66	21.0	21.0	73.3
	5	53	17.0	17.0	90.3
	6	11	3.5	3.5	93.8
	7	11	3.4	3.4	97.3
	8	6	1.9	1.9	99.2
	9	3	.8	.8	100.0
	Total	314	99.9	100.0	
Missing	Don't Know/refused	0	.1		
Total		314	100.0		

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Own	250	79.7	80.0	80.0
	Rent/Other status	63	19.9	20.0	100.0
	Total	313	99.6	100.0	
Missing	DK/REF	1	.4		
Total		314	100.0		

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school or less	40	12.9	13.1	13.1
	At least one year of college, trade or vocational school	91	29.0	29.4	42.5
	Graduated college with a bachelor's degree	98	31.3	31.7	74.1
	At least one year of graduate work beyond a bachelor's degre	80	25.5	25.9	100.0
	Total	310	98.7	100.0	
Missing	DK/REF	4	1.3		
Total		314	100.0		

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 24	4	1.4	1.4	1.4
	25 - 34	40	12.7	12.8	14.2
	35 - 44	73	23.2	23.4	37.5
	45 - 54	61	19.4	19.6	57.1
	55 - 64	53	17.0	17.1	74.2
	65 or over	80	25.6	25.8	100.0
	Total	311	99.2	100.0	
Missing	DK/REF	3	.8		
Total		314	100.0		

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

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	White, not of Hispanic origin	132	42.0	43.4	43.4
	Black, not of Hispanic origin	21	6.6	6.8	50.2
	Hispanic or Latino	105	33.5	34.7	84.9
	Asian or Pacific Islander	40	12.6	13.0	97.9
	Native American	2	.5	.5	98.4
	Middle Eastern	3	.8	.8	99.3
	Mixed ethnicities	2	.7	.7	100.0
	Total	304	96.8	100.0	
Missing	DK/REF	10	3.2		
Total		314	100.0		

Total Household Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under $25,000	16	5.2	5.9	5.9
	$25,000 up to but not including $50,000	40	12.8	14.4	20.3
	$50,000 up to (but not including) $75,000	59	18.6	21.0	41.2
	$75,000 up to (but not including) $100,000	71	22.5	25.3	66.5
	$100,000 up to but not including $150,000	51	16.4	18.4	84.9
	$150,000 and over	42	13.4	15.1	100.0
	Total	279	89.0	100.0	
Missing	DK/REF	35	11.0		
Total		314	100.0		

Zip Code

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	91902	7	2.3	2.3	2.3
	91910	42	13.4	13.4	15.7
	91911	50	16.0	16.0	31.7
	91913	55	17.6	17.6	49.4
	91914	32	10.3	10.3	59.7
	91915	30	9.6	9.6	69.2
	91917	1	.4	.4	69.7
	91935	12	3.7	3.7	73.3
	91941	1	.4	.4	73.8
	91977	34	10.7	10.7	84.4
	91978	7	2.1	2.1	86.6
	92019	33	10.5	10.5	97.0
	92020	7	2.1	2.1	99.2
	92109	1	.4	.4	99.6
	92113	1	.4	.4	100.0
	Total	314	100.0	100.0	

Source

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Landline	214	68.2	68.2	68.2
	Cell phone list	100	31.8	31.8	100.0
	Total	314	100.0	100.0	

Frequencies—OPEN-ENDED

Other reasons for visiting website

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		295	93.9	93.9	93.9
	Checking out the website	1	.3	.3	94.3
	Checking quality of Otay water	1	.3	.3	94.6
	Checking water usage	1	.3	.3	94.9
	Compare their usage from last year to the current year	1	.3	.3	95.2
	Comparing last year's bill to this year's bill	1	.3	.3	95.5
	General information	2	.6	.6	96.2
	I was checking schedule and requirements for the pool we installed	1	.3	.3	96.5
	Initial hook up	1	.3	.3	96.8
	Just to look	1	.3	.3	97.1
	Open account	1	.3	.3	97.5
	Random information	1	.3	.3	97.8
	To check it out	1	.3	.3	98.1
	To make a complaint	1	.3	.3	98.4
	To see tips & info on what to expect from customers	1	.3	.3	98.7
	To set up service	1	.3	.3	99.0
	To sign up	1	.3	.3	99.4
	Water quality	1	.3	.3	99.7
	We had an appt with them and they never showed up or called to change.	1	.3	.3	100.0
	Total	314	100.0	100.0	

Why getting paper bill?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		282	89.8	89.8	89.8
	Because I'm too lazy	1	.3	.3	90.1
	Because you might miss out on the rebates only receive by mail	1	.3	.3	90.4
	Can't setup automatic pay through USAA bank	1	.3	.3	90.8
	Decision of husband	1	.3	.3	91.1
	Don't have time to go online sometimes	1	.3	.3	91.4
	Email address got discontinued	1	.3	.3	91.7
	Father worked for the postal services	1	.3	.3	92.0
	Going to do it	1	.3	.3	92.4
	Haven't be prompted to	1	.3	.3	92.7
	Haven't had chance will probably do that	1	.3	.3	93.0
	Haven't had the time	1	.3	.3	93.3
	Haven't signed up	1	.3	.3	93.6
	I do both	1	.3	.3	93.9
	I have ask for electronic invoice	1	.3	.3	94.3
	I haven't set up my auto bill pay yet but I will do them both at the same time	1	.3	.3	94.6
	I'm a retired postal worker and I like to keep my ex employees in a job	1	.3	.3	94.9
	If the water company had an app I would use it	1	.3	.3	95.2
	It wasn't available when I requested through the bank	1	.3	.3	95.5
	It's a pain with all the passwords	1	.3	.3	95.9
	Just never thought about it	1	.3	.3	96.2
	Laziness	1	.3	.3	96.5

May have already done that	1	.3	.3	96.8
Never had it brought up to me	1	.3	.3	97.1
Never told about paperless	1	.3	.3	97.5
No other choice.	1	.3	.3	97.8
Provides more jobs for people	1	.3	.3	98.1
Sometimes it is difficult to access my account	1	.3	.3	98.4
Tried to through Navy Federal Credit Union and was to do automatic pay	1	.3	.3	98.7
Was unsuccessful at setting it up	1	.3	.3	99.0
Was working and didn't have check computer	1	.3	.3	99.4
Wife pay bill and easy to keep record, internet might not work on phone	1	.3	.3	99.7
Work on computer don't want to come home and get on computer	1	.3	.3	100.0
Total	314	100.0	100.0	

What can District do to encourage paperless?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		284	90.4	90.4	90.4
	An online orientation about the water usage & how to conserve water	1	.3	.3	90.8
	App friendly user	1	.3	.3	91.1
	Be more user friendly	1	.3	.3	91.4
	Changing my attitude about the online	1	.3	.3	91.7
	Cutting edge water research information made available through their website	1	.3	.3	92.0
	Develop an app	1	.3	.3	92.4

Easier access for auto pay/more user friendly	1	.3	.3	92.7
Fix website; processing problem	1	.3	.3	93.0
Have offices closer by us	1	.3	.3	93.3
If it were on my statement and info online	1	.3	.3	93.6
If online payment was available through Navy Federal Credit Union would pay on l	1	.3	.3	93.9
Make easier	1	.3	.3	94.3
Make it available	1	.3	.3	94.6
Make it easy	1	.3	.3	94.9
Make it more easily to speak with someone	1	.3	.3	95.2
Make it more user friendly	1	.3	.3	95.5
No internet service	2	.6	.6	96.2
No jobs for people that's why I prefer to pay in the mail	1	.3	.3	96.5
Offer some senior discounts	1	.3	.3	96.8
Over the phone is better because sometime don't have internet signal	1	.3	.3	97.1
Send text messages to cell phone with easy payment available	1	.3	.3	97.5
Send text reminders for bill pay	1	.3	.3	97.8
The ability to make changes to the amount paid	1	.3	.3	98.1
The way I do it is easier	1	.3	.3	98.4
To be available	1	.3	.3	98.7
To make more computer friendly	1	.3	.3	99.0
We don't have internet	1	.3	.3	99.4
We have no computer	1	.3	.3	99.7
Whatever reduces the cost for the company which would reduce the cost for payers	1	.3	.3	100.0
Total	314	100.0	100.0	

Other outdoor conservation actions undertaken

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		293	93.3	93.3	93.3
	Artificial grass, removed water pond, we plan to start collecting rain water	1	.3	.3	93.6
	Brick and cement	1	.3	.3	93.9
	Bubbler on the plants	1	.3	.3	94.3
	Cement	1	.3	.3	94.6
	Cement for parking maybe	1	.3	.3	94.9
	Cement in backyard	1	.3	.3	95.2
	Cement instead of grass	1	.3	.3	95.5
	Concrete pool	1	.3	.3	95.9
	Desert setting	1	.3	.3	96.2
	Garden	1	.3	.3	96.5
	Grass area is very small	1	.3	.3	96.8
	I put concrete where part of my lawn used to be	1	.3	.3	97.1
	Less plants	1	.3	.3	97.5
	More cement less grass	1	.3	.3	97.8
	Pavers	1	.3	.3	98.1
	Replacing with concrete	1	.3	.3	98.4
	turf to pavers, don't plan on doing anything else	1	.3	.3	98.7
	unsure grass is dying	1	.3	.3	99.0
	waiting for rain to bring back my grass	1	.3	.3	99.4
	we do not water plan to use stones	1	.3	.3	99.7
	zero scaping	1	.3	.3	100.0
	Total	314	100.0	100.0	

Barriers to taking outdoor conservation actions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		287	91.4	91.4	91.4
	Area is too small and artificial is too hot and rough for child's play	1	.3	.3	91.7
	Backyard is concrete	1	.3	.3	92.0
	Because I rent	1	.3	.3	92.4
	Because I'm renting and cost	1	.3	.3	92.7
	Because renting landlord won't allow	1	.3	.3	93.0
	Big back yard	1	.3	.3	93.3
	Everyone's grass is brown like mine so i don't see the point in investing	1	.3	.3	93.6
	Getting ready to move	1	.3	.3	93.9
	Grass area too small	1	.3	.3	94.3
	I don't just don't because it just might die out again	1	.3	.3	94.6
	I might sell my home	1	.3	.3	94.9
	I'm lazy	1	.3	.3	95.2
	It's not our yard renting	1	.3	.3	95.5
	The grass we currently have cost us a lot of money.	1	.3	.3	95.9
	We are renters	13	4.1	4.1	100.0
	Total	314	100.0	100.0	

Other mandatory restrictions actions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		298	94.9	94.9	94.9
	A tank-less water heater	1	.3	.3	95.2
	Appliances	1	.3	.3	95.5
	Aware of extra flushing of toilet	1	.3	.3	95.9
	Covers pool; use paper plates	1	.3	.3	96.2

	Don't flush my toilet all the time	1	.3	.3	96.5
	Don't let the children play in the water	1	.3	.3	96.8
	Grass died dirt	1	.3	.3	97.1
	Kids take shower instead of baths	1	.3	.3	97.5
	Less flushing	1	.3	.3	97.8
	Never home in the navy	1	.3	.3	98.1
	No baths, waters garden less, different ways to wash clothes and dishes	1	.3	.3	98.4
	Not washing car with hose, not flushing urine, just watering plants	1	.3	.3	98.7
	Wash the car with buckets rather than hose	1	.3	.3	99.0
	Water bottle in toilet	1	.3	.3	99.4
	Water displacers in toilet	1	.3	.3	99.7
	When washing car using water restricted hose nozzle	1	.3	.3	100.0
	Total	314	100.0	100.0	

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Other opposition to desalination

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		299	95.2	95.2	95.2
	Don't harm sea life and environmentally friendly	1	.3	.3	95.5
	Don't like money leaving the state	1	.3	.3	95.9
	Don't want to deal international company	1	.3	.3	96.2
	Get capital gain here, better to invest in US	1	.3	.3	96.5
	Have to look into some other options	1	.3	.3	96.8
	I don't know what the outcome will be	1	.3	.3	97.1

I don't know where the waste will be going to	1	.3	.3	97.5
Inefficient and there better methods	1	.3	.3	97.8
Makes me nervous having international company dealing with my water	1	.3	.3	98.1
Taking water from sea animals	1	.3	.3	98.4
They are planning to use the money to support building more condos	1	.3	.3	98.7
They need to do the extensive research because it is very detrimental to sea life	1	.3	.3	99.0
Unless it stops raining completely for a significant period of time	1	.3	.3	99.4
What will happen to sea life?	1	.3	.3	99.7
Would be more comfortable with it being in the US	1	.3	.3	100.0
Total	314	100.0	100.0	

AGENDA ITEM 11

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015		
SUBMITTED BY:	Mark Watton General Manager	W.O./G.F. NO:	N/A	DIV. NO.	N/A
APPROVED BY:	☒ Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

ADMINISTRATIVE SERVICES:

Purchasing and Facilities:

- **Storm Related Flood Evaluation and Planning** – Facilities is engaged in a District-wide site-by-site assessment to identify and mitigate exposure to flooding that may result from an expected wetter than normal rainy season related to a strong El Niño weather event.

Human Resources:

- **Open Enrollment** – Open Enrollment was held in the month of October. An informational meeting was held on October 21st.
- **Recruitments/New Hires/Promotions:**
  - HR is currently recruiting for a Customer Service Supervisor and is preparing to recruit for a Facilities Maintenance Technician.
  - The District participates in the San Diego County Water Authority Intern program and one Intern began working in the Operations Department.
  - In the month of October, there was one internal appointment, Senior Warehouse Worker, and one internal selection via open competition, Water Systems Operator I.

Safety & Security:

- **Emergency Preparedness:**
  - WebEOC Training Exercise: - Staff completed the October 2015 monthly exercise, which consisted of developing an ICS 201 Emergency Incident Briefing form, completing the

current organization section of the chart, and providing a brief summary of actions.

- Water Agencies Emergency Collaborative (WAEC) Quarterly Meeting: Staff attended the meeting hosted at Santa Fe Irrigation District and sponsored by the San Diego County Water Authority. They discussed the County of San Diego emergency support, including the development of lifelines of support for emergency conditions (e.g., power, fuel, equipment, staff, etc.).

- **Safety Training and Programs:**
  - Spill Prevention Control and Countermeasures Training: Staff completed training as part of the District's Hazardous Management Business Plan program.
  - Public Agency Safety Management Association (PASMA) 2015 South Conference: Staff attended the conference, which among the topics discussed were Cal/OSHA's updates on the addition of 18 new inspectors. The goals are to add more field inspectors, who are better trained and equipped to handle more employer inspections.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- **Countywide Image Project** – GIS distributed the final product to participating agencies. Otay has been involved in the countywide 2014 image project and served as the steward for the South Bay region, which includes nine additional agencies. By serving as the steward, Otay saved $34,000 in image costs. The final product includes a 4-inch imagery and 2-foot contour data that will serve Engineering, Customer Service and IT.

- **Website Service Map** - IT staff began the development of a District Service Area virtual map to be accessible from the District's website. Customers will be able to determine their water agency's name, business address, phone number and boundary information. This information will provide residents with restriction information, conservation programs and incentives available in their area. The functions of the map will also be accessible from mobile devices.

FINANCE:

- **FY 2015 Comprehensive Annual Financial Report (CAFR)** – Staff is drafting the 2015 CAFR for submission to the GFOA award program.

- **Rate Increase Notices** - Rate increase notices were sent to customers in October for the January 1, 2016 rate increase. Notices were sent as bill inserts, saving the District approximately $40,000 in postage and mailing costs.

- **Recycled Water Rates** - Staff continues to meet with public officials to gain support for the recycled water zone rates.
- **Conservation Outreach** – The Water Conservation Garden's Fall Plantstravanganza is being held on November 7, 2015 at 8:00 am – 3:00 pm.
- **Financial Reporting**:
  - For the three months ended September 30, 2015, there are total revenues of $22,147,204 and total expenses of $21,557,574. The revenues exceeded expenses by $589,630.
  - The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of September 30, 2015 total $78,137,448 with an average yield to maturity of 0.77%. The total earnings year-to-date are $161,227.

ENGINEERING AND WATER SYSTEM OPERATIONS:

Engineering:

- **SR-11 Potable Water Utility Relocations:** This project consists of the relocation of existing pipelines in Sanyo Avenue and utility easements and is currently in the construction phase. The contractor, Coffman Specialties Inc., has relocated the 10-inch and 12-inch mains and has completed a majority of the work to lower the District's 18-inch transmission main. Final tie-in of the 18-inch transmission main and punch list work remains. It is anticipated that this construction contract will reach substantial completion in November, 2015 (ahead of schedule). The overall project is within budget. (P2453)
- **Corrosion/Cathodic Protection Program:** The District's Corrosion/Cathodic Protection Program primary consultant (HDR Engineering, Inc.) has nearly completed annual testing of approximately 70 miles of metallic pipelines and 29 existing steel reservoir cathodic protection systems, maintenance of a pipeline and reservoir geodatabase, and preparation of an annual report for calendar year 2015. HDR's agreement also includes as-needed in-service reservoir inspection, reservoir coating construction project inspection, and corrosion engineering services. Over the last year, HDR has completed in-service inspections of the 711-1 (P2529) and 711-2 (P2530) Reservoirs, construction coating inspection for the 944-2 Reservoir (P2532), internal inspection and minor repairs of the La Presa 36-inch Pipeline (P2267), and condition assessment of the RWCWRF Filtered Water Storage Tank. The District also has a separate agreement with RFYeager Engineering, LLC for as-needed reservoir coating construction project inspection and corrosion engineering services. RFYeager has nearly completed construction coating inspection for the 850-3 Reservoir

(P2542). Both HDR's and RFYeager's agreements will expire December 31, 2016. (P1043)

- **944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 944-1 0.3 MG Reservoir, the 944-2 3.0 MG Reservoir, and the 458-2 1.8 MG Reservoir, along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. The contractor has completed structural repairs and interior coating at the 944-1 Reservoir. At the 458-2 Reservoir, the contractor has completed the interior coating of the reservoir and is continuing the work blast and coat of the reservoir exterior. The overall project is behind schedule. The contractor's current progress indicates a late November, 2015 completion. Liquidated damages for project delivery beyond the approved contract time is being assessed. (P2531, P2532, P2535)

- **Ralph W. Chapman Water Reclamation Facility (RWCWRF) Return Activated Sludge (RAS) Pumps Replacement Project:** This Project consists of removal and replacement of the existing 5 horsepower (HP) RAS pumps with upgraded 20 HP units. On January 7, 2015, the Board awarded a construction contract to Cora Constructors, Inc. Pumps have been delivered and on-site construction was initiated in September, 2015. The installation of the pumps is being phased to maintain the RWCWRF operations. It is anticipated that the pumps will be replaced and operational by late November, 2015. The project is within budget and on schedule. (R2111)

- **Sweetwater River Trestle Improvements Project:** This project consists of installing fire protective measures to the underside of the trestle, ensuring the structural integrity of the bridge, and improving safety features for District personnel. The addition of the fire resistance measures will enable the trestle to endure a longer fire event, over three hours with the heat shields as opposed to about 1.5 hours without. On August 13, 2015, the Board awarded a construction contract to Fordyce Construction, Inc. A Notice to Proceed was issued on August 31, 2015 to allow access to the site for the purposes of taking measurements for project submittals. Mobilization to the site began on October 19, 2015 to assure compliance with environmental permits for the project. The project is within budget and is scheduled to be completed in late February, 2016. (R2109)

- **624 Pressure Zone Pressure Reducing Stations (PRSs) and 944-1R Pressure Reducing Station No. 3 Improvements Projects:** This construction project consists of improvements from two (2)

Capital Improvement Program (CIP) projects, P2541 and R2110. The CIP P2541 improvements will provide two (2) PRSs feeding the 485 Pressure Zone and 458 Pressure Zones from the 624 Pressure Zone (Terra Nova Drive 624/485 PRS and Sequoia Street 624/458 PRS, respectively) to improve fire flow and enhance system reliability. The CIP R2110 improvements include retrofit of an existing PRS vault (944-1R PRS No. 3) with a sump pump, ventilation system, and hatch drain improvements to mitigate water intrusion. On August 13, 2015, the Board awarded a construction contract to CCL Contracting Inc. A Notice to Proceed was issued on September 8, 2015 and the work currently consists of the review and approval of project submittals. It is anticipated that field construction will begin in November 2015. The project is within budget and is scheduled to be completed in March, 2016. (P2541, R2110)

- **Rosarito Desalination:** Staff and representatives from NSC Agua continue to coordinate on complying with the California Water Resources Control Board Drinking Water Program regulatory requirements related to source water quality testing. The Secretaria de Infraestructura y Desarrollo Urbano del Estado (SIDUE), a State agency that coordinates infrastructure projects for the State and the Comisión Estatal del Agua de Baja California (CEA), an agency that is responsible for regulating the State's water and sewerage industry, are evaluating desalination proposals, including NSC Agua's. The tenders for the production and conveyance of desalinated water are due in mid-December, 2015. These State agencies will evaluate all tenders and will make a selection which is expected to be completed by the spring of 2016. The District sent the attached Letter of Interest to CEA on October 20, 2015 expressing the District's interest in acquiring desalinated product water through CEA. The draft EIR/EIS has been completed. The document was sent to the Department of State (DOS) for their review in August, 2015 and the District received the DOS first review comments on September 17, 2015. After all of the DOS comments have been addressed, the draft document will be resubmitted to the DOS for their legal department review. The draft EIR/EIS is tentatively scheduled to be ready for its 45-day public review period by January, 2016. An informational update was provided to the Desalination Project Committee Meeting on October 19, 2015. (P2451)

- **850-3 Reservoir Interior Coatings:** This project consists of removing and replacing the interior coatings of the 850-3 3.0 MG Reservoir. On April 1, 2015, the Board awarded a construction contract to Abhe & Svoboda. The work to blast and coat the interior has been completed and the current work consists of cleaning, disinfection, and preparations to place the reservoir into service. The project is within budget and on schedule. (P2542)

- **711-1 & 711-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 711-1 3.1 MG Reservoir and the 711-2 2.3 MG Reservoir along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. A request for contract award and Board authorization for the General Manager to enter into an agreement with Advanced Industrial Services, Inc., from Los Alamitos, CA was approved at the October Board Meeting. Construction is anticipated to begin in early November 2015. The project is within budget and on schedule. (P2529 & P2530)

- **980-1 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 980-1, 5.0 MG, Reservoir along with providing structural upgrades to ensure the tank complies with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. The project was advertised on October 9, 2015. A Pre-bid Meeting was held on October 20, 2015, and the bid opening was held on October 29, 2015. The project is within budget and on schedule. (P2545)

- **Recycled Water Fire Hydrant Installations:** This project consists of installing fire hydrants/filling stations on the recycled water system for fire suppression. The project includes meeting Title 22 requirements, obtaining regulatory approval, establishing protocol, and site selection. The County of San Diego is also interested in using the filling station at the facility for street sweeper's water supply four times a week. A meeting was held on October 22, 2015 to discuss the regulatory requirements and additional testing required at the Ralph W. Chapman Water Reclamation Facility. (R2122)

- **Disposal of Real Estate Properties Declared Surplus by the Board:** The District, through a competitive process based on qualifications and pricing, secured the real estate brokerage services of the Norberg Group to support the disposal of six (6) properties declared surplus by the Board. On March 13, 2015, the District entered into listing agreements with the Norberg Group for the six (6) properties. The District has closed escrow for three (3) of the surplus properties which are located at Steele Canyon Road, Wild Mustang Place, and Sweetwater Springs Boulevard. Three (3) properties located at Proctor Valley, Dorchester Street, and Star Acres are currently listed.

- **Ralph W. Chapman Water Reclamation Facility (RWCWRF) Indirect Potable Reuse/Direct Potable Reuse (IPR/DPR) with Sweetwater Authority:** On July 31, 2015, staff from both the District and Sweetwater Authority (SWA) met to discuss the major issues associated with an IPR/DPR project. Staff has retained Atkins Global and Michael Welch to prepare a high level report identifying the needed upgrades to the RWCWRF, the regulatory issues of an IPR/DPR project, and to produce a rough planning level cost per acre-foot for the product water delivered to SWA's Reservoir. Staff met again with SWA on October 12, 2015 to consider a ground water augmentation project in the middle sweetwater basin. The California Water Resources Control Board Drinking Water Program regulatory requirements related to IPR/DPR were discussed in early October, 2015. Following that meeting, the regulatory requirements have been better defined to complete a draft of the report for District and SWA staff to review. It is anticipated that the report will be completed by December, 2015.

- **Water Facilities Master Plan Update:** This project will update the District's existing Water Resources Master Plan that was previously updated in October 2008 and revised in May 2013. The consultant (Atkins) is finalizing the update to the District's hydraulic model and will provide a draft list of CIP projects for staff review in early November, 2015. (P1210)

- **Integrated Resource Plan Update:** On November 5, 2014, the Board awarded a contract to Carollo Engineers, Inc., to prepare the 2015 IRP Update. Water demands for the District out to year 2050 have been developed for Carollo's use in preparing the IRP Update. Staff comments on the 50% draft were provided to Carollo on August 13, 2015. A workshop with District staff was held on October 6, 2015 to go over the impact conservation has had on water demand projections. As a result of the sharp drop in water use, it is recommended to delay holding the workshop with the Board until February 2016 to prepare new demand projections based on the water demands from calendar year 2015. (P1210)

- **Pure Water Cost Allocation Update:** On May 20, 2015, the City provided to Metro Technical Advisory Committee an update of the meetings held to discuss cost allocation between the City of San Diego Water Department and the Metro Wastewater. Wastewater will be responsible for the cost of:

    - New primary and secondary conventional treatment;
    - All new conveyance of wastewater and solids;
    - All new solids treatment;
    - 80% of any new membrane bioreactor (MBR) treatment plants.

The City of San Diego Water Department will be responsible for the cost of:

- New tertiary treatment along with the operation and maintenance costs;
- All new advance purification;
- All new conveyance of tertiary, advance purified water, and brine;
- 20% of any new MBR plants.

The cost of these facilities will vary depending on the alternatives being studied, including facilities on Harbor Drive and at the North City Water Reclamation Plant.

- For the month of September, 2015, the District sold 10 meters (77.5 EDUs) generating $715,010 in revenue. Projection for this period was 14 meters (21 EDUs), with budgeted revenue of $190,542. Total revenue for Fiscal Year 2016 is $1,089,564, against the annual budget of $2,286,500.

- The following table summarizes Engineering's project purchases and Change Orders issued during the period of September 22, 2015 through October 26, 2015 that were within staff signatory authority:

Date	**Action**	**Amount**	**Contractor/ Consultant**	**Project**
10/15/15	P.O.	$13,500.00	J&R Concrete Products, Inc.	14-Inch FM Assessment and Repair (R2116)
10/13/15	P.O.	$1,167.64	CalOlympic Safety	850-3 Interior Coating (P2542)

WATER SYSTEM OPERATIONS (Reporting the month of September):

- On September 1 the County of San Diego conducted an HMBP/CalARP Inspection at the Regulatory Site, the 30 MG Site and Central Area and no major issues were noted.

- On September 6, the Wal-Mart on Eastlake Parkway in Chula Vista experienced a leak with their on-site two-inch potable water line that serves the store. District staff received a phone call requesting assistance to shut down the feed to the store to make repairs. District staff responded to an e-mail sent by a Wal-Mart employee and noted a high-line and tie-in of the future recycled system to the water system within the Wal-Mart building. District staff confirmed potable water at the future recycled quick coupler and that recycled water has not been accessed.

- On September 10, a planned shutdown was performed to assist the Inspection Department on a developer project to do a tie-in on an existing 8-inch main line on Franceschi Dr. in Chula Vista. Twenty one (21) residential meters were affected.

- In September, the Treatment Plant temporarily shut down because of high turbidity due to low microorganisms. Staff began rebuilding the sludge inventory. In the interim, staff added some polymer to the secondary clarifiers to help with settling and to reduce turbidity. With all three clarifiers online, the system recovered in a couple of days. The Plant was restarted on September 15 and staff started adding polymer to the clarifiers to help reduce turbidity.

- On September 8, Otay Water District received a check from SDG&E for $5,062.45 for reimbursement of staff and vehicles that responded to a power outage on the SDG&E side at the Treatment Plant on July 11 and 12.

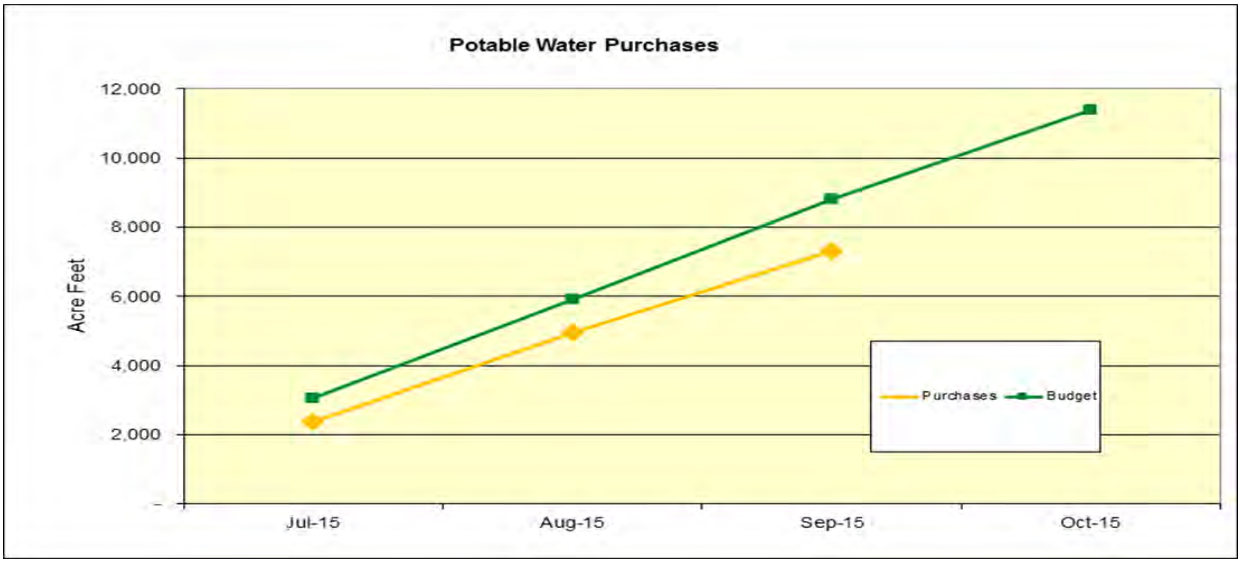
- Staff completed the hitch standardization/replacement program on all necessary vehicles.

- Staff continues to clean and CCTV the sewer system with no spills being experienced.

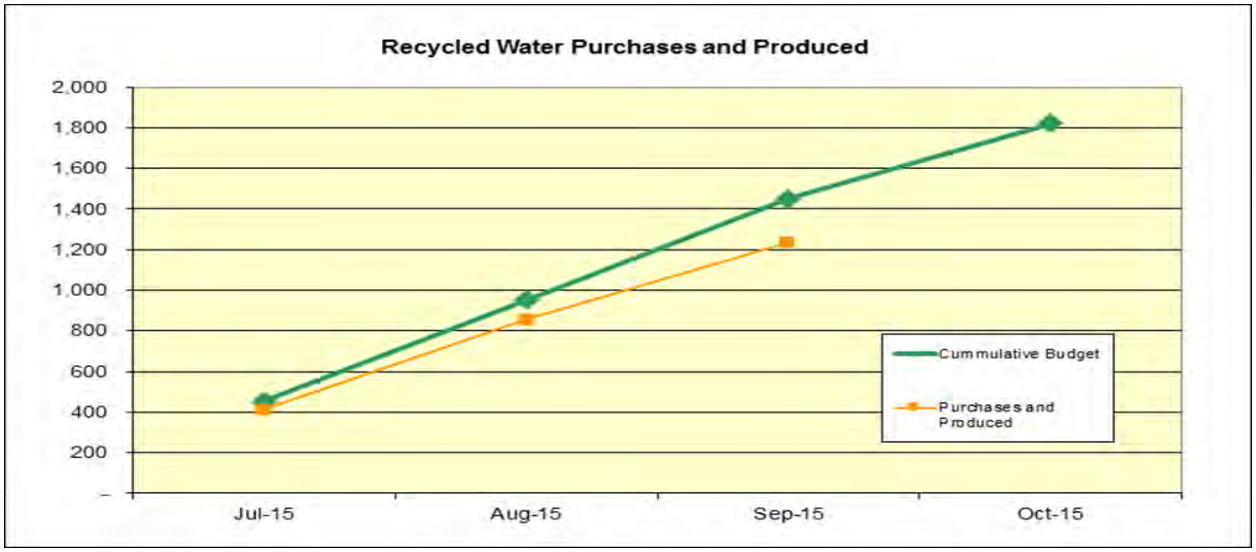
Potable, Recycled, and Sewer (Reporting up to the month of September):

- Total number of potable water meters is 49,429.

- The September potable water purchases were 2,372.1 acre-feet which is 17.7% below the budget of 2,882.2 acre-feet. The cumulative purchases through September is 7,326.2 acre-feet which is 16.9% below the cumulative budget of 8,814.4 acre-feet.



- The September recycled water purchases and production was 380.4 acre-feet which is 23.9% below the budget of 499.5 acre-feet. The cumulative production and purchases through September is 1,236.2 acre-feet which is 14.8% below the cumulative budget of 1,450.3 acre-feet.



- Recycled water consumption for the month of September is as follows:

  - Total consumption was 314.9 acre-feet or 102,586,704 gallons and the average daily consumption was 3,419,557 gallons per day.

  - Total cumulative recycled water consumption since July 1, 2016 is 1166.8 acre-feet.

  - Total number of recycled water meters is 712.

- Wastewater flows for the month of September were as follows:

  - Total basin flow, gallons per day: 1,480,500. This is a decrease of 0.72% from September 2014.

  - Spring Valley Sanitation District Flow to Metro, gallons per day: 489,870.

  - Total Otay flow, gallons per day: 990,667.

  - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 941,967.

- Flow to Metro from Otay Water District was 97,481 gallons per day.

- By the end of September there were 6,095 wastewater EDUs.

Attachment:
Letter of Interest to CEA dated October 20, 2015

...Dedicated to Community Service
2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619 www.otaywater.gov

October 20, 2015

Germán Jesús Lizola Márquez
Director General
Comisión Estatal del Agua de Baja California (CEA)
Boulevard Anáhuac No. 1016
Colonia El Vidrio, C.P. 21080
Mexicali, Baja California, Mexico

Subject: Otay Water District's Interest in Acquiring Desalinated Potable Water Resources to Supplement the Otay Water District's Potable Water Supply

Dear Mr. Lizola Márquez:

Thank you for taking the time to discuss the continued efforts to produce desalinated potable water for distribution in Mexico and possibly the United States. Your Project is potentially very valuable for both Mexico and the United States, and in particular the Southern California region. The Otay Water District ("District") remains very interested in this Project and, more specifically, in acquiring desalinated potable water to augment its current potable water supply. As you may be aware, the District previously entered into a Letter of Intent executed by the District and NSC Agua on February 5, 2009 and renewed its intent in 2012 when Consolidated Water Coöperatief, U. A. acquired a 50% interest in N.S.C. Agua, S.A. de C.V. ("NSC Agua").

When the District executed its most recent letter of intent with NSC Agua, a Mexican corporation formed for the specific purpose of installing and operating a desalination plant on the coast of Baja California, Mexico to produce desalinated water to be sold and delivered on a private basis to customers in both Mexico and the United States (collectively, the "Project"), the parties expected a public-private water purchase agreement. While the District remains interested in acquiring Project water through CEA, we anticipate that any agreement for the sale of Project water will require the involvement and consent of the federal governments of our respective nations, likely through the International Boundary and Water Commission (IBWC)/Comisión International de Límites y Agua (CILA).

Notwithstanding the above, it is our understanding that NSC Agua is continuing its Project development activities and, based on technical, financial, environmental, and engineering studies conducted by NSC Agua and others to date, it has been determined that it is feasible to develop a seawater desalination plant capable of delivering

desalinated potable water meeting specified water quality standards applicable to customers in the United States, at a reasonable price.

Based on the foregoing assumptions and preliminary understandings, the District hereby expresses and renews its interest in acquiring Project water. The District desires to acquire no less than:

Minimum Desalinated Potable Water Demands (Same amount year-round)
Year 2020: 13.0 MGD (49,200 M^3/Day)
Year 2035: 14.4 MGD (54,500 M^3/Day)
Year 2050: 16.3 MGD (61,700 M^3/Day)

Desalinated Potable Water Demands (Seasonal Increase April-November)
Year 2020: 16.0 MGD (60,600 M^3/Day) an increase of 3.0 MGD (11,400 M^3/Day)
Year 2035: 17.7 MGD (67,000 M^3/Day) an increase of 3.3 MGD (12,500 M^3/Day)
Year 2050: 19.9 MGD (75,300 M^3/Day) an increase of 3.6 MGD (13,600 M^3/Day)

Any water acquired by the District would be delivered to the District at a delivery point at the United States border with Mexico, as mutually agreed to by the parties prior to any such acquisition and would be subject to such further terms and conditions set forth in a mutually satisfactory, legally binding water supply purchase agreement (hereinafter, "Agreement" [1]) that would include, but not be limited to:

a. A purchase commitment by the District for a certain quantity, in acre-feet, of desalinated potable water annually;

b. A price for the desalinated potable water including any and all fees and charges associated with the delivery of the water at the point of delivery agreed to by the parties; we contemplate that the pricing will be within a range of projected pricing of alternate potable supplies available to the District;

c. An appropriate guarantee from CEA or other obligated party, in form and substance satisfactory to the District, verifying the source, the supply, and the quality of the desalinated water;

d. An initial minimum term of thirty (30) years, with no less than two (2) options to renew for equal terms each that are mutually agreed to by the District and CEA;

e. The delivery of the desalinated potable water to a specified location and pressure at the United States border with Mexico, at which point the District shall arrange for the delivery of the desalinated potable water to its distribution system;

[1] The District is not empowered to contract directly with CEA, and is looking for options to go through IBWC/CILA.

f. Such other terms and conditions as the parties deem necessary or advisable in light of any information or condition relevant to the Agreement.

Thank you for keeping us apprised about the Project and for continuing to explore the purchase and sale of desalinated potable water for the benefit of both our regions.

Sincerely,
OTAY WATER DISTRICT

Mark Watton
General Manager

Exhibit A

OTAY WATER DISTRICT

COMPARATIVE BUDGET SUMMARY

FOR THREE MONTHS ENDED SEPTEMBER 30, 2015

	Annual Budget	Actual	Budget	YTD Variance	Var %
REVENUES:					
Potable Water Sales	$ 41,344,900	$ 10,917,843	$ 13,339,800	$ (2,421,957)	(18.2%)
Recycled Water Sales	9,116,000	2,594,655	3,189,500	(594,845)	(18.7%)
Potable Energy Charges	2,311,300	524,842	624,300	(99,458)	(15.9%)
Potable System Charges	13,292,300	3,387,471	3,381,000	6,471	0.2%
Potable MWD & CWA Fixed Charges	11,946,600	2,649,321	2,643,000	6,321	0.2%
Potable Penalties	888,600	200,382	270,000	(69,618)	(25.8%)
Total Water Sales	78,899,700	20,274,514	23,447,600	(3,173,086)	(13.5%)
Sewer Charges	3,206,300	807,651	803,300	4,351	0.5%
Meter Fees	66,200	29,868	16,600	13,268	79.9%
Capacity Fee Revenues	1,134,800	317,200	283,700	33,500	11.8%
Non-Operating Revenues	1,873,600	572,512	422,000	150,512	35.7%
Tax Revenues	3,897,900	100,758	76,800	23,958	31.2%
Interest	157,500	44,700	39,400	5,300	13.5%
Total Revenues	$ 89,236,000	$ 22,147,204	$ 25,089,400	$ (2,942,196)	(11.7%)
EXPENSES:					
Potable Water Purchases	$ 32,332,100	$ 8,373,847	$ 10,074,900	$ 1,701,053	16.9%
Recycled Water Purchases	1,705,800	635,233	670,700	35,467	5.3%
CWA-Infrastructure Access Charge	1,931,400	481,995	482,100	105	0.0%
CWA-Customer Service Charge	1,777,800	452,452	452,400	(52)	(0.0%)
CWA-Reliability Charge	950,400	-	-	-	0.0%
CWA-Emergency Storage Charge	4,681,800	1,189,823	1,189,800	(23)	(0.0%)
MWD-Capacity Res Charge	806,400	201,491	201,600	110	0.1%
MWD-Readiness to Serve Charge	1,798,800	396,814	449,700	52,886	11.8%
Subtotal Water Purchases	45,984,500	11,731,653	13,521,200	1,789,547	13.2%
Power Charges	3,112,800	866,690	953,000	86,310	9.1%
Payroll & Related Costs	20,381,000	4,520,028	4,501,250	(18,778)	(0.4%)
Material & Maintenance	3,612,800	716,366	827,050	110,684	13.4%
Administrative Expenses	5,137,800	982,897	1,184,615	201,719	17.0%
Legal Fees	250,000	50,540	62,500	11,960	19.1%
Expansion Reserve	2,695,800	674,000	674,000	-	0.0%
Betterment Reserve	2,400,000	600,000	600,000	-	0.0%
Replacement Reserve	3,421,000	855,300	855,300	-	0.0%
New Supply Fee	35,000	8,800	8,800	-	0.0%
OPEB Trust	1,006,000	251,500	251,500	-	0.0%
Sewer Replacement	1,199,300	299,800	299,800	-	0.0%
Total Expenses	$ 89,236,000	$ 21,557,574	$ 23,739,015	$ 2,181,441	9.2%
EXCESS REVENUES(EXPENSE)	**$ -**	**$ 589,630**	**$ 1,350,385**	**$ (760,755)**	

OTAY WATER DISTRICT
COMPARATIVE MATERIALS & MAINTENANCE BUDGET - ALL FUNDS
FOR THREE MONTHS ENDED SEPTEMBER 30, 2015

DESCRIPTION	Fiscal Year-to-Date Actual	Fiscal Year-to-Date Budget	Fiscal Year-to-Date Variance	Annual Budget	Annual Balance	Percent Variance
Fuel and Oil	$ 35,454	$ 44,650	$ 9,196	$ 250,600	$ 215,146	20.6%
Meters and Materials	27,233	28,975	1,742	113,800	86,567	6.0%
Fleet Parts and Equipment	42,633	38,750	(3,882)	128,900	86,268	-10.0%
Infrastructure Equipment & Supplies	102,965	137,325	34,360	621,300	518,335	25.0%
Chemicals	80,365	89,025	8,660	400,600	320,235	9.7%
Safety Equipment	2,556	21,325	18,769	127,300	124,744	88.0%
Laboratory Equipment & Supplies	14,541	15,050	509	40,000	25,459	3.4%
Other Materials & Maintenance	43,775	47,600	3,825	190,500	146,725	8.0%
Building Ground & Materials	14,824	14,875	51	47,900	33,076	0.3%
Contracted Services	102,921	140,375	37,454	695,500	592,579	26.7%
Metro O&M Costs	203,750	203,750	-	815,000	611,250	0.0%
Spring Valley O&M Costs	45,350	45,350	-	181,400	136,050	0.0%
Total Materials and Maintenance	$ 716,366	$ 827,050	$ 110,684	$ 3,612,800	$ 2,896,434	13.4%

OTAY WATER DISTRICT
COMPARATIVE GENERAL ADMINISTRATIVE BUDGET - ALL FUNDS
FOR THREE MONTHS ENDED SEPTEMBER 30, 2015

DESCRIPTION	Fiscal Year-to-Date Actual	Fiscal Year-to-Date Budget	Fiscal Year-to-Date Variance	Annual Budget	Annual Balance	Percent Variance
Travel Expenses	$ 41,008	$ 53,615	$ 12,607	$ 214,400	$ 173,392	23.5%
Conservation and Outreach	59,043	66,425	7,382	176,900	117,857	11.1%
General Office Expense	51,520	61,175	9,655	284,700	233,180	15.8%
Equipment	243,766	252,575	8,809	1,112,300	868,534	3.5%
Fees	122,022	128,950	6,928	499,000	376,978	5.4%
Services	345,024	493,950	148,926	2,409,800	2,064,776	30.2%
Training	13,769	16,750	2,981	99,000	85,231	17.8%
General Insurance	143,964	146,500	2,536	586,000	442,036	1.7%
Director's Fees	3,200	3,500	300	30,000	26,800	8.6%
Utilities	3,288	3,725	437	14,900	11,612	11.7%
Bad Debt	61,870	63,750	1,880	155,000	93,130	2.9%
Total Admin Expenses	$ 1,088,475	$ 1,290,915	$ 202,440	$ 5,582,000	$ 4,493,525	15.7%
Less: Overhead Allocation	(105,578)	(106,300)	(722)	(424,300)	(318,722)	0.7%
Administrative Expenses - Total	$ 982,897	$ 1,184,615	$ 201,719	$ 5,157,700	$ 4,174,803	17.0%

OTAY WATER DISTRICT
NON - OPERATING INCOME
FOR THREE MONTHS ENDED SEPTEMBER 30, 2015

	YTD Actual	YTD Budget	Annual Budget	Variance
Non-Operating Income				
Rents and Leases	$ 315,964	$ 302,400	$ 1,269,800	$ 13,564
Sewer Billings	62,854	62,600	375,500	254
Grants	-	-	-	-
Backflow Maintenance Fee	-	300	1,400	(300)
Annexation Administrative Fee	-	-	-	-
Mapping Fee	-	600	2,300	(600)
Warranty Fee	580	900	3,400	(320)
Billable Work Orders	38,757	36,600	146,800	2,157
Cell Site Set-up Fee	4,500	-	-	4,500
Miscellaneous	140,558	9,300	37,200	131,258
Sewer Revenue from Shared Facility	9,300	9,300	37,200	-
Total	$ 572,512	$ 422,000	$ 1,873,600	$ 150,512

OTAY WATER DISTRICT
Payroll & Related Costs - All Funds
FOR THREE MONTHS ENDED SEPTEMBER 30, 2015

Payroll Costs	YTD Actual	YTD Budget	Annual Budget	Variance	Var %
Salaries	$ 2,432,955	$ 2,412,100	$ 10,345,700	$ (20,855)	-0.86%
Overtime	24,610	22,400	94,100	(2,210)	-9.86%
Vacation	227,015	226,900	840,600	(115)	-0.05%
Sick Leave	159,380	159,200	560,600	(180)	-0.11%
Holiday	96,240	96,900	634,700	660	0.68%
Birthday Holiday	8,657	9,600	49,300	943	9.82%
Total Salaries	$ 2,948,857	$ 2,927,100	12,525,000	$ (21,757)	-0.74%
FICA	$ 198,993	$ 197,600	$ 870,700	$ (1,393)	-0.70%
Pension	821,557	815,600	3,566,500	(5,957)	-0.73%
Health & Life Insurance	672,611	677,750	3,835,200	5,139	0.76%
Workers' Compensation	36,610	42,300	248,300	5,690	13.45%
Salary Continuation Insurance	14,799	14,500	62,400	(299)	-2.06%
State Unemployment Insurance	6,275	7,600	30,000	1,325	17.43%
Employee Assistance Program	1,255	900	4,000	(355)	-39.50%
Total Fringe	$ 1,752,102	$ 1,756,250	$ 8,617,100	$ 4,149	0.24%
Total before Overhead Distribution	$ 4,700,958	$ 4,683,350	$ 21,142,100	$ (17,608)	-0.38%
Overhead	(180,930)	(182,100)	(761,100)	(1,170)	-0.64%
(see Exhibit A)	$ 4,520,028	$ 4,501,250	$ 20,381,000	$ (18,778)	-0.42%

	Actual	Budget	Annual Budget	Variance	
Summary of Labor:					
Labor Charged to Work Orders	249,137	250,700	1,048,100	$ 1,563	0.62%

OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
September 30, 2015

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 5 years. On December 16, 2008, at the Federal Reserve Board's regular scheduled meeting, the federal funds rate was lowered from 1.00% to "*a target range of between Zero and 0.25%*" in response to the nation's ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. There have been no further changes made to the federal funds rate at the Federal Reserve Board's subsequent regular scheduled meetings, the most recent of which was held on September 17, 2015. In determining how long to maintain the current 0 to ¼ percent target range for the federal funds rate, they went on to say: "*the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. The Committee anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term. The Committee currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.*"

Despite the large drop in available interest rates, the District's overall effective rate of return at September 30, 2015 was 0.77%, which was the same as the previous month. At the same time the LAIF return on deposits has improved over the previous month, reaching an average effective yield of 0.340% for the month of September 2015. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy regarding returns on investment are being considered at this time. This desired portfolio mix is important in mitigating any liquidity risk from unforeseen changes in LAIF or County Pool policy.

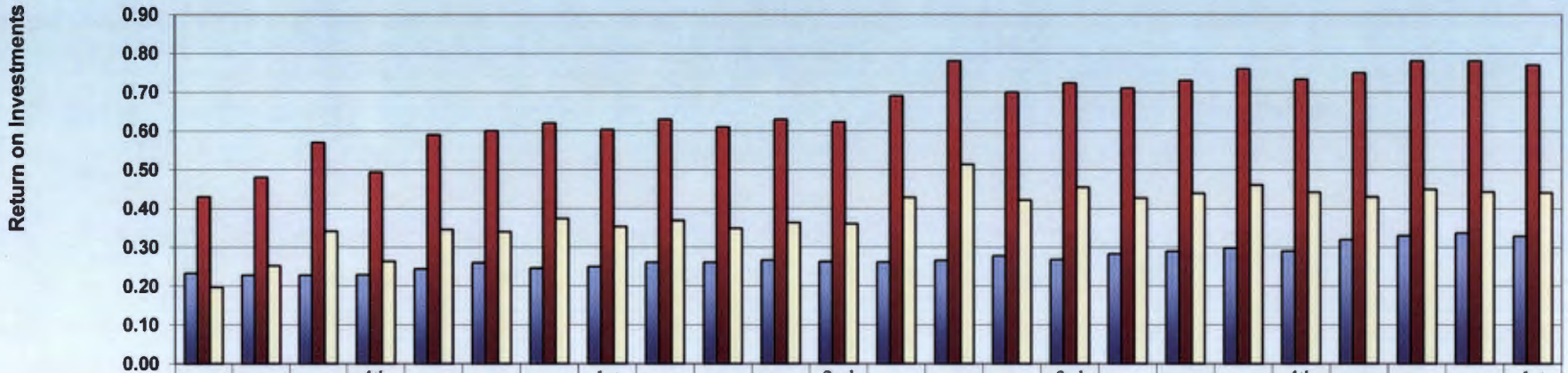
In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: September 30, 2015

	Investment	State Limit	Otay Limit	Otay Actual
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	$50 Million	$50 Million	$12.6 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	0
8.03:	Federal Agency Issues	100%	100%	61.13%
8.04:	Certificates of Deposit	30%	15%	.10%
8.05:	Short-Term Commercial Notes	25%	10%	0
8.06:	Medium-Term Commercial Debt	30%	10%	0
8.07:	Money Market Mutual Funds	20%	10%	0
8.08:	San Diego County Pool	100%	100%	21.03%
12.0:	Maximum Single Financial Institution	100%	50%	1.62%

Performance Measure FY-16
Return on Investment

Target: Meet or Exceed 100% of LAIF

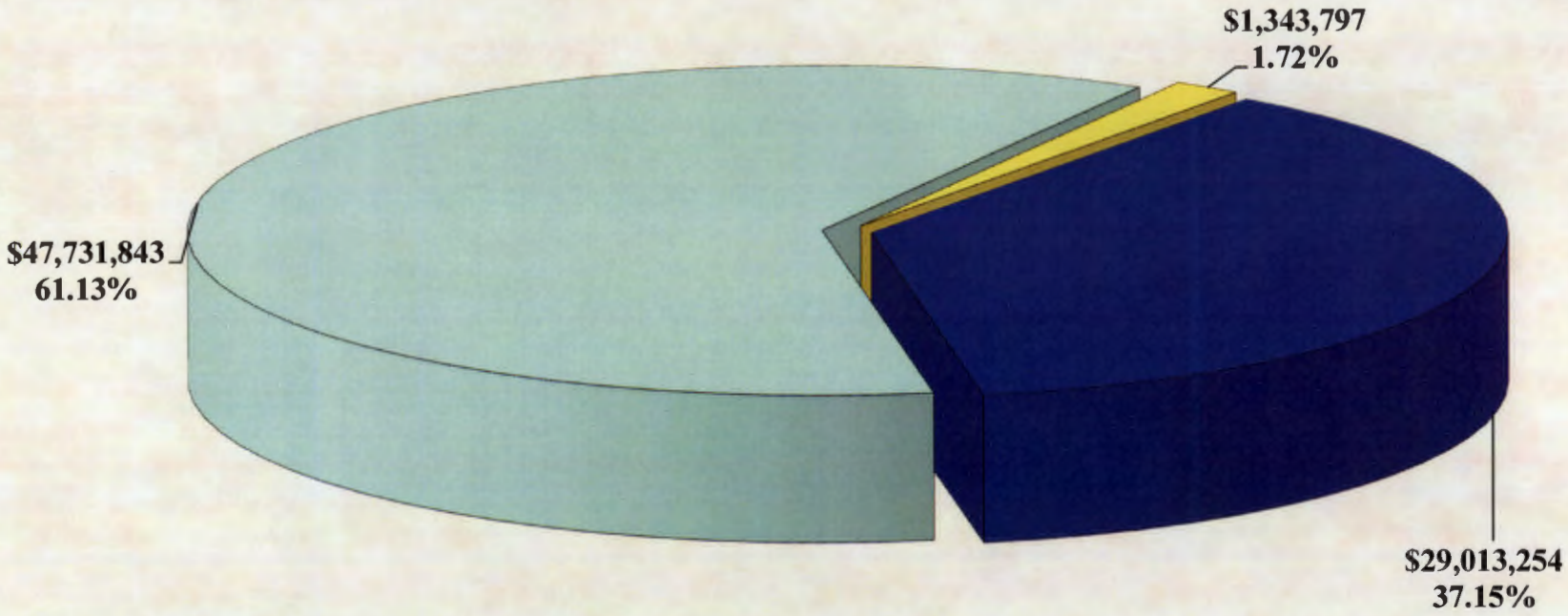


	Apr FY14	May FY14	June FY14	4th Qtr FY14	Jul FY15	Aug FY15	Sep FY15	1st Qtr FY15	Oct FY15	Nov FY15	Dec FY15	2nd Qtr FY15	Jan FY15	Feb FY15	Mar FY15	3rd Qtr FY15	Apr FY15	May FY15	June FY15	4th Qtr FY15	July FY16	Aug FY16	Sep FY16	1st Qtr FY16
LAIF	0.23	0.23	0.23	0.23	0.24	0.26	0.25	0.25	0.26	0.26	0.27	0.26	0.26	0.27	0.28	0.27	0.28	0.29	0.30	0.29	0.32	0.33	0.34	0.33
Otay	0.43	0.48	0.57	0.49	0.59	0.60	0.62	0.60	0.63	0.61	0.63	0.62	0.69	0.78	0.70	0.72	0.71	0.73	0.76	0.73	0.75	0.78	0.78	0.77
Difference	0.20	0.25	0.34	0.26	0.35	0.34	0.37	0.35	0.37	0.35	0.36	0.36	0.43	0.51	0.42	0.45	0.43	0.44	0.46	0.44	0.43	0.45	0.44	0.44

Month

LAIF Otay Difference

Otay Water District
Investment Portfolio: 09/30/2015



Total Cash and Investments: $78,088,894

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

Month End
Portfolio Management
Portfolio Summary
September 30, 2015

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	43,735,000.00	43,780,676.70	43,734,338.89	56.93	987	786	1.002	1.016
Federal Agency Issues - Coupon	4,000,000.00	4,002,460.00	3,997,504.74	5.20	759	436	0.610	0.618
Certificates of Deposit - Bank	81,784.76	81,784.76	81,784.76	0.11	730	113	0.030	0.030
Local Agency Investment Fund (LAIF)	12,595,024.91	12,602,514.49	12,595,024.91	16.39	1	1	0.332	0.337
San Diego County Pool	16,418,228.84	16,408,000.00	16,418,228.84	21.37	1	1	0.561	0.569
Investments	**76,830,038.51**	**76,875,435.95**	**76,826,882.14**	**100.00%**	**602**	**471**	**0.776**	**0.787**
Cash								
Passbook/Checking (not included in yield calculations)	1,262,011.95	1,262,011.95	1,262,011.95		1	1	0.233	0.236
Total Cash and Investments	**78,092,050.46**	**78,137,447.90**	**78,088,894.09**		**602**	**471**	**0.776**	**0.787**

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	51,069.09	161,227.16
Average Daily Balance	**79,157,277.75**	**82,853,255.45**
Effective Rate of Return	**0.78%**	**0.77%**

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on May 7, 2014. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.

10-30-15

Joseph Beachem, Chief Financial Officer

Reporting period 09/01/2015-09/30/2015
Data Updated: SET_ME8: 10/19/2015 14:12
Run Date: 10/19/2015 - 14:12

Portfolio OTAY
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PM (PRF_PM1) 7.3.0
Report Ver. 7.3.5

Month End
Portfolio Management
Portfolio Details - Investments
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
3133EDKF8	2291	Federal Farm Credit Bank		04/29/2014	2,000,000.00	2,000,080.00	2,000,000.00	0.550		0.542	302	07/29/2016
3133EECX6	2313	Federal Farm Credit Bank		11/25/2014	2,000,000.00	2,001,620.00	2,000,000.00	0.610		0.602	421	11/25/2016
3134G5A47	2301	Federal Home Loan Mortgage		06/30/2014	2,000,000.00	2,004,460.00	2,000,000.00	0.650		0.641	456	12/30/2016
3133EELR9	2317	Federal Farm Credit Bank		01/27/2015	2,000,000.00	2,002,900.00	1,999,338.89	0.625		0.616	484	01/27/2017
3133EEXC9	2323	Federal Farm Credit Bank		04/20/2015	2,000,000.00	1,998,340.00	2,000,000.00	0.890		0.681	553	04/06/2017
3136G23G0	2304	Federal National Mortage Assoc		08/15/2014	2,000,000.00	2,008,960.00	2,000,000.00	1.050		1.036	684	08/15/2017
3134G6TJ2	2319	Federal Home Loan Mortgage		04/27/2015	2,000,000.00	2,003,080.00	2,000,000.00	0.875		0.863	757	10/27/2017
3133EECG3	2311	Federal Farm Credit Bank		11/20/2014	1,030,000.00	1,031,256.60	1,030,000.00	1.140		1.124	781	11/20/2017
3133EECG3	2312	Federal Farm Credit Bank		11/20/2014	2,705,000.00	2,708,300.10	2,705,000.00	1.140		1.124	781	11/20/2017
3134G7XJ5	2331	Federal Home Loan Mortgage		09/18/2015	2,000,000.00	2,002,960.00	2,000,000.00	1.000	AA	0.986	809	12/18/2017
3130A3N59	2315	Federal Home Loan Bank		12/29/2014	2,000,000.00	1,999,140.00	2,000,000.00	1.125		1.110	820	12/29/2017
3134G7B75	2332	Federal Home Loan Mortgage		09/29/2015	2,000,000.00	2,000,020.00	2,000,000.00	1.016		1.002	820	12/29/2017
3133EEYE4	2320	Federal Farm Credit Bank		04/16/2015	2,000,000.00	2,000,180.00	2,000,000.00	1.000		0.986	838	01/16/2018
3130A4MF6	2318	Federal Home Loan Bank		03/30/2015	2,000,000.00	2,008,340.00	2,000,000.00	1.300		1.282	910	03/29/2018
3130A4WT5	2322	Federal Home Loan Bank		04/27/2015	2,000,000.00	1,998,160.00	2,000,000.00	1.020		1.006	939	04/27/2018
3136G2GN1	2321	Federal National Mortage Assoc		04/30/2015	2,000,000.00	2,001,260.00	2,000,000.00	1.150		1.134	942	04/30/2018
3130A56B0	2325	Federal Home Loan Bank		05/04/2015	2,000,000.00	1,998,460.00	2,000,000.00	1.120	AA	1.105	946	05/04/2018
3130A52G3	2324	Federal Home Loan Bank		05/11/2015	2,000,000.00	1,998,900.00	2,000,000.00	1.050	AA	1.036	953	05/11/2018
3134G63Z4	2327	Federal Home Loan Mortgage		06/08/2015	2,000,000.00	2,002,480.00	2,000,000.00	1.250	AA	1.233	981	06/08/2018
3134G6V264	2326	Federal Home Loan Mortgage		06/29/2015	2,000,000.00	2,007,360.00	2,000,000.00	1.250	AA	1.233	1,002	06/29/2018
3130A5NV7	2328	Federal Home Loan Bank		07/16/2015	2,000,000.00	2,001,060.00	2,000,000.00	1.500		1.479	1,019	07/16/2018
3136G2LZ8	2330	Fannie Mae		09/28/2015	2,000,000.00	2,003,360.00	2,000,000.00	1.250		1.233	1,093	09/28/2018
		Subtotal and Average	**47,467,652.08**		**43,735,000.00**	**43,780,676.70**	**43,734,338.89**			**1.002**	**786**	
Federal Agency Issues - Coupon												
3135G0YE7	2286	Federal National Mortage Assoc		04/01/2014	2,000,000.00	2,003,380.00	2,001,052.02	0.625		0.558	330	08/26/2016
3133EEC73	2329	Federal Farm Credit Bank		06/26/2015	2,000,000.00	1,999,080.00	1,996,452.72	0.550	AA	0.661	543	03/27/2017
		Subtotal and Average	**3,997,455.71**		**4,000,000.00**	**4,002,460.00**	**3,997,504.74**			**0.610**	**436**	
Certificates of Deposit - Bank												
2050003183-6	2283	California Bank & Trust		01/22/2014	81,784.76	81,784.76	81,784.76	0.030		0.030	113	01/22/2016
		Subtotal and Average	**81,784.76**		**81,784.76**	**81,784.76**	**81,784.76**			**0.030**	**113**	

Month End
Portfolio Management
Portfolio Details - Investments
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA			12,595,024.91	12,602,514.49	12,595,024.91	0.337		0.332	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		07/01/2015	0.00	0.00	0.00	0.267		0.263	1	
		Subtotal and Average	**8,631,691.58**		**12,595,024.91**	**12,602,514.49**	**12,595,024.91**			**0.332**	**1**	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County			16,418,228.84	16,408,000.00	16,418,228.84	0.569		0.561	1	
		Subtotal and Average	**16,071,562.17**		**16,418,228.84**	**16,408,000.00**	**16,418,228.84**			**0.561**	**1**	
		Total and Average	**79,157,277.75**		**76,830,038.51**	**76,875,435.95**	**76,826,882.14**			**0.776**	**471**	

Month End
Portfolio Management
Portfolio Details - Cash
September 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA			10,006.30	10,006.30	10,006.30	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA			2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA			1,191,339.14	1,191,339.14	1,191,339.14	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2015	27,891.35	27,891.35	27,891.35			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.00	0.00	0.00	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.24	0.24	0.24	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		07/01/2015	0.00	0.00	0.00			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		07/01/2015	29,824.92	29,824.92	29,824.92			0.000	1
		Average Balance	**0.00**								**1**
		Total Cash and Investments	**79,157,277.75**		**78,092,050.46**	**78,137,447.90**	**78,088,894.09**			**0.776**	**471**

Month End
GASB 31 Compliance Detail
Sorted by Fund - Fund
September 1, 2015 - September 30, 2015

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value: Amortization Adjustment	Adjustment in Value: Change in Market Value	Ending Invested Value
Fund: Treasury Fund											
3134G5A47	2301	99	Fair Value	12/30/2016	2,001,840.00	0.00	0.00	0.00	0.00	2,620.00	2,004,460.00
3134G56A8	2297	99	Fair Value	06/16/2017	2,000,680.00	0.00	0.00	2,000,000.00	0.00	-680.00	0.00
3134G55T8	2295	99	Fair Value	12/12/2016	2,000,360.00	0.00	0.00	2,000,000.00	0.00	-360.00	0.00
3134G4WJ3	2284	99	Fair Value	09/19/2016	2,000,580.00	0.00	0.00	2,000,000.00	0.00	-580.00	0.00
3134G5PP4	2310	99	Fair Value	12/12/2017	1,998,740.00	0.00	0.00	2,000,000.00	0.00	1,260.00	0.00
3134G7B75	2332	99	Amortized	12/29/2017	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
3134G7XJ5	2331	99	Fair Value	12/18/2017	0.00	2,000,000.00	0.00	0.00	0.00	2,960.00	2,002,960.00
3134G63Z4	2327	99	Fair Value	06/08/2018	1,997,340.00	0.00	0.00	0.00	0.00	5,140.00	2,002,480.00
3134G6TJ2	2319	99	Fair Value	10/27/2017	1,998,040.00	0.00	0.00	0.00	0.00	5,040.00	2,003,080.00
3134G6V264	2326	99	Amortized	06/29/2018	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
3134G55X9	2298	99	Fair Value	03/10/2017	1,996,340.00	0.00	0.00	2,000,000.00	0.00	3,660.00	0.00
3138G23G0	2304	99	Fair Value	08/15/2017	2,005,780.00	0.00	0.00	0.00	0.00	3,180.00	2,008,960.00
3135G0YE7	2286	99	Fair Value	08/26/2016	2,002,320.00	0.00	0.00	0.00	0.00	1,060.00	2,003,380.00
3136G2GN1	2321	99	Fair Value	04/30/2018	1,995,320.00	0.00	0.00	0.00	0.00	5,940.00	2,001,260.00
3136G1XZ7	2274	99	Fair Value	12/19/2016	1,996,900.00	0.00	0.00	2,000,000.00	0.00	3,100.00	0.00
3130A25S1	2299	99	Fair Value	12/19/2016	2,000,600.00	0.00	0.00	2,000,000.00	0.00	-600.00	0.00
3130A4WT5	2322	99	Fair Value	04/27/2018	1,992,320.00	0.00	0.00	0.00	0.00	5,840.00	1,998,160.00
3130A3MH4	2314	99	Fair Value	09/29/2017	2,001,500.00	0.00	0.00	2,000,000.00	0.00	-1,500.00	0.00
3130A4MF6	2318	99	Fair Value	03/29/2018	2,006,620.00	0.00	0.00	0.00	0.00	1,720.00	2,008,340.00
3130A52G3	2324	99	Fair Value	05/11/2018	1,992,740.00	0.00	0.00	0.00	0.00	6,160.00	1,998,900.00
3130A5NV7	2328	99	Fair Value	07/16/2018	2,001,800.00	0.00	0.00	0.00	0.00	-740.00	2,001,060.00
3130A56B0	2325	99	Fair Value	05/04/2018	1,992,860.00	0.00	0.00	0.00	0.00	5,600.00	1,998,460.00
3130A3N59	2315	99	Fair Value	12/29/2017	1,993,080.00	0.00	0.00	0.00	0.00	6,060.00	1,999,140.00
PAYROLL	9005	99	Amortized		27,691.35	0.00	0.00	0.00	0.00	0.00	27,891.35
RESERVE-10 BABS	9011	99	Amortized		0.00	0.00	0.24	0.00	0.00	0.00	0.24
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UBNA-FLEX ACCT	9014	99	Amortized		32,886.57	0.00	0.00	3,061.65	0.00	0.00	29,824.92
UNION MONEY	9002	99	Amortized		10,002.75	0.00	16,049,834.08	16,049,830.53	0.00	0.00	10,006.30
UBNA-2010 BOND	9013	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAIF BABS 2010	9012	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00

Month End
GASB 31 Compliance Detail
Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value: Amortization Adjustment	Adjustment in Value: Change in Market Value	Ending Invested Value
Fund: Treasury Fund											
UNION OPERATING	9004	99	Amortized		1,789,300.93	0.00	466,526.71	1,064,488.50	0.00	0.00	1,191,339.14
RESERVE-10 COPS	9010	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAIF	9001	99	Fair Value		4,696,790.14	0.00	14,200,000.00	6,300,000.00	0.00	5,724.35	12,602,514.49
3133EEXC9	2323	99	Fair Value	04/06/2017	1,994,840.00	0.00	0.00	0.00	0.00	3,500.00	1,998,340.00
3133EEC73	2329	99	Amortized	03/27/2017	1,996,254.17	0.00	0.00	0.00	198.55	0.00	1,996,452.72
3133EECG3	2312	99	Fair Value	11/20/2017	2,705,919.70	0.00	0.00	0.00	0.00	2,380.40	2,708,300.10
3133EECG3	2311	99	Fair Value	11/20/2017	1,030,350.20	0.00	0.00	0.00	0.00	906.40	1,031,256.60
3133EDKF8	2291	99	Fair Value	07/29/2016	2,000,100.00	0.00	0.00	0.00	0.00	-20.00	2,000,080.00
3133EEYE4	2320	99	Fair Value	01/16/2018	1,995,700.00	0.00	0.00	0.00	0.00	4,480.00	2,000,180.00
3133EECX6	2313	99	Fair Value	11/25/2016	2,000,340.00	0.00	0.00	0.00	0.00	1,280.00	2,001,620.00
3133EELR9	2317	99	Fair Value	01/27/2017	1,999,640.00	0.00	0.00	0.00	0.00	3,260.00	2,002,900.00
2050003183-6	2283	99	Amortized	01/22/2016	81,784.76	0.00	0.00	0.00	0.00	0.00	81,784.76
3136G2LZ8	2330	99	Amortized	09/28/2018	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
SD COUNTY POOL	9007	99	Fair Value		15,574,000.00	0.00	800,000.00	0.00	0.00	34,000.00	16,408,000.00
				Subtotal	**79,914,510.57**	**6,000,000.00**	**31,516,361.03**	**39,417,380.68**	**198.55**	**110,391.15**	**78,124,080.62**
				Total	**79,914,510.57**	**6,000,000.00**	**31,516,361.03**	**39,417,380.68**	**198.55**	**110,391.15**	**78,124,080.62**

Month End
Activity Report
Sorted By Issuer
September 1, 2015 - September 30, 2015

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		16,049,834.08	16,049,830.53	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		466,526.71	1,064,488.50	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		0.24	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					0.00	3,061.65	
		Subtotal and Balance		**1,863,031.60**			**16,516,361.03**	**17,117,380.68**	**1,262,011.95**
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.337		14,200,000.00	6,300,000.00	
		Subtotal and Balance		**4,695,024.91**			**14,200,000.00**	**8,300,000.00**	**12,595,024.91**
		Issuer Subtotal	**17.744%**	**6,558,056.51**			**30,716,361.03**	**23,417,380.68**	**13,857,036.86**
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
		Subtotal and Balance		**81,784.76**					**81,784.76**
		Issuer Subtotal	**0.105%**	**81,784.76**			**0.00**	**0.00**	**81,784.76**
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
3136G2LZ8	2330	Fannie Mae			1.250	09/28/2015	2,000,000.00	0.00	
		Subtotal and Balance		**0.00**			**2,000,000.00**	**0.00**	**2,000,000.00**
		Issuer Subtotal	**2.561%**	**0.00**			**2,000,000.00**	**0.00**	**2,000,000.00**
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
		Subtotal and Balance		**13,735,000.00**					**13,735,000.00**

Month End
Activity Report
September 1, 2015 - September 30, 2015

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal Farm Credit Bank									
Federal Agency Issues - Coupon									
		Subtotal and Balance		**2,000,000.00**					**2,000,000.00**
		Issuer Subtotal	**20.149%**	**15,735,000.00**			**0.00**	**0.00**	**15,735,000.00**
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
3130A25S1	2299	Federal Home Loan Bank			0.700	09/19/2015	0.00	2,000,000.00	
3130A3MH4	2314	Federal Home Loan Bank			1.000	09/29/2015	0.00	2,000,000.00	
		Subtotal and Balance		**16,000,000.00**			**0.00**	**4,000,000.00**	**12,000,000.00**
		Issuer Subtotal	**15.366%**	**16,000,000.00**			**0.00**	**4,000,000.00**	**12,000,000.00**
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3134G4WJ3	2284	Federal Home Loan Mortgage			0.625	09/19/2015	0.00	2,000,000.00	
3134G55T8	2295	Federal Home Loan Mortgage			0.700	09/12/2015	0.00	2,000,000.00	
3134G56A8	2297	Federal Home Loan Mortgage			1.000	09/16/2015	0.00	2,000,000.00	
3134G55X9	2298	Federal Home Loan Mortgage			0.810	09/10/2015	0.00	2,000,000.00	
3134G5PP4	2310	Federal Home Loan Mortgage			1.250	09/12/2015	0.00	2,000,000.00	
3134G7XJ5	2331	Federal Home Loan Mortgage			1.000	09/18/2015	2,000,000.00	0.00	
3134G7B75	2332	Federal Home Loan Mortgage			1.016	09/29/2015	2,000,000.00	0.00	
		Subtotal and Balance		**18,000,000.00**			**4,000,000.00**	**10,000,000.00**	**12,000,000.00**
		Issuer Subtotal	**15.366%**	**18,000,000.00**			**4,000,000.00**	**10,000,000.00**	**12,000,000.00**
Issuer: Federal National Mortage Assoc									
Federal Agency Issues- Callable									
3136G1XZ7	2274	Federal National Mortage Assoc			0.670	09/19/2015	0.00	2,000,000.00	
		Subtotal and Balance		**6,000,000.00**			**0.00**	**2,000,000.00**	**4,000,000.00**
Federal Agency Issues - Coupon									
		Subtotal and Balance		**2,000,000.00**					**2,000,000.00**

Month End
Activity Report
September 1, 2015 - September 30, 2015

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
		Issuer Subtotal	**7.683%**	**8,000,000.00**			**0.00**	**2,000,000.00**	**6,000,000.00**
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			0.569		800,000.00	0.00	
		Subtotal and Balance		**15,618,228.84**			**800,000.00**	**0.00**	**16,418,228.84**
		Issuer Subtotal	**21.024%**	**15,618,228.84**			**800,000.00**	**0.00**	**16,418,228.84**
		Total	**100.000%**	**79,993,070.11**			**37,516,361.03**	**39,417,380.68**	**78,092,050.46**

Month End
Duration Report
Sorted by Investment Type - Investment Type
Through 09/30/2015

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3133EDKF8	2291	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,080.00	.5500000	0.542	0.545	07/29/2016	0.824
3134G5A47	2301	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,004,460.00	.6500000	0.641	0.471	12/30/2016	1.239
3136G23G0	2304	99	Federal National Mortage Assoc	Fair	2,000,000.00	2,000,000.00	2,008,960.00	1.050000	1.036	0.809	08/15/2017	1.849
3133EECG3	2311	99	Federal Farm Credit Bank	Fair	1,030,000.00	1,030,000.00	1,031,256.60	1.140000	1.124	1.082	11/20/2017	2.096
3133EECG3	2312	99	Federal Farm Credit Bank	Fair	2,705,000.00	2,705,000.00	2,708,300.10	1.140000	1.124	1.082	11/20/2017	2.096
3133EECX6	2313	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,001,620.00	.6100000	0.602	0.539	11/25/2016	1.142
3130A3N59	2315	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,999,140.00	1.125000	1.110	1.145	12/29/2017	2.203
3133EELR9	2317	99	Federal Farm Credit Bank	Fair	1,999,338.89	2,000,000.00	2,002,900.00	.6250000	0.616	0.515	01/27/2017	1.314
3130A4MF6	2318	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,008,340.00	1.300000	1.282	1.130	03/29/2018	2.448
3134G6TJ2	2319	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,003,080.00	.8750000	0.863	0.800	10/27/2017	2.042
3133EEYE4	2320	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,180.00	1.000000	0.986	0.996	01/16/2018	2.255
3136G2GN1	2321	99	Federal National Mortage Assoc	Fair	2,000,000.00	2,000,000.00	2,001,260.00	1.150000	1.134	1.125	04/30/2018	2.524
3130A4WT5	2322	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,160.00	1.020000	1.006	1.056	04/27/2018	2.521
3133EEXC9	2323	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,998,340.00	.6900000	0.681	0.745	04/06/2017	1.497
3130A52G3	2324	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,900.00	1.050000	1.036	1.072	05/11/2018	2.558
3130A56B0	2325	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,460.00	1.120000	1.105	1.150	05/04/2018	2.535
3134G6V264	2326	99	Federal Home Loan Mortgage	Amort	2,000,000.00	2,000,000.00	2,007,360.00	1.250000	1.233	1.114	06/29/2018	2.683
3134G83Z4	2327	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,480.00	1.250000	1.233	1.203	06/08/2018	2.623
3130A5NV7	2328	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,060.00	1.500000	1.479	1.481	07/16/2018	2.716
3136G2LZ8	2330	99	Fannie Mae	Amort	2,000,000.00	2,000,000.00	2,003,360.00	1.250000	1.233	1.193	09/28/2018	2.928
3134G7XJ5	2331	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,960.00	1.000000	0.986	0.932	12/18/2017	2.184
3134G7B75	2332	99	Federal Home Loan Mortgage	Amort	2,000,000.00	2,000,000.00	2,000,020.00	1.016125	1.002	1.016	12/29/2017	1.709
3135G0YE7	2286	99	Federal National Mortage Assoc	Fair	2,001,052.02	2,000,000.00	2,003,380.00	.6250000	0.558	0.437	08/26/2016	0.899
3133EEC73	2329	99	Federal Farm Credit Bank	Amort	1,996,452.72	2,000,000.00	1,999,080.00	.5500000	0.661	0.581	03/27/2017	1.460

Month End
Duration Report
Sorted by Investment Type - Investment Type
Through 09/30/2015

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
2050003183-6	2283	99	California Bank & Trust	Amort	81,784.76	81,784.76	81,784.76	.0300000	0.030	0.030	01/22/2016	0.309 †
LAIF	9001	99	STATE OF CALIFORNIA	Fair	12,595,024.91	12,595,024.91	12,602,514.49	.3370000	0.332	0.337		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.2670000	0.263	0.267		0.000
SD COUNTY	9007	99	San Diego County	Fair	16,418,228.84	16,418,228.84	16,408,000.00	.5690000	0.561	0.569		0.000
				Report Total	**76,826,882.14**	**76,830,038.51**	**76,875,435.95**			**0.752**		**1.252 †**

† = Duration can not be calculated on these investments due to incomplete Market price data.

Month End
Interest Earnings
Sorted by Fund - Fund
September 1, 2015 - September 30, 2015
Yield on Beginning Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Treasury Fund												
3134G5A47	2301	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/30/2016	0.650	0.659	1,083.33	0.00	1,083.33
3134G56A8	2297	99	MC1	0.00	2,000,000.00	0.00	06/16/2017	1.000	1.014	833.33	0.00	833.33
3134G55T8	2295	99	MC1	0.00	2,000,000.00	0.00	12/12/2016	0.700	0.710	427.78	0.00	427.78
3134G4WJ3	2284	99	MC1	0.00	2,000,000.00	0.00	09/19/2016	0.625	0.634	625.00	0.00	625.00
3134G5PP4	2310	99	MC1	0.00	2,000,000.00	0.00	12/12/2017	1.250	1.267	763.89	0.00	763.89
3134G7B75	2332	99	MC1	2,000,000.00	0.00	2,000,000.00	12/29/2017	1.016	1.030	112.90	0.00	112.90
3134G7XJ5	2331	99	MC1	2,000,000.00	0.00	2,000,000.00	12/18/2017	1.000	1.014	722.22	0.00	722.22
3134G63Z4	2327	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/08/2018	1.250	1.267	2,083.33	0.00	2,083.33
3134G6TJ2	2319	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	10/27/2017	0.875	0.887	1,458.33	0.00	1,458.33
3134G6V264	2326	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/29/2018	1.250	1.267	2,083.33	0.00	2,083.33
3134G55X9	2298	99	MC1	0.00	2,000,000.00	0.00	03/10/2017	0.810	0.821	405.00	0.00	405.00
3136G23G0	2304	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/15/2017	1.050	1.065	1,750.00	0.00	1,750.00
3135G0YE7	2286	99	FAC	2,000,000.00	2,001,149.13	2,001,052.02	08/26/2016	0.625	0.574	1,041.67	-97.11	944.56
3136G2GN1	2321	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/30/2018	1.150	1.166	1,916.66	0.00	1,916.66
3136G1XZ7	2274	99	MC1	0.00	2,000,000.00	0.00	12/19/2016	0.670	0.679	670.00	0.00	670.00
3130A25S1	2299	99	MC1	0.00	2,000,000.00	0.00	12/19/2016	0.700	0.710	700.00	0.00	700.00
3130A4WT5	2322	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/27/2018	1.020	1.034	1,700.00	0.00	1,700.00
3130A3MH4	2314	99	MC1	0.00	2,000,000.00	0.00	09/29/2017	1.000	1.014	1,555.56	0.00	1,555.56
3130A4MF6	2318	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/29/2018	1.300	1.318	2,166.66	0.00	2,166.66
3130A52G3	2324	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/11/2018	1.050	1.065	1,750.00	0.00	1,750.00
3130A5NV7	2328	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/16/2018	1.500	1.521	2,500.00	0.00	2,500.00
3130A56B0	2325	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/04/2018	1.120	1.136	1,866.67	0.00	1,866.67
3130A3N59	2315	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/29/2017	1.125	1.141	1,875.00	0.00	1,875.00
UNION MONEY	9002	99	PA1	10,006.30	10,002.75	10,006.30		0.010	0.625	5.14	0.00	5.14
UNION OPERATING	9004	99	PA1	1,191,339.14	1,789,300.93	1,191,339.14		0.250	0.310	456.17	0.00	456.17
LAIF	9001	99	LA1	12,595,024.91	4,695,024.91	12,595,024.91		0.337	0.620	2,390.86	0.00	2,390.86
3133EEXC9	2323	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/06/2017	0.690	0.700	1,150.00	0.00	1,150.00
3133EEC73	2329	99	FAC	2,000,000.00	1,996,254.17	1,996,452.72	03/27/2017	0.550	0.680	916.67	198.55	1,115.22
3133EECG3	2312	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	11/20/2017	1.140	1.156	2,569.75	0.00	2,569.75

Month End
Interest Earnings
September 1, 2015 - September 30, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Treasury Fund												
3133EECG3	2311	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	11/20/2017	1.140	1.156	978.50	0.00	978.50
3133EDKF8	2291	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/29/2016	0.550	0.558	916.66	0.00	916.66
3133EEYE4	2320	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/16/2018	1.000	1.014	1,666.67	0.00	1,666.67
3133EECX6	2313	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/25/2016	0.610	0.618	1,016.67	0.00	1,016.67
3133EELR9	2317	99	MC1	2,000,000.00	1,999,297.22	1,999,338.89	01/27/2017	0.625	0.659	1,041.66	41.67	1,083.33
2050003183-6	2283	99	BCD	81,784.76	81,784.76	81,784.76	01/22/2016	0.030	0.030	2.04	0.00	2.04
3136G2LZ8	2330	99	MC1	2,000,000.00	0.00	2,000,000.00	09/28/2018	1.250	1.267	208.33	0.00	208.33
SD COUNTY POOL	9007	99	LA3	16,418,228.84	15,618,228.84	16,418,228.84		0.569	0.586	7,516.20	0.00	7,516.20
			Subtotal	**78,031,383.95**	**79,926,042.71**	**78,028,227.58**			**0.844**	**50,925.98**	**143.11**	**51,069.09**
			Total	**78,031,383.95**	**79,926,042.71**	**78,028,227.58**			**0.844**	**50,925.98**	**143.11**	**51,069.09**

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 4, 2015
SUBMITTED BY:	Kevin Koeppen, Finance Manager, Treasury & Acct	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Joseph Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM)	German Alvarez, Assistant General Manager		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

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

FISCAL IMPACT:

SUMMARY FOR PERIOD 9/24/2015 - 10/22/2015	NET DEMANDS
CHECKS (2044268 - 2044462)	$ 2,073,467.05
VOID CHECKS (1)	($ 22.83)
TOTAL CHECKS	$ 2,073,444.22
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	$ 123,900.00
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES (JUL & AUG 2015)	$ 3,358,126.69
CITY TREASURER - RECLAIMED WATER PURCHASE (8/6/15-9/2/15)	$ 123,513.32
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	$ 679.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	$ 679.00
PREFERRED BENEFIT INSURANCE - DENTAL & COBRA CLAIMS (SEPT 2015)	$ 13,522.03
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (AUG 2015)	$ 3,675,023.05
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (NOV 2015)	$ 279,423.90
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 277.28
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 277.28
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	$ 508.04
STATE OF CALIFORNIA - CA SALES USE TAX (3RD QTR 2015)	$ 790.00
UNION BANK - BI-WEEKLY PAYROLL TAXES	$ 144,197.51
UNION BANK - BI-WEEKLY PAYROLL TAXES	$ 147,242.10
UNION BANK - BI-WEEKLY PAYROLL TAXES	$ 145,368.67
UNION BANK NA - COPS 1996 (MONTHLY)	$ 377.78
UNION BANK NA - COPS 1996 (QUARTERLY)	$ 21,472.65
TOTAL CASH DISBURSEMENTS	**$ 10,109,535.59**

RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

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Otay Water District

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Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2044268	09/30/15	15645	(W)RIGHT ON COMMUNICATIONS INC	12202530	08/31/15	COMMUNITY OUTREACH (A) (JULY-AUG 2015)	7,855.73	7,855.73
2044322	10/07/15	16794	ABEL DAVILA	Ref002450013	10/06/15	UB Refund Cst #0000187009	75.00	75.00
2044269	09/30/15	08488	ABLEFORCE INC	5561	09/14/15	SHAREPOINT SERVICES (8/3/15-8/19/15)	1,687.50	1,687.50
2044357	10/14/15	12174	AECOM TECHNICAL SERVICES INC	32	09/25/15	DISINFECTION SYSTEM (ENDING 8/28/15)	8,352.92	8,352.92
2044270	09/30/15	11462	AEGIS ENGINEERING MGMT INC	1406	09/10/15	DEVELOPER PLAN REVIEW (7/18/15-8/18/15)	14,875.79	14,875.79
2044271	09/30/15	15024	AIRX UTILITY SURVEYORS INC	23	09/01/15	AS-NEEDED LAND SURVEYING (8/1/15-8/31/15)	14,647.50	14,647.50
2044410	10/21/15	16830	ALEXANDRA VINSON	Ref002450218	10/19/15	UB Refund Cst #0000217503	16.78	16.78
2044358	10/14/15	14256	ALLIANT INSURANCE SERVICES INC	301401	10/01/15	CONSULTING SVCS (OCT QTRLY INSTALLMENT)	6,750.00	6,750.00
2044411	10/21/15	14256	ALLIANT INSURANCE SERVICES INC	173481	03/03/14	CONSULTING SVCS (2ND QTR CONSULTING FEE)	6,750.00	6,750.00
2044272	09/30/15	01463	ALLIED ELECTRONICS INC	9004972486	09/03/15	WIRING ACCESSORIES	318.52	318.52
2044273	09/30/15	14462	ALYSON CONSULTING	CM201553	09/05/15	MGMT/INSP (8/1/15-8/31/15)	3,300.00	
				CM201558	09/05/15	MGMT/INSP (8/1/15-8/31/15)	2,850.00	
				CM201555	09/05/15	MGMT/INSP (8/1/15-8/31/15)	1,400.00	
				CM201554	09/05/15	MGMT/INSP (8/1/15-8/31/15)	1,350.00	
				CM201552	09/05/15	MGMT/INSP (8/1/15-8/31/15)	1,050.00	
				CM201557	09/05/15	MGMT/INSP (8/1/15-8/31/15)	880.00	
				CM201556	09/05/15	MGMT/INSP (8/1/15-8/31/15)	700.00	11,530.00
2044359	10/14/15	03713	AM CONSERVATION GROUP INC	0178688IN	09/23/15	OUTREACH SUPPLIES	1,112.88	1,112.88
2044412	10/21/15	11590	AMERICAN DIGITAL CARTOGRAPHY	20522	08/31/15	SOFTWARE LICENSE	12,700.00	12,700.00
2044360	10/14/15	06166	AMERICAN MESSAGING	L1109570PJ	10/01/15	PAGERS	368.07	368.07
2044413	10/21/15	16827	ANA YOLIMA JULIO	Ref002450215	10/19/15	UB Refund Cst #0000214626	29.43	29.43
2044323	10/07/15	08967	ANTHEM BLUE CROSS EAP	41339	09/25/15	EMPLOYEE ASSISTANCE PROGRAM (OCT 2015)	312.20	312.20
2044274	09/30/15	03492	AQUA-METRIC SALES COMPANY	0057612IN	09/01/15	DONOVAN METER PERMIT 10" OMNI	21,967.20	21,967.20
2044361	10/14/15	13171	ARCADIS US INC	0737745	09/23/15	AS-NEEDED DESIGN (ENDING 8/23/15)	1,715.49	1,715.49
2044414	10/21/15	07785	AT&T	000007122462	10/02/15	TELEPHONE SERVICES (9/2/15-10/1/15)	6,051.20	6,051.20
2044362	10/14/15	12810	ATKINS	1821676	09/15/15	2015 WFMP UPDATE (7/1/15-8/2/15)	3,699.52	3,699.52
2044415	10/21/15	12684	BALDWIN & SONS LLC	0740101415	10/14/15	W/O REFUND D0740-090197	4,996.96	4,996.96
2044275	09/30/15	06285	BARTEL ASSOCIATES LLC	15503	09/03/15	ACTUARIAL SERVICES (AUG 2015)	11,900.00	11,900.00
2044363	10/14/15	03509	BELL, RITA	100815	10/08/15	REIMBURSEMENT	125.78	125.78

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2044324	10/07/15	16801	BETHEL PLACE, LP	Ref002450020	10/06/15	UB Refund Cst #0000217671	46.42	46.42
2044364	10/14/15	10970	BRENNTAG PACIFIC INC	BPI563030	09/28/15	SODIUM HYPOCHLORITE	1,294.49	
				BPI562360	09/24/15	SODIUM HYPOCHLORITE	1,142.37	
				BPI560086	09/17/15	SODIUM HYPOCHLORITE	1,091.01	
				BPI563273	09/24/15	SODIUM HYPOCHLORITE	888.50	
				BPI561296	09/22/15	SODIUM HYPOCHLORITE	804.21	5,220.58
2044276	09/30/15	10970	BRENNTAG PACIFIC INC	BPI556468	09/04/15	SODIUM HYPOCHLORITE	3,704.22	
				BPI557128	09/08/15	SODIUM HYPOCHLORITE	2,852.53	
				BPI556060	09/03/15	SODIUM HYPOCHLORITE	1,469.86	
				BPI557129	09/09/15	SODIUM HYPOCHLORITE	1,293.53	
				BPI557127	09/08/15	SODIUM HYPOCHLORITE	960.21	
				BPI558316	09/11/15	SODIUM HYPOCHLORITE	925.33	11,205.68
2044325	10/07/15	08156	BROWNSTEIN HYATT FARBER	614962	09/21/15	LEGISLATIVE ADVOCACY (THRU 8/31/15)	3,667.50	
				615050	09/22/15	AUDIT MATTERS (THRU 8/31/15)	260.00	3,927.50
2044277	09/30/15	16745	CALIFORNIA TITLE SEARCH CO	0915375	09/21/15	TITLE SEARCHES	135.00	135.00
2044365	10/14/15	01004	CALOLYMPIC SAFETY	344151	09/18/15	CAL-GAS	181.24	
				344136	09/21/15	EYE-WASH STICKERS	96.09	277.33
2044326	10/07/15	08388	CALTRANS	DD321610101	09/24/15	PARCEL LAND PURCHASE	195,000.00	195,000.00
2044327	10/07/15	08388	CALTRANS	DD321640101	09/24/15	PARCEL LAND PURCHASE	175,000.00	175,000.00
2044328	10/07/15	04349	CHAMBERS, JONATHAN	101115101615	10/07/15	TRAVEL ADVANCEMENT (10/11/15-10/16/15)	456.18	456.18
2044329	10/07/15	16796	CHRISTOPHER CAPOSSERE	Ref002450015	10/06/15	UB Refund Cst #0000204509	9.87	9.87
2044416	10/21/15	16810	CHULA VISTA SENIOR LIVING LP	0873101415	10/14/15	W/O REFUND D0873-060075	1,798.05	1,798.05
2044417	10/21/15	15256	CIGNA GROUP INSURANCE / LINA	9267invdate	10/10/15	AD&D & SUPP LIFE INS (OCT 2015)	4,255.46	4,255.46
2044278	09/30/15	12674	CITY OF CHULA VISTA	PU231092815	09/28/15	INSPECTION DEPOSIT	3,000.00	3,000.00
2044366	10/14/15	00234	CITY TREASURER	1000146390	10/06/15	LABORATORY COMPLIANCE	486.00	486.00
2044418	10/21/15	16828	CODY HAWTHORNE	Ref002450216	10/19/15	UB Refund Cst #0000215641	63.20	63.20
2044330	10/07/15	16798	COFFMAN SPECIALTIES	Ref002450017	10/06/15	UB Refund Cst #0000213793	1,764.26	1,764.26
2044367	10/14/15	15616	COGENT COMMUNICATIONS INC	00001100115	10/01/15	INTERNET CIRCUITS (10/1/15-10/31/15)	3,033.64	3,033.64
2044368	10/14/15	15049	CORELOGIC SOLUTIONS LLC	81588281	08/31/15	DATA SERVICES	525.00	525.00
2044331	10/07/15	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	09/10/15	EXCAVATION PERMITS (AUG 2015)	3,076.10	3,076.10

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2044419	10/21/15	00184	COUNTY OF SAN DIEGO	5364101915	10/19/15	FACILITY PERMIT RENEWAL	2,227.00	
				5363101915	10/19/15	FACILITY PERMIT RENEWAL	1,467.00	
				5365101915	10/19/15	FACILITY PERMIT	292.00	3,986.00
2044420	10/21/15	00184	COUNTY OF SAN DIEGO	2003193E6023509	10/04/15	SHUT DOWN TEST (9/29/15)	497.00	497.00
2044369	10/14/15	02756	COX COMMUNICATIONS INC	9601092915	09/29/15	INTERNET SERVICES (09/29/15-10/28/15)	600.00	600.00
2044421	10/21/15	16823	DEBORAH SCHNEIDER	Ref002450211	10/19/15	UB Refund Cst #0000204394	193.03	193.03
2044422	10/21/15	16831	DENNY TRAN	Ref002450219	10/19/15	UB Refund Cst #0000222290	35.01	35.01
2044370	10/14/15	00993	DIVE/CORR INC	15128	09/19/15	UNDERWATER INSPECTION	2,750.00	2,750.00
2044279	09/30/15	16667	EASTON FOUNDATION	0866080615-2	08/05/15	BOND REFUND / PERFORMANCE D0866	100,920.00	
				0866080615	08/05/15	BOND REFUND / LABOR & MAT D0866	67,280.40	168,200.40
2044423	10/21/15	16821	ELIZABETH WERNECKE	Ref002450209	10/19/15	UB Refund Cst #0000198620	31.45	31.45
2044424	10/21/15	08023	EMPLOYEE BENEFIT SPECIALISTS	0071726IN	09/30/15	EMPLOYEE BENEFITS (SEPT 2015)	680.00	680.00
2044280	09/30/15	03227	ENVIROMATRIX ANALYTICAL INC	5090671	09/14/15	LAB ANALYSIS (8/30/15-9/4/15)	2,288.75	
				5090522	09/08/15	LAB ANALYSIS (8/14/15-8/20/15)	1,820.00	
				5090520	09/08/15	LAB ANALYSIS (7/1/15-8/29/15)	920.00	5,028.75
2044371	10/14/15	03227	ENVIROMATRIX ANALYTICAL INC	5090862	09/21/15	LAB ANALYSIS (9/4/15-9/10/15)	765.00	
				5091088	09/28/15	LAB ANALYSIS (9/11/15-9/25/15)	625.00	1,390.00
2044281	09/30/15	14320	EUROFINS EATON ANALYTICAL INC	L0230882	09/08/15	OUTSIDE LAB SERVICES (8/11/15)	750.00	750.00
2044372	10/14/15	14320	EUROFINS EATON ANALYTICAL INC	L0234060	09/27/15	OUTSIDE LAB SERVICES (9/1/15)	255.00	255.00
2044425	10/21/15	16816	FELICIA BLAYLOCK	Ref002450204	10/19/15	UB Refund Cst #0000041903	47.04	47.04
2044282	09/30/15	16469	FIRST CHOICE SERVICES	045435	09/02/15	COFFEE SERVICES	618.34	618.34
2044373	10/14/15	16469	FIRST CHOICE SERVICES	046421	09/17/15	COFFEE SERVICES	320.60	320.60
2044374	10/14/15	00035	FISHER SCIENTIFIC	3654781	09/28/15	LABORATORY SUPPLIES	2,987.40	2,987.40
2044375	10/14/15	11962	FLEETWASH INC	x599218	09/25/15	VEHICLE WASHING	68.41	
				x593785	09/18/15	VEHICLE WASHING	45.57	113.98
2044283	09/30/15	11962	FLEETWASH INC	x583018	09/04/15	VEHICLE WASHING	104.16	104.16
2044332	10/07/15	11962	FLEETWASH INC	x588495	09/11/15	VEHICLE WASHING	68.14	68.14
2044333	10/07/15	01612	FRANCHISE TAX BOARD	Ben2450034	10/08/15	BI-WEEKLY PAYROLL DEDUCTION	390.00	390.00
2044426	10/21/15	01612	FRANCHISE TAX BOARD	Ben2450235	10/22/15	BI-WEEKLY PAYROLL DEDUCTION	40.00	40.00

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2044427	10/21/15	02344	FRANCHISE TAX BOARD	Ben2450237	10/22/15	BI-WEEKLY PAYROLL DEDUCTION	88.00	88.00
2044334	10/07/15	02344	FRANCHISE TAX BOARD	Ben2450036	10/08/15	BI-WEEKLY PAYROLL DEDUCTION	88.00	88.00
2044428	10/21/15	16808	FRED/ROGER	0936101415	10/14/15	W/O REFUND D0936-090215	2,356.21	2,356.21
2044376	10/14/15	13563	FRIENDS OF THE WATER	274	09/28/15	GARDEN TOURS	2,100.00	2,100.00
2044335	10/07/15	03094	FULLCOURT PRESS	28963	08/11/15	PRINTING	2,799.36	2,799.36
2044429	10/21/15	16822	GENOVEVO QUINONEZ RIVERA	Ref002450210	10/19/15	UB Refund Cst #0000198682	66.02	66.02
2044284	09/30/15	16770	GERARDO CISNEROS	2641092915	09/29/15	CUSTOMER REFUND	543.15	543.15
2044377	10/14/15	03537	GHA TECHNOLOGIES INC	937645	09/24/15	PAGING SYSTEM	2,757.40	2,757.40
2044378	10/14/15	12907	GREENRIDGE LANDSCAPE INC	13469	09/28/15	LANDSCAPING SERVICES (SEPT 2015)	8,909.50	8,909.50
2044285	09/30/15	00174	HACH COMPANY	2120302		CREDIT MEMO	-40.39	
				9561935	09/04/15	HACH MAINTENANCE KITS	1,187.43	1,147.04
2044379	10/14/15	00174	HACH COMPANY	9576951	09/15/15	HACH MODULES	1,342.99	
				9576955	09/15/15	HACH MODULES	1,261.97	2,604.96
2044430	10/21/15	00174	HACH COMPANY	9567132	09/09/15	HACH CL-17	3,668.32	3,668.32
2044286	09/30/15	10973	HDR ENGINEERING INC	18	08/10/15	CORROSION SERVICES (7/1/15-7/25/15)	26,532.72	
				19	09/10/15	CORROSION SERVICES (7/26/15-8/22/15)	21,558.83	48,091.55
2044380	10/14/15	02008	HELIX ENVIRONMENTAL	10	09/18/15	ENVIRONMENTAL SERVICES (8/1/15-8/31/15)	8,196.73	8,196.73
2044431	10/21/15	00062	HELIX WATER DISTRICT	9980101215	10/12/15	WATER USAGE (8/6/15-10/7/15)	43.36	
				0341101215	10/12/15	WATER USAGE (8/6/15-10/7/15)	43.36	86.72
2044287	09/30/15	16769	HEWLETT PACKARD ENTERPRISE CO	69914257	09/09/15	MAINTENANCE AGREEMENT (7/1/15-6/30/16)	2,538.96	2,538.96
2044432	10/21/15	15622	ICF JONES & STOKES INC	0110306	09/21/15	ENVIRONMENTAL SERVICES (8/4/15-8/28/15)	1,367.50	
				0110271	09/18/15	ENVIRONMENTAL SERVICES (7/1/15-8/28/15)	513.75	
				0110267	09/18/15	ENVIRONMENTAL SERVICES (4/25/15-8/28/15)	277.97	2,159.22
2044288	09/30/15	08969	INFOSEND INC	96530	09/02/15	BILL PRINTING SERVICES (AUG 2015)	2,010.70	2,010.70
2044381	10/14/15	14032	INLAND AERIAL SURVEYS INC	1510029	09/16/15	AERIAL SURVEY	4,850.00	
				1510028	09/16/15	AERIAL & TOPOGRAPHIC SERVICES	4,050.00	8,900.00
2044382	10/14/15	13899	INTERMEDIA.NET INC	1510001332	10/01/15	EMAIL SERVICES (9/2/15-10/2/15)	3,092.35	3,092.35
2044433	10/21/15	16815	JAMES GRISOLIA	Ref002450203	10/19/15	UB Refund Cst #0000032236	64.38	64.38
2044383	10/14/15	10563	JCI JONES CHEMICALS INC	667969		CREDIT MEMO	-3,000.00	

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				667926	09/16/15	CHEMICALS FOR TREATMENT PLANT	4,684.65	1,684.65
2044434	10/21/15	16814	JENNIFER MORALES	2335101915	10/19/15	CUSTOMER REFUND	305.26	305.26
2044336	10/07/15	16795	KATHLEEN HAMLETT	Ref002450014	10/06/15	UB Refund Cst #0000196037	75.00	75.00
2044384	10/14/15	15858	KERR, MICHAEL	100515100915	10/12/15	TRAVEL EXPENSE REIMB (10/5/15-10/9/15)	210.00	210.00
2044289	09/30/15	05840	KIRK PAVING INC	5953	09/08/15	ASPHALT CONCRETE PAVING	6,914.75	6,914.75
2044290	09/30/15	14808	KOEPPEN, KEVIN	091515091615	09/18/15	TRAVEL EXPENSE REIMB (9/15/15-9/16/15)	271.05	271.05
2044291	09/30/15	12276	KONECRANES INC	SDG01050337	09/22/15	HOIST INSPECTION	975.00	975.00
2044435	10/21/15	12843	LAWTON GROUP, THE	52200a	10/09/15	INTERNSHIP AGREEMENT	580.00	
				52200	10/09/15	DROUGHT INTERNSHIP AGREEMENT	328.72	
				52210	10/16/15	DROUGHT INTERNSHIP AGREEMENT	322.63	
				52210a	10/16/15	INTERNSHIP AGREEMENT	290.00	1,521.35
2044337	10/07/15	12843	LAWTON GROUP, THE	52179	09/25/15	DROUGHT INTERNSHIP (9/14/15-9/16/15)	333.50	
				52174	09/25/15	INTERNSHIP AGREEMENT (9/14/15-9/20/15)	290.00	623.50
2044292	09/30/15	03607	LEE & RO INC	LR17334	09/02/15	INTERCONNECTION (3/1/15-8/31/15)	2,993.75	2,993.75
2044436	10/21/15	07784	LICON, HECTOR	101015	10/19/15	SAFETY BOOT	97.19	97.19
2044293	09/30/15	16768	LIZUARTE LEMOS	6714092415	09/24/15	CUSTOMER REFUND	83.68	83.68
2044338	10/07/15	16803	LOUISE MORAWA	Ref002450022	10/06/15	UB Refund Cst #0000221659	287.60	287.60
2044437	10/21/15	16813	MANUEL BERNAL	35121017915	10/19/15	CUSTOMER REFUND	92.08	92.08
2044438	10/21/15	16825	MARIKO KAWARABATA	Ref002450213	10/19/15	UB Refund Cst #0000213371	267.32	267.32
2044294	09/30/15	12004	MASTER METER SYSTEMS INC	0069128IN	08/28/15	SUPPORT/MAINTENANCE (AUG 2015-2016)	1,500.00	1,500.00
2044295	09/30/15	02882	MAYER REPROGRAPHICS INC	0095837IN	09/11/15	REPROGRAPHIC SERVICES	115.00	115.00
2044385	10/14/15	01183	MCMASTER-CARR SUPPLY CO	39232216	09/16/15	AIR VAC PARTS	670.75	
				39340530	09/17/15	AIR VAC PARTS	82.37	753.12
2044386	10/14/15	16608	MICHAEL BAKER INT'L INC	917827	09/17/15	870-2 PS INSPECTION SERVICES (ENDING 8/30/15)	4,562.50	4,562.50
2044439	10/21/15	16817	MICHELLE SCHIMKE	Ref002450205	10/19/15	UB Refund Cst #0000090783	39.73	39.73
2044387	10/14/15	00237	MISSION JANITORIAL & ABRASIVE	47877800	09/15/15	JANITORIAL SUPPLIES	1,878.75	
				47877801	09/18/15	JANITORIAL SUPPLIES	278.83	2,157.58
2044296	09/30/15	00237	MISSION JANITORIAL & ABRASIVE	47289701	09/03/15	JANITORIAL SUPPLIES	137.03	137.03
2044388	10/14/15	16613	MISSION RESOURCE CONSERVATION	357100215	10/08/15	REIMBURSEMENT	1,125.00	1,125.00

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2044297	09/30/15	15136	MISSION UNIFORM SERVICE	500828293	09/01/15	UNIFORM SERVICES	402.33	
				500873070	09/08/15	UNIFORM SERVICES	394.67	
				500873069	09/08/15	UNIFORM SERVICES	105.06	
				500864126	09/07/15	UNIFORM SERVICES	100.14	
				500913215	09/14/15	UNIFORM SERVICES	100.14	
				500828292	09/01/15	UNIFORM SERVICES	99.32	
				500819421	09/01/15	UNIFORM SERVICES	69.52	
				500821236	09/01/15	UNIFORM SERVICES	22.00	
				500874866	09/08/15	UNIFORM SERVICES	10.00	
				500821238	09/01/15	UNIFORM SERVICES	6.32	
				500866473	09/08/15	UNIFORM SERVICES	6.32	1,315.82
2044389	10/14/15	15136	MISSION UNIFORM SERVICE	500962276	09/22/15	UNIFORM SERVICES	401.01	
				500923319	09/15/15	UNIFORM SERVICES	394.67	
				500923318	09/15/15	UNIFORM SERVICES	105.06	
				500962275	09/22/15	UNIFORM SERVICES	105.06	
				500951583	09/21/15	UNIFORM SERVICES	100.14	
				500998046	09/28/15	UNIFORM SERVICES	100.14	
				500915880	09/15/15	UNIFORM SERVICES	12.64	1,218.72
2044440	10/21/15	15854	MITSUBISHI UFJ SEC (USA) INC	201548	10/01/15	REMARKETING AGENT FEE (7/1/15-9/30/15)	2,132.38	2,132.38
2044441	10/21/15	16818	MITZIA GUITIERREZ	Ref002450206	10/19/15	UB Refund Cst #0000169914	181.22	181.22
2044390	10/14/15	02371	MOODY'S INVESTORS SERVICE	C1945840000	09/15/15	ANNUAL FEE 96 COPS	5,500.00	5,500.00
2044442	10/21/15	16826	NADIA BLACKBURN	Ref002450214	10/19/15	UB Refund Cst #0000214458	52.30	52.30
2044443	10/21/15	16255	NATIONWIDE RETIREMENT	Ben2450225	10/22/15	BI-WEEKLY DEFERRED COMP PLAN	9,006.12	9,006.12
2044339	10/07/15	16255	NATIONWIDE RETIREMENT	Ben2450024	10/08/15	BI-WEEKLY DEFERRED COMP PLAN	9,006.12	9,006.12
2044298	09/30/15	00761	NINYO & MOORE GEOTECHNICAL AND	192409	09/03/15	GEOTECHNICAL SERVICES (7/1/15-7/31/15)	12,332.00	
				192410	09/03/15	GEOTECHNICAL SERVICES (7/1/15-7/31/15)	12,258.00	24,590.00
2044391	10/14/15	00761	NINYO & MOORE GEOTECHNICAL AND	192854	09/24/15	GEOTECHNICAL SERVICES (8/1/15-8/31/15)	2,242.00	2,242.00
2044299	09/30/15	00510	OFFICE DEPOT INC	792931778001	09/11/15	OFFICE SUPPLIES	150.55	
				793058710001	09/11/15	OFFICE SUPPLIES	121.29	
				791913459001	09/04/15	OFFICE SUPPLIES	95.68	
				791211117001	09/02/15	OFFICE SUPPLIES	95.25	
				791913659001	09/04/15	OFFICE SUPPLIES	54.75	517.52
2044392	10/14/15	00510	OFFICE DEPOT INC	794844042001	09/18/15	OFFICE SUPPLIES	162.92	

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				794292896001	09/17/15	OFFICE SUPPLIES	156.72	
				793886433001	09/15/15	OFFICE SUPPLIES	18.12	
				794844223001	09/18/15	OFFICE SUPPLIES	12.92	350.68
2044300	09/30/15	15856	OLYMPUS AND ASSOCIATES INC	9	09/09/15	RESERVOIR COATING (ENDING 8/31/15)	107,844.28	107,844.28
2044393	10/14/15	01002	PACIFIC PIPELINE SUPPLY	304131	09/16/15	PULL-THRU ADAPTER	1,455.84	1,455.84
2044301	09/30/15	01002	PACIFIC PIPELINE SUPPLY	303350	09/10/15	INVENTORY	11,113.20	
				303877	09/01/15	INVENTORY	2,585.52	13,698.72
2044444	10/21/15	16819	PACIFICA FIRST NATIONAL	Ref002450207	10/19/15	UB Refund Cst #0000175283	35.21	35.21
2044340	10/07/15	16800	PAMELA HALL	Ref002450019	10/06/15	UB Refund Cst #0000214411	16.13	16.13
2044394	10/14/15	16669	PARKSON CORPORATION	AR151013052	09/22/15	HIOX PANELS	11,565.58	11,565.58
2044395	10/14/15	08398	PEERLESS MATERIALS COMPANY	53026	09/18/15	RAGS	388.80	388.80
2044341	10/07/15	16802	PELTZER PLUMBING INC	Ref002450021	10/06/15	UB Refund Cst #0000217814	220.92	220.92
2044396	10/14/15	00137	PETTY CASH CUSTODIAN	101415	10/14/15	PETTY CASH REIMBURSEMENT	1,760.00	1,760.00
2044342	10/07/15	00137	PETTY CASH CUSTODIAN	100615	10/08/15	PETTY CASH REIMBURSEMENT	1,411.02	1,411.02
2044343	10/07/15	13122	PINNACLE BUSINESS SOLUTIONS	36342	07/17/15	HP SUPPORT	9,406.08	9,406.08
2044302	09/30/15	16339	PINNACLE TECHNOLOGIES	36412	08/31/15	DESKTOPS	14,860.80	14,860.80
2044303	09/30/15	15081	PINOMAKI DESIGN	4958	09/01/15	OUTSIDE SERVICES	42.50	42.50
2044397	10/14/15	02449	POLLARDWATER.COM	0023139	09/18/15	LEAK DETECTION EQUIPMENT	5,326.86	5,326.86
2044398	10/14/15	03613	PSOMAS	110469	09/16/15	AS-NEEDED DESIGN (7/31/15-8/27/15)	502.50	502.50
2044399	10/14/15	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2450026	10/08/15	BI-WEEKLY PERS CONTRIBUTION	189,076.58	189,076.58
2044304	09/30/15	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2449053	09/24/15	BI-WEEKLY PERS CONTRIBUTION	189,581.93	189,581.93
2044445	10/21/15	16812	QWIK KORNER	0938101415	10/14/15	W/O REFUND D0938-090219	2,967.45	2,967.45
2044446	10/21/15	16820	RAMI JIRJIS	Ref002450208	10/19/15	UB Refund Cst #0000197429	67.52	67.52
2044305	09/30/15	04552	REA & PARKER RESEARCH	091015	09/10/15	CUSTOMER SURVEY SERVICES	10,025.00	10,025.00
2044400	10/14/15	04552	REA & PARKER RESEARCH	092515	09/25/15	CUSTOMER SURVEY SERVICES	7,300.00	7,300.00
2044306	09/30/15	15647	RFYEAGER ENGINEERING LLC	15140	09/10/15	CORROSION/COATING INSP (8/1/15-8/31/15)	22,800.00	
				15135	09/08/15	CORROSION/COATING INSP (8/1/15-8/31/15)	8,217.00	31,017.00
2044401	10/14/15	08972	RICK ENGINEERING COMPANY	0045112	09/28/15	CAMPO ROAD SUPPORT (8/1/15-8/31/15)	23,846.52	

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				0045021	09/23/15	TRAFFIC ENGINEERING (8/1/15-8/28/15)	4,838.88	28,685.40
2044307	09/30/15	00521	RICK POST WELD & WET TAPPING	11007	09/04/15	WELDING FOR REPAIRS AT LOPS #2	420.00	420.00
2044402	10/14/15	02620	ROTORK CONTROLS INC	RSI52968	09/22/15	ROTORK SERVICE (7/13/15)	620.00	620.00
2044344	10/07/15	16793	SAM HANNA	Ref002450012	10/06/15	UB Refund Cst #0000022020	74.61	74.61
2044447	10/21/15	02586	SAN DIEGO COUNTY ASSESSOR	201504275	10/02/15	ASSESSOR DATA (SEPT 2015)	125.00	125.00
2044345	10/07/15	00121	SAN DIEGO GAS & ELECTRIC	092815	09/28/15	UTILITY EXPENSES (MONTHLY)	71,379.44	
				092415	09/24/15	UTILITY EXPENSES (MONTHLY)	63,455.76	
				091815	09/18/15	UTILITY EXPENSES (MONTHLY)	36,741.78	
				092315	09/23/15	UTILITY EXPENSES (MONTHLY)	1,345.94	172,922.92
2044308	09/30/15	00121	SAN DIEGO GAS & ELECTRIC	091715	09/17/15	UTILITY EXPENSES (MONTHLY)	920.92	920.92
2044403	10/14/15	00121	SAN DIEGO GAS & ELECTRIC	100515	10/05/15	UTILITY EXPENSES (MONTHLY)	61,818.68	
				100215	10/02/15	UTILITY EXPENSES (MONTHLY)	25,151.03	86,969.71
2044448	10/21/15	03514	SANTOS, MARCIANO	100715	10/19/15	SAFETY BOOTS	145.78	145.78
2044449	10/21/15	14538	SKYLINE WESLEYAN CHURCH	0137101415	10/14/15	W/O REFUND D0137-XX8700	2,853.91	2,853.91
2044450	10/21/15	16811	SLF IV MCMILLIN MILLENIA JV	0876101415a	10/14/15	W/O REFUND D0876-060096	2,018.29	
				0876101415B	10/14/15	W/O REFUND D0876-060097	1,863.98	
				0876101415	10/14/15	W/O REFUND D0876-060094	971.24	4,853.51
2044451	10/21/15	15881	SOLEDAD BLANCO	Ref002450202	10/19/15	UB Refund Cst #0000015452	100.00	100.00
2044309	09/30/15	14257	SOUTHWEST VALVE & EQUIPMENT	4420	09/01/15	VALVE	16,558.32	16,558.32
2044452	10/21/15	03516	SPECIAL DISTRICT RISK	52424	10/02/15	PROPERTY/LIABILIITY INSURANCE	28.75	28.75
2044346	10/07/15	03516	SPECIAL DISTRICT RISK	6064092915	10/05/15	PROPERTY DEDUCTIBLE	1,000.00	
				0001092515	09/25/15	PROPERTY DEDUCTIBLE	99.26	1,099.26
2044453	10/21/15	16829	SR V-2 R-6, LLC	Ref002450217	10/19/15	UB Refund Cst #0000216284	27.92	27.92
2044310	09/30/15	13564	STAR-NEWS PUBLISHING CO, THE	34742	08/14/15	ADVERTISING SVCS (8/14/15)	76.75	76.75
2044311	09/30/15	05755	STATE WATER RESOURCES	4365092415	09/24/15	CERTIFICATION RENEWAL	80.00	80.00
2044454	10/21/15	16824	STEPHEN CLARK	Ref002450212	10/19/15	UB Refund Cst #0000207095	320.16	320.16
2044347	10/07/15	12809	STUTZ ARTIANO SHINOFF	211794	09/25/15	LEGAL SERVICES (AUG 2015)	18,115.55	18,115.55
2044455	10/21/15	15974	SUN LIFE FINANCIAL	Ben2450223	10/22/15	MONTHLY CONTRIBUTION TO LTD	5,054.88	5,054.88
2044348	10/07/15	16799	SUNDT CONSTRUCTION INC	Ref002450018	10/06/15	UB Refund Cst #0000214040	1,406.78	1,406.78

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2044312	09/30/15	10339	SUPREME OIL COMPANY	415510	09/03/15	UNLEADED FUEL	11,548.88	
				415512	09/03/15	DIESEL FUEL	3,970.90	15,519.78
2044349	10/07/15	16797	TAYLOR ROOTH	Ref002450016	10/06/15	UB Refund Cst #0000213295	9.67	9.67
2044350	10/07/15	16791	TERRY DAVIS	1114093015	09/30/15	CUSTOMER REFUND	116.93	116.93
2044456	10/21/15	15926	TEXAS CHILD SUPPORT UNIT	Ben2450239	10/22/15	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2044351	10/07/15	15926	TEXAS CHILD SUPPORT UNIT	Ben2450038	10/08/15	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2044457	10/21/15	16809	THE POINTE SDMU LP	0120101415	10/14/15	W/O REFUND D0120-XX9556	1,928.24	1,928.24
2044313	09/30/15	15398	TIMMONS GROUP INC	172813	09/09/15	CONSULTANT SERVICES (AUG 2015)	26,805.10	26,805.10
2044314	09/30/15	00870	TRANSCAT INC	1022326	09/09/15	GAUGE AND PUMP	1,468.78	1,468.78
2044458	10/21/15	13525	TREVIANA LOMAS VERDES LP	0183101415	10/14/15	W/O REFUND D0183-060069	616.36	616.36
2044459	10/21/15	15469	TRIMONT REAL ESTATE ADVISORS	0871101415	10/14/15	W/O REFUND D0871-090213	750.76	750.76
2044404	10/14/15	03261	TYLER TECHNOLOGIES INC	045143986	09/21/15	CASHIERING SOFTWARE	600.00	600.00
2044315	09/30/15	00427	UNDERGROUND SERVICE ALERT OF	820150494	09/01/15	UNDERGROUND ALERTS (MONTHLY)	447.00	447.00
2044352	10/07/15	15675	UNITED SITE SERVICES INC	1143302860	09/14/15	PORTABLE TOILET RENTAL (9/10/15-10/7/15)	98.17	
				1143304780	09/15/15	PORTABLE TOILET RENTAL (9/11/15-10/8/15)	79.98	178.15
2044460	10/21/15	15675	UNITED SITE SERVICES INC	1143361031	09/30/15	PORTABLE TOILET RENTAL (9/30/15-10/27/15)	79.98	79.98
2044405	10/14/15	15675	UNITED SITE SERVICES INC	1143325535	09/22/15	PORTABLE TOILET RENTAL (9/18/15-10/15/15)	80.03	
				1143325532	09/22/15	PORTABLE TOILET RENTAL (9/19/15-10/16/15)	79.98	
				1143325533	09/22/15	PORTABLE TOILET RENTAL (9/18/15-10/15/15)	79.98	
				1143325534	09/22/15	PORTABLE TOILET RENTAL (9/18/15-10/15/15)	79.98	319.97
2044353	10/07/15	00350	UNITED STATES POSTAL SERVICE	3951100215	10/02/15	PREPAID POSTAGE MACHINE	6,000.00	6,000.00
2044316	09/30/15	07674	US BANK	CC20150922023	09/22/15	CAL CARD EXPENSES (MONTHLY)	75,243.95	75,243.95
2044406	10/14/15	06829	US SECURITY ASSOCIATES INC	241663	09/30/15	PATROLLING SERVICES (9/1/15-9/30/15)	307.55	307.55
2044461	10/21/15	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2450231	10/22/15	BI-WEEKLY DEFERRED COMP PLAN	12,624.58	12,624.58
2044354	10/07/15	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2450030	10/08/15	BI-WEEKLY DEFERRED COMP PLAN	12,260.20	12,260.20
2044355	10/07/15	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2450032	10/08/15	BI-WEEKLY 401A PLAN	745.77	745.77
2044462	10/21/15	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2450233	10/22/15	BI-WEEKLY 401A PLAN	745.77	745.77
2044407	10/14/15	03329	VERIZON WIRELESS	9752680337	09/21/15	CELLULAR & WIRELESS SVCS (8/22/15-9/21/15)	5,357.69	
				9752680341	09/21/15	CELLULAR & WIRELESS SVCS (8/22/15-9/21/15)	1,568.97	

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				9752680342	09/21/15	CELLULAR & WIRELESS SVCS (8/22/15-9/21/15)	433.90	
				9752680343	09/21/15	CELLULAR & WIRELESS SVCS (8/22/15-9/21/15)	184.40	
				9752680345	09/21/15	CELLULAR & WIRELESS SVCS (8/22/15-9/21/15)	36.49	7,581.45
2044356	10/07/15	16792	VICKI RAHN	Ref002450011	10/06/15	UB Refund Cst #0000008259	25.89	25.89
2044317	09/30/15	15807	WATCHLIGHT CORPORATION, THE	439551	09/11/15	SECURITY AND ACCESS CONTROL	12,666.67	
				439554	09/11/15	MONITORING SERVICES (9/4/15-10/31/15)	57.00	12,723.67
2044408	10/14/15	15807	WATCHLIGHT CORPORATION, THE	439394	09/15/15	MONITORING SERVICES (10/1/15-10/31/15)	1,333.92	
				436817	09/04/15	MONITORING SERVICES (9/3/15)	176.00	1,509.92
2044409	10/14/15	14879	WATER CONSERVATION GARDEN	1152	09/16/15	GARDEN COSTS	24,405.50	24,405.50
2044318	09/30/15	15726	WATER SYSTEMS CONSULTING INC	1578	08/31/15	HYDRAULIC MODELING (ENDING 8/31/15)	3,632.50	3,632.50
2044319	09/30/15	03781	WATTON, MARK	080115083115	09/30/15	TRAVEL EXPENSE REIMB (8/1/15-8/31/15)	457.63	457.63
2044320	09/30/15	15181	WILLDAN FINANCIAL SERVICES	010-28686	09/10/15	ARBITRAGE REBATE SVCS	1,250.00	
				010-28687	09/10/15	ARBITRAGE REBATE SVCS	1,250.00	2,500.00
2044321	09/30/15	15567	ZETTA INC	INV00023153	09/01/15	STORAGE USAGE (SEPT 2015)	2,083.25	2,083.25
						Amount Pd Total:		**2,073,467.05**
						Check Grand Total:		**2,073,467.05**