

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

TUESDAY
April 8, 2014
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR MEETING OF MARCH 11, 2014
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) AWARD A CONTRACT TO LAYFIELD ENVIRONMENTAL SYSTEMS CORPORATION FOR THE MAINTENANCE OF FLOATING COVERS IN AN AMOUNT NOT-TO-EXCEED \$108,800. THE CONTRACT WILL BE FOR ONE YEAR, WITH FOUR (4) ONE-YEAR OPTIONS FOR RENEWAL AT THE DISTRICT'S DISCRETION
 - b) ADOPT RESOLUTION NO. 4231 DESIGNATING SPECIFIC STAFF POSITIONS TO BE AUTHORIZED AS AGENTS TO DEAL WITH THE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES, ON THE DISTRICT'S BEHALF IN ALL MATTERS PERTAINING TO DISASTER ASSISTANCE

- c) ADOPT RESOLUTION NO. 4228, AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A REMARKETING AGREEMENT WITH MITSUBISHI UFJ SECURITIES (USA), INC. TO ACT AS THE DISTRICT'S REMARKETING AGENT FOR ITS 1996 VARIABLE RATE CERTIFICATES OF PARTICIPATION
- d) APPROVE CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH AECOM TECHNICAL SERVICES, INC. FOR THE OTAY MESA DESALINATION CONVEYANCE AND DISINFECTION SYSTEM PROJECT IN AN AMOUNT NOT-TO-EXCEED \$136,409; AND EXTEND THE CONTRACT COMPLETION DATE TO JUNE 30, 2018
- e) AWARD A CONSULTING SERVICES CONTRACT TO SILVA SILVA INTERNATIONAL LLC (SSI) FOR PROFESSIONAL CONSULTING WORK RELATED TO THE OTAY MESA DESALINATION CONVEYANCE AND DISINFECTION SYSTEM PROJECT IN AN AMOUNT NOT-TO-EXCEED \$115,000 FOR FISCAL YEARS 2014, 2015, AND 2016 (ENDING JUNE 30, 2016)

ACTION ITEMS

- 7. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY
 - a) ADOPT RESOLUTION NO. 4232 APPROVING THE FORM OF DOCUMENTS REQUIRED FOR EXTENDING THE LETTER OF CREDIT WITH UNION BANK FOR THE 1996 VARIABLE RATE CERTIFICATES OF PARTICIPATION; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE RELATED FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT AND THE UNION BANK FEE LETTER [KOEPPEN]
- 8. BOARD
 - a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS

- 9. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:
 - a) REPORT ON DIRECTORS EXPENSES FOR THE 2ND QUARTER OF FY 2014 (BENHAM)
 - b) INFORMATIONAL OVERVIEW REPORT ON THE ROSARITO DESALINATION PLANT PROJECT (KENNEDY)

- c) FY 2013-2014 MID-YEAR STRATEGIC PLAN UPDATE REPORT (STEVENS)

REPORTS

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

RECESS TO CLOSED SESSION

- 13. CLOSED SESSION
 - a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE §54956.9]

2 CASES
- 14. 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. BOARD PACKET ORIENTATION (SEGURA)
- 17. ADJOURNMENT

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT March 11, 2014

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

2. ROLL CALL

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

Directors Absent: None

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

Noes: None

Abstain: None

Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 5, 2014

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

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

Noes: None

Abstain: None

Absent: None

to approve the minutes of the regular meeting of February 5, 2014.

6. OVERVIEW OF 2014 LEGISLATIVE SESSION (CHRIS FRAHM AND ROSANNA CARVACHO, BROWNSTEIN HYATT FARBER AND SCHRECK)

Mss. Chris Frahm and Rosanna Carvacho of Brownstein Hyatt Farber and Schreck LLP attended the District's meeting to provide an update on bills of specific interest to the District and the activities that have occurred in Sacramento. Ms. Frahm indicated that former San Diego City Council member Ms. Toni Atkins was officially elected as the next California Assembly Speaker, which Ms. Frahm believes is an advantage to have a speaker who is familiar with the needs and interests of San Diegans. It was also indicated that Mr. Kevin DeLeon, another San Diegan, represents the 22nd Senate District. He was elected as the next Pro Tem President of the Senate.

Ms. Frahm stated that there are ten (10) water bonds that are being monitored and indicated that the 2014 Water Bond is \$11.14 billion. As negotiations continue for water bonds, it was noted that republicans are advocating more towards water storage projects, whereas the southern members are advocating for southern local water supply development. Ms. Frahm stated that one of the front runners in the Senate is the bill sponsored by Assemblymember Anthony Rendon.

Ms. Frahm reported that drought legislation was just passed by the Governor, which was introduced on March 3, 2014 and signed by March 8, 2014 in order to expedite funding to help with the drought issues in California. She stated that BHFS will research if any of the District's projects are eligible to receive funding from this fund.

Ms. Carvacho provided an update on AB 1331 by Assemblymember Rendon, which the bill was amended from \$6.5 billion to \$8 billion due to the increase in Water Storage Projects (\$1.5 billion to 2.5 billion). There was also an increase in Regional Water Projects/Recycled Water (\$1.5 billion to \$2 billion). A Water Bond Comparison as of March 2014 was provided to the board. Also provided to the board were a 2014 Tentative Legislative Calendar and a 27-page document that listed all the bills that BHFS is monitoring.

Ms. Carvacho indicated that AB 145 by Assemblymember Perea did not pass, but technically is still alive as it is now in the Senate Committee on Appropriations. The drinking water program was transferred from the Department of Public Health (DPH) to the State Water Resources Control Board (SWRCB). The Governor's Administration has moved the program to the SWRCB administratively, but the move has not yet occurred statutorily. It is believed that this bill is important as it will allow the drinking water program to be monitored under one entity as opposed to many entities where it can become disjointed.

With regards to the drought legislation, Ms. Carvacho indicated that it ties into the California Water Action Plan where many items were quickly moved forward.

Director Robak commented that BHFS' 27-page handout to the board indicates a position (i.e. Spot and No Position) on several bills. He inquired if those positions were recommendations of what the District's position should be. Ms. Frahm stated that BHFS's role is not to make any recommendations, but to provide legislation information to the District and receive any direction that the District may have for BHFS. The goal is to monitor as many bills that may have an impact on the District. There are several bills that the District believes are important to watch, such as the CA AB 145 (Drinking Water) by Assemblymember Perea, CA SB 1447 (Bay Delta Conservation Plan) by Assemblymember Fuller, CA SB 1250 (Safe, Clean and Reliable Drinking Water Supply Act) by Assemblymember Hueso and the water bonds.

In response to a question from Director Thompson, General Manager Mark Watton indicated that Senator Hueso's bill from last year has already been signed by the Governor. That bill was generated from the IPR and was created to establish timelines on the Health Department.

Director Robak commented that the governor recently signed a drought legislation that would allocate funds to help alleviate drought issues. He inquired if the San Diego region would receive any of those funds. Ms. Frahm stated that it would depend on what projects in San Diego would be eligible for funding. BHFS plans to get together with General Manager Watton to research if any of the District's projects are eligible to receive a portion of the funding.

7. 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.

8. CLOSED SESSION

The board recessed to closed session at 4:03 p.m. to discuss the following matter:

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

1 CASE

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

CITY OF CHULA VISTA; CITY OF EL CAJON, et. al. v. TRACY SANDOVAL in her official capacity as San Diego County Auditor-Controller, et. al.; CASE NO. 34-2014-80001723-CU-WM-GDS

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

AGENCY DESIGNATED REPRESENTATIVES:
PRESIDENT LOPEZ AND DIRECTOR THOMPSON

EMPLOYEE ORGANIZATION:
OTAY WATER DISTRICT EMPLOYEES' ASSOCIATION

AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL
INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

The board reconvened at 5:07 p.m. and the District's General Counsel, Dan Shinoff, reported that the board met in closed session and took no reportable actions.

CONSENT CALENDAR

- 9. 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:

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

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

to approve the following consent calendar items:

- a) APPROVE THE ELIMINATION OF THE COLLECTION OF BETTERMENT FEES FOR THE NORTH DISTRICT AND IMPROVEMENT DISTRICTS (ID) 9 AND 10; AND ADOPT ORDINANCE NO. 541 AMENDING SECTION 0.02 A, DEFINITIONS; SECTION 25.03 G, H AND I, DEFINITIONS OF WATER CATEGORIES, WATER RATES, CHARGES AND FEES; AND APPENDIX A OF THE DISTRICT'S CODE OF ORDINANCES TO REFLECT THESE CHANGES EFFECTIVE JANUARY 1, 2015
- b) ADOPT ORDINANCE NO. 542 AMENDING SECTION 2.01, AUTHORITY OF THE GENERAL MANAGER, OF THE DISTRICT'S CODE OF ORDINANCE WITH REGARD TO AMENDMENTS FOR THE LEASE OF DISTRICT REAL PROPERTY AND/OR SPACE ON DISTRICT FACILITIES

TO CELLULAR COMPANIES AND RELATED ENTITIES FOR
TELECOMMUNICATIONS PURPOSES

ACTION ITEMS

10. ADMINISTRATION, FINANCE AND INFORMATION TECHNOLOGY

- a) AUTHORIZE THE DISTRICT TO DECLARE A LEVEL I DROUGHT WATCH

Customer Service Manager Alice Mendez-Schomer stated that staff is recommending that the board declare a Water Shortage Response Level 1, Supply Watch Condition, which calls for voluntary conservation measure and direct staff to continue to educate customers about the benefits of water conservation through bill messaging and inserts, the customer newsletter, etc. Please reference the Committee Action notes (Attachment A) attached to staff's report for the details of Ms. Mendez-Schomer's report.

General Manager Mark Watton provided several handouts to the board that included a draft Press Release from the Otay Water District that will be mailed upon approval by the board.

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

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

to approve the authorization for the District to declare a Level I Drought Watch.

11. BOARD

- a) ADOPT RESOLUTION NOS. 4229 AND 4230 APPROVING THE REAPPOINTMENT OF MARK WATTON (SECOND SEAT) AND GARY CROUCHER (FIRST SEAT) AS THE DISTRICT'S REPRESENTATIVES TO THE SAN DIEGO COUNTY WATER AUTHORITY'S BOARD OF DIRECTORS

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

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

to approve the adoption of Resolution Nos. 4229 and 4230, approving the reappointment of Mark Watton (Second Seat) and Gary Croucher (First Seat) as the District's representatives to the San Diego County Water Authority's Board of Directors.

b) DISCUSSION OF DRAFT FISCAL YEAR 2015-2017 STRATEGIC PLAN

Chief Information Officer Geoff Stevens provided a presentation to the board on the progress of the development of the 2015-2017 District Strategic Plan. Mr. Stevens stated that staff has been engaged in many activities in the drafting of the strategic plan, specifically reviewing other Districts' strategic plans and researching the current trends and key points in the industry. Staff also re-evaluated the District's mission and values and spent a significant amount of time defining the District's key challenge. Mr. Stevens' presented a Strategy Map and stated that the map was a useful tool in assisting staff in drafting the 2015-2017 District Strategic Plan. It was indicated that the District is considering adding an additional year to the Strategic Plan, Fiscal Years 2015-2018, depending on the scope of the plan. Please reference the Committee Action notes (Attachment A) attached to staffs' report for further details of Mr. Stevens' report.

This was an informational item and no action was taken by the board.

c) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

President Lopez and Director Thompson both indicated that they would not be able to attend the April 2, 2014 board meeting. President Lopez inquired of the member of the if they would be available to attend the April meeting if it were moved to April 8. All members of the board members indicated that they would be available to meet with the exception of Director Thompson.

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

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

to move the April board meeting to Tuesday, April 8, 2014.

INFORMATIONAL ITEMS

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

a) FISCAL YEAR 2014 SECOND QUARTER CAPITAL IMPROVEMENT PROGRAM REPORT

Engineering Manager Dan Martin provided an update on the District's second quarter of FY 2014 Capital Improvement Program. He indicated that the FY 2014 budget is broken into 63 projects totaling \$13.9 million. The overall expenditures for the second quarter are \$2.8 million which is approximately 20% of the FY 2014 budget. Please reference the Committee Action notes (Attachment A) attached to staff's report for the details of Mr. Martin's report.

In response to several questions from Director Thompson, Engineering Manager Dan Martin stated that the CIP expenditures are a little behind in the budgeted forecast due to several projects such as the Rosarito Beach Desalination project, the Otay Interconnect Pipeline project, and sewer projects that involve the acquisition of easements. Director Thompson requested that staff review the annual history of the CIP Budget Forecast vs. Expenditures in recent years to determine if actual expenditures are significantly below the budgeted target. Director Thompson explained that this may lead to a discussion on budgeting for the CIP and opportunities to maximize interest earnings on unexpended funds during the fiscal year. Director Thompson requested that staff bring the information to the Board at a future meeting.

In response to Director Thompson's comments, Chief Financial Officer Joe Beachem stated that the variance in projected spending has a minimal impact on the interest income but agreed that as the interest rates increase this impact would grow.

Director Croucher indicated that there are many challenges that affect the alignment of budgeted forecasts and actual expenditures, which has fluctuated over the years. He indicated that sometimes there are projects where the bidding process can be expedited, but then unanticipated problems, that are out of the District's control, can occur that result in delayed projects.

REPORTS

13. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report that included the SDRMA Longevity Distribution, RFID Access Control, District Strategic Plan, Budget Awards, and the Opening Ceremony of the Dorcas E. Utter Memorial Butterfly Pavillion. Mr. Watton also discussed the 30-Inch, 980 Zone, Hunte Parkway – Proctor Valley/Use Area and the 944-1R Recycled Water Pump Station Upgrades and System Enhancement Projects. These projects went into mediation on December 11, 2013 and the decision not to pursue further mediation was made on January 8, 2014. Mr. Watton indicated that the time provided within the contract for Sepulveda to file for arbitration expired on February 6, 2014. The District is closing both cases.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton provided an update on CWA's Fiscal Sustainability Task Force (FSTF) and its draft policy on rates. He stated that the District had some concerns about the policy, specifically the proposed rates and some of its implications. Mr. Watton indicated that there is progress on the matter as FSTF board members and their respective staffs have had an opportunity to carefully review the policy and discuss its impact to rates. He stated that the numbers in the policy are beginning to align. He thanked Director Croucher, who serves on the FSTF, for his efforts with the policy's progress.

Several handouts were provided to the board: San Diego County Water Authority's Annual Report, Drought Response Communications, Water Supply Conditions, Bay Delta Conservation Plan, and Fitch Affirms Otay Water District, CA's Water COPs at 'AA-'; Outlook Stable.

Director Croucher commented that San Diego, as a whole, has shown its efforts in maintaining valuable and diverse water resources to ensure water availability to its customers. He also thanked General Manager Mark Watton and Chief of Operations Pedro Porras for their immediate response to a leaking fire hydrant valve on Jamacha Road. He stated that the incident could have waited to be repaired during regular business hours, however, due to the state experiencing a drought emergency and the public's perception, he felt it was important for the matter to be immediately taken care of. He expressed his gratitude to Mr. Porras and his staff for responding to the incident within an hour.

14. DIRECTORS' REPORTS/REQUESTS

Director Robak stated that he provided a presentation at the CSDA Quarterly Meeting on Social Media and Twitter. He shared that he started a website (yestotap.org) that supports tap water and municipal water systems and indicated that there is an iPhone application that maps out, via GPS, the locations of drinking fountains. He also shared that he entered the San Diego County Water Authority's *Love your Water Smartphone* photo contest that began on March 22. Director Robak indicated that he felt it was a good move for the District to stay aligned with other agencies in declaring a drought level I emergency. He discussed his disappointment over the termination of the consolidation of Fallbrook Public Utility District (PUD) and the Rainbow Municipal Water District (MWD) as Rainbow MWD board members asked to withdraw from the cost-saving merger. The two agencies entered into a joint powers authority agreement last year. Rainbow MWD's withdrawal will become effective April 5.

Director Thompson commented that as a Water Conservation Garden board member, he began to practice water conservation by taking advantage of the Rain Barrel Rebate Program. This program provides a rebate of \$75 for each Rain Barrel purchased with a minimum purchase of four barrels. Director

Thompson stated that he bought four barrels and set them up at his property, and with the recent rain he was able to water his entire landscape.

Director Gonzalez indicated that he is interested in participating in the Rain Barrel Rebate Program.

15. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of February 2014 (a list of meetings he attended is attached). He highlighted that both he and Director Gonzalez attended the Chula Vista Chamber of Commerce Annual Installation Dinner on February 8. He also highlighted that Director Robak provided a presentation at the CSDA's Quarterly Dinner meeting on February 27.

16. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:09 p.m.

President

ATTEST:

District Secretary

**President's Report
March 11, 2014 Board Meeting**

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

- 1) **February 5: Attended the District's Regular Board Meeting**
- 2) **February 6: Attended a meeting of the Metro Commission:** The Joint Resolution supporting the development of a long range Regional Water Reuse Plan and Secondary Equivalency for the Pt. Loma Wastewater Treatment Plant was brought back for possible action by the commission (see attached copy of agenda).
- 3) **February 8: Attended the Chula Vista Chamber of Commerce Annual Installation Dinner.** Attendees: Director Gonzalez, Chief Information Technology Geoff Stevens and Asst. Chief of Administration and Information Technology Adolfo Segura.
 - i. **Director Gonzalez** was honored with an award, the 2013 Rookie of the Year Award, and received recognition as the new chair of the Chula Vista Chamber of Commerce's International Business Committee.
- 4) **February 10: Attended MWD's Finance Committee Meeting.** Attended to protest MWD's proposed rate increase.
- 5) **February 13: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the February Committee meetings.
- 6) **February 19: Attended a meeting of the Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the March 2014 board meeting.
- 7) **February 25:**
 - a) **Attended a meeting of the Ad Hoc Employee Negotiations Committee.** Discussed upcoming negotiations for a successor Memorandum of Understanding (MOU) with the Otay Water District's Employee Association.
 - b) **Attended the City of Chula Vista Mayor Cox's State of the City Address.**
- 8) **February 26: Attended a meeting of the Metro Commission's Finance Committee.** Copy of agenda attached.
- 9) **February 27: Attended CSDA's Quarterly Dinner.** Director Robak provided a presentation on the Social Media Programs Twitter and Facebook. Attendees: Directors Robak and Thompson and Communications Officer Armando Buelna.
- 10) **February 28 Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the March Board Meeting.

AGENDA ITEM 6a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014
SUBMITTED BY:	Gary Stalker System Operations Manager	PROJECT:	DIV. NO. 5
APPROVED BY:	<input checked="" type="checkbox"/> Pedro Porras, Chief of Water Operations <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Award of Contract for Reservoir Floating Cover Maintenance		

GENERAL MANAGER'S RECOMMENDATION:

That the Board awards a contract to Layfield Environmental Systems Corporation for the maintenance of the floating covers on four potable and two recycled reservoirs for an amount not-to-exceed \$108,800. The contract will be for one year, with four (4) one-year options for renewal at the Districts discretion.

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To meet requirements by the California Department of Public Health (CDPH) for periodic maintenance of floating covers, and per the American Water Works Association (AWWA) guidelines.

ANALYSIS:

The CDPH requires agencies that have potable water reservoirs with floating covers to maintain the covers according to "AWWA's California/Nevada Section Reservoir Floating Cover Guidelines." The maintenance involves cleaning the entire cover, repairing

holes and tears, adjusting tensioning devices, and maintaining the rainwater removal system. The District has four potable reservoirs with floating covers that need to be maintained twice a year. The District also has two recycled reservoirs with floating covers that will be included in the contract to be maintained once a year. The recycled reservoir cover maintenance is not required by CDPH, but will be done as a "Best Management Practice" to extend the useful life of the covers."

Description of Reservoirs

<u>Reservoir Name</u>	<u>Type</u>	<u>Reservoir Surface Area*</u>	<u>Capacity (MG)</u>
571-1(Roll Res.)	Potable	195,000	36.7
711-3	Potable	157,000	16.0
624-1(Patzig Res.)	Potable	110,000	12.0
870-1(Upper Res.)	Potable	97,000	10.9
927-1	Recycled	163,000	16.3
944-1	Recycled	102,000	12.0

* = In square feet, approximate area at high water level

The Invitation to Bid on the contract was sent to four (4) prospective bidders on February 26, 2014. Two bids were received. The bids were opened, non-publicly, on March 10, 2014, with the following results:

<u>CONTRACTOR</u>	<u>TOTAL AMOUNT</u>
1. Layfield Environmental Systems Corp., Spring Valley, CA	\$108,800
2. Erosion Control Applications, Inc., Orange, CA	\$114,000

Layfield Environmental Systems Corporation (Layfield) has cleaned and maintained the District's floating covers for the past five years. They also replaced the cover and liner on the 624-1 potable reservoir last year and are presently replacing the cover and liner on the 927-1 recycled reservoir. Layfield is an industry leader in the design, installation, and maintenance of reservoir floating covers. District staff have found them to be a reliable, responsible, and accommodating company.

Staff is recommending the award of this maintenance contract to Layfield Environmental Systems Corporation in the amount not-to-

exceed \$108,800 for one year. The contract will be for one year, with four (4) one-year options for renewal at the Districts discretion. The maximum price increase for the four option years would be based on the San Diego Consumer Price Index for the previous year.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

\$117,000 is budgeted in Fiscal Year 2014 and the same amount has been submitted for the Fiscal Year 2015 budget for this contract to cover all work related to this maintenance. The additional money is budgeted for repairs to the cover or equipment that is outside of the scope of this maintenance contract.

STRATEGIC GOAL:

This contract supports the Strategic Goal to "Minimize the District's total life cycle asset costs" by maximizing the useful life of the reservoir floating covers. Properly maintained covers also protect the water quality within our District.

LEGAL IMPACT:

None.

Attachment A: Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:	Award of Contract for Reservoir Floating Cover Maintenance
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COMMITTEE ACTION:

This Engineering, Operations, and Water Resources Committee reviewed this item on March 17, 2014, and the following comments were made:

- Staff recommended that the Board awards a contract to Layfield Environmental Systems Corporation for the maintenance of the floating covers on four potable and two recycled reservoirs for an amount not-to-exceed \$108,800. The contract will be for one year, with four (4) one-year options for renewal at the Districts discretion.
- The purpose of the floating cover maintenance is to meet the requirements of the California Department of Public Health (CDPH), and per the American Water Works Association (AWWA) guidelines.
- It was indicated that the District has four (4) potable reservoirs with floating covers that need to be maintained twice a year, and two (2) recycled reservoirs with with floating covers to be maintained once a year.
- Staff stated that an invitation to Bid on the contract was sent to four (4) agencies on February 26, 2014. Two bids were received. See page 2 of the staff report for results.
- Staff indicated that Layfield was the lowest responsive bidder and is recommending the award of this maintenance contract to the company.

- It was noted that Layfield has cleaned and maintained the District's floating covers for the past five years and that staff have found them to be a reliable, responsible, and accommodating company.
- In response to a question by the Committee, staff stated that the floating covers made out of polypropylene have a 20-year warranty (life expectancy) and those made of hypolon have a 30 year warranty.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as a consent item.

AGENDA ITEM 6b



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: April 8, 2014

PROJECT: DIV. NO. All

SUBMITTED BY: Kevin Koeppen, Finance Manager

APPROVED BY: Joseph R. Beachem, Chief Financial Officer
 German Alvarez, Assistant General Manager
 Mark Watton, General Manager

SUBJECT: Adopt Resolution No. 4231 Designating Specific Staff Positions to be Authorized as Agents to Deal with the State of California, Office of Emergency Services (OES), on the District's Behalf in All Matters Pertaining to Disaster Assistance

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4231 designating specific staff positions to be authorized as Agents to deal with the State of California, Office of Emergency Services (OES), on the District's behalf in all matters pertaining to disaster assistance.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To authorize District staff in the positions of Safety and Security Specialist, Finance Manager, and Environmental Compliance Specialist, to be the authorized contacts on behalf of the District for all matters pertaining to disaster assistance.

ANALYSIS:

It is important that, in the event of an emergency, the District is able to efficiently coordinate and execute claims with Cal EMA and/or FEMA.

In December 2007, as a part of working with OES to obtain funds for repairs to District property from the October 2007 Harris Fire, the Board passed *Resolution No. 4115 to Designate District Agents for Disaster Assistance*.

In April 2011, as a part of working with the OES to obtain funds for repairs to District property from the December 2010 rainstorms, the Board passed *Resolution No. 4170 to Designate District Agents for Disaster Assistance*.

In both instances above, the District applied to the Federal Emergency Management Agency (FEMA) and the State of California, Office of Emergency Services (OES) for disaster assistance to help pay for these repairs. FEMA requires all claims to be processed through OES. OES requires the governing body of each agency to formally designate specific agents, by position title, to represent the agency in all matters pertaining to their application for disaster assistance. OES will not release any grant money to an agency that has not provided them with a fully executed Agent Resolution, OES Form 130 (Attachment C).

OES policy mandates that this resolution is only valid for a maximum of 3 years. The District's previous resolution, approved in April 2011, will expire in April 2014.

The District has identified the following three positions as being both knowledgeable and appropriate for working directly with OES and FEMA: 1) Safety and Security Specialist, 2) Finance Manager, and 3) Environmental Compliance Specialist. These are the same positions that were identified for the previous resolution.

This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below. The three (3) year limit is established by Cal EMA and the universal resolution would allow the list of authorized individuals to approve requests for financial assistance in the event of any disaster over the duration of the resolution.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

This specific action does not authorize any spending or the receipt of funds, it only facilitates future interactions to obtain financial assistance.

STRATEGIC GOAL:

The District ensures its continued financial health through the establishment of proper relief in the case of a natural disaster.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action
 Attachment B - Resolution No. 4231
 Attachment C - Cal OES Form 130



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4231 Designating Specific Staff Positions to be Authorized as Agents to Deal with the State of California, Office of Emergency Services (OES), on the District's Behalf in All Matters Pertaining to Disaster Assistance
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on March 18, 2014 and the following comments were made:

- Staff is recommending that the board adopt Resolution No. 4231 designating specific staff positions to be authorized as Agents to deal with the State of California, Office of Emergency Services (OES), on the District's behalf in all matters pertaining to disaster assistance. The adoption of the resolution is required to obtain any disaster assistance from OES.
- The resolution currently in effect expires April 2014 and the proposed resolution will be in effect for any claims filed through April 2017. The three year limit is established by Cal EMA.
- The resolution would authorize the following positions, consistent with those selected in the previous resolution, because of their knowledge and appropriateness for working with OES and FEMA:
 - o Safety and Security Specialist
 - o Finance Manager
 - o Environmental Compliance Specialist.
- This action does not authorize any spending or receipt of funds. It only facilitates future interactions to obtain financial assistance in the event of a disaster.
- In response to an inquiry from the committee, staff indicated that the identified positions must be listed on the form filed with the OES.

Following the discussion, the Committee supported staff's recommendation and presentation to the full board on the consent calendar.

RESOLUTION NO. 4231

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT
FOR DESIGNATION OF AGENTS TO
THE STATE OF CALIFORNIA,
OFFICE OF EMERGENCY SERVICES

WHEREAS, the Otay Water District Board of Directors have been presented with a "Designation of Applicant's Agent Resolution" for the Otay Water District, authorizing it's agent(s) to execute for and on behalf of the District for the purpose of obtaining certain federal financial assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the Natural Disaster Assistance Act; and

WHEREAS, the Board needs to authorize its agent(s) to provide to the State Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required; and

WHEREAS, it is in the interest of the District to so designate agents;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District that the following three positions are so designated as Authorized Agents: 1) Safety and Security Specialist; 2) Finance Manager; and 3) Environmental Compliance Specialist.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 2nd day of April 2014, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

State of California
OFFICE OF
EMERGENCY SERVICES

OES ID # _____

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT
(Governing Body) (Name of Applicant)

THAT Safety and Security Specialist, OR
(Title of Authorized Agent)

Finance Manager, OR
(Title of Authorized Agent)

Environmental Compliance Specialist
(Title of Authorized Agent)

is hereby authorized to execute for and in behalf of the Otay Water District, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it in the Office of Emergency Services for the purpose of obtaining certain federal financial assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Otay Water District, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the State Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

This is a universal resolution and is effective for all open and future disasters.

This is a disaster specific resolution and is effective for only disaster number(s) _____.

Passed and approved this _____ day of April, 2014

Jose Lopez, President
(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, Susan Cruz, duly appointed and District Secretary of
(Name) (Title)

Otay Water District, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

resolution passed and approved by the Board of Directors of the Otay Water District
(Governing body) (Name of Applicant)

on the _____ day of April, 2014.

(Signature)

District Secretary
(Title)

AGENDA ITEM 6c



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: April 8, 2014

PROJECT: DIV. NO. All

SUBMITTED BY: Kevin Koeppen, Finance Manager

APPROVED BY: Joseph R. Beachem, Chief Financial Officer

German Alvarez, Assistant General Manager

Mark Watton, General Manager

SUBJECT: Substitution of the Remarketing Agent for the 1996 Variable Rate Certificates of Participation

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4228, authorizing the General Manager to enter into a Remarketing Agreement with Mitsubishi UFJ Securities (USA), Inc. (MUS) to act as the District's remarketing agent for its 1996 Variable Rate Certificates of Participation.

COMMITTEE ACTION:

See "Attachment A"

PURPOSE:

In an effort to reduce bank fees and consolidate banking services, staff is requesting the Board of Directors authorize the General Manager to terminate the existing Remarketing Agreement with J.P. Morgan and execute a new Remarketing Agreement with Mitsubishi UFJ Securities (USA), Inc., which is an affiliate of the District's current banking service provider Union Bank.

ANALYSIS:

In 1996, the District issued \$15,400,000 1996 Variable Rate Demand Certificates of Participation (COPs). The proceeds of the 1996 COPs were used for the construction of a series of public improvements including, water storage, pump stations, reservoirs, pipeline and the District headquarters.

The outstanding principal balance of 1996 COPs is \$9,900,000 and are scheduled to mature on September 1, 2026. The COPs bear interest at a variable rate, which is reset weekly and bears a current interest rate before fees of approximately .03%.

This is a simple substitution with no substantive changes in the debt. The 1996 COPs will have the same maturity and repayment schedule.

The Remarketing Agent is a dealer or dealer bank responsible for the pricing of variable-rate demand bonds. They periodically set and reset the interest rate for variable rate bonds. As remarketing agent for the District's Certificates, MUS is responsible for delivering the District the lowest interest rates available. MUS also has a vested interest in achieving the lowest possible rates because MUS is essentially placing the credit of its affiliate, Union Bank, who serves as the letter of credit provider on for the COPs.

The District has been satisfied with Union Bank's performance as its provider of banking services and Union Bank has been a good partner to the District. By entering into a remarketing agreement with MUS the District will be consolidating its banking services and strengthening its relationship with Union Bank.

MUS, along with their affiliate Union Bank, is part of the Mitsubishi UFJ Financial Group (MUFG), one of the largest financial services companies in the world. MUS serves as remarketing agent on nine issues backed by a Union Bank Letter of Credit, totaling \$255.8 million in outstanding par amounts. MUS is highly capitalized, with Net Excess Capital of \$220 million and access to the capital of their parent, MUFG, which has close to \$2.5 trillion in assets.

According to the existing agreement, the Remarketing Agent may be removed at any time by the District upon thirty (30) day notice to the Remarketing Agent by an instrument, signed by the District and filed with the Remarketing Agent, the Corporation, the Bank and the Trustee.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Remarketing fees are charged annually as a percentage of the outstanding principal debt. Below is a table of the estimated fees for the remaining life of the debt. The District obtained quotes from two financial services firms, Union Bank and J.P. Morgan.

Under the current remarketing agreement J.P. Morgan, charges a fee of nine(9) basis points. The quotes obtained from both J.P. Morgan and Union Bank reduce fee to eight(8) basis points. The District estimates a total savings of \$7,730 through 2027.

Bank	Description	Rate (as a % of outstanding principal)	Average Annual Fee	Total Fees through 2027
J.P. Morgan	Current Price	0.09%	\$5,352	\$69,570
J.P. Morgan	Quote	0.08%	\$4,757	\$61,840
Union Bank	Quote	0.08%	\$4,757	\$61,840
RBC Capital	Quote	0.10%	\$5,946	\$77,300

In comparing the variable interest rates achieved by MUS on similar variable rate debt issuances, it should be noted that MUS was able to achieve a rate of .02%, which is one basis point lower than the District's current rate of .03%. The impact of this rate savings, if continued through the debt's maturity, would result in approximately \$7,000 of additional savings through 2027.

The District estimates the cost for reassigning the remarketing agent to be no greater than \$5,000.

STRATEGIC GOAL:

The District ensures its continued financial health through long-term financial planning and debt planning.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action
Attachment B - Resolution No. 4228
Attachment C - Remarketing Agreement(Draft)



ATTACHMENT A

SUBJECT/PROJECT:	Substitution of the Remarketing Agent for the 1996 Variable Rate Certificates of Participation
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on March 18, 2014 and the following comments were made:

- Staff is recommending that the board adopt resolution 4228, authorizing the General Manager to enter into a Remarketing Agreement with Mitsubishi UFJ Securities to act as the District's remarketing agent for its 1996 Variable Rate Certificates of Participation. Mitsubishi is an affiliate of Union Bank, the District's current banking provider.
- Staff indicated in an effort to reduce fees and consolidate banking services, staff would like to terminate the current remarketing agreement with JP Morgan and execute a new agreement with Mitsubishi.
- Mitsubishi is well qualified based on their ability to effectively place debt and reach investors in the market. They also have a vested interest in remarketing the debt, because they are placing the debt of their own affiliate, essentially their own debt.
- Mitsubishi is highly capitalized, which makes it well qualified to perform remarketing services for the District.
- Staff indicated that this is a simple substitution with no substantive changes in the debt. The 1996 COPs will have the same maturity and repayment schedule.
- The District has been satisfied with Union Bank's performance and they have been a good partner to the District.
- By contracting with Mitsubishi the District will save approximately \$10,000 over the life of the debt. In addition, staff believes that by strengthening the District's relationship

with Union Bank, it will provide additional savings in the future.

- The committee indicated that there is a \$5,000 cost to reassign the remarketing agent and it is a cost that the District would not incur if it remained with J.P. Morgan. Staff indicated that the \$5,000 is the fee from our bond counsel to review the reassignment agreement. The committee requested that staff negotiate with Mitsubishi to ask that they cover the cost of the fee. Staff spoke with Mitsubishi and they have agreed to cover bond counsel's fee.

Following the discussion, the Committee supported staffs' recommendation and presentation of this item to the full board on the consent calendar.

RESOLUTION NO. 4228

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT APPOINTING A REMARKETING AGENT AND APPROVING THE EXECUTION AND DELIVERY OF A REMARKETING AGREEMENT FOR THE THE OTAY WATER DISTRICT VARIABLE RATE DEMAND CERTIFICATES OF PARTICIPATION (1996 CAPITAL PROJECTS)

WHEREAS, the Otay Water District (the "District") and the Otay Service Corporation (the "Corporation") have previously entered into an Installment Sale Agreement dated as of June 1, 1996 as amended by the First Amendment to Installment Sale Agreement dated as of August 1, 2004 and the Second Amendment to Installment Sale Agreement dated as of June 30, 2011 (collectively, the "Installment Sale Agreement") and that certain Trust Agreement dated as of June 1, 1996 as amended by the First Supplemental Trust Agreement dated as of May 25, 2011 and by the Second Supplemental Trust Agreement dated as of June 30, 2011 (collectively, the "Trust Agreement") by and among the District, the Corporation and the Bank of New York Mellon Trust Company, N.A. (as successor trustee to Chemical Trust Company of California) (the "Trustee") pursuant to which the Otay Water District Variable Rate Demand Certificates of Participation (1996 Capital Projects) (the "Certificates") are outstanding; and

WHEREAS, the Certificates evidence undivided fractional interests in the Installment Payments to be made by the District under the Installment Agreement; and

WHEREAS, the District has previously appointed J.P. Morgan Securities, Inc. (the "JP Morgan") to act as the Remarketing Agent for the Certificates under the Trust Agreement; and

WHEREAS, the District desires to replace JP Morgan as Remarketing Agent and in accordance with the provisions of the Trust Agreement appoint Mitsubishi UFJ Securities (USA), Inc. ("Mitsubishi") to act as Remarketing Agent for the Certificates; and

WHEREAS, in order to effectuate the appointment of Mitsubishi, there has been presented to the District for approval the form of a Remarketing Agreement by and between the District and Mitsubishi, a copy of which is on file with the Secretary of the Board of Directors; and

WHEREAS, the Board of Directors has determined to be in the best interests of the District;

NOW, THEREFORE, the Board of Directors of the Otay Water District does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The form of the Remarketing Agreement is hereby approved and each of the President of the Board of Directors, the Vice President of the Board of Directors, the Treasurer, the General Manager, the Chief Financial Officer, and their written designees (each an "Authorized Officer" and collectively the "Authorized Officers"), acting alone, is hereby authorized and directed to execute and deliver the Remarketing Agreement in the name of and on behalf of the District, in

substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 3. The Authorized Officers are hereby authorized and directed, to do any and all things and to execute and deliver any and all documents, including amendments to any of the existing documents and agreements relating to the Certificates, which they may deem necessary or advisable in order to consummate the appointment of the Remarketing Agent and otherwise to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect upon its adoption.

ADOPTED, SIGNED and APPROVED at a regular meeting of the District this __ day of April, 2014.

President of the Board of Directors of the Otay Water District

ATTEST:

Secretary of the
Board of Directors of the
Otay Water District

\$15,400,000 (Original Amount)
Otay Water District
Variable Rate Demand Certificates of Participation
(1996 Capital Projects)

REMARKETING AGREEMENT

THIS REMARKETING AGREEMENT (the "Remarketing Agreement"), dated as of _____, is made by and between the **Otay Water District** (the "District") and **mitsubishi UFJ SECURITIES (USA), INC.**, as Remarketing Agent (the "Agent"), in connection with the offering and sale from time to time in the above-captioned certificates of participation (the "Certificates"). The Certificates were issued under and pursuant to a Trust Agreement dated as of June 1, 1996 (the "Trust Agreement"), between the District and the Bank of New York Mellon Trust Company, N.A. (as successor trustee to Chemical Trust Company of California), as trustee (the "Trustee"). The District is party to a Reimbursement Agreement, dated as of June 1, 2011 (the "Reimbursement Agreement"), with Union Bank, N.A. (the "Bank"), pursuant to which the Bank has issued an irrevocable letter of credit (the "Letter of Credit") in favor of the Trustee.

This Remarketing Agreement is effective as of the date hereof, it being acknowledged that the District has terminated its remarketing agreement with J.P. Morgan Securities LLC dated as of June 1, 1996 with respect to the Certificates, which termination is effective as of the date hereof.

Section 1. Definitions. Unless a different meaning clearly appears from the context, all words and terms used in this Remarketing Agreement shall have the respective meanings assigned to such terms in the Trust Agreement.

Section 2. Acceptance of Appointment; Representations and Warranties of the Agent. The District hereby appoints the Agent as exclusive Remarketing Agent for the Certificates, and the Agent hereby accepts such appointment and agrees to perform the duties and covenants of the Agent set forth herein and in the Trust Agreement.

Section 3. Representations and Warranties of the District. The District represents and warrants to the Agent that:

(a) This Remarketing Agreement (assuming due authorization, execution and delivery by the Agent) constitutes the valid and binding obligation of the District, enforceable against the District in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, liquidation, reorganization and other similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(b) The District has all requisite power and authority to perform its obligations under the Trust Agreement, and has all requisite power and authority to execute, deliver and perform its obligations under this Remarketing Agreement.

Section 4. Certain Agreements of the District. The District agrees with the Agent that:

(a) The District agrees to furnish to the Agent sufficient copies of a reoffering statement (the "Reoffering Statement"), in preliminary (if applicable) and final form, in form and substance satisfactory to the Agent, and any other related material prepared for use by the District, as the Agent reasonably determines may be necessary in connection with any remarketing of the Certificates that constitutes a "primary offering" within the meaning of Rule 15c2-12 (the "Rule") promulgated, and as amended from time to time, by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); provided, however, that nothing in this Section 4 shall require the Agent to offer for sale any Certificates if such offer is subject to the Rule unless (i) the

Agent, in its sole discretion, decides to undertake such obligation and (ii) the Agent, in its sole discretion, determines that the requirements of the Rule have been satisfied. Further, the District agrees to cooperate in the preparation of and to make available to the Agent revised Reoffering Statements or amendments or supplements thereto such as may be required so that the Reoffering Statement required for use in any such “primary offering” will not contain any misstatement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Any costs or expenses incurred in connection with the preparation of a Reoffering Statement and any amendments or supplements thereto shall be the responsibility of the District. The Agent acknowledges that the remarketing of Certificates, while such Certificates bear interest at a Weekly Interest Rate and such Certificates are remarketed in denominations of \$100,000 or more, is not considered a “primary offering” within the meaning of the Rule as interpreted by the SEC as of the date of execution of this Remarketing Agreement.

(b) If, during such time as the Reoffering Statement is used in connection with such “primary offering” and sale of the Certificates, any event occurs or condition exists relating to or affecting the District or the Certificates as a result of which the Reoffering Statement would contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District upon learning of such event or condition shall promptly notify the Agent in writing of the circumstances and details of such event. The District will cooperate with the Agent in the preparation of the additional marketing materials which the Agent reasonably determines are necessary in connection with such “primary offering” and sale of the Certificates or which the Agent reasonably determines should be provided to owners and prospective owners of the Certificates.

(c) The District will furnish the Agent copies of all reports and financial statements relating to the financial affairs and condition of the District as required by the Trust Agreement promptly after they are made available to the public by the District by posting on EMMA (Electronic Municipal Market Access) and such additional information concerning the operations and financial condition of the District as required by the Trust Agreement or concerning the Certificates as the Agent may from time to time reasonably request;

(d) At the expense of the Agent, the District will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Agent as the Agent may request (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Agent may designate and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use commercially reasonable efforts to continue such qualifications in effect until the termination of this Remarketing Agreement; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(e) If a Reoffering Statement is not supplied as required by the provisions of Section 4(a) above, the Agent’s obligation to remarket the Certificates pursuant to the Trust Agreement and under this Remarketing Agreement will be suspended until such time as a Reoffering Statement satisfactory to the Agent and its counsel is supplied.

(f) The District represents and warrants to the Agent that the District will furnish such information, execute such documents and take such other action in cooperation with the Agent as the Agent may reasonably request in order to remarket the Certificates; provided that the District shall not be required to take any action which would submit it to, or constitute consent to, service of process or to qualify as a foreign corporation in any jurisdiction where it is not otherwise presently subject to service or so qualified, as the case may be.

To assist the Agent in complying with its obligations under MSRB Rule G-34(c), the District shall provide the Agent with a copy of the Credit Facility, Reimbursement Agreement, the Trust Agreement or any other

document to which the District is a party that establishes an obligation to provide credit and/or liquidity support with respect to the Certificates, including any amendments thereto, in the following manner:

- (i) on the effective date of this Remarketing Agreement, a copy of the Credit Facility;
- (ii) within ten Business Days prior to the proposed date of any amendment, extension, renewal, replacement or termination, as the case may be, of the Credit Facility or any other document to which the District is a party that establishes an obligation to provide credit and/or liquidity support with respect to the Certificates, written notice that such document is proposed to be amended, extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of such amendment, extension, renewal, replacement or termination, as the case may be;
- (iii) within five Business Days after the execution and delivery of any amendment, extension, renewal, replacement or termination, as the case may be, of the Credit Facility or any other document to which the District is a party that establishes an obligation to provide credit and/or liquidity support with respect to the Certificates, a copy thereof; and
- (iv) no later than three Business Days after receiving a request from the Agent for any document requested pursuant to this section, a copy thereof.

In each instance that a document is delivered to the Agent pursuant to this Section 4(f), the District shall provide: (A) a final execution copy of each relevant document; and (B) in any such document where any redactions are made, (x) a redacted final execution copy of such document, and (y) a file containing a list describing the nature of all redactions that have been made to such document.

If there are any additional regulatory requirements, amendments or modifications to the securities laws with which the Agent must comply, the District shall take all steps reasonably requested by the Agent or its counsel necessary to comply with such additional requirements. In the event the District does not provide the Agent with a copy of a document described in this Section 4(f), the District acknowledges that the Agent may file a notice with the MSRB's Short-Term Obligation Rate Transparency System ("SHORT System") that such document will not be provided at such time as is specified by the MSRB and in the SHORT System users' manual

Section 5. Remarketing. (a) The District has appointed the Agent as the exclusive agent for the remarketing of the Certificates pursuant to this Remarketing Agreement and, in reliance on the representations contained herein and subject to the terms hereof, the Agent accepts the duties and obligations of the Remarketing Agent herein and under the Trust Agreement and agrees to use its best efforts to solicit offers to purchase, at a price of 100% of the principal evidenced thereby plus accrued interest evidenced thereby, if any, the Certificates which have been tendered or deemed tendered by the holders thereof pursuant to the Trust Agreement and to perform the other obligations of the Remarketing Agent as set forth herein and in the Trust Agreement; *provided, however,* that at no time shall the Certificates, while bearing interest at a Weekly Rate, be remarketed, or delivered by the Agent, in any denomination other than in the amount of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Agent further agrees to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the District at all times.

(b) In the event of (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, (ii) a general moratorium on commercial banking activities in New York declared by either federal or New York State authorities or (iii) the engagement by the United States in hostilities or escalation of existing hostilities or a declaration of a national emergency or war, if the effect of any of which in the Agent's judgment makes it impracticable or inadvisable to proceed with solicitation of offers to purchase the Certificates, and so long as such situation continues to exist (it being acknowledged by the parties hereto that as of the date hereof no such event is occurring),

the Agent shall have the right to terminate its obligations under this Remarketing Agreement at any time by notifying the District in writing or by facsimile transmission, telex or other electronic communication.

(c) In consideration of the Agent's services hereunder, during periods when Certificates are in the Weekly Rate Mode, the District agrees to pay an annual fee of nine basis points (0.09%) based upon the outstanding principal amount evidenced by the Certificates bearing interest at a Weekly Interest Rate on the first day of each calendar quarter, payable quarterly in arrears commencing on the first day of the next following calendar quarter. Payment for any partial calendar quarter shall be made on a pro rata basis. The Agent's fees for services hereunder for Certificates in the Extended Rate Mode or the Long Term Rate Mode shall be as may be agreed upon by the Agent and the District. Any fee due but unpaid upon the termination of this Remarketing Agreement shall be payable by the District upon termination. If this Remarketing Agreement terminates as provided in Section 10 hereof, the District shall pay to the Agent any portion of the annual fee due and owing the Agent

(d) The Agent shall suspend remarketing of any Certificates upon receipt of written notice from the Bank of an Event of Default under Section 6.01 of the Reimbursement Agreement until such time as the Bank notifies the Agent that such Event of Default has been cured or waived.

Section 6. The Agent. (a) The Agent will be acting solely as the remarketing agent in the re-sale of the Certificates, and the Agent's responsibility is limited to the use of its best efforts to solicit offers to purchase the Certificates.

(b) The commitment to remarket the Certificates shall not be construed to obligate the Agent to use any of its own funds or otherwise incur financial liability in acting as Agent hereunder.

(c) The Agent, in its individual capacity, either as principal or agent, may buy, sell, own, hold and deal in any of the Certificates, and may join in any action which any holder of Certificates may be entitled to take, with like effect as if it did not act in any capacity hereunder. The Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the District and may act as depository, trustee or agent for any committee or body of holders of Certificates or other obligations of the District as freely as if it did not act in any capacity hereunder. The District also acknowledges that the Agent is a full service firm that, together with its affiliates, is engaged in securities trading and brokerage activities and provides investment banking, financing and financial advisory services. In the ordinary course of its trading, brokerage and financing activities, the Agent (and/or its affiliates) may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own accounts or the accounts of customers, in debt or equity securities or financial instruments (including bank loans and other obligations) of the District.

(d) The District acknowledges and agrees that (i) the Agent is acting solely as a principal and not the agent or fiduciary of the District, and in particular that the Agent is not acting as a "municipal advisor" (as defined in Section 15B of the Exchange Act) and the Agent has financial and other interests that differ from those of the District, (ii) the Agent has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the remarketing contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or is currently advising the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Remarketing Agreement and (iii) the District has consulted its own legal and financial advisors to the extent it deemed appropriate. The District agrees that it will not claim that the Agent is a "municipal advisor" within the meaning of Section 15B of the Exchange Act, or owes a fiduciary or similar duty to the District in connection with such transaction or the process leading thereto.

Section 7. Indemnification. The District agrees to indemnify and hold harmless the Agent and its affiliates, and their respective directors, officers, agents and employees, and each other entity or person, if any, controlling the Agent or any of its affiliates within the meaning of either Section 15 of the Securities Act or Section 20 of Exchange Act, as amended (the Agent and each such entity or person being

collectively referred to as the “Indemnified Parties” and each, an “Indemnified Party”), to the fullest extent permitted by law, from and against any losses, claims, damages, obligations, penalties, judgments, awards and other liabilities (collectively, “Liabilities”) and will fully reimburse the Agent for any and all fees, costs, expenses and disbursements (collectively, “Expenses”), as and when incurred, of investigating, preparing or defending any claim, action, suit, proceeding or investigation, whether or not in connection with pending or threatened litigation or arbitration and whether or not the Agent is a party (collectively, “Actions”) (including any and all legal and other Expenses in giving testimony or furnishing documents in response to a subpoena or otherwise), directly or indirectly, (i) relating to, arising out of or in connection with the performance by the Agent of the Agent’s obligations under this Remarketing Agreement or the Trust Agreement, whether or not the Agent is a party, (ii) caused by any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or Reoffering Statement, as amended or supplemented (including but not limited to any documents deemed to be incorporated therein by reference), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) relating to, arising out of or in connection with the District taking any action or consent to the taking of any action, including, but not limited to, consents to amendments or supplements to any of the documents relating to the Certificates without first obtaining the consent of the Agent. With respect to clause (i) above, the District will not, however, be responsible for any Liabilities (or Expenses relating thereto) that are finally judicially determined by a court of competent jurisdiction to have resulted primarily and directly from the gross negligence or willful misconduct of any Indemnified Party. The District also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the District for or in connection with the performance by the Agent of the Agent’s obligations under this Remarketing Agreement or the Trust Agreement, except for any such Liability with respect to clause (i) above incurred by the District that are finally judicially determined by a court of competent jurisdiction to have resulted primarily and directly from the gross negligence or willful misconduct of such Indemnified Party.

If any Action is commenced as to which the Agent proposes to demand indemnification hereunder, it will notify the District with reasonable promptness; provided, however, that any failure by the Agent to notify the District will not relieve the District from its obligations hereunder. The Agent will have the right to retain legal counsel of its own choice to represent it, and the District will pay the Expenses of such legal counsel. The District will be liable for any settlement of any claim against the Agent made with the District’s written consent, which consent will not be unreasonably withheld. The District will not, without the prior written consent of the Agent, settle or compromise any claim, or permit a default or consent to the entry of any judgment, in any Action in which an Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding and (y) does not include a statement as to or admission of, fault, culpability or a failure to act by or on behalf of any such Indemnified Party.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to this Section 7 is made but it is finally judicially determined by a court of competent jurisdiction that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the District, on the one hand, and the Agent, on the other hand, will contribute to the Liabilities and Expenses to which the indemnified persons may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the District, on the one hand, and the Agent, on the other hand, from the marketing of the Certificates or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the District and of the Agent in connection with the actions, statements or omissions that resulted in such Liabilities, as well as any other relevant equitable considerations. The District agrees that for purposes of this paragraph, the relative benefits to the District and the Agent of any contemplated marketing of the Certificates (whether or not successful) will be deemed to be in the same proportion as the total value paid, issued or received or contemplated to be paid, issued or received to or by the District or its stockholders in connection with such marketing of the Certificates bears to the fees actually paid or payable to the Agent under this Remarketing Agreement. The relative fault of the District, on the one hand, and the Agent, on the other hand (i) in the case of any untrue or alleged untrue statement of a material

fact or any omission or alleged omission to state a material fact, shall be determined by reference to, among other things, whether such statement or omission relates to information supplied by the District and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, and (ii) in the case of any other action or omission, shall be determined by reference to, among other things, whether such action or omission was taken or omitted to be taken by the District or by the Agent and the parties' relative intent, knowledge, access to information and opportunity to prevent such action or omission.

The District and the Agent agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other Expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding any of the provisions of this Section 7, in no event shall the Agent's aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by it under this Remarketing Agreement.

Section 8. Intention of Parties. It is the expressed intention of the parties hereto that no purchase, sale or transfer of any Certificates, as herein provided, or the setting of interest rates in respect thereof, shall constitute or be construed to be the extinguishment of the indebtedness evidenced thereby or the reissuance or the refunding of any indebtedness evidenced thereby.

Section 9. Amendments. This Remarketing Agreement may not be amended except by a writing signed by each of the parties hereto.

Section 10. Term. Unless previously terminated, this Remarketing Agreement shall remain in full force and effect until payment in full, or the provision for payment in full, of the Certificates, or on the day after all Certificates are converted to bear interest at a Fixed Rate. The District shall have the right to terminate this Remarketing Agreement at any time upon the giving of 30 days' prior written notice to the Agent and the Agent shall have the right to terminate this Remarketing Agreement at any time upon the giving of not less than 30 days' prior written notice to the District, the Bank and the Trustee, provided that no such termination will be effective until a successor is appointed and has accepted the responsibilities as Remarketing Agent in accordance with the Trust Agreement. The District shall promptly pay to the Agent the compensation, in accordance with Section 5(c) hereof, accrued through the effective date of such termination.

Section 11. Notices. Unless otherwise provided herein, all notices, Certificates, requests or other communications hereunder shall be deemed given when delivered in writing by hand or sent by facsimile transmission, telex or registered mail, postage prepaid, addressed as follows:

If to the District:

Attention: _____
Tel: _____
Fax: _____
E-mail: _____

If to the Agent:

Mitsubishi UFJ Securities (USA), Inc.
400 California Street, 11th Floor
San Francisco, CA 94104
Attn: David Kelp

Tel: 415-489-3975
Fax: 646-434-3476
E-mail: dkelp@us.sc.mufg.jp (with copy to
TransactionManagement@us.sc.mufg.jp)

If to the Bank (so long as the
VRDB Credit Enhancement
Instrument is outstanding):

Union Bank, N.A.
445 South Figueroa Street G16-450
Los Angeles, CA 90071
Attn: Anne Kupfer
Tel: 213-236-6434
Fax: 213-236-6917
E-mail: anne.kupfer@unionbank.com

If to the Trustee:

Attn: _____
Tel: _____
Fax: _____
E-mail: _____

Each of the above parties may, by written notice given hereunder to the others, designate any further or different addresses to which, or means by which, subsequent notices, Certificates, requests or other communications shall be sent.

Section 12. Governing Law. This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 13. Counterparts. This Remarketing Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 14. Captions. The captions or headings in this Remarketing Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Remarketing Agreement.

Section 15. Assignment. The obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other party hereto and of the Bank, which shall not be unreasonably withheld. This Remarketing Agreement will inure to the benefit of and be binding upon the District and the Agent and their respective successors and assigns, and will not confer any rights upon any other person, partnership, associations or corporation other than persons, if any, controlling the Agent within the meaning of the Securities Act; provided the Bank shall be a third party beneficiary of this Remarketing Agreement. The terms "successors" and "assigns" shall not include any purchaser of any of the Certificates merely because of such purchase.

Section 16. Mitsubishi UFJ Securities (USA), Inc. to be Sole Agent. The District agrees that unless and until this Remarketing Agreement has been terminated as provided herein, no additional remarketing agent will be appointed unless the Agent consents in writing to such appointment.

Section 17. Severability. If any provisions of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or

circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatever.

IN WITNESS WHEREOF, the parties hereto have caused this Remarketing Agreement to be duly executed as of the day and year first above written.

Otay Water District

By: _____

MITSUBISHI UFJ SECURITIES (USA), INC.

By: _____

AGENDA ITEM 6d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014		
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist	CIP./G.F. NO:	P2451- 001102	DIV. NO.	ALL
	Bob Kennedy Engineering Manager				
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Change Order No. 1 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 Change Order No. 1 to the existing contract with AECOM Technical Services, Inc. (AECOM) for design of the Otay Mesa Desalination Conveyance and Disinfection System Project, in an amount not-to-exceed \$136,409 and to extend the contract completion date to June 30, 2018 (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Change Order No. 1 with AECOM (see Exhibit B) for the Otay Mesa Desalination Conveyance and Disinfection System Project (Project) in an amount not-to-exceed \$136,409 and to extend the contract completion date to June 30, 2018.

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 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. An additional Project Management budget of \$30,000 will be needed to extend this effort another six months until final design is initiated by the District.

An increase of \$106,409 in the environmental budget is needed due to changes in the survey route and the biological survey protocol for two (2) species. The area to be surveyed has increased as a result of recent changes to the SR-11 Otay Mesa East Port of Entry and the adjacent industrial developments that have better defined the alignment available for the pipeline. These areas were not surveyed in the original cultural resources and biological survey work, and need to be included so that the environmental document is not challenged on the basis of incomplete surveys.

The survey protocol for the California Burrowing Owl was prepared in April, 1993 and was revised on March 7, 2012 by the State of California Department of Fish and Wildlife. The major change in this protocol was the change in the survey transects from 100 meters apart to 7 to 20 meters apart which significantly increases the effort and amount of time needed to complete these surveys. The second species affected by a survey protocol change was the Quino Checkerspot Butterfly (QCB). This updated survey protocol was released by the U.S. Fish and Wildlife Service on February 14, 2014 and increases the length of time that weekly surveys must be conducted. In addition, one additional week of QCB surveys was needed in 2013 because of the abundance of host plants and butterflies that were found in the survey area. These protocol survey changes could not have been anticipated and occurred after the award of the contract to AECOM.

All of these changes have resulted in an increase of \$136,409 to the contract with AECOM. This Change Order will extend the

contract completion date for the Project from June 30, 2016 to June 30, 2018.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The total budget for CIP P2451, as approved in the FY 2014 budget, is \$30,000,000. Expenditures to date are \$2,480,962. Total expenditures, plus outstanding commitments, including this contract, totals \$6,219,479.

Based on a review of the financial budget, the Project Manager anticipates that the budget is sufficient to support this Project (see Attachment B).

Finance has determined that 40% of the funding is available from the Expansion Fund and 60% of the funding will be available from the Betterment Fund after Board approval of the FY 2015 fund transfers.

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

P:\WORKING\CIP P2451 Desalination Feasibility Study\Staff Reports\Board 4-8-14\BD 04-08-14, Staff Report, AECOM CO No-1 (LCB-BK).doc

Attachments: Attachment A - Committee Action
 Attachment B - Budget Detail
 Exhibit A - Location Map
 Exhibit B - Change Order No. 1



ATTACHMENT A

SUBJECT/PROJECT: P2451-001102	Change Order No. 1 to the Contract with AECOM Technical Services, Inc. for the Otay Mesa Desalination Conveyance and Disinfection System Project
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COMMITTEE ACTION:

The Desalination Project Committee reviewed this item at a meeting held on March 17, 2014 and the following comments were made:

- Staff is recommending that the board authorize the approval of Change Order No. 1 to the District's existing contract with AECOM Technical Services, Inc. for the design of the Otay Mesa Desalination Conveyance and Disinfection System Project in an amount not-to-exceed \$136,409 and to extend the contract completion date to June 30, 2018.
- AECOM was awarded a professional engineering services contract for the Otay Mesa Desalination Conveyance and Disinfection System Project on Nov. 3, 2010 in an amount not-to-exceed \$3,910,297, and the contract was to be completed by the end of Fiscal Year 2016. AECOM's work was restricted to miscellaneous studies until January 24, 2013 when AECOM was authorized to initiate work on the preliminary design of the pipeline, pump station, and disinfection facility, along with the environmental surveys and studies for CEQA/NEPA compliance. Project Management of this effort is required for an additional six months until the start of final design at a cost of \$30,000.
- Staff indicated that an increase of \$106,409 in the environmental budget is needed due to changes in the survey route and the biological survey protocol for two (2) species. The area to be surveyed has increased as a result of recent changes to the SR-11 Otay Mesa East Port of Entry and the adjacent industrial developments that have better defined the alignment available for the pipeline. These areas were not surveyed in the original survey work, and need to be included so that the

environmental document is not challenged on the basis of incomplete surveys.

- Changes in the protocol for surveys of the California Burrowing Owl and the Quino checkerspot butterfly have been made by the resource agencies since the contract was awarded to AECOM. These changes could not have been anticipated and have increased the costs for conducting these surveys. In addition, one additional week of QCB surveys was needed in 2013 because of the abundance of host plants and butterflies that were found in the survey area.
- All of these changes have resulted in an increase of \$136,409 to the contract with AECOM. This Change Order will extend the contract completion date for the Project from June 30, 2016 to June 30, 2018.
- In response to an inquiry from the committee, staff indicated that near the bottom of the pipeline on proposed pipeline alignment B, the pipe was moved easterly because the District received better information as to where the Port of Entry will be located. This area was not surveyed in the initial survey efforts. It is a very small area, but it will require biological surveys for numerous species and plants, and cultural resources surveys to make sure the District is not disturbing any Indian/Archeological remains.
- In response to another inquiry from the committee, staff indicated that they will not require that the District go back and redo all the surveys. The District will need only to do surveys for the new areas that have not yet been surveyed. The old areas, are in a sense, grandfathered to the old regulations/requirement.
- Staff indicated that they are not aware of any new regulations that would require the District to redo any surveys that have already been done at this time. It was noted that this latest regulation was just released last month in February without any advanced notice. Staff indicated that the District will not necessarily be aware of new regulations before they are published.
- It was further discussed that, though the areas where roads are planned have been cleared environmentally, the District must still consider impacts off the road, such as construction noise, traffic, etc.

- The Committee inquired how certain/finalized the selected alignments are as they would like to avoid having to relocate the alignments once the environmental surveys are complete. Staff indicated that the alignment was moved further east at the request of Secretario de Infraestructura y Desarrollo Urbano del Estado (SIDUE; Governor's Staff which is Mexico's lead agency). They wished that the District align the transmission pipeline along one of the existing transmission gas lines.

In discussions with the U.S. Fish and Wildlife Service, they prefer that the District go down Alta Road. The District would prefer that as well as it would be less costly and the environmental impacts would be much less than the easterly alignment. The U.S. Fish and Wildlife Service, however, is aware that the District's alignment is dependent upon where the pipeline is aligned in Mexico.

It was further discussed that the infrastructure on Mexico's side of the border at the Alta Road alignment is much more complicated. It is very dense and it is near the border crossing on the U.S. side of the border. The U.S. Border Patrol and Mexico are also very clear that they do not want any pipelines near the border crossings.

- Staff noted that the District has scheduled meetings with NSC Agua twice a month and the location of the transmission pipeline has been discussed at each meeting. The SIDUE has requested that the transmission line be aligned as easterly as possible. His office has suggested that the alignment follow the gas transmission lines which have been installed previously at the crossing. At this time, there are no alignment design plans yet laid out for the Mexico side of the border. However, the easterly route is the most likely because of the right-of-way via the utility corridor along the proposed highway. Staff indicated that the District also requires a proposed alignment to start the Presidential Permitting process as it entails a long lead time.
- The Committee inquired, with regard to proposed pipeline alignment B, if any of the alignment would be along a roadway or will the District be responsible for the environmental surveys through the length of the pipeline. Staff indicated that there are other developments proposed for the area, such as Otay Crossings, a landfill, etc., and so the easterly alignment has been surveyed quite a bit.

- Staff noted with regard to the environmental documents that the District will need to assume that it will build first before any other developments, even though it is not likely.
- Staff indicated that a contract will be forwarded soon for the board's approval for a consultant who will be working for the State Department to develop the National Environmental Policy Act (NEPA) document as required for the Presidential Permit. The contract will be between the District and the consultant. However, the consultant will actually be working with the State Department. The RFP for this consultant will be issued under the guidelines of the State Department and selected by the State. The District will hire the consultant and pay for their services (third party oversight).
- Staff noted with regard to the environmental surveys that they must be accomplished during certain times of the year and if the window is missed, then the District must wait another year or cycle to perform the surveys.
- The District's Attorney requested that the committee support an amendment to AECOM's consultant contract as opposed to a change order to the contract. He noted that all terms will be the same.

Following the discussion, the Committee supported staffs' recommendation and presentation of this item to the full board on the consent calendar.



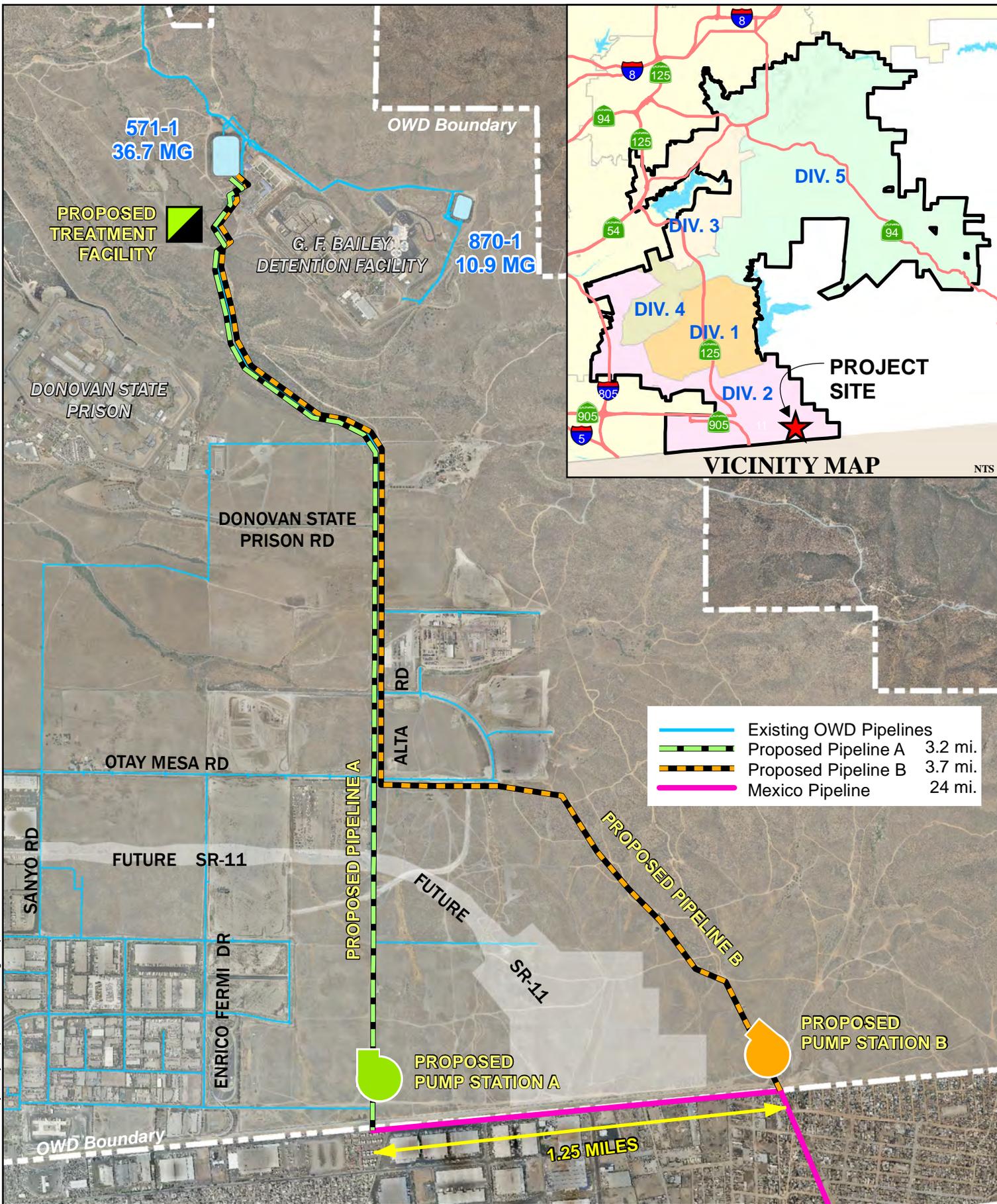
ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Change Order No. 1 to the Contract with AECOM Technical Services, Inc. for the Otay Mesa Desalination Conveyance and Disinfection System Project
P2451-001102	

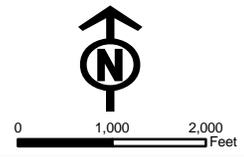
Project Budget Detail						
P2451-Otay Mesa Desalination Conveyance and Disinfection System Project						
Budget: \$30,000,000.00	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost		Vendor/Comments
Planning	Consultants	\$ 98,577	\$ 98,577	\$ -	\$ 98,577	CAMP DRESSER & MCKEE INC
		\$ 13,311	\$ 13,311	\$ -	\$ 13,311	CPM PARTNERS INC
		\$ 12,200	\$ 12,200	\$ -	\$ 12,200	REA & PARKER RESEARCH
		\$ 70,078	\$ 70,078	\$ -	\$ 70,078	MARSTON+MARSTON INC
		\$ 437,200	\$ 349,600	\$ 87,600	\$ 437,200	HECTOR I MARES-COSSIO
		\$ 4,173	\$ 4,173	\$ -	\$ 4,173	SALVADOR LOPEZ
		\$ 254,000	\$ 124,279	\$ 129,721	\$ 254,000	SILVA SILVA INTERNATIONAL
	Travel	\$ 19,481	\$ 19,481	\$ -	\$ 19,481	STAFF
	Printing	\$ 61	\$ 61	\$ -	\$ 61	MAIL MANAGEMENT GROUP INC
	Prof Legal Fees	\$ 162,041	\$ 162,041	\$ -	\$ 162,041	GARCIA CALDERON & RUIZ LLP
		\$ 43,175	\$ 43,175	\$ -	\$ 43,175	SOLORZANO CARVAJAL GONZALEZ Y
		\$ 16,114	\$ 16,114	\$ -	\$ 16,114	STUTZ ARTIANO SHINOFF
	Service Contracts	\$ 106	\$ 106	\$ -	\$ 106	SAN DIEGO DAILY TRANSCRIPT
		\$ 500	\$ 500	\$ -	\$ 500	REBECA SOTURA NICKERSON (INTERPRETOR)
	Standard Salaries	\$ 705,745	\$ 705,745	\$ -	\$ 705,745	
Total Planning	\$ 1,836,762	\$ 1,619,441	\$ 217,321	\$ 1,836,762		
Design	Consultants	\$ 4,046,706	\$ 593,010	\$ 3,453,696	\$ 4,046,706	AECOM TECHNICAL SERVICES INC
		\$ 5,109	\$ 5,109	\$ -	\$ 5,109	MARSTON+MARSTON INC
		\$ 114,175	\$ 114,175	\$ -	\$ 114,175	MICHAEL R WELCH PHD PE
		\$ 8,818	\$ 8,818	\$ -	\$ 8,818	CPM PARTNERS INC
		\$ 5,000	\$ 5,000	\$ -	\$ 5,000	ATKINS
		\$ 50,293	\$ 15,293	\$ 35,000	\$ 50,293	BROWNSTEIN HYATT FARBER & SCHRECK LLP
		\$ 50,000	\$ 17,500	\$ 32,500	\$ 50,000	BUSTAMANTE & ASSOCIATES LLC
	Travel	\$ 2,631	\$ 2,631	\$ -	\$ 2,631	STAFF
	Prof Legal Fees	\$ 7,761	\$ 7,761	\$ -	\$ 7,761	STUTZ ARTIANO SHINOFF
	Service Contracts	\$ 114	\$ 114	\$ -	\$ 114	REPROHAUS CORP
		\$ 343	\$ 343	\$ -	\$ 343	SAN DIEGO UNION-TRIBUNE LLC
	Standard Salaries	\$ 91,440	\$ 91,440	\$ -	\$ 91,440	
Total Design	\$ 4,382,388	\$ 861,192	\$ 3,521,196	\$ 4,382,388		
Construction	Standard Salaries	\$ 329	\$ 329	\$ -	\$ 329	
	Total Construction	\$ 329	\$ 329	\$ -	\$ 329	
Budget	\$30,000,000.00					
Total	\$ 6,219,479	\$ 2,480,962	\$ 3,738,517	\$ 6,219,479		

(March 23, 2005 through January 21, 2014)

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OTAY WATER DISTRICT
 Otay Mesa Conveyance and
 Disinfection Facility Project
EXHIBIT A



OTAY WATER DISTRICT

2554 SWEETWATER SPRINGS BLVD., SPRING VALLEY, CA. 91978, (619) 670-2222

CONTRACT/P.O. CHANGE ORDER No. 1

PROJECT/ITEM: Otay Mesa Conveyance and Disinfection System Project CIP P2451

CONTRACTOR/VENDOR: AECOM

REF.CIP No.: P2451-001102

APPROVED BY: Board on 4-2-14 **REF. P.O. No:** 713889

DATE: 2014-02-27

DESCRIPTION:

Change Order Proposal from AECOM Technical Services, Incorporated dated February 27th, 2014. Change Order Proposal includes Changes in the Scope of Work for specific work and delay in schedule.

REASON:

1. Provide additional funding in the amount of \$30,000 due to a delay in schedule and extension of 6 months for Task 1 *Project Management – Planning Phase*.
2. Provide additional funding in the amount of \$106,409 for Task 7 *Environmental Documentation* due to a change in protocol by the United States Fish and Wildlife Service for Western Burrowing Owl and Quino Checkerspot Butterfly, and additional survey for WBO, QCB, and Rare Plants for areas outside the original survey corridors.
3. Authorization of funding in the amount of \$40,770 for Task 4 *Geotechnical Investigation* for support efforts associated with the Environmental Impact Report / Environmental Impact Statement (EIR/EIS).
4. Authorization of funding in the amount of \$49,408 for Task 5 *Contaminated Soil and Groundwater Investigation* for support efforts associated with the Environmental Impact Report / Environmental Impact Statement (EIR/EIS).

CHANGE P.O. TO READ:

Revise contract to add \$136,409.00 for a total contract authorization of \$1,632,430.00.

Revise contract to authorize \$90,178.00 for a total contract authorization of \$1,722,608.00

Revise contract to add \$136,409.00 for a total contract amount of \$4,046,706.00.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	3,910,297.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	0.00
TOTAL COST OF THIS CHANGE ORDER:	\$	136,409.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	4,046,706.00
ORIGINAL CONTRACT COMPLETION DATE:		06-30-2016
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		Yes
REVISED CONTRACT COMPLETION DATE:		06-30-2018

IT IS UNDERSTOOD WITH THE FOLLOWING APPROVALS, THAT THE CONTRACTOR/VENDOR IS AUTHORIZED AND DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES. IT IS ALSO AGREED THAT THE TOTAL COST FOR THIS CHANGE ORDER CONSTITUTES FULL AND COMPLETE COMPENSATION FOR OBLIGATIONS REQUIRED BY THE CONTRACT/P.O. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

CONTRACTOR/VENDOR: 

STAFF APPROVALS:

SIGNATURE: _____ PROJ. MGR : _____ Sr Eng (Int) _____ DATE: _____

NAME : Bob Ward, P.E. DIV. MGR : _____ DATE: _____

TITLE: Senior Vice President DATE : 2014-03-07 CHIEF: _____ DATE: _____

COMPANY & ADDRESS: AECOM Technical Services, Incorporated ASST. GM : _____ DATE: _____

7807 Convoy Court, Suite 200

DISTRICT APPROVAL:

San Diego, CA 92111

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, INSPECTION

CHANGE ORDER LOG

Otay Mesa Desalination Conveyance and Disinfection System Project

Consultant: AECOM

Project: P2451
Subproject: 0011002

		APPROVED			
C.O.	AMOUNT	BY	DATE	DESCRIPTION	TYPE C.O.
1	\$136,409.00	Chief		Provide additional funding for Project Management and environmental survey due to changes in protocol	Owner
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					

Total C.O.'s To Date:	\$136,409.00	3.5%
Original Contract Amount:	\$3,910,297.00	
Current Contract Amount:	\$4,046,706.00	

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	C.O. %
	\$0.00	\$2,000	Insp	0.0%
		\$20,000	DivM	0.0%
		\$25,000	Chief	0.0%
		\$50,000	GM	0.0%
Apr-14			Board	3.5%

AGENDA ITEM 6e



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014		
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	P2451- 001101	DIV. NO.	ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Award of a Consulting Services Contract for Professional Consulting Work Related to the Otay Mesa Desalination Conveyance and Disinfection System Project for Fiscal Years 2014, 2015, and 2016				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorize the General Manager to execute a Consulting Services Agreement with Silva-Silva International (SSI) in an amount not-to-exceed \$115,000 for Fiscal Years 2014, 2015 and 2016 (ending June 30, 2016) for professional consulting work related to the Otay Mesa Desalination Conveyance and Disinfection System Project (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 Consulting Services Agreement with SSI for professional consulting work related to the Otay Mesa Desalination Conveyance and Disinfection System Project in an amount not-to-exceed \$115,000 for Fiscal Years 2014, 2015 and 2016 (ending June 30, 2016).

ANALYSIS:

The District is working with a private developer and several binational governmental agencies to support the design, build, and operation of a seawater desalting facility in the area of Rosarito, Baja California. The Otay Mesa Conveyance and Disinfection System Project (Project) will provide a potable water transmission pipeline and pump station to convey the desalinated water from the Border of Mexico to Roll Reservoir in Otay Mesa. The primary purpose of the Project is to provide water service at a potable level to customers in both the U.S. and Mexico.

Given the many challenges in advancing this Project, Peter Silva, the principal of SSI, is uniquely positioned to provide technical, regulatory, and policy assistance in water and wastewater matters. Mr. Silva has 34 years of experience in the water and wastewater fields. Additionally, Mr. Silva has worked on U.S.-Mexico border issues for over 30 years. SSI's extensive experience in the U.S. includes the Regional Water Quality Control Board in Los Angeles and San Diego, the California Water Resources Control Board, the State Department of Health Services, the California State Fish and Wildlife Service, the U.S. Bureau of Reclamation, and the Environmental Protection Agency in Washington, D.C. plus, worked with agencies and officials at the federal and state levels in Mexico, i.e., for former Governor Osuna Millan, in the Secretaria de Infraestructura y Desarrollo Urbano, the Comisión Estatal de Agua, and the Comisión Estatal de Servicios Públicos de Tijuana y Rosarito and the Federal agencies which include Comisión Nacional de Agua, and the Comisión Internacional de Limites y Aguas.

The current agreement approved by the Board on May 2, 2012 for \$96,000 expires June 30, 2014. SSI has been providing consulting services to the District since March 17, 2011.

Based on past work between the District and SSI, the District feels SSI is uniquely qualified to best meet the District's needs for technical, regulatory, and policy expertise to advance this Project (see Exhibit B for Scope of Work).

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The Fiscal Year 2014 budget for CIP P2451 is \$30,000,000. Total expenditures, plus outstanding commitments and forecast, including this contract for \$115,000, are \$6,219,479.

Based on a review of the financial budget, the Project Manager anticipates that the budget is sufficient to support this Project (see Attachment B).

Finance has determined that 40% of the funding is available from the Expansion Fund and 60% of the funding will be available from the Betterment Fund after Board approval of the FY 2015 fund transfers.

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.

BK\RP:jf

P:\WORKING\CIP P2451 Desalination Feasibility Study\Staff Reports\Board 4-8-14\BD 04-08-14, Staff Report, Award of Consulting Services Contract to SSI, (BK).docx

- Attachments:
- Attachment A - Committee Action
 - Attachment B - Budget Detail
 - Exhibit A - Location Map
 - Exhibit B - Scope of Work



ATTACHMENT A

SUBJECT/PROJECT: P2451-001101	Award of a Consulting Services Contract for Professional Consulting Work Related to the Otay Mesa Conveyance and Disinfection System Project for Fiscal Years 201, 2015, and 2016
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COMMITTEE ACTION:

The Desalination Project Committee reviewed this item at a meeting held on March 17, 2014 and the following comments were made:

- Staff is recommending that the board approve a consulting services agreement with Silva Silva International, LLC (SSI) for professional consulting work related to the Otay Mesa Desalination Conveyance and Disinfection System Project in an amount not-to-exceed \$115,000 for Fiscal Years 2014, 2015 and 2016 (ending June 30, 2016).
- It was indicated that the current agreement with SSI was approved by the Board on May 2, 2012 for \$96,000 and the agreement is scheduled to expire on June 30, 2014. SSI has been providing consulting services to the District since March 17, 2011.
- Mr. Silva has 34 years of experience in the water and wastewater fields and has worked on U.S./Mexico border issues for over 30 years. His extensive experience in the U.S. includes working with the Regional Water Quality Control Board in Los Angeles and San Diego, the California Water Resources Control Board, the California State Fish and Wildlife Service, the U.S. Bureau of Reclamation, and the Environmental Protection Agency in Washington, D.C.
- Staff is recommending the engagement of Mr. Silva as a sole source consultant based on his experience and knowledge in these matters. Based on past work between the District and SSI, the District feels SSI is uniquely qualified to best meet the District's needs for technical, regulatory, and policy expertise to advance the Desalination Project (see Exhibit B

to staffs' report for the Scope of Work related to the proposed contract).

- In response to an inquiry from the Committee, Mr. Pete Silva, who was in attendance of the meeting, indicated that he is focused more on the U.S. issues, however, he has been involved in the discussions with Mexico through the bi-national process. He indicated that he has been assisting with the regulatory issues related to the State Regional Water Resources Control Board (SRWRCB), the Environmental Protection Agency (EPA), California Department of Public Health (CDPH), etc.
- It was indicated that Mr. Silva has many contacts at the State level and with the Federal Agencies of the U.S. and Mexico. Specifically, the Comisión Internacional de Límites y Aguas (CILA) and the International Boundary Water commission (IBWC), etc.
- In response to an inquiry from the committee, Mr. Silva indicated that on the U.S. side he will continue working on the EPA Permit and the SRWRCB Permit. On the bi-national side he will be working with General Manager Watton. He stated, in response to another inquiry from the Committee, that he is also a consultant for Metropolitan Water District (MWD). His work, however, is not related to the Rosarito Desalination Project. He is working with MWD on Minute 319 which amends the 1944 U.S.-Mexico Water Treaty by establishing new rules for the sharing of the Colorado River water.
- It was discussed that the Rosarito Desalination Project will strengthen local water supplies and will not reduce CWA's take from the Colorado River. The Rosarito Desalination Project also does not have a conflict or competing interest with CWA. CWA would like to have as much of its own stable water supply, separate from imported water. The fact that Otay WD, City of Oceanside, or the City of San Diego is developing its own water supplies, only strengthens the region's supplies.

Following the discussion, the Committee supported staffs' recommendation and presentation of this item to the full board on the consent calendar.

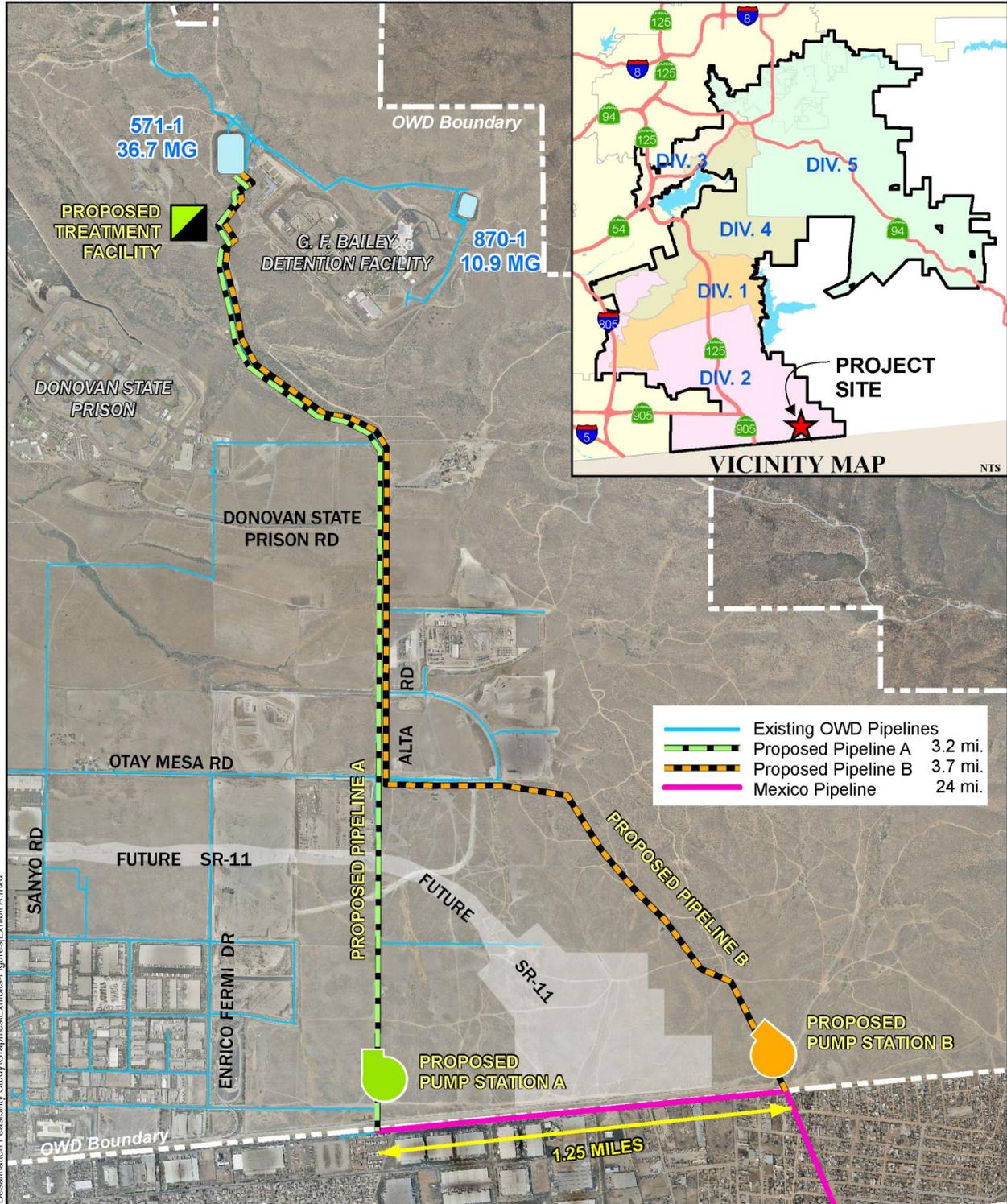


ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Award of a Consulting Services Contract for Professional Consulting Work Related to the Otay Mesa Conveyance and Disinfection System Project for Fiscal Years 2014, 2015, and 2016
P2451-001101	

Project Budget Detail						
P2451-Otay Mesa Desalination Conveyance and Disinfection System Project						
Budget: \$30,000,000.00	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments	
Planning	Consultants	\$ 98,577	\$ 98,577	\$ -	\$ 98,577	CAMP DRESSER & MCKEE INC
		\$ 13,311	\$ 13,311	\$ -	\$ 13,311	CPM PARTNERS INC
		\$ 12,200	\$ 12,200	\$ -	\$ 12,200	REA & PARKER RESEARCH
		\$ 70,078	\$ 70,078	\$ -	\$ 70,078	MARSTON+MARSTON INC
		\$ 437,200	\$ 349,600	\$ 87,600	\$ 437,200	HECTOR I MARES-COSSIO
		\$ 4,173	\$ 4,173	\$ -	\$ 4,173	SALVADOR LOPEZ
		\$ 254,000	\$ 124,279	\$ 129,721	\$ 254,000	SILVA SILVA INTERNATIONAL
	Travel	\$ 19,481	\$ 19,481	\$ -	\$ 19,481	STAFF
	Printing	\$ 61	\$ 61	\$ -	\$ 61	MAIL MANAGEMENT GROUP INC
	Prof Legal Fees	\$ 162,041	\$ 162,041	\$ -	\$ 162,041	GARCIA CALDERON & RUIZ LLP
		\$ 43,175	\$ 43,175	\$ -	\$ 43,175	SOLORZANO CARVAJAL GONZALEZ Y
		\$ 16,114	\$ 16,114	\$ -	\$ 16,114	STUTZ ARTIANO SHINOFF
	Service Contracts	\$ 106	\$ 106	\$ -	\$ 106	SAN DIEGO DAILY TRANSCRIPT
		\$ 500	\$ 500	\$ -	\$ 500	REBECA SOTURA NICKERSON (INTERPRETOR)
	Standard Salaries	\$ 705,745	\$ 705,745	\$ -	\$ 705,745	
	Total Planning	\$ 1,836,762	\$ 1,619,441	\$ 217,321	\$ 1,836,762	
	Design	Consultants	\$ 4,046,706	\$ 593,010	\$ 3,453,696	\$ 4,046,706
\$ 5,109			\$ 5,109	\$ -	\$ 5,109	MARSTON+MARSTON INC
\$ 114,175			\$ 114,175	\$ -	\$ 114,175	MICHAEL R WELCH PHD PE
\$ 8,818			\$ 8,818	\$ -	\$ 8,818	CPM PARTNERS INC
\$ 5,000			\$ 5,000	\$ -	\$ 5,000	ATKINS
\$ 50,293			\$ 15,293	\$ 35,000	\$ 50,293	BROWNSTEIN HYATT FARBER & SCHRECK LLP
\$ 50,000		\$ 17,500	\$ 32,500	\$ 50,000	BUSTAMANTE & ASSOCIATES LLC	
Travel		\$ 2,631	\$ 2,631	\$ -	\$ 2,631	STAFF
Prof Legal Fees		\$ 7,761	\$ 7,761	\$ -	\$ 7,761	STUTZ ARTIANO SHINOFF
Service Contracts		\$ 114	\$ 114	\$ -	\$ 114	REPROHAUS CORP
		\$ 343	\$ 343	\$ -	\$ 343	SAN DIEGO UNION-TRIBUNE LLC
Standard Salaries		\$ 91,440	\$ 91,440	\$ -	\$ 91,440	
Total Design		\$ 4,382,388	\$ 861,192	\$ 3,521,196	\$ 4,382,388	
Construction	Standard Salaries	\$ 329	\$ 329	\$ -	\$ 329	
	Total Construction	\$ 329	\$ 329	\$ -	\$ 329	
Budget	\$30,000,000.00					
Total	\$ 6,219,479	\$ 2,480,962	\$ 3,738,517	\$ 6,219,479		

(March 23, 2005 through January 21, 2014)



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OTAY WATER DISTRICT
 Otay Mesa Conveyance and
 Disinfestation Facility Project
EXHIBIT A

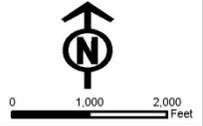




EXHIBIT B

SUBJECT/PROJECT: P2451-001101	Award of a Consulting Services Contract for Professional Consulting Work Related to the Otay Mesa Conveyance and Disinfection System Project for Fiscal Years 2014, 2015, and 2016
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SCOPE OF WORK.

March 4, 2014

Mr. Mark Watton, GM
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Mr. Watton:

This letter will serve as a proposal for an extension of my current contract with Otay Water District (District). My work up to now has been associated with the proposed binational desalination plant (Project) that the District is pursuing. With this letter I will present a proposal to continue assisting your agency in advancing the Project by providing my services through my consulting company, Silva-Silva International (SSI).

As I have worked with the District to this point, the Project purpose has remained the same. The intent is to advance the construction of a sea-water desalting plant in the area of Rosarito, Baja California. The plant will then provide water treated to a potable level to both Mexican agencies and the District. Given the complexity of the Project, it will face many challenges at the engineering, regulatory, financing and policy levels.

Given the many potential challenges for the Project, I believe I am uniquely qualified to provide both technical and policy assistance to the District. I have extensive experience regarding water policy and regulatory issues at the local, state and federal levels. I also have over 30 years of experience regarding water resources issues along the U.S.-Mexico border. I have attached a copy of my company profile that details my professional experience.

For better management of my work effort related to this contract, I am breaking out my proposal in the following task orders that describe the various types of functions I will be performing for the District. As the Project advances, the next steps will likely be in the policy and regulatory issues. The trans-boundary flow of water will require extensive effort with the regulatory bodies at the state and federal levels. Additionally, extensive policy work will be need to be done in both countries to obtain support for the Project and explore the potential for funding and perhaps partnerships in use of the new potable water supply.

TASK ORDER 1: WORK IN U.S. ON TECHNICAL, REGULATORY & MISC. ISSUES

This task order will cover work with U.S. agencies for technical and regulatory issues. These agencies include, but are not limited to, the State Department of Health Service (DHS), the San Diego Regional Water Quality Control Board (CRWQCB) and the State Water Resources Control Board (SWRCB). Additional agencies could include the State Fish and Game as well as federal agencies such as the U.S. Bureau of Reclamation (BOR), the International Boundary and Water Commission (IBWC) and the Environmental Protection Agency (EPA).

There will also likely be contacts required with local agencies such as the City and County of San Diego and other local water agencies.

TASK ORDER 2: WORK IN MEXICO ON TECHNICAL, REGULATORY & MISC. ISSUES

This task order will provide for work with Mexican agencies and officials as necessary. At the state level this will include the Governor's office and his staff, the "Secretaria de Infraestructura y Desarrollo Urbano (Secretariat of Infrastructure and Urban Development)", the "Comision Estatal de Agua (State Water Commission)" and the "Comision Estatal de Servicios Publicos de Tijuana y Rosarito (CESPT)". At the federal level, the key agencies are the "Comision Internacional de Limites y Aguas (IBWC) and "Comision Nacional del Agua (National Water Commission)". Both of these federal agencies have offices in Mexicali, Baja California.

TASK ORDER 3: WORK IN U.S. AND MEXICO ON POLICY MATTERS

This task order will cover work necessary to advance the Project through the broader policy level discussions at the local, state, federal and binational levels. This could include work necessary for market development with local water agencies as well as the San Diego County Water Authority. It could also include policy discussions at the state level and at the Colorado River seven-states forum that could bring in the federal agencies such as the BOR as potential funding partners. Another important element is required discussions at the binational level between the states of California and Baja California. Additionally, the Project may require an IBWC minute and discussions with the required entities will be crucial.

These task order are intentionally broad and can serve to guide my effort as I assist the District in its work on the Project.

With respect to a billing rate, I am proposing that the current level continue into the new contract. That is, based on my billing rate of \$250.00 per hour and a level of effort of 16 hours per month, the monthly contractual amount will continue at \$4000.00 per month. This does not include additional costs incurred, such as travel expenses. I understand that the total contract amount will allow for these potential additional expenses.

I have enjoyed the opportunity to provide my professional services to the District for the past three years and I look forward to working with you on this exciting project for the next two years under this contract extension.

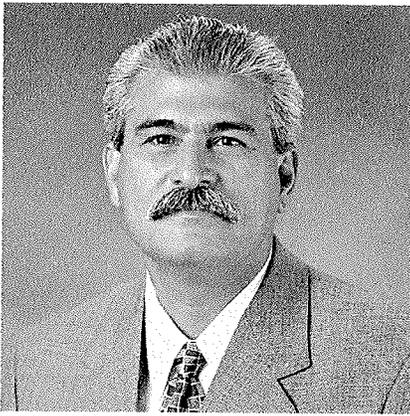
Please let me know if you require any additional informational and thank you again for this great opportunity.

Sincerely,

A handwritten signature in black ink that reads "Peter Silva". The signature is written in a cursive style with a large initial "P" and "S".

Peter S. Silva, PE
Silva-Silva International
1907 Corte Escena
Chula Vista, CA 91914

Attachment



Peter S. Silva
President, Silva-Silva International
psilvape@yahoo.com
(c) 619-980-5877

Education:

B.S. Civil Engineering
Cal-Poly, Pomona (1977)

Licenses:

- ♦Professional Engineer (CE)
in Calif. since 1980
- ♦Board Certified Env. Engr.
May, 2011

Appointments:

- ♦By President Clinton
Board Member: BECC
- ♦By CA Gov. Gray Davis
Board Member: CA SWRCB
- ♦By CA Gov. A. Schwarzenegger
Board Member: CA SWRCB
- ♦By President Obama
EPA Asst. Admin. For Water

Expertise:

- ♦U.S.-Mexico Affairs
- ♦Water & WW Regulations
- ♦SRF Funding
- ♦Water Resources
- ♦Water & WW Operations
- ♦Desalination
- ♦Tribal affairs
- ♦Environmental Justice

Peter S. Silva, PE BCEE

Mr. Silva is President of Silva-Silva International (SSI), a consulting firm specializing in water resources management and regulatory issues. SSI also specializes in water issues related to the U.S.-Mexico border. With 34 years of experience in the local, city, regional, state, federal and international levels of the public sector, Mr. Silva brings a wealth of experience to assist both public and private sector clients in need of professional expertise in managing existing water resources or developing new sources. Additionally, Mr. Silva can provide technical and policy advice on a myriad of regulatory issues related to operating a public or private sector enterprise.

Before establishing the firm of SSI, Mr. Silva was Assistant Administrator for Water at the U.S. Environmental Protection Agency in Washington DC. Having been appointed by President Barack Obama and confirmed by the U.S. Senate, Mr. Silva worked with EPA Administrator Lisa Jackson on major national water issues. Prior to EPA, Mr. Silva was a Senior Policy Advisor for the Metropolitan Water District of Southern California, where he worked with the GM and Board on issues related to the lower Colorado River, including binational issues with Mexico.

Prior to MWD, Mr. Silva spent six years as vice-chair of the California Water Resources Control Board, having been appointed by Governors Gray Davis and Arnold Schwarzenegger. There he led Board efforts on water rights and water quality issues such as storm water permits, power plant regulations and watershed planning. While at the SWRCB, Mr. Silva also focused on the U.S.-Mexico border issues, SRF funding, tribal affairs and environmental justice.

Mr. Silva's experience also includes extensive binational experience. In 1995, he was appointed by President Clinton to the Board of the Border Environment Cooperation Commission (BECC). From May, 1997 to May, 2000 he served as the Assistant GM for the BECC, which is based in Ciudad Juarez, Mexico. The BECC, created as part of the NAFTA Agreement, provides technical assistance and funding to U.S. and Mexican border communities for building water and wastewater infrastructure. As part of his international experience, Mr. Silva was also in charge of the San Diego office of the International Boundary and Water Commission for four years.

Mr. Silva's broad experience also includes the planning, design and operation of water and wastewater systems. While with the City's Clean Water Program, he was on the management team for the billion dollar planning and design effort of 100 mgd secondary and tertiary wastewater plants. On the operations side, he ran the City of San Diego's water treatment plants (300 mgd) for five years.

With his broad technical and policy experience, Mr. Silva brings a unique set of skills and knowledge that provides a high level of expertise to SSI clients. He can use his broad base of contacts at the local, state, federal and international level to tailor the appropriate solution to water resources or water quality issues.

AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Kevin Koeppen, Finance Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Extension of the Letter of Credit for the 1996 Variable Rate Certificates of Participation		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopts Resolution No. 4232 approving the form of documents required for the extending the Letter of Credit (LOC) with Union Bank for the outstanding variable rate debt and authorize the General Manager to execute the related First Amendment to the Reimbursement Agreement (Attachment C) and Union Bank Fee Letter (Attachment D).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain approval by the Board to amend the LOC extending the date of termination to June 29, 2017 and to execute the First Amendment to Reimbursement Agreement and Fee Letter with Union Bank in connection with the existing LOC securing the 1996 Variable Rate Demand Certificates of Participation (1996 COPs).

ANALYSIS:

The District has five outstanding debt issuances that total approximately \$112 million. The debt is used to fund the District's CIP program. One of the debt issuances is a variable rate debt,

which is a very low cost debt for the District and thus, the District would like to maintain it. The outstanding variable rate debt is currently \$9.9 million, which represents 9% of the District's overall debt portfolio.

In 1996, the District issued \$15,400,000 1996 Variable Rate Demand Certificates of Participation (COPs) with an outstanding principal of \$9,900,000. They are scheduled to mature on September 1, 2026 and currently bear an interest rate before fees of .03%, which is reset weekly. The effective rate after fees is currently 1.48%.

The proceeds of the 1996 COPs were used for the construction of a series of public improvements including, water storage, pump stations, reservoirs, pipelines and the District headquarters.

In order for the variable rate debt to remain on the market, a bank must provide a LOC to guarantee the debt payments to the certificate holders. Staff has discussed that the District could convert the debt to a fixed rate debt. Under the amendment to the LOC agreement the effective variable rate is approximately 1.33%. The effective rate the District achieved on its most recent fixed rate refinancing, which was of a similar size and duration, was 1.7%. Based on this evaluation and considering the cost of refinancing, staff determined that it is still less expensive to maintain this debt as a variable rate issuance. In addition, the District may also consider paying the debt down or off, if it became cost beneficial. At this time, paying the debt down or off is not cost beneficial as it would reduce reserve levels below targeted amounts resulting in a need to issue debt. The variable rate debt is a small portion of the District's debt portfolio, so any volatility in interest rates would not have a dramatic effect on the net portfolio interest expense.

Currently, 1996 COPs are secured by a LOC provided by Union Bank. The agreement with Union Bank was executed on June 29, 2011 and is scheduled to expire on June 29, 2014. Prior to Union Bank, Helaba provided the LOC for the 1996 COPs for a period of 15 years until they terminated the LOC in 2011. Helaba terminated the contract because the District's debt was smaller than they wished to work with and they wanted to limit their exposure to California debt. Obtaining a new LOC is normally cost prohibitive as it is similar to the costs of issuing new debt. The cost of obtaining a new LOC provider in 2011 was approximately \$150,000.

Staff has obtained an amendment to the existing Union Bank LOC agreement extending the current terms entered into on June 29, 2011 until June 29, 2017.

The District's continued Capital Improvement Program requires the ongoing financial funding provided by this debt while the variable rate accomplishes this at a very low cost.



ATTACHMENT A

SUBJECT/PROJECT:	Extension of the Letter of Credit for the 1996 Variable Rate Certificates of Participation
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on March 18, 2014 and the following comments were made:

- Staff is recommending that the board adopt Resolution No. 4232 approving the form of documents required for extending the Union Bank Letter of Credit related to the 1996 Variable Rate Certificates of Participation.
- The current LOC will expire on June 29, 2014. In order for variable rate debt to remain on the market a bank must provide a LOC to guarantee the debt payments to the certificate holders.
- Staff reviewed the options of converting the variable issuance to a fixed rate, which would eliminate the need for a LOC. Based on the inexpensive borrowing costs and the limited exposure to rising interest costs it was not cost effective to convert the issuance to a fixed rate. Currently there is \$9.9 million of outstanding principal related to the variable rate issuance.
- The committee inquired what the rate differential was between the fixed rate versus the variable rate plus the LOC. Staff indicated to pay for the cost of refinancing the issuance and interest, the District would need to achieve a rate of about .4%, which is not likely. Staff further indicated that if the rate were increased to 2.3%, the District would, at this point, want to look at converting the debt to a fixed rate.
- The committee inquired what Union Bank's credit rating was. It was indicated that Union Bank has an "A+" rating. In response to another inquiry from the committee, staff indicated that it's required that there be another party, other than the District, that can provide immediate funds. This is necessary for all variable rate debt issuances.
- The committee further inquired if Union Bank were no longer in business, if the District would have the ability to substitute

with another Bank's Letter of Credit without having to reissue the bonds. Staff indicated that the District would effectively be reissuing bonds which would be very expensive.

- Staff indicated that the District's experience with Union Bank has been very positive and they are very proactive in lowering the cost to the District. The LOC is a very small part of the services they provide to the District.
- The proposed 3 year extension would expire on June 29, 2017 and is a simple substitution with no substantive change in the debt. The 1996 COPs will have the same maturity and repayment schedule.
- Union Bank has reduced the rate from 110 basis points to 95 basis points, which will result in a net savings, after legal fees, of \$34,000 over 3 years. The reduction was based on the District's credit rating and its relationship with Union Bank.

Following the discussion, the Committee supported staff's recommendation and presentation to the full board as an action item.

RESOLUTION NO. 4232

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS FOR A LETTER OF CREDIT EXTENSION FOR THE THE OTAY WATER DISTRICT VARIABLE RATE DEMAND CERTIFICATES OF PARTICIPATION (1996 CAPITAL PROJECTS)

WHEREAS, the Otay Water District (the “District”) and the Otay Service Corporation (the “Corporation”) have previously entered into an Installment Sale Agreement dated as of June 1, 1996 as amended by the First Amendment to Installment Sale Agreement dated as of August 1, 2004 and the Second Amendment to Installment Sale Agreement dated as of June 30, 2011 (collectively, the “Installment Sale Agreement”) and that certain Trust Agreement dated as of June 1, 1996 as amended by the First Supplemental Trust Agreement dated as of May 25, 2011 and by the Second Supplemental Trust Agreement dated as of June 30, 2011 (collectively, the “Trust Agreement”) by and among the District, the Corporation and the Bank of New York Mellon Trust Company, N.A. (as successor trustee to Chemical Trust Company of California) (the “Trustee”) pursuant to which the Otay Water District Variable Rate Demand Certificates of Participation (1996 Capital Projects) (the “Certificates”) are outstanding; and

WHEREAS, the Certificates evidence undivided fractional interests in the Installment Payments to be made by the District under the Installment Agreement; and

WHEREAS, the letter of credit from Union Bank, N.A. (the “Bank”) securing the repayment of the Certificates under the Trust Agreement expires on June 29, 2014 and the District and the Bank desire to extend the maturity date to June 29, 2017; and

WHEREAS, in order to effectuate the extension of the Letter of Credit, there has been presented to the District the forms of the following documents for approval which are on file with the Secretary of the Board of Directors:

- (1) A letter from the Bank regarding various fees related to the Letter of Credit (the “Fee Letter”);
- (2) A First Amendment to Reimbursement Agreement (the “First Amendment to Reimbursement Agreement”) by and between the District and the Bank; and

WHEREAS, the execution and delivery of the foregoing documents are necessary to effectuate the extension of the Letter of Credit which the Board of Directors has determined to be in the best interests of the District;

NOW, THEREFORE, the Board of Directors of the Otay Water District does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The forms of the Fee Letter and the First Amendment to Reimbursement Agreement (collectively, the “District Agreements”) are hereby approved and each of the President of the Board of Directors, the Vice President of the Board of Directors, the Treasurer, the General Manager, the Chief Financial Officer, and their written designees (each an “Authorized Officer” and collectively the “Authorized Officers”), acting alone, is hereby authorized and directed to execute and deliver the District Agreements in the name of and on behalf of the District, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers.

Section 3. The Authorized Officers are hereby authorized and directed, to do any and all things and to execute and deliver any and all documents, including amendments to any of the existing documents and agreements relating to the Certificates, which they may deem necessary or advisable in order to consummate the extension of the Letter of Credit and otherwise to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect upon its adoption.

ADOPTED, SIGNED and APPROVED at a regular meeting of the District this __ day of April, 2014.

President of the Board of Directors of the Otay Water District

ATTEST:

Secretary of the Board of Directors of the Otay Water District

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT

Dated as of May 1, 2014

by and between

OTAY WATER DISTRICT

and

UNION BANK, N.A.

**Otay Water District
\$11,300,000 Variable Rate Demand
Certificates of Participation
(1996 Capital Projects)**

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT, dated as of May 1, 2014, by and between **OTAY WATER DISTRICT**, a water district duly organized and existing under the Constitution and laws of the State of California (the “District”), and **UNION BANK, N.A.**, a national banking association organized and existing under the laws of the United States (the “Bank”), amending that certain Reimbursement Agreement, dated as of June 1, 2011 (the “Initial Reimbursement Agreement”).

RECITALS

A. The District and the Otay Service Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”) entered into an Installment Sale Agreement, dated as of June 1, 1996 (as from time to time amended, the “Installment Sale Agreement”), whereby the Corporation agreed to sell to the District the Project (as defined herein), and the District agreed to purchase the Project from the Corporation.

B. Under the Installment Sale Agreement, the District is obligated to pay to the Corporation or its assigns Installment Payments and Additional Costs (as both items are defined herein) for the purchase of the Project.

C. Pursuant to a Trust Agreement, dated as of June 1, 1996 (as from time to time amended or supplemented, the “Trust Agreement”), among the District, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the successor to Chemical Trust Company of California, as original trustee, the District caused the execution and delivery of \$15,400,000 aggregate principal amount of Valuable Rate Demand Certificates of Participation (1996 Capital Projects) (the “Certificates”) of which \$9,900,000.00 principal amount is currently outstanding.

D. The Corporation assigned the rights to receive the Installment Payments and Additional Costs, and the Corporation and the District granted a security interest in all monies held by the Trustee under the Trust Agreement not expressly held for the benefit of the District, to the Trustee for the benefit of the Owners of the Certificates and the Bank.

E. The District and the Bank entered into the Initial Reimbursement Agreement pursuant to which the Bank issued its irrevocable Letter of Credit, as such term is defined in the Initial Reimbursement Agreement.

F. The District and the Bank desire to amend the provisions of the Initial Reimbursement Agreement as set forth below.

G. The term “Reimbursement Agreement” shall hereinafter refer to the Initial Reimbursement Agreement, as amended by this Amendment.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for good and valuable consideration, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the same meaning as ascribed to such terms in the Reimbursement Agreement.

2. **Amendments to the Reimbursement Agreement**

(a) Section 1.01 of the Reimbursement Agreement is hereby amended by deleting, in the definition of “Maturity Date,” the date “June 29, 2014” and substituting in lieu thereof the date “June 29, 2017.”

(b) Section 1.01 of the Reimbursement Agreement is hereby further amended by adding the following new definitions:

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“Fee Letter” means that certain letter from the Bank to the District dated May 1, 2014, in which the fees charged for issuing the Letter of Credit are set forth, as the same may, from time to time, be amended or modified.

“Governmental Authority” means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

(c) Section 2.03 of the Reimbursement Agreement is hereby amended by deleting in its entirety and substituting in lieu thereof the following:

SECTION 2.03 Commissions. The commissions and fees charged by the Bank are set forth in a separate Fee Letter. Any reference therein to commissions and fees set forth in Section 2.03 or any subpart thereof shall be deemed to refer, hereafter, to the applicable provisions of the Fee Letter.

(d) Section 2.07(e) of the Reimbursement Agreement is hereby amended by adding to the end of such Section the following:

Notwithstanding the foregoing, for purposes of this Reimbursement Agreement (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a change in law, as described in this subsection (c), regardless of the date

enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a change in law, as described in this subsection (c), regardless of the date enacted, adopted or issued.

(e) Article VII of the Reimbursement Agreement is hereby amended by adding the following new Section thereto:

SECTION 7.22 Electronic Transmissions Regarding Letter of Credit. The Bank is authorized to accept and process any amendments, instructions, consents, waivers and all documents relating to the Letter of Credit which are sent to the Bank by electronic transmission, including SWIFT, electronic mail, telecopy, courier, mail or other computer-generated telecommunications, and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the District and the Trustee to the same extent as if in writing. The Bank may, but shall not be obligated to, require authentication of such electronic transmission prior to acting on such electronic transmission.

3. **Effect.** All other Related Documents which reference the Reimbursement Agreement shall be deemed hereinafter to refer to the Reimbursement Agreement as amended hereby. Except as specifically amended herein, the Reimbursement Agreement and all other Related Documents shall remain in full force and effect and are hereby ratified and confirmed.

4. **Representations and Warranties.**

As part of the consideration for this Amendment, the District represents and warrants to the Bank as follows:

(a) The execution, delivery and performance by the District of this Amendment is within the District's powers, have been duly authorized by all necessary government actions, and do not and will not contravene or constitute a default under the provisions of applicable law or regulation or of any law, determination, award, regulation, judgment, injunction, order, decree, rule or writ applicable to the District, or any indenture, lease, instrument, agreement or other contractual restriction binding on the District or its property; the District is not in violation of or in default under any law, order, rule, regulation, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or contractual restriction binding on or affecting the District which violation or default would adversely impair the ability of the District to perform its obligations hereunder.

(b) All authorizations, approval, legal required orders, consents and other action by, and the notice to or filing or registration with, any governmental authority, regulatory body or other public board or bodies have been obtained or will be obtained for the due execution,

delivery and performance by the District of this Amendment and all of the transactions contemplated hereby.

(c) This Amendment has been fully authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by other parties hereto constitutes the legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms. After giving effect to this Amendment, no event of default has occurred and is continuing, and after giving effect to this Amendment, the representations and warranties of the District contained in the Reimbursement Agreement and other Related Documents are true and correct in all material respects as of the date hereof as if made on the date hereof.

5. **Expenses.** The District shall pay reasonable out-of-pocket expenses of the Bank, including fees and disbursements of its counsel, in connection with the negotiation, preparation and administration of this Amendment, any waiver, forbearance or consent thereunder, or any further amendment thereof. The obligations of the District hereunder are in addition to and not in lieu of its obligations under Section 7.07 and Section 7.09 of the Reimbursement Agreement.

6. **Conditions to the Effectiveness of this Amendment.** This Amendment shall become effective on the date (the "Effective Date") when each of the following shall have been delivered to the Bank:

(a) **Amendment.** Counterparts of this Amendment duly executed by each of the parties hereto.

(b) **Fees, Costs and Expenses.** All fees payable to the Bank pursuant to Section 5 above.

(c) **Legal Opinion.** A favorable written opinion of legal counsel to the District in form and substance satisfactory to the Bank.

(d) **Other Documents.** All other certificates, consents and documents which may be reasonably requested by the Bank.

7. **Counterparts, Effectiveness.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

8. **Governing Law; Dispute Resolution.** THIS FIRST AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 7.14 AND 7.17 OF THE REIMBURSEMENT AGREEMENT, RELATING TO GOVERNING LAW AND DISPUTE RESOLUTION, THE PROVISIONS OF WHICH ARE BY THIS REFERENCE HEREBY INCORPORATED HEREIN IN FULL.

9. **Severability.** Any provision of this Amendment which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

10. **Headings**. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[Signatures on the following page]

IN WITNESS WHEREOF, this Amendment has been entered into by the parties as of the date first above written:

OTAY WATER DISTRICT

By: _____
Name: _____
Title: _____

UNION BANK, N.A.

By: _____
Anne Kupfer
Vice President

[UNION BANK, N.A. LETTERHEAD]

May 1, 2014

Mr. Joseph R. Beachem
 Finance Director
 Otay Water District
 2554 Sweetwater Springs Boulevard
 Spring Valley, California 91978

Re: Reimbursement Agreement dated as of June 1, 2011

Dear Mr. Beachem:

In connection with that certain Reimbursement Agreement dated as of June 1, 2011, by and between Otay Water District (the "District") and Union Bank, N.A. (the "Bank"), as amended by that certain First Amendment to Reimbursement Agreement dated as of May 1, 2014 (collectively, the "Reimbursement Agreement"), we have set forth below the Bank's fees for the subject transaction. This letter is the "Fee Letter" defined in Section 1.01 of the Reimbursement Agreement. All other capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Reimbursement Agreement.

The District, by signing this Fee Letter, agrees to pay or cause to be paid, the following fees and commissions:

(a) Facility Fee: The District shall pay, or cause to be paid, to the Bank a facility fee based on the Available Amount in effect, from the Closing Date until the Stated Termination Date, at the rate of 0.950% per annum beginning June 30, 2014 (and at the previous rate of 1.10% per annum prior to this date). The facility fee shall be payable quarterly in advance, upon issuance of the Letter of Credit, and on the last day of each September, December, March and June thereafter. Once paid, the facility fee shall be deemed earned and shall not be refundable. The foregoing to the contrary notwithstanding, in addition to and not in lieu of any other fees charged by the Bank, should the S&P rating for the Certificates change, the facility fee shall be payable as set forth below for the period of time the new rating is in effect. Any increase in the facility fee shall be paid by the District, or caused to be paid, within thirty (30) days of the increase, calculated from the date of the increase until the next date on which the facility fee is to be paid and continuing thereafter until the next change of rating, if any:

<u>Level</u>	<u>S&P Rating</u>	<u>Facility Fee Rate</u> <u>Increase to</u>
1	AA	0.950% p.a.
2	AA-	0.950% p.a.
3	A+	1.05% p.a.
4	A-	1.30% p.a.
5	BBB+	2.30% p.a.
6	BBB	2.80% p.a.
7	Below BBB	4.30% p.a.

(b) Transfer Fee: The District shall pay, or cause to be paid, to the Bank, upon each transfer of the Letter of Credit in accordance with its terms, a transfer commission equal to \$2,000.00. A transfer is deemed to have occurred whenever the Trustee is replaced, substituted or changed as a result of sale, assignment, merger, consolidation, reorganization or an act of law.

(c) Draw Fee: The District shall pay, or cause to be paid, to the Bank upon each draw under the Letter of Credit a sum equal to \$250.00, payable on the Draw Date.

(d) Default Fee: The District shall pay, or cause to be paid, to the Bank during the occurrence and continuance of any Event of Default hereunder, regardless of whether the Bank has exercised any of its remedies as described in Section 6.02 of the Reimbursement Agreement, a default fee based on the Available Amount in effect, from the date such Event of Default has occurred until the earlier of the date such Event of Default is cured or the Stated Termination Date at the rate of 3% per annum. The default fee shall be payable monthly in arrears, on the last day of each month, and on the day the Event of Default is cured or, if earlier, the Stated Termination Date.

Any controversy or claim arising out of or relating to this letter, including any alleged torts, shall be determined by the terms of Section 7.14 of the Reimbursement Agreement. The following Sections of the Reimbursement Agreement shall be applicable to this letter and shall be incorporated herein by this reference: Sections 7.03; 7.08; 7.09; 7.10; 7.17 and 7.19.

We look forward to receiving your signed acceptance.

Very truly yours,

Anne Kupfer
Vice President

AGREED AND ACCEPTED ON _____, 2014:

OTAY WATER DISTRICT

By: _____
Name: _____
Title: _____



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	April 8, 2014
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	<input checked="" type="checkbox"/> Susan Cruz, District Secretary <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Board of Directors 2014 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

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

PURPOSE:

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

COMMITTEE ACTION:

N/A

ANALYSIS:

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

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

Attachment: Calendar of Meetings for 2014

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

Regular Board Meetings:

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

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

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

SPECIAL BOARD MEETINGS:

BOARD WORKSHOPS:

May 19, 2014

AGENDA ITEM 9a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Wales Benham Senior Accountant		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Director's Expenses for the 2nd Quarter of Fiscal Year 2014		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 2nd quarter of Fiscal Year 2014.

ANALYSIS:

The Directors' expense information is being presented in order to comply with Otay's Board of Directors Policy 8, requiring staff to create a quarterly report showing expenses for the Directors. In addition, California Government Code Section 53065.5 requires special districts, at least annually, to disclose any reimbursement paid by a district within the immediately preceding fiscal year. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed, at least annually by

a date determined by that district, and shall be made available for public inspection. (See Attachment B for the Summary and C-H for Details.)

FISCAL IMPACT:

None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT:

Compliance with state law.

Attachments: Attachment A Committee Action
 Attachment B Director's Expenses and per Diems
 Attachment C-H Director's Expenses Detail



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 2nd Quarter of Fiscal Year 2014
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COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee at a meeting held on March 18, 2014. The expenses for each director from October 1, 2013 thru December 31, 2013 was presented. It was indicated that directors' expenses totaled \$4,759.42 for the second quarter of Fiscal Year 2014. The total expense from July 1, 2013 through December 31, 2013 is \$12,144.36. It is projected that directors expenses for Fiscal Year 2014 will total approximately \$24,100 based on the first two (2) quarters of actual expenses. The committee received staffs' report and recommended presentation to the full board as an informational item.

BOARD OF DIRECTORS' EXPENSES AND PER-DIEMS

**Board of Directors Meeting
April 8, 2014**

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

- Fiscal Year 2014, 2nd Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance, Administration, and Communications Committee on March 18, 2014.

Board of Directors' Expenses and Per-Diems
Fiscal Year 2014 Quarter 2 (Oct 2013 - Dec 2013)

Director Croucher	\$400.00
Director Gonzalez	\$1,607.19
Director Lopez	\$1,545.77
Director Robak	\$20.00
Director Thompson	\$1,186.46
Total	\$4,759.42

Director Croucher

Fiscal Year 2014 Quarter 2

	Oct 2013	Nov 2013	Dec 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	100.00	100.00	200.00
Mileage Business	0.00	0.00	0.00
Conferences and Seminars	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Monthly Totals	<u>100.00</u>	<u>100.00</u>	<u>200.00</u>
Quarterly Total			<u><u>\$400.00</u></u>

Fiscal Year-to-Date 2014 (Jul 2013-Dec 2013)	\$600.00
---	-----------------

Meetings Attended	1	1	2
Meetings Paid	1	1	2

Director Gonzalez

Fiscal Year 2014 Quarter 2

	Oct 2013	Nov 2013	Dec 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	200.00	400.00	100.00
Mileage Business	0.00	138.39	0.00
Conferences and Seminars	0.00	600.00	0.00
Travel	0.00	168.80	0.00
Monthly Totals	<u>200.00</u>	<u>1,307.19</u>	<u>100.00</u>
Quarterly Total			<u>\$1,607.19</u>

Fiscal Year-to-Date 2014 (Jul 2013-Dec 2013)	\$4,221.25
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Meetings Attended	4	4	1
Meetings Paid	2	4	1

Director Lopez

Fiscal Year 2014 Quarter 2

	Oct 2013	Nov 2013	Dec 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	500.00	400.00	500.00
Mileage Business	6.78	40.68	19.21
Mileage Commuting	33.90	22.60	22.60
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>540.68</u>	<u>463.28</u>	<u>541.81</u>
Quarterly Total			<u><u>\$1,545.77</u></u>

Fiscal Year-to-Date 2014 (Jul 2013-Dec 2013)	\$3,894.51
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Meetings Attended	6	5	7
Meetings Paid	5	4	5

Director Robak

Fiscal Year 2014 Quarter 2

	Oct 2013	Nov 2013	Dec 2013
Business Meetings	0.00	0.00	20.00
Director's Fees	0.00	0.00	0.00
Mileage Business	0.00	0.00	0.00
Mileage Commuting	0.00	0.00	0.00
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Quarterly Total			<u><u>\$20.00</u></u>

Fiscal Year-to-Date 2014 (Jul 2013-Dec 2013)	\$666.42
---	-----------------

Meetings Attended	1	3	2
Meetings Paid	0	0	0

Director Thompson

Fiscal Year 2014 Quarter 2

	Oct 2013	Nov 2013	Dec 2013
Business Meetings	0.00	0.00	13.00
Director's Fees	600.00	100.00	300.00
Mileage Business	65.54	0.00	19.78
Mileage Commuting	44.07	14.69	29.38
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>709.61</u>	<u>114.69</u>	<u>362.16</u>
Quarterly Total			<u><u>\$1,186.46</u></u>

Fiscal Year-to-Date 2014 (Jul 2013-Dec 2013)	\$2,762.18
---	-------------------

Meetings Attended	7	3	4
Meetings Paid	6	1	3

Board of Directors' Expenses and Per Diems
Fiscal Year 2014 to Date (Jul 2013 - Dec 2013)

Director Croucher	\$600.00
Director Gonzalez	\$4,221.25
Director Lopez	\$3,894.51
Director Robak	\$666.42
Director Thompson	\$2,762.18
Total	\$12,144.36

Board of Directors' Expenses and Per Diems
Fiscal Year 2014 **Projected** (July 2013- June 2014)

Director Croucher

\$1,200.00

Director Gonzalez

\$8,400.00

Director Lopez

\$7,800.00

Director Robak

\$1,300.00

Director Thompson

\$5,400.00

Total

\$24,100.00

Based on six months of actuals

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: CROUCHER, GARY

ATTACHMENT D

Account Name	Date	Descriptions	SECTION D Amount
Director's Fee	8/20/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	\$ 100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/15/2013	SPECIAL DISTRICTS ADVISORY COMMITTEE MEETING - LAFCO	100.00
	12/9/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	12/20/2013	SPECIAL DISTRICTS ADVISORY COMMITTEE MEETING - LAFCO	100.00
Director's Fee Total			600.00
Grand Total			\$600.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: GONZALEZ, DAVID

ATTACHMENT E

Account Name	Date	Descriptions	SECTION E Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/19/2013	COMMITTEE AGENDA BRIEFING	100.00
	7/24/2013	COMMITTEE MEETING	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	11/6/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/17/2013	SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE	100.00
	11/18/2013	SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE	100.00
	11/19/2013	SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE	100.00
	12/9/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
Director's Fee Total			1,400.00
Mileage - Business	11/17/2013	CAR RENTAL - SPECIAL DISTRICT LEADERSHIP ACADEMY NOV. 17-19, 2013	138.39
Mileage - Business Total			138.39
Travel	9/24/2013	AIRFARE TO HOUSTON TEXAS - WATER & ENERGY CONFERENCE	338.20
	9/26/2013	LODGING - ENERGY CONFERENCE, HOUSTON TEXAS ON 9/25-9/26/2013	535.86
	11/17/2013	AIRFARE TO OAKLAND CALIFORNIA - SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE	168.80
Travel Total			1,042.86
Conferences and Seminars	9/5/2013	REGISTRATION - MEXICAN AMERICAN BUSINESS PROFESSIONALS ASSOC. MEETING HELD ON SEPTEMBER 5, 2013	25.00
	9/6/2013	REGISTRATION - ALBONDIGAS MONTHLY MEETING SEPTEMBER 6, 2013	15.00
	9/25/2013	REGISTRATION - SEPT 25-26, 2013 WATER & ENERGY CONFERENCE	1,000.00
	11/19/2013	REGISTRATION-SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE (NOV.17-19, 2013)	600.00
Conferences and Seminars Total			1,640.00
Grand Total			\$ 4,221.25

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/11/2013	MEETING WITH DISTRICT'S AUDITOR - DAVID FOREMAN	100.00
	7/19/2013	COMMITTEE AGENDA BRIEFING	100.00
	7/23/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/1/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/9/2013	SEMINAR "BOARD ROLE IN FINANCE & FISCAL ACCOUNTABILITY"	100.00
	8/13/2013	WEBINAR "UNDERSTANDING BOARD MEMBER & DISTRICT LIABILITY"	100.00
	8/14/2013	AGENDA DEVELOPER FOR JOINT WATER SUMMIT MEETING	100.00
	8/21/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/27/2013	JOINT WATER SUMMIT MEETING	100.00
	8/30/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/17/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	9/25/2013	JOHN BOLTHOUSE - WATER CONSERVATION GARDEN	100.00
	9/26/2013	DESALINATION MEETING IN TIJUANA	100.00
	9/27/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/18/2013	COMMITTEE AGENDA BRIEFING	100.00
	10/22/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	10/31/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	11/2/2013	BAJA CALIORNIA GOVERNOR'S INAUGURATION (MEXICALI)	100.00
	11/6/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/15/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING - DONOR APPRECIATION DAY	100.00
	11/21/2013	QUARTERLY MEETING - DAN MCALLISTER SPEAKER	100.00
	12/6/2013	COMMITTEE AGENDA BRIEFING	100.00
	12/10/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	12/17/2013	MEETING WITH JOHN BOLTHOUSE AT WATER CONSERVATION GARDEN	100.00
	12/20/2013	COMMITTEE AGENDA BRIEFING	100.00
Director's Fee Total			3,300.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 11,19, & 23 2013	45.20
	8/31/2013	MEETING - AUG. 7 & 21, 2013	22.60
	9/30/2013	MEETING - SEPTEMBER 4, 11,17, 23, 25, & 26 2013	68.93
	10/31/2013	MEETING - OCTOBER 2, 22, & 23, 2013	33.90
	11/30/2013	MEETING - NOVEMBER 2 & 6, 2013	22.60
	12/31/2013	MEETING - DECEMBER 10, & 17 2013	22.60
Mileage - Commuting Total			215.83
Mileage - Business	8/31/2013	MEETING - AUG. 1, 9, 14, 27 & 30, 2013	83.62
	9/27/2013	MEETING - SEPTEMBER 27, 2013	3.39
	10/31/2013	MEETING - OCTOBER 18 & 31, 2013	6.78
	11/30/2013	MEETING - NOVEMBER 6, 15 & 21, 2013	40.68
	12/31/2013	MEETING - DECEMBER 6, 11 & 20 2013	19.21
Mileage - Business Total			153.68
Business meetings	8/9/2013	CALIFORNIA SPECIAL DISTRICT	225.00
Business meetings Total			225.00
Grand Total			3,894.51

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: CROUCHER, GARY

ATTACHMENT D

Account Name	Date	Descriptions	SECTION D Amount
Director's Fee	8/20/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	\$ 100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/15/2013	SPECIAL DISTRICTS ADVISORY COMMITTEE MEETING - LAFCO	100.00
	12/9/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	12/20/2013	SPECIAL DISTRICTS ADVISORY COMMITTEE MEETING - LAFCO	100.00
Director's Fee Total			600.00
Grand Total			\$600.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/11/2013	MEETING WITH DISTRICT'S AUDITOR - DAVID FOREMAN	100.00
	7/19/2013	COMMITTEE AGENDA BRIEFING	100.00
	7/23/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/1/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/9/2013	SEMINAR "BOARD ROLE IN FINANCE & FISCAL ACCOUNTABILITY"	100.00
	8/13/2013	WEBINAR "UNDERSTANDING BOARD MEMBER & DISTRICT LIABILITY"	100.00
	8/14/2013	AGENDA DEVELOPER FOR JOINT WATER SUMMIT MEETING	100.00
	8/21/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/27/2013	JOINT WATER SUMMIT MEETING	100.00
	8/30/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/17/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	9/25/2013	JOHN BOLTHOUSE - WATER CONSERVATION GARDEN	100.00
	9/26/2013	DESALINATION MEETING IN TIJUANA	100.00
	9/27/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/18/2013	COMMITTEE AGENDA BRIEFING	100.00
	10/22/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	10/31/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	11/2/2013	BAJA CALIORNIA GOVERNOR'S INAUGURATION (MEXICALI)	100.00
	11/6/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/15/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING - DONOR A	100.00
	11/21/2013	QUARTERLY MEETING - DAN MCALLISTER SPEAKER	100.00
	12/6/2013	COMMITTEE AGENDA BRIEFING	100.00
	12/10/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	12/17/2013	MEETING WITH JOHN BOLTHOUSE AT WATER CONSERVATION GAR	100.00
	12/20/2013	COMMITTEE AGENDA BRIEFING	100.00
Director's Fee Total			3,300.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Mileage - Commutir	7/31/2013	MEETING - JULY 3, 11,19, & 23 2013	45.20
	8/31/2013	MEETING - AUG. 7 & 21, 2013	22.60
	9/30/2013	MEETING - SEPTEMBER 4, 11,17, 23, 25, & 26 2013	68.93
	10/31/2013	MEETING - OCTOBER 2, 22, & 23, 2013	33.90
	11/30/2013	MEETING - NOVEMBER 2 & 6, 2013	22.60
	12/31/2013	MEETING - DECEMBER 10, & 17 2013	22.60
Mileage - Commuting Total			215.83
Mileage - Business	8/31/2013	MEETING - AUG. 1, 9, 14, 27 & 30, 2013	83.62
	9/27/2013	MEETING - SEPTEMBER 27, 2013	3.39
	10/31/2013	MEETING - OCTOBER 18 & 31, 2013	6.78
	11/30/2013	MEETING - NOVEMBER 6, 15 & 21, 2013	40.68
	12/31/2013	MEETING - DECEMBER 6, 11 & 20 2013	19.21
Mileage - Business Total			153.68
Business meetings	8/9/2013	CALIFORNIA SPECIAL DISTRICT	225.00
Business meetings Total			225.00
Grand Total			3,894.51

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: ROBAK, MARK

ATTACHMENT G

Account Name	Date	Descriptions	SECTION G Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2013	COUNCIL OF WATER UTILITIES	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/12/2013	SDCWA - DISCUSSION OF BAY DELTA ALTERNATIVES	100.00
Director's Fee Total			500.00
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 2013	2.26
	8/31/2013	MEETING - AUG. 7, 2013	2.26
	9/30/2013	MEETING - SEPT. 4, 2013	2.26
Mileage - Commuting Total			6.78
Mileage - Business	7/31/2013	MEETING - JULY 3, 2013	3.39
	8/31/2013	MEETING - AUG. 7 & 20, 2013	34.47
	9/30/2013	MEETING - SEPT. 4 & 12, 2013	6.78
Mileage - Business Total			44.64
Business meetings	7/1/2013	SD EAST COUNTY CHAMBER OF COMMERCE FIRST FRIDAY JULY 2013	20.00
	9/17/2013	COUNCIL OF WATER UTILITIES	50.00
	9/25/2013	REGISTRATION - SD EAST COUNTY CHAMBER OF COMMERECE	25.00
	12/4/2013	EAST COUNTY CHAMBER OF COMMERCE	20.00
Business meetings Total			115.00
Grand Total			\$ 666.42

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: THOMPSON, MITCHELL

ATTACHMENT H

Account Name	Date	Descriptions	SECTION H Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/16/2013	COUNCIL OF SD COUNTY WATER AGENCIES MONTHLY MEETING	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/13/2013	MEETING WITH SWEETWATER AND OTAY WATER DISTRICT	100.00
	8/21/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/27/2013	JOINT WATER SUMMIT MEETING	100.00
	8/28/2013	SEXUAL HARRASSMENT FOR SUPERVISORS TRAINING	100.00
	9/3/2013	AB1234 ETHICS TRAINING FOR PUBLIC OFFICIALS	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/13/2013	AGENDA BREIFING MEETING	100.00
	9/17/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/23/2013	REDEVELOPMENT OVERSIGHT BOARD MEETING	100.00
	9/25/2013	JOHN BOLTHOUSE - WATER CONSERVATION GARDEN	100.00
	10/2/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/3/2013	CALIFORNIA DESAL CONFERENCE	100.00
	10/4/2013	CALIFORNIA DESAL CONFERENCE	100.00
	10/18/2013	COLORADO RIVER AQUEDUCT TOUR	100.00
	10/19/2013	COLORADO RIVER AQUEDUCT TOUR	100.00
	10/22/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/6/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	12/10/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	12/17/2013	MEETING WITH J. BOLTHOUSE	100.00
Director's Fee Total			2,400.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013**

DIRECTOR'S NAME: THOMPSON, MITCHELL

ATTACHMENT H

Account Name	Date	Descriptions	SECTION H Amount
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 2013	14.69
	8/31/2013	MEETING - AUGUST 7 & 21, 2013	29.38
	9/30/2013	MEETING - SEPTEMBER 4, 17, & 25, 2013	44.07
	10/31/2013	MEETING - OCTOBER 2, 21 & 22 2013	44.07
	11/6/2013	MEETING - NOVEMBER 6, 2013	14.69
	12/31/2013	MEETING - DECEMBER 10 & 17 2013	29.38
Mileage - Commuting Total			176.28
Mileage - Business	7/31/2013	MEETING - JULY 16, 2013	41.81
	8/31/2013	MEETING - AUGUST 13 & 27, 2013	6.78
	9/30/2013	MEETING - SEPTEMBER 11, 13, 23, & 26 2013	38.99
	10/31/2013	MEETING - OCTOBER 3, 4, 18 & 19 2013	65.54
	12/31/2013	MEETING - DECEMBER 11, 2013	19.78
Mileage - Business Total			172.90
Business meetings	12/6/2013	CHULA VISTA MAYOR'S FIRST FRIDAY BREAKFAST	13.00
Grand Total			\$ 2,762.18



AB 000. 1B 3000. 2101. 528101

300.00

EXHIBIT B

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

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: Aug 8 To: Oct

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	✓ 8/20	Committee	E.O. COMMITTEE	0	0
✓ 2	9/4	Board	SEPT Board Meeting	0	0
✓ 3	10/2	Board	Oct Board Meeting	0	0 ✓
4					
5					
6					
7					
8					
9					
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11					
12					
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14					
15					
16					
17					
18					

Per Diems

0.*
3.*
100.00=
300.00*

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

Total Mileage Claimed: 0 miles

[Signature] (Director's Signature)

Jone ✓

GM Receipt: [Signature]

Date: 10/9/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$

13 OCT 14 AM 1998



AB 000. 133000. 2101. 528101

700.00
EXHIBIT B

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

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: 11-1-13 To: 1-7-14

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1					
✓ 2	NOV 15	LAFCO	SPECIAL DISTRICTS Advisory Committee		
✓ 3	DEC 9	Committee	E & O Committee		
✓ 4	DEC 20	LAFCO	SPEC DISTRICT Advisory to LAFCO		
✓ 5	Jan 7	Board	Jan Board Meeting		
6					
7					
8					
9					
10					
11					
12					0.*
13					4.*
14					100.00 =
15					400.00*
16					0.*
17					
18					

Per diem

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

Total Mileage Claimed: _____ miles

[Signature]
(Director's Signature)

✓ done

GM Receipt: [Signature]

Date: 1-8/14

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

ND
1-14-14



AB000-131000-2101-528101

200.00

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

Pay To: David Gonzalez

Period Covered:

Employee Number: 1796

From: 10/1/13 To: 10/31/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	10/2/13	OWD*	Board Meeting		
2.	10/10/13	WEF	Webinar: Cost of Over-Treating Reclaimed Water: Evaluation of Potable & Non-Potable Reuse Treatment		
3.	10/17/13	City of National City	National City Mayor State of the City Address		
✓ 4.	10/23/13	OWD*	Engineering Operations & Water Resources Committee		
5.					
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10.					2.*
11.					100.00=
12.					200.00* ✓
13.					0.*
14.					
15.					
16.					
17.					

Per item

Total Meeting Per Diem: \$200.00
(\$100 per meeting)

Total Mileage Claimed: 0 miles

[Signature]
(Director's Signature)

done

GM Receipt: [Signature]

Date: 11/7/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

NOV 13 12:05

ATD000 -1131000 - 2101.528101 100.00



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

Pay To: David Gonzalez

Period Covered:

Employee Number: 1796

From: 12/01/2014 To: 12/31/2014

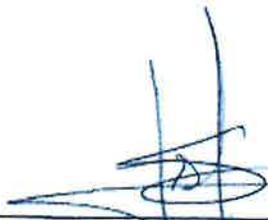
ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER TRAVEL
✓ 1.	12/09		EO COMMITTEE MEETING		
2.					
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18.					

Per Items

0 *
1 *
100.00 =
100.00 *

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

Total Mileage Claimed: _____ miles


(Director's Signature)

GM Receipt: 

Date: 2/18/2014

done ✓

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____



AB 000 - 1B 4000 - 2101 - 528101

AB 000 - 1B 4000 - 2101 - 521102 EXHIBIT B

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

Pay To: Jose Lopez

Period Covered: 10/31/13

Employee Number: 7010

From: 10/01/13 To: 10/31/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	10/02	OWD	Regular Board meeting	20	
2.	10/03	JPA	Metro Commission (No charge)		
✓ 3.	10/18	QWD	Committee Agenda Briefing GM		6
✓ 4.	10/22	OWD	Finance, Admin & Communications Committee	20	
✓ 5.	10/23	OWD	Engineering and Operations Committee	20	
✓ 6.	10/31	OWD	Board Agenda Briefing - Gen Mgr. & Counsel		6
7.					
8.					
9.					
10.					
11.				0 * 5 * 100.00 = 500.00 *	
12.				0 * 20 * 20 * 20 * 60 * 60 * x 0.5550 = 33.9 *	
13.					
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15.					
16.					
17.					
18.					

0 * 5 * 100.00 = 500.00 *
 0 * 20 * 20 * 20 * 60 * 60 * x 0.5550 = 33.9 *

Per item
Mileage

Total Meeting Per Diem: \$500 (\$100 per meeting)

Total Mileage Claimed: 72 miles

alone ✓

[Signature]
 (Director's Signature)

GM Receipt: *[Signature]*

Date: 11/7/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$



AB000 · 1B4000 · 2101 · 528101
AB000 · 1B4000 · 2101 · 521102

400.00
22.60
EXHIBIT B
rec'd 1/15/14 (BL)

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

Pay To: Jose Lopez

Period Covered:

Employee Number: 07010

From: 11/01/13 To: 11/30/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	11/02	OWD	Baja California Governor's Inauguration (Mexicali)	20	
2.	11/06	OWD	CILA/IBWC Desal Tijuana (No Charge)		5
✓ 3.	11/06	OWD	OWD Regular Board Meeting	20	
✓ 4.	11/15	JPA	Water Conservation Garden- ^{Donor} Vendor Appreciation		24
✓ 5.	11/21	CSDA	Quarterly mtg- Dan McAlister speaker		42
6.					
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17.					
18.					

0.* 4.*x 100.00= 400.00* 0.* 20.+ 20.+ 40.* 40.*x 0.5550= 22.6*

Per Diem
Mr. Lopez

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

Total Mileage Claimed: 111 miles

Jose A. Lopez
(Director's Signature)
Date: 1/21/2014 ✓ done

W/B
1-24-14

GM Receipt: *[Signature]*

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

14 JAN 21 2014



AB000.1134000.2101.521102 22.60
AB000.1134000.2101.521102 22.60

EXHIBIT B

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

rec'd 1/15/14

Pay To: Jose Lopez

Period Covered:

Employee Number: 07010

From: 12/01/13 To: 12/31/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	12/05	JPA	SD Metro Commission -Wastewater (No Charge)		
✓ 2.	12/06	OWD	OWD Committee Agenda Briefing ✓		5
3.	12/07	OWD	OWD Holiday Dinner (No Charge)		
✓ 4.	12/10	OWD	Finance & Admin Committee meeting ✓	20	
✓ 5.	12/11	JPA	Water Conservation Garden ✓		24
✓ 6.	12/17	OWD	John Bolthouse - Water Conservation Garden ✓	20	
✓ 7.	12/20	OWD	Board Meeting Agenda Briefing ✓		5
8.					
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15.					
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18.					

0.* 5.* 100.00 = 0.* 20.+ 20.+ 40.* 40.* 0.5550 = 22.6*
 Per Diem Mileage

Total Meeting Per Diem: \$500
(\$100 per meeting)

Total Mileage Claimed: 74 miles

Jose Lopez
(Director's Signature)

GM Receipt: [Signature]

Date: 1/21/2014

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

24 JAN 24 12:52

Done 1-24-14



201 South Magnolia Avenue
El Cajon, CA 92020

619.440.6161
jena@eastcountychamber.org

Date	Invoice #
12/4/2013	177027

PAID
12/07/2013

Bill To
Otay Water District Mr. Mark Watton 2554 Sweetwater Springs Blvd. Spring Valley, CA 91978

Ship To
Otay Water District 2554 Sweetwater Springs Blvd. Spring Valley, CA 91978

Terms	Ship	Via	Project	
	12/4/2013			
Quantity	Item Code	Description	Price Each	Amount
1	Event Tkts	First Friday Breakfast Event Tkts	20.00	20.00
		Sales Tax	9.00%	0.00
<p><i>DIRECTOR MARK ROBAK ATTENDED FIRST FRIDAY BREAKFAST EVENT AB000 - 1B5000 - 2101 - 521401 - 11-1111</i></p>				

Please make checks payable to: San Diego East County Chamber of Commerce

Total	\$20.00
Payments	-\$20.00
Balance Due	\$0.00



AB 600 · 1B2000 · 2101 · 528101 600.00
AB 000 · 1B 2000 · 2101 · 521102 44.07

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

Pay To: Mitchell Thompson

Period Covered: _____

Employee Number: 1807

From: 10/1/2013 To: 10/31/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1					
✓ 2	10/2/13	OWD Board Mtg*	Agenda	26 ✓	
✓ 3	10/3/13	Cal Desal Conference*	See Program		40 ✓
✓ 4	10/4/13	Cal Desal Conference *	See Program		40 ✓
✓ 5	10/18/13	Colo River Aqueduct Tour*	See program sched		18 ✓
✓ 6	10/19/13	Colo River Aqueduct Tour*	See program sched		18 ✓
✓ 7	10/22/13	FA&C Committee*	Agenda	26 ✓	
8	10/21/13	Cnclmn R. Ramirez & GM	Discuss water & sewer issues.	26 ✓	
9					
10					

0.*
 6.* x
 100.00 =
 600.*
 0.*
 26.+
 26.+
 26.+
 78.*
 78.x
 0.5650 =
 44.07*

per hour

10/23/13

Total \$600 *
(\$100 per meeting)

Total Mileage Claimed: 194 miles

116

Mitchell Thompson

(Director's Signature)

GM Receipt: *[Signature]*

Date: 10/23/2013

WD 11-1-13
[Signature]

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

INSTRUCTIONS ON REVERSE

13 OCT 29 AM 10:15



11/2000 · 11/2000 · 2101 · 2201 · 100.00
13000 · 132000 · 2101 · 521102 14.69

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

Pay To: Mitchell Thompson

Period Covered:

Employee Number: 1807

From: 11/1/2013 To: 11/30/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES		MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
			DISCUSSED			
1	11/1/13	CV Mayor's 1 st Friday Bkfst	Local issues			6
2	11/6/13	CILA Mtg - Tijuana	Desal Plant - Regulatory issues			4
✓ 3	11/6/13	OWD Bd Mtg*	Agenda		26	
4						
5			0.*	1.X	0.*	
6				100.00 =	26.+	
7				100.00*	26.*	
8					26.X	
9					0.5650 =	
10					14.69*	

John
Thompson
Mitchell

Total \$100 *
(\$100 per meeting)

36

Total Mileage Claimed: 36 miles

Mitchell Thompson

(Director's Signature)

GM Receipt: *Mitchell Thompson*

Date: 1/6/2014

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

14 JAN 9PM 2:18

INSTRUCTIONS ON REVERSE

✓
1-14-14
done

HYD 00 · 1B 2000 · 2101 · 528101
 AMOUNT · 1B 2000 · 2101 · 521102

300.00
 29.38



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

Pay To: Mitchell Thompson

Period Covered: _____

Employee Number: 1807

From: 12/1/2013 To: 12/31/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1	12/6/13	CV Mavor's 1 st Friday Bkfst	Local issues		6
✓ 2	12/10/13	FA&C Comm Mtg*	Agenda	26	
✓ 3	12/11/13	Water Cons Grdn JPA Mtg *	Agenda		35
✓ 4	12/17/13	Mtg w J. Bolthouse*	Conservation program ideas for OWD	26	
5					
6					
7					
8					
9					
10					

Per mem
Mileage

0.*
 3.*
 100.00 =
 300.00*

0.*
 26.*
 26.*
 52.*

52.*
 0.5650 =
 29.38*

Total \$300 *
 (\$100 per meeting)

Total Mileage Claimed: 93 miles

41

Mitchell Thompson

(Director's Signature)

GM Receipt: *[Signature]*

Date: 1/6/2014

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

INSTRUCTIONS ON REVERSE

14 JAN 9 AM 2:18

w/d done
1-14-14

AGENDA ITEM 9b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014		
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	P2451- 001102	DIV. NO.	ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Project Overview Related to the Rosarito Desalination Plant Project				

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only and does not require Board action.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To provide the Board a project overview related to the Rosarito Desalination Plant Project.

ANALYSIS:

On February 5, 2014 the Desalination Committee requested an Ad Hoc project overview of the Rosarito Desalination Plant Project (Project) which includes an update on NSC Agua, advantages of the Rosarito Desalination Plant Project, the District's due diligence, desalination costs, and an assessment of the benefits and disadvantages of a seawater desalination project.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

No budget impacts. (See Attachment B - Budget Detail).

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.

BK/RP:jf

P:\WORKING\CIP P2451 Desalination Feasibility Study\Staff Reports\Board 4-8-14\BD 04-08-14, Stff Report, Project Overview for the Rosarito Desal Plant, (BK-RP)).docx

Attachments: Attachment A - Committee Action
 Attachment B - Budget Detail
 Exhibit A - Project Location
 Attachment C - Rosarito Desalination Plant
 Project Overview
 Attachment D - KPMG Report to CWCO



ATTACHMENT A

SUBJECT/PROJECT: P2451-001102	Project Overview Related to the Rosarito Desalination Plant Project
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COMMITTEE ACTION:

The Desalination Project Committee reviewed this item at a meeting held on March 17, 2014 and the following comments were made:

- On February 5, 2014 the Desalination Project Committee requested an Ad Hoc project overview of the Rosarito Desalination Plant Project (Project) which would include an update on NSC Agua, advantages of the Rosarito Desalination Plant Project, the District's due diligence, desalination costs, and an assessment of the benefits and disadvantages of a seawater desalination project.
- The Otay Water District's (District) Integrated Resources Master Plan (IRP) prepared in 2007 by CDM Engineers advised that for the District to reduce dependence from imported water from the Sacramento Delta and the Colorado River, it should start pursuing alternative sources of water. Included in the report was a recommendation that the District consider participating in a Bi-National Desalination Project.
- The District has expanded its network of recycled water and concluded the take-or-pay agreement with San Diego County Water Authority (SDCWA)/Helix Water District for a 10,000 AF/YR of potable water. It also has been pursuing other water supply projects such as the Rancho del Rey Brackish Water Project.
- The District's interest in participating in a desalination project goes back to 2005, when a joint bi-national effort lead by CWA concluded a Feasibility Study evaluating several alternative sites for a binational desalination project on either side of the U.S. Mexico Border.
- The District's intent has been to purchase desalinated water delivered at the Border that meets federal, state, and

District quality standards and the use of the District's existing and/or proposed infrastructure.

- The District's estimates that the cost of imported water would continue to escalate and that the cost of desalinated water would become more cost effective.
- *N.S.C. Agua, S.A. de C.V.* (NSC Agua), is a Mexican company, majority-owned by Consolidated Water Cooperatief, U.A., a wholly-owned Netherlands subsidiary of Consolidated Water Co. Ltd. (CWCO). Staff presented background information on CWCO and its officers (see Attachment C to staffs' report).
- NSC Agua has engaged two engineering firms, GHD and Carollo Engineers, Inc., both companies with extensive regional and global experience. NSC Agua has also partnered with Doosan Heavy Industries and Construction (DHIC), a global leader in the engineering, procurement, and construction of large water desalination plants to build the pilot plant for the Rosarito Desalination Project.
- From a project management point of view, NSC Agua has ample experience in developing desalination projects. They have done their due diligence, which makes the success of the plant highly likely. There could, however, be political, logistical and regulatory challenges that the District is not yet aware of.
- NSC Agua has acquired the first parcel of land required for the desalination plant to be built in Rosarito and will close escrow on the second parcel on May 15, 2014.
- Staff provided copies of a report written by KPMG, a well-known international finance/auditing company, regarding the financing process for the Rosarito Desalination Project. They project the cost of the plant to be approximately \$750 million (\$600 million for the cost of the desalination facility plus \$150 million in financing costs).
- The potential customers to the Rosarito Desalination Project include the Comisión Estatal de Servicios Públicos de Tijuana (CESPT), a Mexican State agency, and the Comisión del Nacional del Agua (CONAGUA), a Mexican Federal agency that controls the water in Mexico, and the Otay WD. CESPT will be the largest customer to the plant.
- Staff noted NSC Agua's activities towards the completion of the plant and indicated that they have spent approximately \$10 million through the end of 2013 (see Attachment C to staffs' report).

- Otay WD has signed two non-binding Letters of Intent to purchase water from the Rosarito plant. The District will soon be starting negotiations for a water purchase agreement.
- Staff indicated that the water crisis in Mexico is very serious due to the drought, but it is much worse in Baja, California. The cities of Tijuana and Rosarito receive 90% of their water from the Colorado River. In the spring of 2010 an earthquake damaged the Colorado River transmission infrastructure in Mexicali and the damage has not been repaired to this date, further impacting their water situation. The CESPT Director, during a public presentation, announced that they estimate that the region of Tijuana and Rosarito will run out of water in 15 years. They indicate that the main solution to their water issues is to build desalination plants. In 2030, it is estimated that the City of Tijuana will demand about 160,000 AF per year while the Colorado River water deliveries will remain at 140,000 AF per year. If the drought continues, deliveries from the river could be much less than 140,000 AF.
- It was indicated that Mexico has 436 desalination plants throughout the country. Many are very small and mainly provide water for hotels. There are two larger plants on Mexico's west coast:
 - A 5 MGD Publicly owned Plant in Cabo San Lucas
 - A proposed 6 MGD Publicly owned Plant in Ensenada, Baja California
- Some of the advantages of the Rosarito Desalination Project is that it will be co-located with the Benito Juarez Power Generation Plant which provides for:
 - Proximity to a power plant for electrical power.
 - The use of existing infrastructure, intake and outfall facilities, which would provide savings and less disruption to the ocean environment.
 - More efficiency for the SWRO membranes as the water from the electricity plant will be warmer.

Another advantage of the Rosarito location is its closer proximity to the U.S.-Mexico border.

- The District has engaged AECOM who has assisted the District in designing the alignment of the conveyance pipeline from the U.S.-Mexico border to the Otay WD's system. They have also written a couple reports:

- o A White Paper or roadmap for the California Department of Public Health (CDPH) permit approval process. The paper also discusses issues the District needs to be aware of when negotiating the Water Purchase Agreement with NSC Agua, such as water quality issues.
 - o A report on the blending of the desalinated water into the District's system and how to prevent corrosion issues. The District needs to perform studies and testing before the water can be blended into the District's system. The plan is to deliver the water into a reservoir where it will be conditioned before it is blended into the District's distribution system. The District will also have an opportunity to learn from CWA as they will have to deal with the same issues with the blending of water from the Carlsbad Desalination plant into their distribution system. The Carlsbad plant is about two years ahead of the Rosarito Desalination Plant.
- There are two projects that are being discussed; they are the same project, but two different agencies are proposing developing the project either as public or private. The private project is being developed by NSC Agua and the Public Project is proposed by the Comisión Internacional de Límites y Aguas (CILA) and CONAGUA. Mexico must select a project and it is likely that they will select the private project proposed by NSC Agua as there will be no cost to Mexico to build the Rosarito Desalination Plant.
- It was indicated with regard to desalination costs that a study was done by Nicolay Voutchkov and the study found that the cost of desalinated water ranged from \$652/AF from the 108 MGD Sorek Plant in Israel to \$3,700/AF from a 40 MGD plant in Adelaide, Australia. The median cost worldwide is \$1,3080/AF for medium and large-size desalination projects. The 50 MGD Carlsbad desalination plant cost is estimated to be from \$2,062/AF to \$2,329/AF.
- CWA estimates that the cost for all in-treated water will range between \$1,550/AF to \$1,724/AF by 2018. Otay staff, based on its projections, estimates the District's cost for imported water by 2018 will be \$2,006/AF.
- It was indicated that staff believes it is a reasonable assumption that the cost of desalinated water from the Rosarito Desalination Plant will be close to the cost of imported water based on the average cost of desalinated water worldwide.
- Staff wished to note with regard to the Reverse Osmosis (RO) process that the efficiency of a RO Desalination Plant is

about 50%. That is, out of every two units of source water, one (1) unit becomes potable water and one (1) unit becomes brine water which is sent back to the ocean (see Attachment C to staffs' report).

- Staff indicated that NSC Agua has done their due diligence and has spent in excess of \$10 million plus \$20 million for the purchase of the land for the Rosarito Desalination Plant. The Otay WD has spent approximately \$2.5 million. A possible alternate site for a desalination plant is located about one kilometer to the north of the Rosarito site. However, it will cost approximately \$80 million to build additional pumping facilities and a pipeline from the generation plant to the site.
- Investments in alternative water supplies does involve at risk money. However, a \$5 million investment is not unreasonable for the size of the Rosarito Desalination Project and its potential to provide future long-term water supplies for the region. The only other alternative is to not do anything to pursue alternative supplies. This, though, would put the future water supply to our region and its ratepayers at risk.
- In response to an inquiry from the committee, staff indicated that the Rosarito Desalination Project is 10 to 15 times larger than any of Consolidated's/NSC Agua's previous projects.
- It was discussed that the financiers are interested in who the Engineering, Procurement, and Construction (EPC) contractor is, if all the documents are in place and if the contractor can bring the plant to fruition. If the contractor cannot complete the plant, then the equity partners can step in because it is non-recourse. The equity partners will decide, at this point, if they wish to move the project forward or to close the project. This is similar to the Carlsbad (Poseidon) Desalination Project agreement.
- The committee inquired how the equity partners in the Poseidon deal were able to get comfortable with the agreement with the contractors in relation to potential cost overruns, etc. Staff indicated that they looked to Israeli Desalination Enterprises (IDE), the Carlsbad Desalination Plant EPC Contractor, and Kewit/Shea, the construction company. These companies are world class and have a great deal of experience in building desalination plants. Poseidon is the developer who puts the project together, but the two organizations actually do the work. This is where the risk is. IDE is owned by the government of Israel.

- The committee indicated that there is a lot of different risks in these type projects and the involved organizations are investing funds at different times based on their analysis of the risks. The committee felt that a little more detailed analysis of the project is worthwhile because of the breadth and size of the Rosarito project versus past projects that the developer has done. The committee asked staff to explain how the risk factors are mitigated by each financial player. Staff indicated that they would forward the committee additional information regarding the EPC. NSC Agua is not responsible for overages or overruns, design issues, etc. They are the developers. The EPC takes all such risks to assure that the project is built and that the required quality of water is achieved as per NSC Agua's specifications.
- The District's Water Purchase Agreement (WPA) will include a take or pay provision and would have requirements for delivery dates, performance, water quality, etc. The District wants to be sure that the amount it decides to take from the Rosarito Plant is accurate. There will only be two customers to the plant, Mexico and the Otay Water District, and the amount that each is obligated to take must be enough to support the project financially, thus, making the project financeable.
- The committee noted that, at the moment, everything is preliminary and felt that the finance structuring must be more refined. The committee suggested that the District require, as part of its WPA, that it receive periodic updates showing that the project continues to be financially feasible and that the District is advised of any major deal points between the financial partners.
- Staff will provide the committee a copy of the Poseidon purchase agreement with CWA. The agreement will give the committee a feel for the EPC, etc., and their importance to the deal. It will also show how CWA's credit rating played a part in the deal.

Following the discussion, the Committee supported staffs' recommendation and presentation of this item to the full board as an informational item.



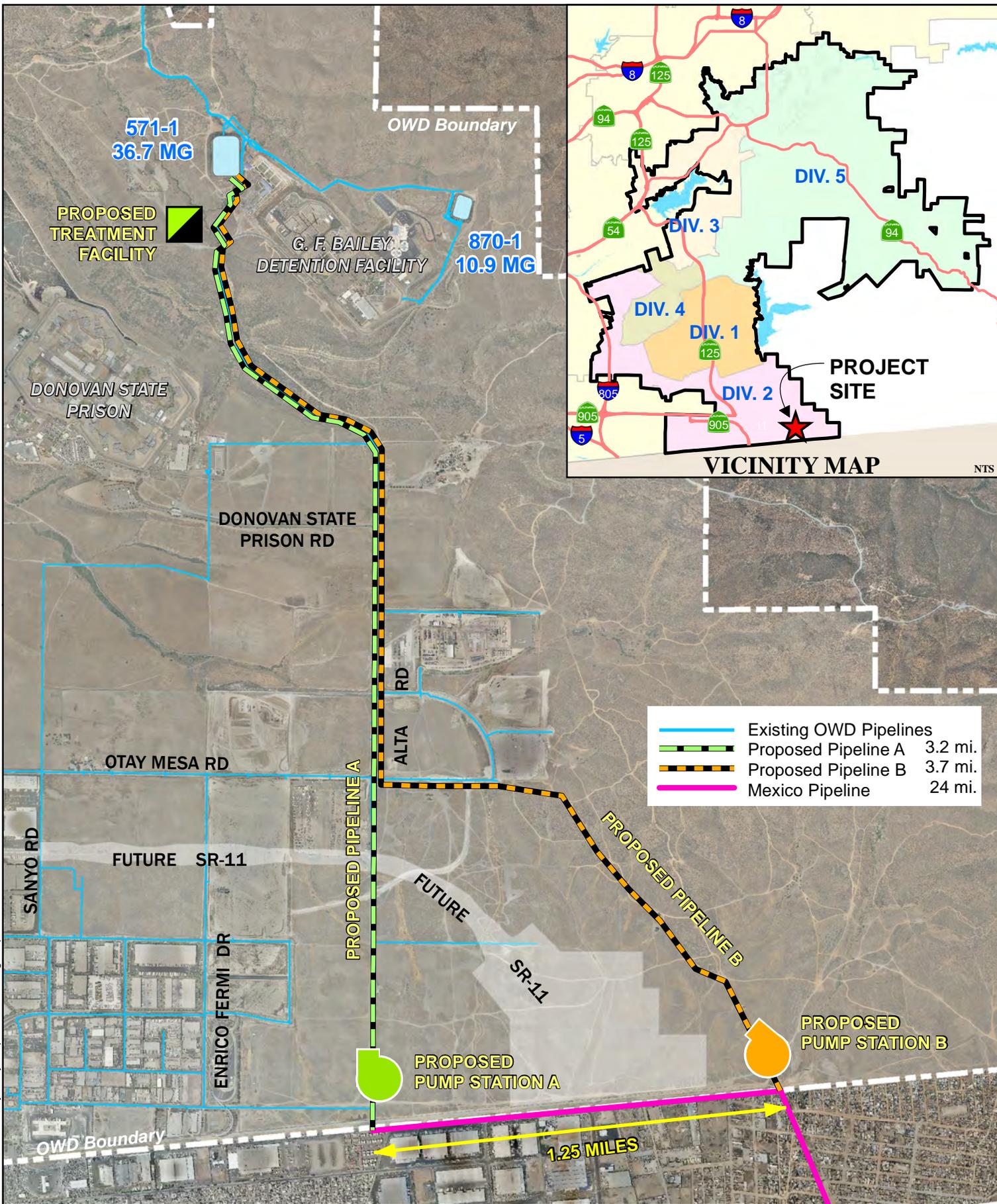
ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Project Overview Related to the Rosarito Desalination Plant Project
P2451-001102	

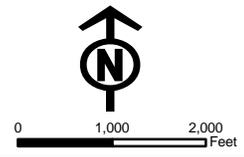
Project Budget Detail						
P2451-Otay Mesa Desalination Conveyance and Disinfection System Project						
Budget: \$30,000,000.00	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments	
Planning	Consultants	\$ 98,577	\$ 98,577	\$ -	\$ 98,577	CAMP DRESSER & MCKEE INC
		\$ 13,311	\$ 13,311	\$ -	\$ 13,311	CPM PARTNERS INC
		\$ 12,200	\$ 12,200	\$ -	\$ 12,200	REA & PARKER RESEARCH
		\$ 70,078	\$ 70,078	\$ -	\$ 70,078	MARSTON+MARSTON INC
		\$ 437,200	\$ 349,600	\$ 87,600	\$ 437,200	HECTOR I MARES-COSSIO
		\$ 4,173	\$ 4,173	\$ -	\$ 4,173	SALVADOR LOPEZ
		\$ 254,000	\$ 124,279	\$ 129,721	\$ 254,000	SILVA SILVA INTERNATIONAL
	Travel	\$ 19,481	\$ 19,481	\$ -	\$ 19,481	STAFF
	Printing	\$ 61	\$ 61	\$ -	\$ 61	MAIL MANAGEMENT GROUP INC
	Prof Legal Fees	\$ 162,041	\$ 162,041	\$ -	\$ 162,041	GARCIA CALDERON & RUIZ LLP
		\$ 43,175	\$ 43,175	\$ -	\$ 43,175	SOLORZANO CARVAJAL GONZALEZ Y
		\$ 16,114	\$ 16,114	\$ -	\$ 16,114	STUTZ ARTIANO SHINOFF
	Service Contracts	\$ 106	\$ 106	\$ -	\$ 106	SAN DIEGO DAILY TRANSCRIPT
		\$ 500	\$ 500	\$ -	\$ 500	REBECA SOTURA NICKERSON (INTERPRETOR)
	Standard Salaries	\$ 705,745	\$ 705,745	\$ -	\$ 705,745	
	Total Planning	\$ 1,836,762	\$ 1,619,441	\$ 217,321	\$ 1,836,762	
	Design	Consultants	\$ 4,046,706	\$ 593,010	\$ 3,453,696	\$ 4,046,706
\$ 5,109			\$ 5,109	\$ -	\$ 5,109	MARSTON+MARSTON INC
\$ 114,175			\$ 114,175	\$ -	\$ 114,175	MICHAEL R WELCH PHD PE
\$ 8,818			\$ 8,818	\$ -	\$ 8,818	CPM PARTNERS INC
\$ 5,000			\$ 5,000	\$ -	\$ 5,000	ATKINS
\$ 50,293			\$ 15,293	\$ 35,000	\$ 50,293	BROWNSTEIN HYATT FARBER & SCHRECK LLP
\$ 50,000			\$ 17,500	\$ 32,500	\$ 50,000	BUSTAMANTE & ASSOCIATES LLC
Travel		\$ 2,631	\$ 2,631	\$ -	\$ 2,631	STAFF
Prof Legal Fees		\$ 7,761	\$ 7,761	\$ -	\$ 7,761	STUTZ ARTIANO SHINOFF
Service Contracts		\$ 114	\$ 114	\$ -	\$ 114	REPROHAUS CORP
		\$ 343	\$ 343	\$ -	\$ 343	SAN DIEGO UNION-TRIBUNE LLC
Standard Salaries		\$ 91,440	\$ 91,440	\$ -	\$ 91,440	
Total Design		\$ 4,382,388	\$ 861,192	\$ 3,521,196	\$ 4,382,388	
Construction	Standard Salaries	\$ 329	\$ 329	\$ -	\$ 329	
	Total Construction	\$ 329	\$ 329	\$ -	\$ 329	
Budget	\$30,000,000.00					
Total	\$ 6,219,479	\$ 2,480,962	\$ 3,738,517	\$ 6,219,479		

(March 23, 2005 through January 21, 2014)

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OTAY WATER DISTRICT
 Otay Mesa Conveyance and
 Disinfection Facility Project
EXHIBIT A



ROSARITO DESALINATION PLANT PROJECT OVERVIEW

BACKGROUND

The Otay Water District's (District) Integrated Resources Master Plan (IRP) prepared in 2007 by CDM Engineers⁽¹⁾ advised that for the District to reduce dependence from imported water from the Sacramento Delta and the Colorado River, it should start pursuing alternative sources of water.

Since then, the District has expanded its network of recycled water and concluded the take-or-pay agreement with San Diego County Water Authority (SDCWA)/Helix Water District for a 10,000 AF/YR of potable water. It also has been pursuing other water supply projects such as the Rancho del Rey Brackish Water Project and the Rosarito Desalination Plant Project.

The District's interest in participating in a desalination project goes back to 2005, when a joint binational effort lead by SDCWA, California-American Company, City of Chula Vista, City of San Diego, International Boundary Commission (IBWC), Otay Water District, Port of San Diego, Sweetwater Authority in the United States and Comisión Internacional de Limites y Aguas (CILA), the Comisión del Nacional del Agua (CONAGUA), Comisión Estatal de Servicios Públicos de Tijuana (CESPT) in Mexico, concluded a Feasibility Study evaluating several alternative sites for a binational desalination project on either side of the U.S. Mexico Border⁽²⁾.

The District has also been developing relationships with staff at federal, state, local government, and utilities of both countries. In 2008, the District commissioned a Feasibility Study with CDM Engineers⁽³⁾ with the specific task of evaluating what would be the issues and opportunities for the District in participating in a binational desalination project.

The District's intent has been to purchase desalinated water delivered at the Border that meets federal, state, and District quality standards and the use of the District's existing and/or proposed infrastructure to blend and distribute to District customers. The District has envisioned this project as being privately-owned, with the State of Baja California, Mexico and the District as the main water off-takers. Since 2009, the District has had conversations with N.S.C. Agua, S.A. de C.V. about the potential and feasibility of this project.

WHO IS NSC AGUA?

N.S.C. Agua, S.A. de C.V. (NSC Agua), is a Mexican company, majority-owned by Consolidated Water Cooperatief, U.A., a wholly-owned Netherlands subsidiary of Consolidated Water Co. Ltd. (CWCO). CWCO is publicly traded on the NASDAQ stock market since 1995⁽⁴⁾.

CWCO was established in 1973 as a private water utility in Grand Cayman, Cayman Islands. It operates 14 reverse osmosis (RO) desalination plants in the Cayman Islands, the Bahamas, Belize, British Virgin Islands, Bali (Indonesia), and is expanding operations to Mexico. CWCO supplies water to government-owned distributors and directly to water end users including residential, commercial, and government customers. CWCO also provides engineering and management services for desalination projects, including design and construction of desalination plants and managing and operating desalination plants owned by other companies, i.e., through Desal Co. Ltd. Desal Co manufactures Seawater Reverse Osmosis (SWRO) desalination plants. Aguilex, Inc., a wholly-owned U.S. subsidiary, provides financial, engineering, and supply chain support services.

According to the latest SEC filing by CWCO on May 10, 2013, as of March 31, 2013, the company had \$153M in total assets with cash and equivalents worth \$36M. As of February 4, 2014, CWCO was trading at \$12.18 per share and had a market capitalization of \$178.4M⁽⁵⁾.

Concerning CWCO's principals⁽⁶⁾, Wilmer F. Pergande is an independent consultant and Chairman of the Board. He has been associated with CWCO since 2009. Mr. Pergande's 45 years of experience in management and engineering in the desalination industry include 4 years as global leader for desalination and process equipment for G.E. Infrastructure, Water, and Process Technologies.

Frederick (Rick) McTaggart, CWCO's President, Chief Executive Officer and Director, has been associated with the company since 1998 and has been the CEO since 2004. Mr. McTaggart served as the CFO from 2001-2004. Before his career with CWCO, he was associated for almost 10 years at Water Authority-Cayman, a government-owned utility.

John Tonner, CWCO's Chief Operating Officer and Vice-President, has been working in the desalination and water industry since 1985. He is a world authority in desalination issues and has written extensively on all aspects of desalination technology including RO and membrane technologies.

NSC Agua was formed to pursue a 100 million gallons per day (MGD) SWRO desalination plant in Rosarito, Baja California, Mexico. The project includes using existing inlets and outfalls and other facilities belonging to the Benito Juárez Generation Plant owned by the Comisión Federal de Electricidad (CFE), a Mexican federal government-owned electrical utility. The project includes the SWRO plant, pumps, pipelines from the generation plant to the SWRO plant, and a transmission line to the Baja California State's off-taker, the CESPT, and to the United States Border where the District is planning to build a pipeline, a pump station, and other facilities to an existing 37 MG reservoir⁽⁵⁾.

To assist with the technical feasibility of this project, NSC Agua has engaged two engineering firms, GHD and Carollo Engineers, Inc., both companies with extensive

regional and global experience. NSC Agua has also partnered with Doosan Heavy Industries and Construction (DHIC), a global leader in the engineering, procurement, and construction of large water desalination plants^(5, 7). DHIC completed at the end of 2013, a nine month pilot project of the pre-treatment process of the desalination plant. NSC Agua has decided to go to the open market for the EPC (Engineering, Procurement, and Construction) contractor. DHIC as well as other well-known companies will be competing for the contract of the Rosarito Desalination Project, as is customary for a facility this large. With the information obtained, any ECP could start the design of the actual SWRO desalination plant.

IS NSC AGUA POSITIONED WELL TO BRING THIS PROJECT TO COMPLETION?

From a project management perspective, NSC Agua, owned by CWCO, has ample experience in developing desal projects, has hired the appropriate technical expertise with the appropriate financial and engineering skills, has partnered with a global desalination company such as DHIC and moreover, will obtain commitments from off-takers on both sides of the Border. Finally, NSC Agua has spent their own capital to start the project. NSC Agua has shown due diligence that makes the project highly likely to succeed.

However, for a project of this magnitude, there are factors beyond NSC Agua's control such as political, logistical, regulatory, and public opinion challenges that may surface as the project moves forward. In addition, SDCWA's intent to increase the fixed cost on the District's meters to pay for the Carlsbad Desalination project may impact the cost of water from the Rosarito Plant.

As is customary in these types of projects⁽³⁾, a company like NSC Agua invests money to develop the concept: preliminary engineering, Right of First Refusal and/or land purchases, obtain some easements and rights from the generation plant, negotiates electricity rates, negotiates water purchase agreements (WPAs) with off-takers, etc.; then assembles a financial package and joins forces with an equity partner. The equity partner becomes the majority owner of the project; NSC Agua maintains a minority stake in the project. The EPC company, such as DHIC, may also finance portions of the project and get paid with the proceeds from selling the water. This is the same model that Poseidon Resources used in the Carlsbad project. The difference is issuance of Non-Recourse California Housing bonds used at Carlsbad project while NSC Agua is seeking a private equity partner and commercial financing; the more usual course of financing for a project of this type. The Rosarito Desal project is roughly estimated at \$700M. As of the end of CY 2013, NSC Agua has spent about \$10M in the following activities:

- Preliminary engineering for the design of the pipeline alignment.
- Negotiating leases for the right to take water from the generation plant for piloting purposes.
- Lease of CFE property for intake and outfall structures.
- Acquisition of 50 acres of land. The cost of the land is approximately \$20M and final closing is expected on May 15, 2014.

- Preliminary environmental investigation and completion of discrete studies.
- Holding conversations with the Mexican authorities at the federal/state/local levels to negotiate a WPA.
- Obtaining from Otay Water District two non-binding Letters of Intent (LOI) and agreement to exclusive negotiations.

NSC Agua has hired global companies to assist with the above endeavors: GHD, an Australian company which has developed similar projects, and KPMG which serves as a financial consultant/auditor for large projects. For the EPC contract, NSC Agua has had preliminary conversations with DHIC to design/build/operate/finance the SWRO plant and expects to expose the project to market to obtain the most favorable and effective EPC contract.

WATER NEEDS IN BAJA CALIFORNIA

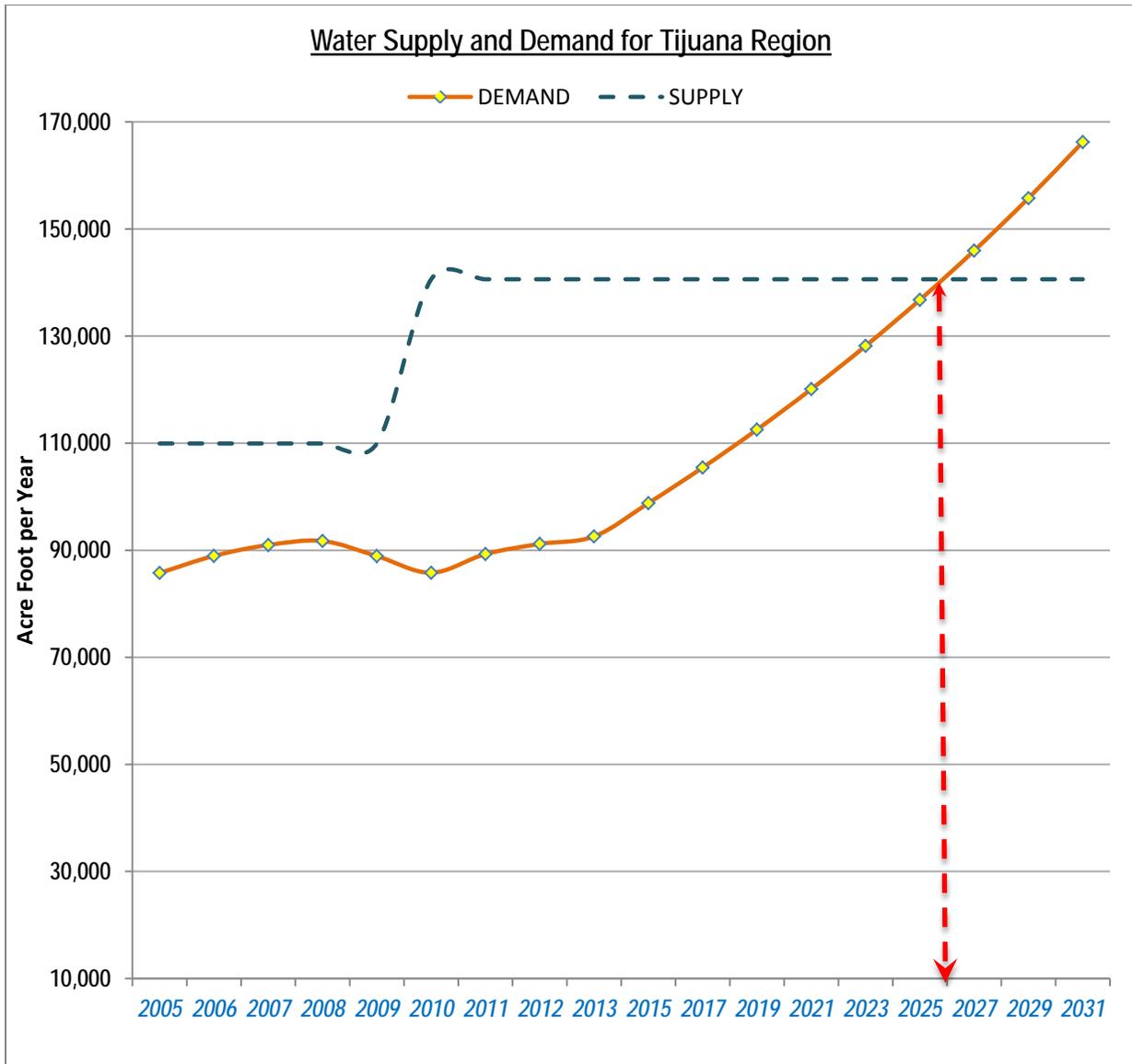
The northern Baja California region is one of the largest metropolitan areas of Mexico with 2.7 million people and rapid growth. It is expected that the population of this region will grow to 4.5 million by the year 2030, a 60% increase.

This area is a semi-arid climate and about 90% of its water comes from the Colorado River. In the spring of 2010, an earthquake damaged the transmission system in the Mexicali Valley. This caused a great disturbance to the water supply in Tijuana and Playas de Rosarito, Mexico.

As recently as February 6, 2014, Alfonso Alvarez Juan, the director of CESPT, stated during a public presentation that "...for the region of Tijuana-Tecate and Rosarito, only 15 years of water supply availability remain..." He also added that CESPT "...has started to seek alternative water supplies including ocean water for treatment and use..." and that in "...less than 2 years, desalination plants must be installed in B.C..."⁽⁹⁾

According to CESPT, the potable water demand for Tijuana will be more than 160,000 AF/YR by 2030; while the Colorado River water conveyance will remain at 140,000 AF/YR, assuming that a supply of this magnitude is available in Mexicali. See Graph #1.

In response to this gap in supply, the State of Baja California is considering two (2) desalination projects in Rosarito. One is publically-owned and the other is privately-owned. NSC Agua is pursuing a determination from the state government that its private project be the one finally adopted.



Source: CESPT – Planning Department, 2014

Graph #1

FEASIBILITY OF DESALINATION PLANTS IN MEXICO

As of 2009, Mexico already had over 436 desalination plants throughout the country⁽¹⁰⁾; most of these plants are very small, used by hotels to provide water to their guests. In the Mexican west coast, there are several privately-owned desal plants, mostly in the area of Cabo San Lucas. In Cabo San Lucas there is a publicly-owned desal plant with an original capacity of 5 MGD; the plant has been in operation since 2007. In Ensenada, Baja California, the state government awarded a contract in 2012 for the construction of a 6 MGD desal plant. The project is still in design, and construction is scheduled to commence in the summer of 2014.

The Mexican government, especially for the western states and particularly for Baja California and Baja California Sur states, considers that desalination is one of the few options available to supply water in a semi-arid area with a population growth rate of

more than 60% by 2030. Thus, the potential for desalination plants in Baja California is high, due to water scarcity, weather, high population growth, and ocean water intrusion of existing potable water aquifers along the coastal zones.

According to CONAGUA, the federal agency in charge of water supply, the availability of water in Mexico has decreased from 2.6 MG/person/year in 1970 to 1.1 MG/person/year in 2010 and is projected to reduce farther to 1 MG/person/year by 2025⁽¹⁰⁾. Thus, as stated above, desalination plants are the only option in some cases, especially in coastal areas to provide supply of potable water to the population in Mexico.

ADVANTAGES OF THE ROSARITO DESALINATION PLANT PROJECT

The Rosarito Desalination Plant project has multiple advantages over other projects. First, it will be co-located with the Benito Juárez Power Generation Plant. This is advantageous because of the proximity of the available electricity. Second, because the desal plant will use the existing infrastructure such as the intake and outfall, it is anticipated there will be some savings and less disruption to the ocean environment. Finally, the warmer water from the plant provides more efficiency for the SWRO membranes.

NSC Agua's parcel of land upon which the plant will sit will easily accommodate the proposed facility and will support expansion in the future, if required, with an area of 50 acres, ready for multiple expansions, and very close to the power plant. This is the only available piece of land large enough and in proximity to the power plant. NSC Agua has exclusive control of this parcel of land. Originally, this parcel of land was owned by an Ejido, a feudal form of land ownership, tenants-in-common, where land is owned by several community members, and heirs of original owners. NSC Agua went through the arduous, lengthy, and costly process of consolidating the ownership into a single entity to facilitate the purchase.

During the preliminary land research, other parcels of land were identified, but they were too small. CESPT owns a parcel of land that is only 3 acres - this is the parcel of land identified in the IBWC/CILA desal project. Another parcel of land about 1 km north-east of the power plant was also available, but a back-of-the-envelope calculation of the potential pumping costs from the ocean to the site suggested that it was unfeasible.

OTAY WATER DISTRICT'S DUE DILIGENCE

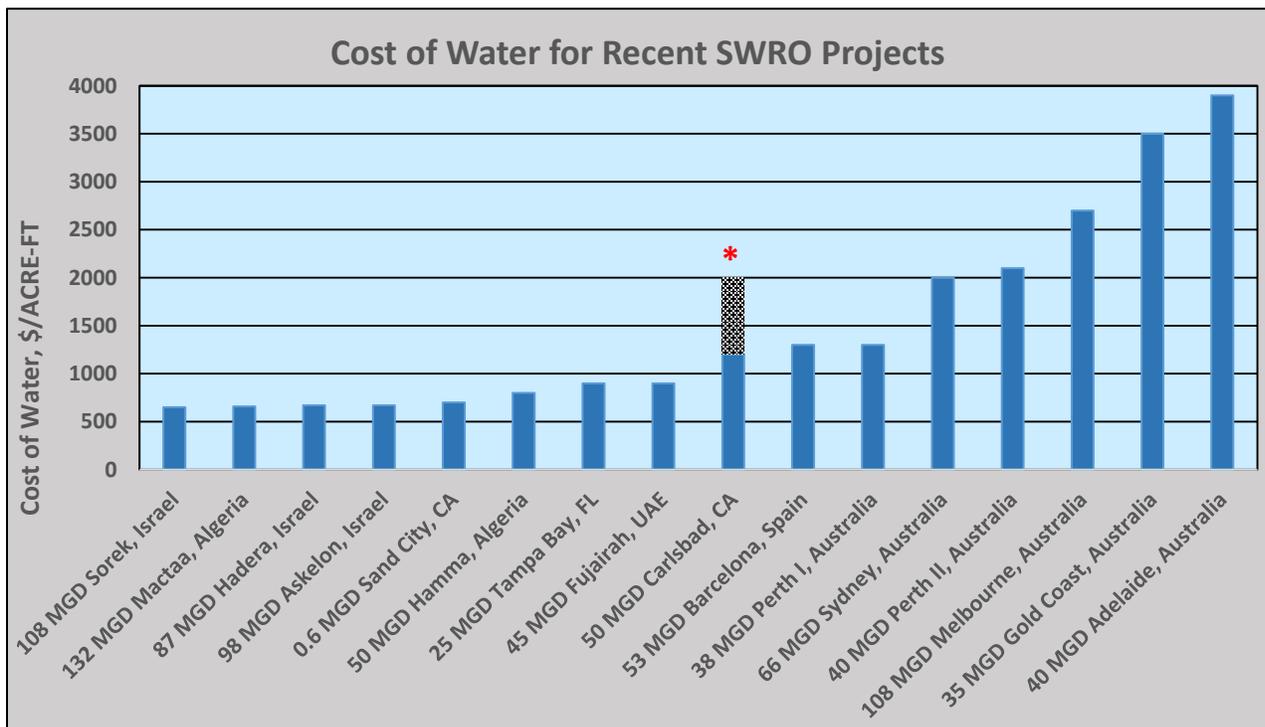
To better understand the District's role in the project and to define the type of infrastructure north of the Border to receive desalinated water, and what kind of regulatory compliance is needed, the District hired AECOM Technical Services, Inc. in October 2010 for the design of a large diameter pipeline, a pump station, and a disinfection facility. To date, AECOM is moving forward on the federal and state environmental reports, selected a preferred alignment, filed a Presidential Permit, and has written a California Department of Public Health (CDPH) permit approval roadmap. The District's investment on the preliminary engineering and other technical studies is \$2.48M as of January 21, 2014.

This roadmap is of critical importance because the CDPH requirements will have a direct impact on the water quality requirements and how the approval of the facility and monitoring will be performed for a facility that is out of the State of California and in another country. CDPH executives and staff are aware of the project and have shown interest in further information that is discussed in the permit approval roadmap.

DESALINATION COSTS

Desalination cost estimates typically include three key concepts: capital costs, O&M, and cost of water production. Desalination costs vary in a wide range and are driven by many site-specific factors⁽¹⁾.

According to Nicolay Voutchkov, in Graph #2, the cost of desalination water at the plants range from \$652/AF for the 108 MGD Sorek Plant in Israel to \$3,700/AF for the 40 MGD plant in Adelaide, Australia. The average cost is \$1,380/AF for medium and large-size seawater desalination projects. The cost negotiated by SDCWA in November 2012 for the 50 MGD Carlsbad Desalination Plant will range from \$2,062/AF to \$2,329/AF, depending on debt service charges, cost of electricity, and water authority improvements; this cost is for water delivered to the Twin Oaks Reservoirs. The cost of transportation also varies widely, depending on the distance from the plant to the distribution area.



Source: Voutchkov & Henthorne, 2011

Graph #2

* Added the lowest negotiated cost between SDCWA & Poseidon Resources in November 2012

It is expected that the cost of desalinated water from the Rosarito Desalination Plant be roughly or equivalent to the cost the District is expected to be paying for imported water by 2017, which according to a SDCWA presentation on November 8, 2012 at the Special Board Meeting, it was estimated that the cost of all in-treated water will range between \$1,550/AF and \$1,724/AF⁽¹³⁾.

The District estimates that by 2018 the cost of the water, including the portion of Carlsbad desalinated water, will be \$2,006/AF. Recent developments with Metropolitan Water District (MWD), which lowered its planned water rate increases from 5% to 1.5% in each of the next two (2) fiscal years (FY 2015 and FY 2016), could slightly lower the District's estimates (which will be known after SDCWA finishes its rate projection in the summer of 2014).

The energy costs associated with desalination are 20-35% of the water production costs for SWRO desalination plants⁽¹¹⁾. Below is a breakdown of the costs:

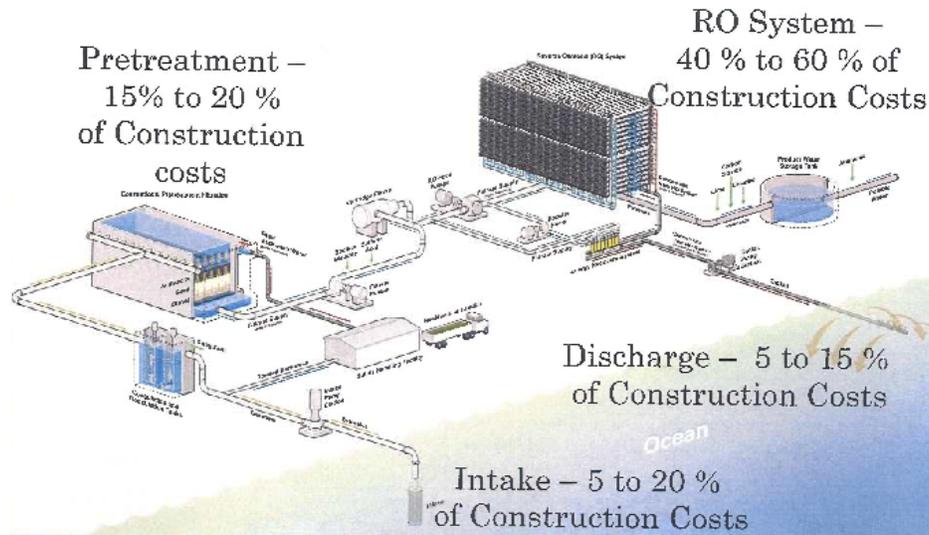
Direct Capital Costs	30-40%
Indirect Capital Costs/Financing	10-20%
O&M Costs	15-30%
Power	20-35%

Source: Voutchkov, 2013

Energy costs are outside the control of the desalination plant owner. Favorable rates for off-peak are normally not taken because the maximum water consumption coincides with peak hours of energy rates. For the Rosarito Desalination Plant project, the energy rates are set on the national rate basis. The District will seek expertise to understand rate-making in Mexico.

TYPICAL COMPONENTS OF A RO DESALINATION PLANT

Reverse Osmosis is a process where ocean or brackish water is forced under pressure through a membrane (reverse osmosis). Most water constituents are retained, becoming the "reject," while the purified water or permeate passes through the membranes. The efficiency of a RO desalination plant is about 50%, meaning that out of two units of source water, one becomes permeate and the other reject⁽¹²⁾. The main components of a RO desalination plant are shown on Figure 1:



Source: Voutchkov & Henthorne, 2011

Figure 1

Desalination Plant-Construction Costs

Plant Intake: The plant intake is designed to collect source water. There are two kinds of intakes, surface (open) and subsurface (ground water intakes). Open intakes have screens and other devices to prevent marine life from entering the intake. At the end of the intake, before entering the plant, there are pump stations to deliver source water to the pretreatment units. For the Rosarito Desal project, the intake will be after the source water passes through the generation plant cooling towers.

Source Water Conditioning and Pre-Treatment: The pre-treatment process is used to remove organics and sand from the seawater. If the organics are not removed, then the membranes get clogged or fouled. Before pre-treatment, chemicals are added to the source water such as coagulants, flocculants, scale inhibitors, acids, and biocides such as chlorine. This process is called source water conditioning. The pre-treatment consists of sand removal, sedimentation, and dissolved-air flotation. This process minimizes the content of coarse materials and suspended solids collected by the plant intake and protects downstream filtration facilities from solids overloading.

Filtration: The filtration process is also called reverse osmosis separation. The pre-treated water is conveyed and fed through high-pressure pumps to the RO pressure vessels that contain the membrane elements where the actual desalination process occurs. After the separation process is completed, the permeate goes for post-conditioning and distribution, while the concentrate or reject goes to the outfall. For the Rosarito Desal project, the SWRO plant concentrate is mixed with the cooling water from the generation plant to mitigate marine environmental impacts.

Energy Recovery Systems: A large portion (40-50%) of energy consumed during desalination of seawater is contained in the concentrate produced by the RO

system. This energy will be recovered and reused for pumping of new saline source water by equipment specifically designed for this purpose.

The typical distribution of the construction costs for a RO desalination plant are shown in Table 1:

Intake	5-20%
Pre-treatment	15-20%
RO System	40-60%
Discharge	3-15%

Source: Voutchkov & Henthorne, 2011

Table 1

Annual O&M typical costs of a high-complexity project are shown in Table 2:

Cost Item	Percentage of Total O&M Cost (%)
	High-Complexity Project
Variable O&M costs	
Power	35.0-58.0
Chemicals	5.5-9.0
Replacement of Membranes and Cartridge filters	6.5-11.0
Waste Stream Disposal	3.5-7.0
<i>Subtotal, variable O&M costs</i>	50.5-85.0
Fixed O&M costs	
Labor	4.0-11.0
Maintenance	3.0-13.0
Environmental and Performance Monitoring	1.0-5.0
Indirect O&M costs	7.0-20.5
<i>Subtotal, fixed O&M costs</i>	15.0-49.5

Source: Voutchkov, 2013

Table 2

CONCLUSION

The semi-arid climate in the greater Baja California and San Diego County Region, characterized by scarcity of rain and groundwater resources, paired with reliance on imported water from the Sacramento Delta for San Diego and from the Colorado River for both San Diego and Northern Baja California, determines that few options, besides water reuse and conservation, are available other than using the Pacific Ocean as a drinking water resource.

- In the last several years, NSC Agua and the District have worked at becoming more familiar with the project and have made substantial investments; in the case of NSC Agua, over \$10M, in the case of the District, nearly \$2.48M as of January 21, 2014.

- NSC Agua's obtaining control of the land is a key accomplishment in the project. The success that Poseidon Resources enjoys today in the Carlsbad Desalination project is founded on obtaining control of the land early in the process to exclude potential competitive projects.
- In addition, NSC Agua started the environmental process, completed the piloting of the pre-treatment process, and has started the planning of the pipe alignment from Rosarito to the Border.
- On the District's part, the environmental documentation, both State (CEQA) and Federal (NEPA), started the Presidential Permit process, written two white papers on the CDPH approval process, and the alignment of the pipe is mostly defined.
- The proposed 100 MGD SWRO plant is large enough to meet the water needs of the greater region of northern Baja California/South San Diego County. This offers economies of scale and more opportunities for emergency supply in case of a disaster or other imported water supply interruptions.
- Desalination is a mature technology that is widely used around the globe. NSC Agua is well positioned to develop such a facility in Rosarito to serve as a water supply for Tijuana/Rosarito and the Otay Water District. Although there are still several hurdles to overcome on both sides of the Border, the due diligence being performed by the District and NSC Agua makes this project highly achievable.

For a project of this magnitude, there are factors beyond NSC Agua's control such as political, logistical, regulatory, and public opinion challenges that may surface as the project moves forward. In addition, SDCWA's intent to increase the fixed cost on the District's meters to pay for the Carlsbad Desalination project may impact the cost and feasibility of obtaining water from the Rosarito Plant.

Investment in alternative water supplies, such as this project which was identified in the 2007 IRP, involved at-risk money; \$5M is not unreasonable for the size of this type of project and the effect on potential future long-term water supplies for the region. Examples of new water supply projects that involve at-risk money includes the CWA's Quantification Settlement Agreement (QSA) for tens of millions of dollars, the City of San Diego's Indirect Potable Reuse (IRP) project with at-risk money in excess of \$10M and the El Monte Valley project which Helix Water District spent \$5M on before it was suspended. The alternative to not pursuing these water resources projects is to do nothing. Doing nothing will imperil the future supply of water to our ratepayers.

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14 March 2014

Frederick McTaggart
Chief Executive Officer
Consolidated Water Co. Ltd.
5810 Coral Ridge Drive, Suite 220
Coral Springs, FL 33076

NSC Agua S.A de C.V.
Blvd. Sanchez Taboada 10488-801
Zona Rio
Tijuana B.C. Mexico CP 22320

Dear Mr. McTaggart,

Re: Financing process for the Rosarito Desalination Project

Background

The Rosarito Desalination Project (the "Project") is comprised of a 4.4 cubic meters per second (approximately 100 million gallons per day) sea water reverse osmosis ("SWRO") desalination plant, accompanying pump station and conveyance pipeline to transport water produced by the plant to Tijuana, Mexico and (to a lesser extent) to the United States border with Mexico. The primary purpose of the Project is to provide potable water to customers in Mexico. The Project will also serve as a source of potable water to the Otay Water District ("Otay") in the United States as the amount of water produced by its plant exceeds the demand from its Mexico customers.

NSC Agua S.A. de C.V. ("NSC") is a Mexican corporation established specifically to complete the Project. NSC's parent company Consolidated Water Co. Ltd. ("CWCO") is a U.S. public company whose stock is traded on the NASDAQ Global Select Market. CWCO specializes in developing and operating SWRO desalination water plants in the Caribbean and Asia.

Letters of Intent

NSC Agua has obtained a letter of intent from Otay for the supply of up to approximately 150,000 cubic meters (40 million gallons) of potable water per day. There is significant progression of the Project on the U.S side of the border by Otay (please see attached minutes at Appendix A), including in respect to the environmental permitting that will be required for the Project.



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We understand that NSC expects the Comisión Estatal de Servicios Públicos de Tijuana (“CESPT”) will sign a letter of intent with NSC in the near future for the supply of 285,000 cubic meters per day.

KPMG’s role and credentials

NSC engaged KPMG Corporate Finance LLC (“KPMG”) in May 2013 to serve as its financial advisors for the Project. As part of that engagement, we will provide NSC with advice on raising the debt and equity for the Project. Currently the funding requirement for the Project is estimated to be approximately US\$ 750 million.

KPMG is an independent advisor with extensive experience in assisting developers of infrastructure projects, whether public sector agencies or private sector companies, to procure, finance and manage infrastructure assets.

We have a global practice and specialize in advising on public private partnerships and have earned numerous awards and possess extensive credentials, as described at Appendix B to this letter. We have been instrumental in successfully raising finance for approximately \$15 billion in the U.S. in the last six years. As an example, we can highlight the role KPMG recently played in Australia, advising Sydney Water on the development and financing strategy of its 250 million liters per day desalination project.

The table below details our market leading position through 2012, and in 2013 we provided advice on transactions with an aggregate value of approximately \$ 2.8 billion.

US P3 Financial Advisors (January 2008 - December 2012)				
Rank	Company	Deal Value (US\$m)	Deal Volume	Market Share
1	KPMG	11,393.6	9	22.0%
2	Macquarie	10,163.0	6	19.6%
3	Goldman Sachs	6,263.6	3	12.1%
4	JPMorgan	3,602.6	2	7.0%
5	Depfa Bank	2,789.0	2	5.4%
6	High Street Consulting Group	2,661.0	1	5.1%
7	Montague DeRose	2,661.0	1	5.1%
8	Jeffrey Parker & Associates	2,530.4	2	4.9%
9	Taylor-DeJongh	2,521.0	2	4.9%
10	Scully Capital	2,231.4	2	4.3%

Source: Infrastructure Journal, March 2013 (excludes ORB transaction)

It is important to note that KPMG is neither an underwriter of finance nor a provider of equity for such deals. We typically advise our clients on how best to structure and procure financeable transactions and



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then assist our clients in running competitive processes to raise the required finance. We explore a number of options for financing in the process to ensure that our client has access to the best value solution and the lowest possible cost of capital. Our competitive financing process typically helps to create a lower price to the ultimate public sector client for the product it purchases from our client.

Representative KPMG transactions

We have a board range of experience in structuring projects across diverse infrastructure sectors that require significant amounts of capital to be raised. These examples include:

- Sydney Desalination – The Sydney Desalination project consisted of the design, construction, commissioning and operation of a 250 million liters per day desalination plant to deliver drinking water to Sydney, Australia. Sydney Water engaged KPMG as commercial and financial advisor for the project. The \$2.2 billion project was funded with \$605 million of equity and \$1.6 billion of bank debt.
- MT Falcon Holdings Co - MT Falcon Holdings Co., a joint venture 70 percent owned by Mitsui, was acquired for \$1.2 billion and included five power plants with a combined capacity of 2,233 megawatts, and a 54-kilometer (34-mile) gas pipeline. KPMG effectively worked as the exclusive advisor for the Japanese conglomerate participating in the transaction. In that capacity, KPMG assisted in evaluating various financing scenarios with the team in Mexico, the United States and Japan.
- Long Beach Courthouse – KPMG advised Meridiam Infrastructure on their bid and financial close of the Long Beach Courthouse project. KPMG was the lead financial advisor to Meridiam's consortium and assisted with all commercial and financial aspects of their proposal. The project involved the raising of \$450 million of bank debt in addition to approximately \$50m of equity.
- East End Crossing – KPMG advised the Indiana Finance Authority on the East End Crossing project, a \$1.3 billion project connecting Indiana and Kentucky in Louisville. KPMG served as sole financial advisor to IFA and assisted with all commercial and financial aspects of the procurement process. The project involved the raising of \$677 million of private activity bonds and \$78 million of equity.

Approach to financing process¹

Consistent with many prior similar infrastructure projects, the Project will be financed through a limited or non-recourse project finance structure which uses highly leveraged debt. An example of such a structure is the Carlsbad desalination projection in Carlsbad, California, U.S., which closed in 2012.

¹ N.B. to date none of the institutions referenced here have been approached in relation to the project



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KPMG intends to run separate competitive processes to raise the debt and equity financing required for the Project. At this stage we anticipate that bank financing may be more flexible than capital market financing (although capital market financing has not yet been ruled out) and that development banks such as Banobras, Fonadin, Nafinsa, IDB and NADB will be interested in participating in the Project given its purpose and high level profile on both sides of the US-Mexican border and its national significance to both countries.

These multi-lateral institutions will typically also require a commercial lender (bank) with experience in infrastructure (such as BBVA, Santander or Banorte) to participate in the financing alongside them. KPMG will run a competitive process to secure the cheapest finance in the market at the appropriate point in time.

Equity partners are typically sourced in a number of ways and are of different types. For example key members of the supply chain can be involved (e.g. the EPC contractor, O&M provider etc.). Typically participating in the financing with these parties are institutional investors, such as infrastructure funds (e.g. Stonepeak Infrastructure Partners which invested in Carlsbad, Macquarie Mexican Infrastructure Fund (MMIF) or InfraRed Capital Partners), pension funds (e.g. Infraestructura Institucional, CalPERS and Ontario Teachers' Pension Plan) and other third party equity providers or strategic partners (such as GMD or Acciona). Equity can be sourced via competitive processes although it frequently can be simpler to introduce investors to the Project on the basis of existing relationships and known appetite for certain asset classes. KPMG will be leveraging its contacts with an extensive network of infrastructure investors.

Role and significance of the water purchase agreements (WPAs)

Under project finance structures lenders do not typically rely on security over the assets as they tend to be much more focused on security over contracted cash flows for the Project (i.e. the revenues of the Borrower). The WPAs are the key contractual commitments for the Borrower and underpin the revenue stream of the Project; so these contracts and the dependent allocation of risk between public sector agencies and the private sector provider they describe are central to the lender's due diligence of the Project and its credit risk.

Under a capital markets financing it would be necessary to ensure that the senior debt is investment grade rated by one or more credit rating agencies (at BBB- or above). Bank lenders can be more flexible but are usually looking for very similar (strong) credit characteristics.

KPMG will be advising on key aspects of the WPAs to ensure that each is acceptable to lenders and contains key terms that lenders will require, in particular:



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- A commitment to pay by the public client that in almost all circumstances covers certain fixed costs including debt service, and additional payments that hedge against variable costs such as electricity (subject always to the satisfactory performance of the service);
- Protections for lenders against certain risks beyond the Borrower's control such as Force Majeure and Change in Law;
- Rights for lenders to step-in if sub-contractors fail; and
- In extremis, certain protections for lenders on termination of the Project.

We further consider it likely to be necessary to secure a federal level guarantee (from a federal agency) of the CESPT payment commitments described above.

Properly structured WPAs, that are acceptable to the public sector clients, the private sector developer, *and* third party investors and lenders, are the starting points for the commencement of a financing process and the due diligence that lenders will require before committing funding. Each WPA is a long term agreement that requires careful consideration by all parties as well as close coordination with their respective various advisors.

The WPA is typically executed by the public sector client in advance of the conclusion of the financing process, which in no event should be later than [6] months after execution of the WPA.

Other dependencies

Lenders will also perform due diligence on all other aspects of the project - whether legal, technical or otherwise - that may be a condition precedent ("CP") to the execution of the WPAs and associated sub-contracts. This diligence will include:

- a review that the public sector clients have the appropriate authorizations to enter into the agreements;
- verifying that all planning and environmental permits have been, or will be, obtained before disbursement of funding;
- obtaining a technical evaluation to ensure the technology and equipment is satisfactory;
- determining that counterparty credit quality, particularly that of the Project's clients and key sub-contractors, is sufficient; and
- assessing the Borrower's ability to cope with various potential adverse financial situations, such as loss of revenue or increased costs and inflation, etc..

Once the above diligence has been completed lenders will take the Project before its credit committee to approve and commit to the loan.



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Outline program

On the basis of the foregoing, we recommend (following the execution of the letter of intent between the parties) that CESPT, Otay and NSC begin joint preparation of draft WPAs that meet the requirements to obtain financing from third party investors and lenders, in order to enable NSC to launch the financing process for the Project by the autumn of 2014.

In parallel NSC Agua will also be developing the ancillary commercial contracts required to deliver the Project, such as the Engineering, Procurement and Construction contract and various other supply contracts. These different commercial negotiations will need to converge so that a number of them can be executed at commercial close. Final due diligence and the satisfaction of various conditions precedent will then enable financial close to be reached. We understand that the target date for financial close is currently in 2015, and if the key dependencies are met we believe this to be an aggressive but deliverable timeline.

Conclusion

To summarize, we believe that NSC is developing an attractive Project that, correctly structured, will not have difficulty raising sufficient financing at the appropriate time. Currently we believe that liquidity in the market for investment grade projects is good.

The key risks for projects arise either in securing development funding, or the timely obtaining of the various required authorities and permits, or in the failure to structure an investment grade deal.

The single most important contracts from a lender's perspective in assessing the credit quality of the Project are the WPAs and associated guarantees. Banks will really only properly engage in a financing process once the development of these key documents in particular is well advanced, and when there is a real commitment from both the developer and clients to move to commercial close.

We believe NSC and its advisers are now extremely well placed to commence to develop the WPAs with CESPT and Otay with a view to commencing the financing process in the autumn of 2014.

Yours sincerely,

Nick Greenwood

Managing Director, KPMG Corporate Finance LLC

AGENDA ITEM 9c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014
		PROJECT:	Various
		DIV. NO.:	ALL
SUBMITTED BY:	Geoffrey Stevens Chief Information Officer		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY 2014 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation -- informational item only.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To provide a mid-year report on the District's Strategic Performance Plan for FY 2014.

ANALYSIS:

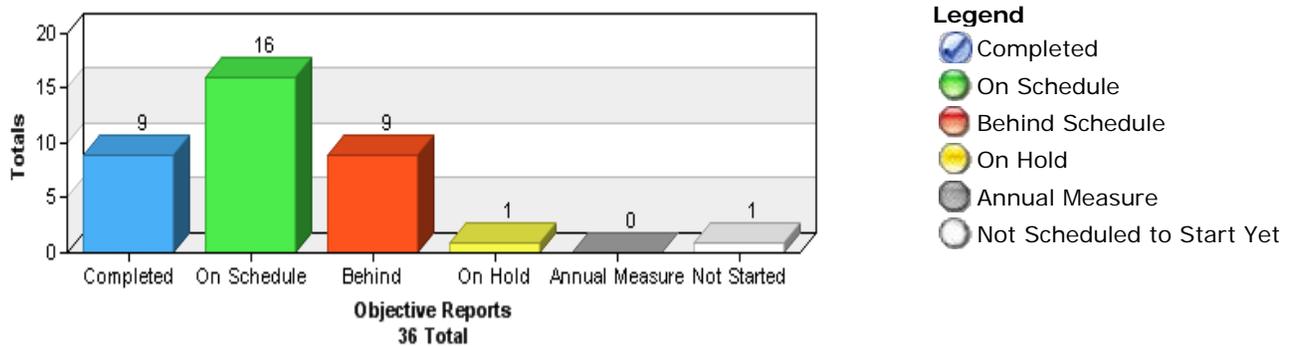
The District is in the final year of the three-year Strategic Plan for Fiscal Years 2012-2014. At the end of the 2nd quarter, FY 2014 results for the objectives are below target averages, and the performance measures exceed the target averages of 90% and 75%, respectively.

Strategic Plan Objectives

Strategic Plan Objectives are designed to ensure we are making the appropriate high-level changes necessary to move the agency in the planned direction to meet new challenges and opportunities.

Objective results were below target at 74% complete, ahead, or on schedule (target is 90%). These results are lower than the previous year-end report. The lower rating appears to be attributed to timing issues with several projects where deliverables are delayed into the next quarter.

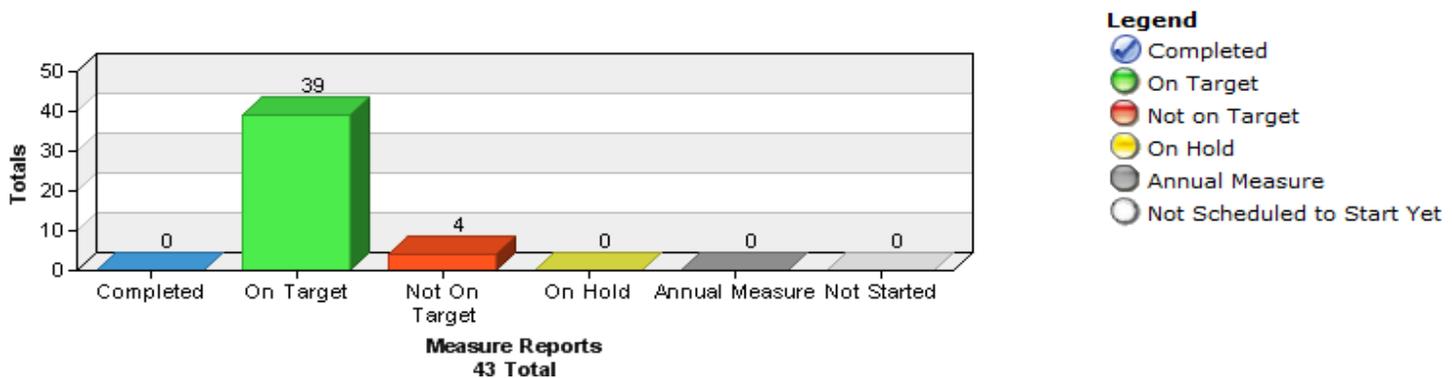
74% of Strategic Plan Objectives (25 of 34) Completed or On Schedule



Performance Measures

Performance measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of daily operations, and where possible, we utilize the AWWA QualServe Benchmarks as the basis for comparison. The overall goal is that at least 75% of these measures be rated "on target". Mid-year FY 2014 District results exceed the goal of 75%, with 39 of 43 (91%) items achieving the desired target or above.

91% of Performance Measures (39 of 43) On or Above Target



Next Steps

Staff briefed the Board last month on the District's progress towards development of the FY 15-18 Strategic Plan, which will be presented with the FY 15 Budget in May 2014.

Committee Reports - Slideshow

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

Strategic Plan Available to Board Online

All of the strategic plan results and associated details are provided in a real-time, interactive web-based application available to the Board via a VPN connection, available from the District Secretary.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None -- informational item only.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action Report
 Attachment B - FY 14 Mid-Year Strategic Plan Results



ATTACHMENT A

SUBJECT/PROJECT:	FY 2014 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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COMMITTEE ACTION:

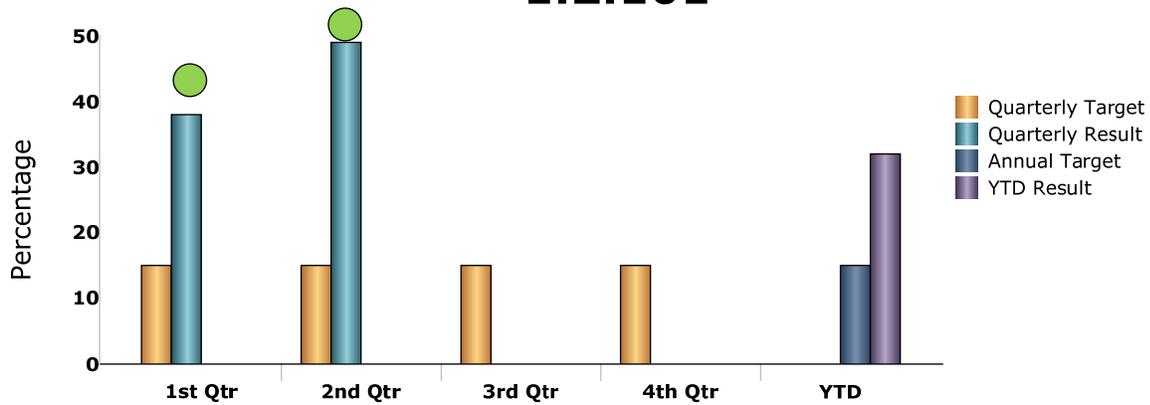
The Engineering and Operations Committee and the Finance, Administration, and Communications Committee reviewed this item at meetings held on March 17 and 18, respectively and the following comments were made:

- The District is in the final year of the three-year Strategic Plan for Fiscal Years 2012-2014. At the end of the 2nd quarter, FY 2014 results for the objectives are below target averages at 74% and the performance measures exceed the target at 91%.
- Staff noted that the Strategic Plan Objectives were below target due to timing issues with several projects where deliverables are being delayed into the next quarter.
- It was indicated that the Performance Measures result of 91% is the highest the District has achieved.
- Staff presented a review of the results of each of the measures (please reference Attachment B to the staff report).
- It was indicated in response to an inquiry from the committee regarding the *Health & Safety Severity Rate* measure, that if an employee had a recurring back injury, each instance would be reflected in the measure's performance as the measure counts the number of days employees are absent due to injuries.
- Staff noted with regard to the *Website Hits* measure that is much above target as it now includes hits from customers who pay their bills online. The measure did not include such hits in the past.
- At the March 5, 2014 board meeting, staff briefed the Board on the District's progress towards the development of the FY 2015-2018 Strategic Plan. It was indicated that some of the items from the FY 2012-2014 Strategic Plan will be included in the FY 2015-2018 Strategic Plan.

- It was discussed that the *Project Closeout Time* is a little behind target in the 2nd quarter and it will be substantially behind target in the 3rd quarter due to a delay in the completion of punch list work by the Contractor for the 944-1R Recycled Water Pump Station Upgrades project (R2091). The project has been accepted.
- It was indicated that the District will focus on *Water Loss Statistics* which currently is at 5%. The goal is to decrease this percentage by focusing more on leak detection and looking at the District's system integrity. Staff will also focus on Disaster Preparedness which will include radio systems, assuring the District can be self-sufficient for a certain amount of time, and playing out various scenarios to prepare for future disasters.
- It was discussed that the committee documents are available to the public via the District's website. This staff report will also be posted with next month's board packet (April 8, 2014).

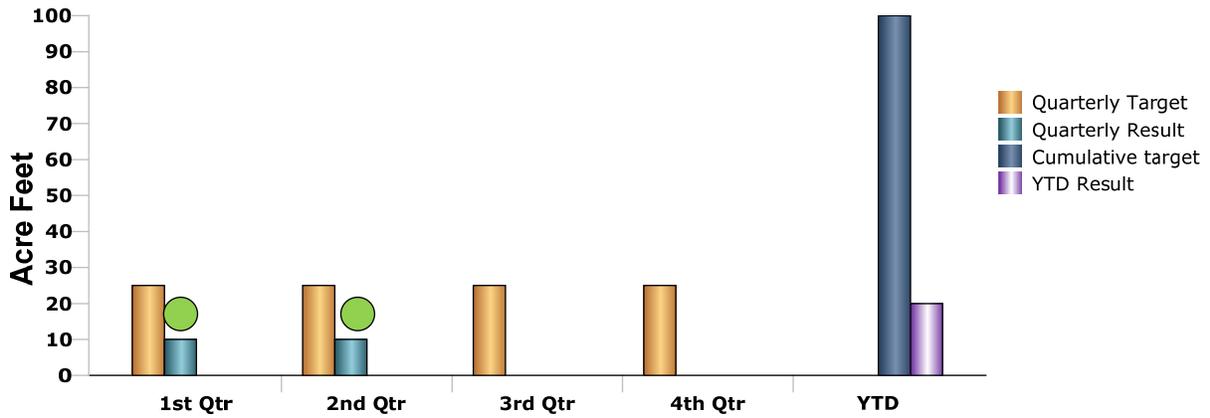
Following the discussion, the Committee supported staffs' recommendation and presentation of this item to the full board as an informational item.

Blanket Order Activity 1.2.101



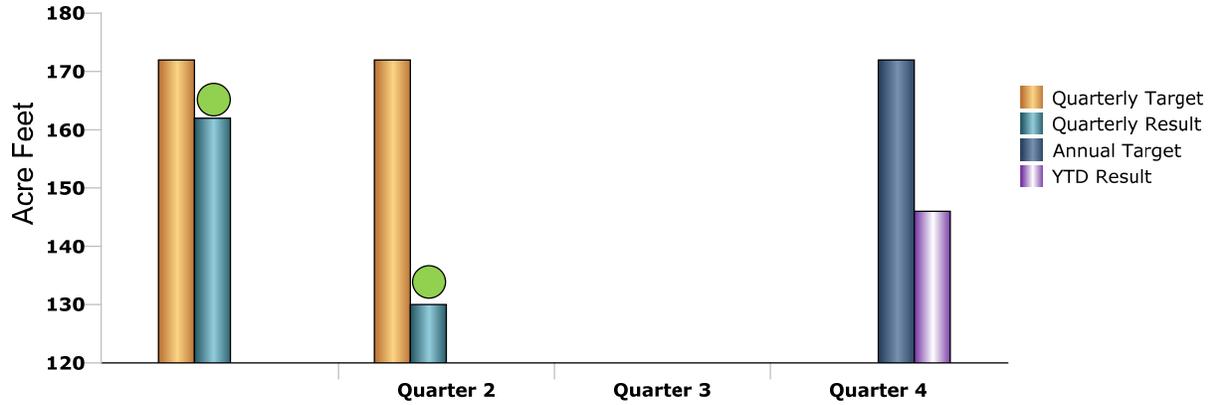
Measure 1.2.101, Blanket Order Activity, aims to be above all set targets in order to have no less than 15% of material purchases acquired via blanket POs per quarter in a single year.

Total Customer Water Saved 1.3.102



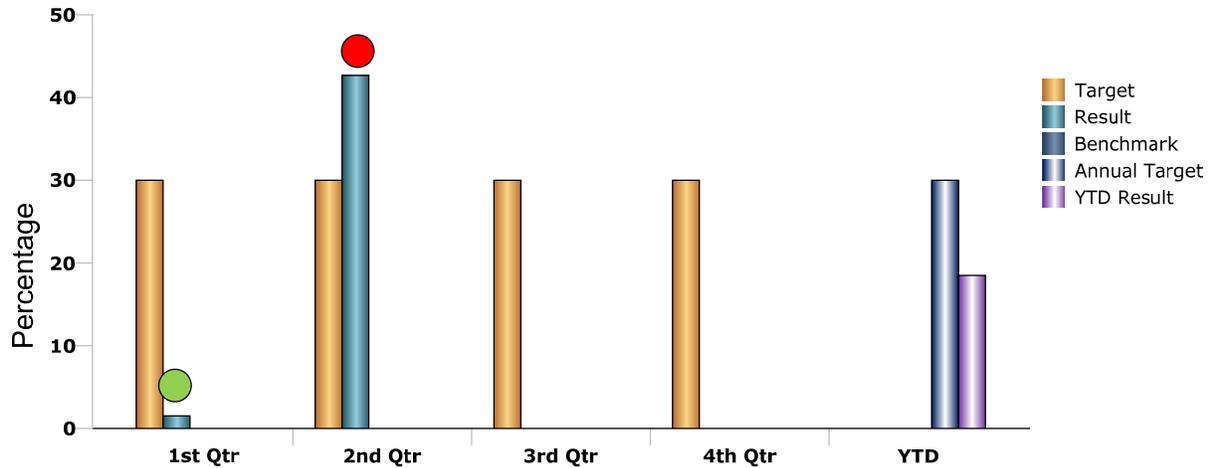
Measure 1.3.102, Total Water Saved, aims to be above all set targets with 40 conservation activities per year.

Gallons Per Capita Per Day 1.3.103



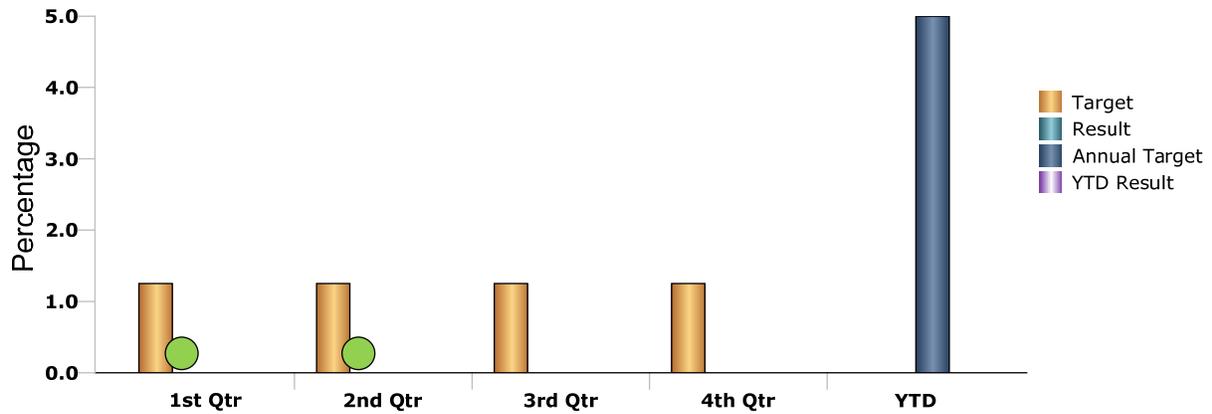
Measure 1.3.103, Otay Water Use, aims to be below 172 Gallons Per Day

Health & Safety Severity Rate (Qualserve) 1.4.104



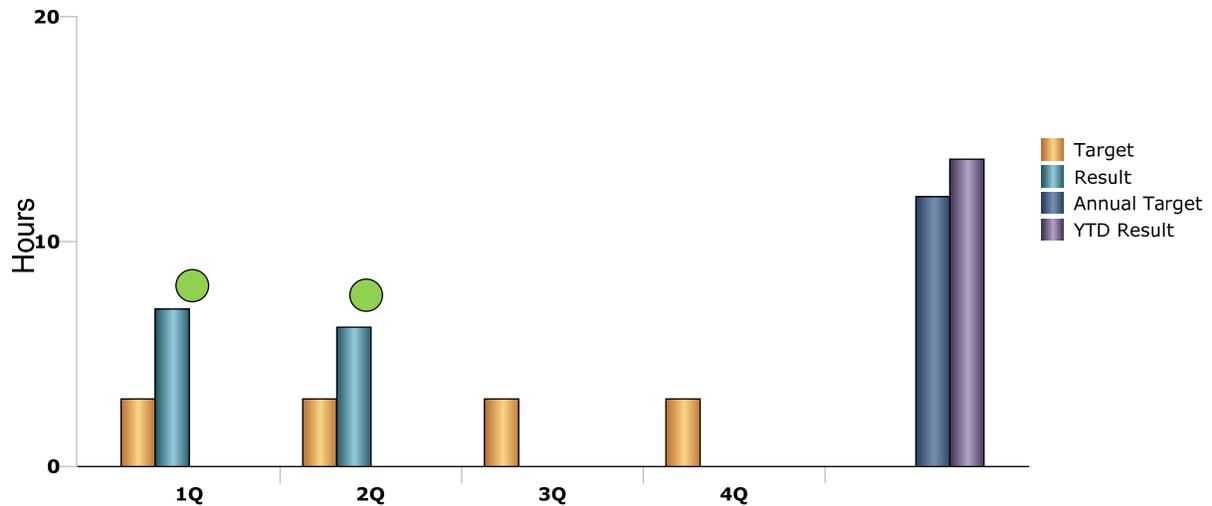
Measure 1.4.104, Health & Safety Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

Employee Turnover Rate 1.4.105



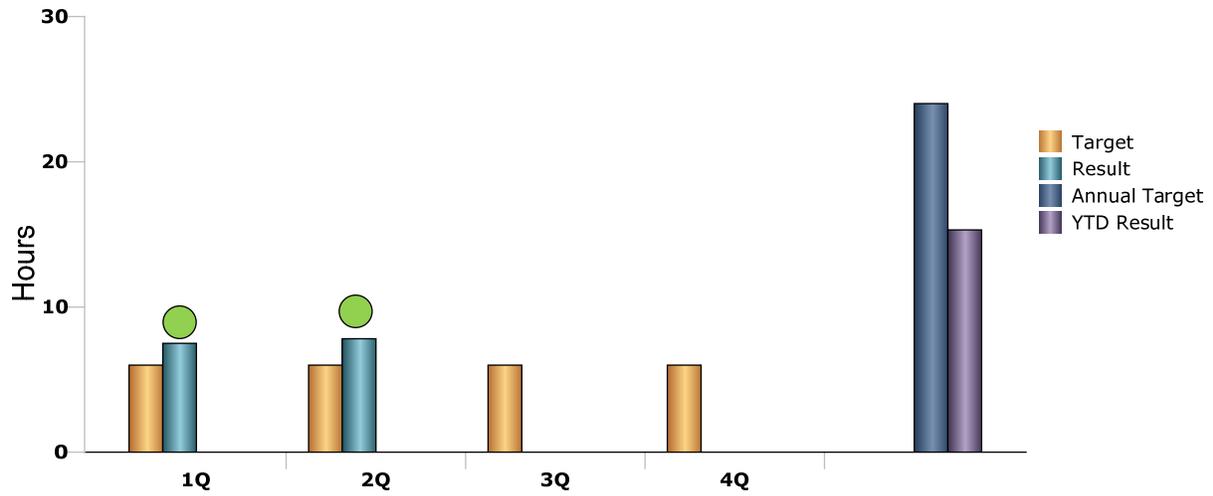
Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

Training Hours Per Employee 1.4.106



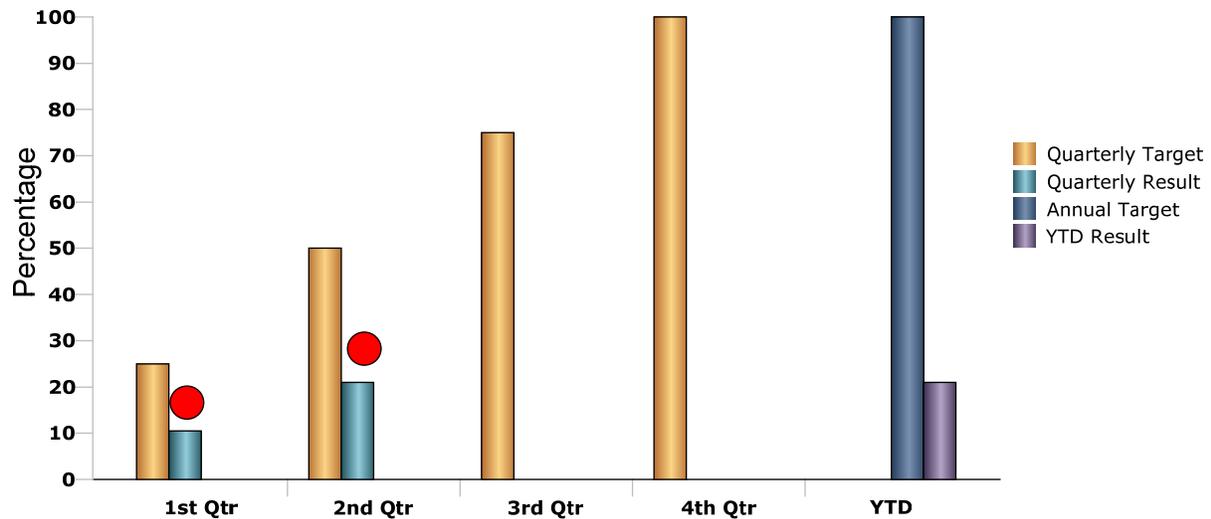
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 24 hours of training per employee in a single year.

Safety Training Hours Per Employee 1.4.107



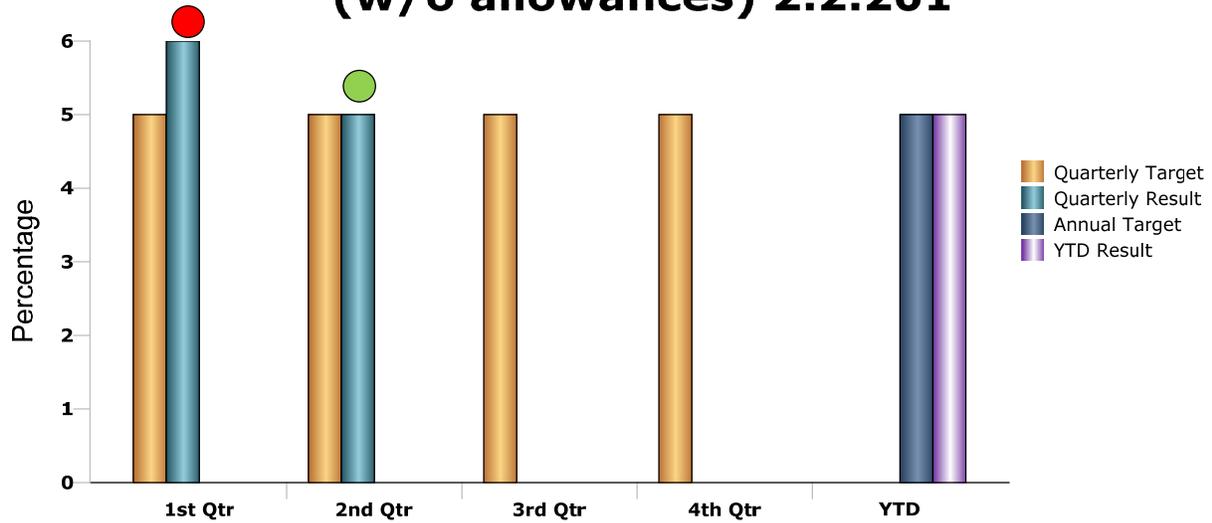
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 24 hours of training per employee in a single year.

CIP Project Expenditure vs. Budget 2.2.200



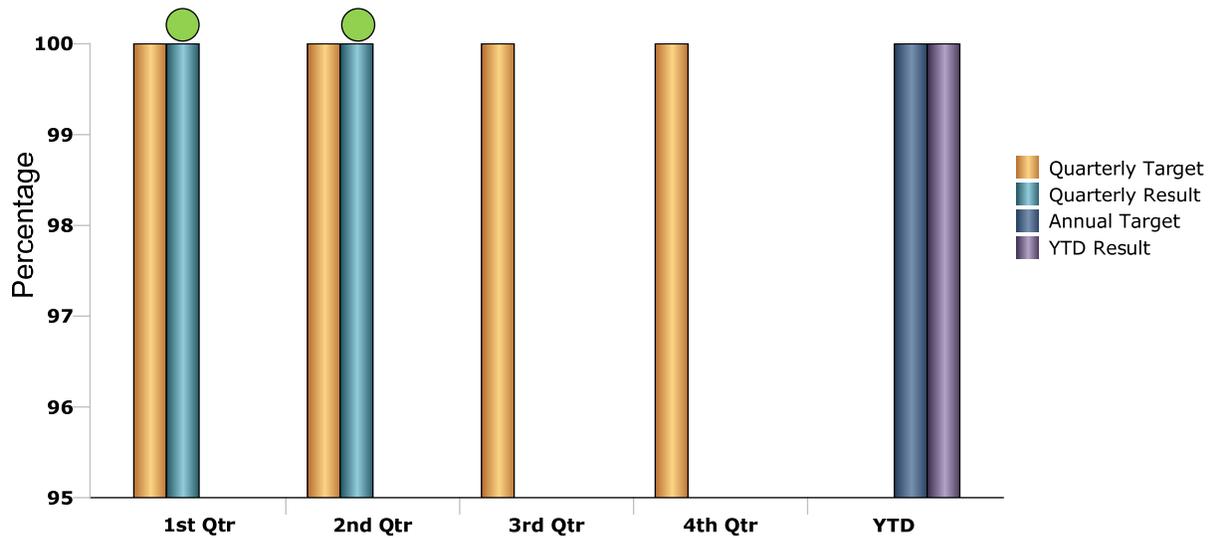
Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be below all set targets in order to keep expenditures below 100% of the budgeted amount for a single year. Note: Annual result aims to be between 95-100% but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.

Construction Change Order Incidence (w/o allowances) 2.2.201



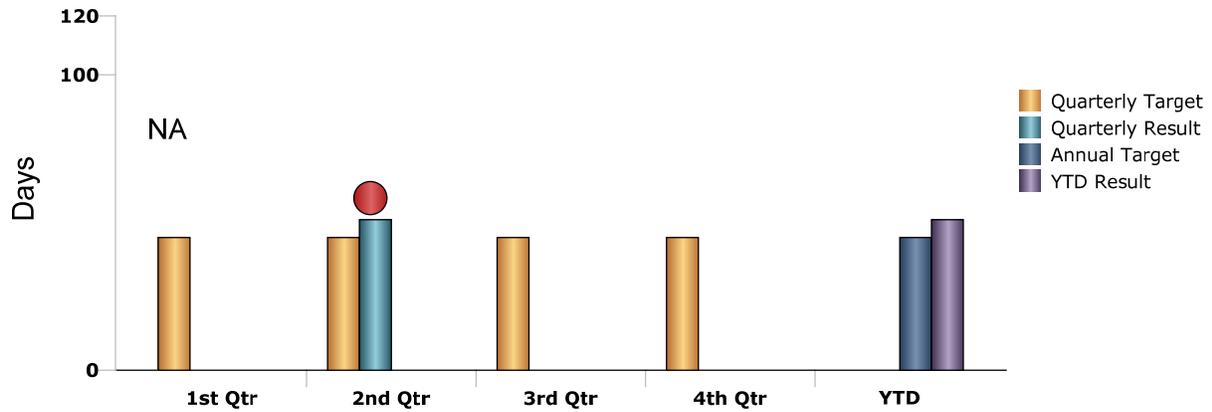
Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 2 % in one year % rate of change orders in a single year.

Mark Out Accuracy 2.3.202



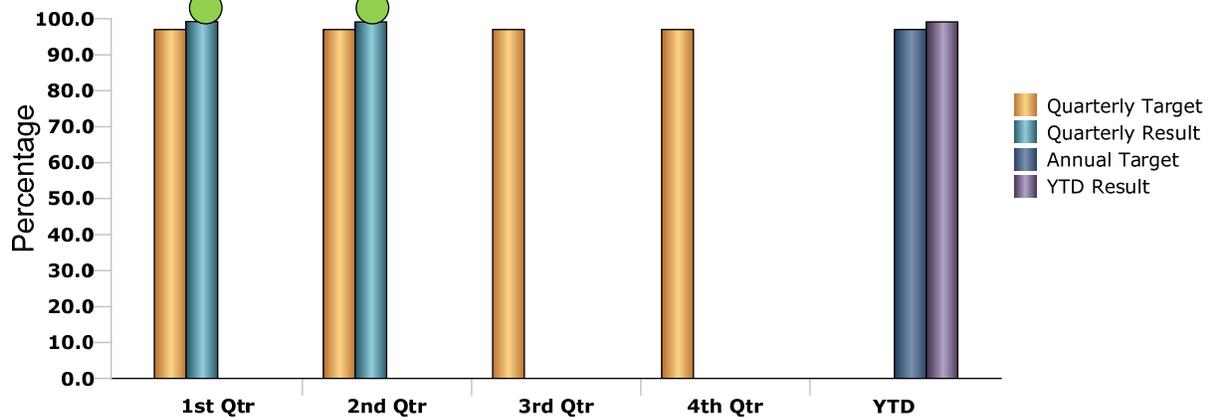
Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

Project Closeout Time 2.3.203



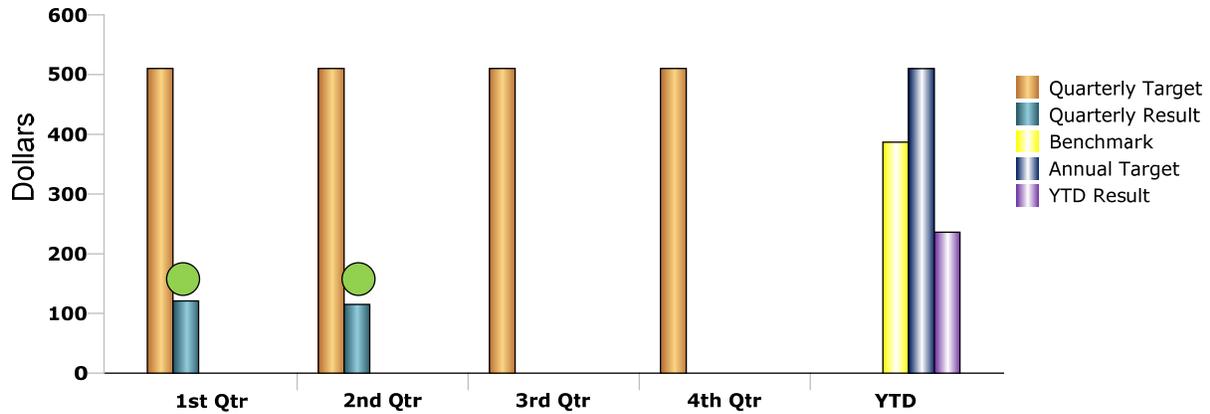
Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days in a single year. Note: No projects closed out in the 1st quarter 2013.

Answer Rate 3.1.300



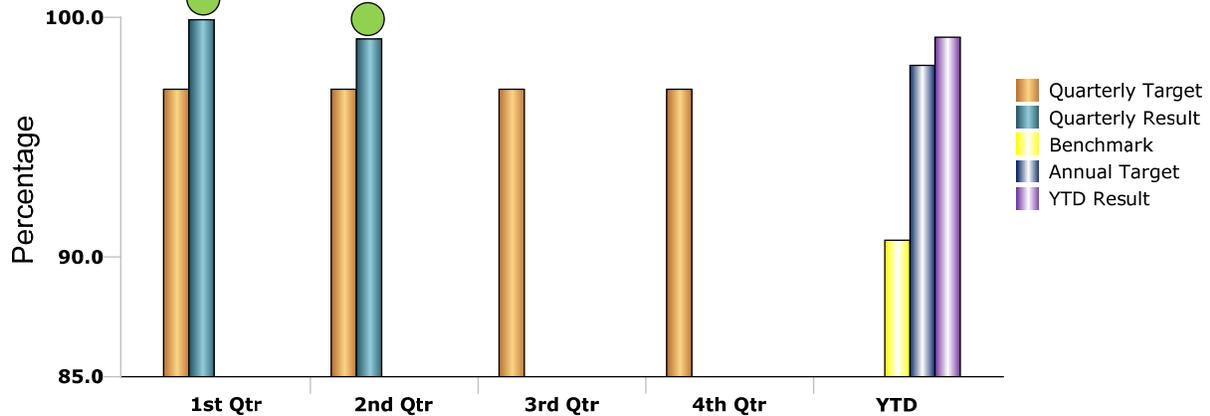
Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate of no less than 97%.

O&M Cost Per Account (Qualserve) 3.2.301



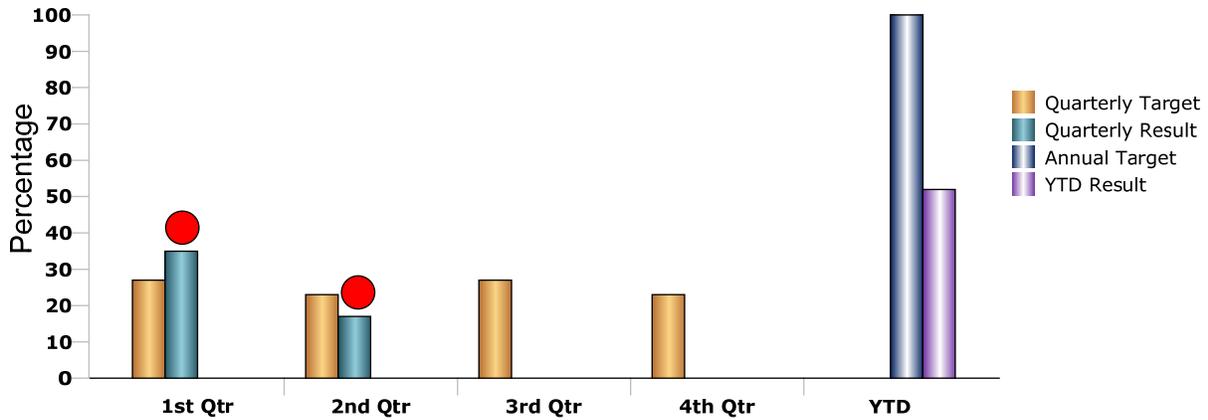
Measure 3.2.301, O&M Cost Per Account, aims to be below all set targets in order to keep O&M cost per account less than \$510.40 in a single year.

Bill Accuracy (Qualserve) 3.2.302



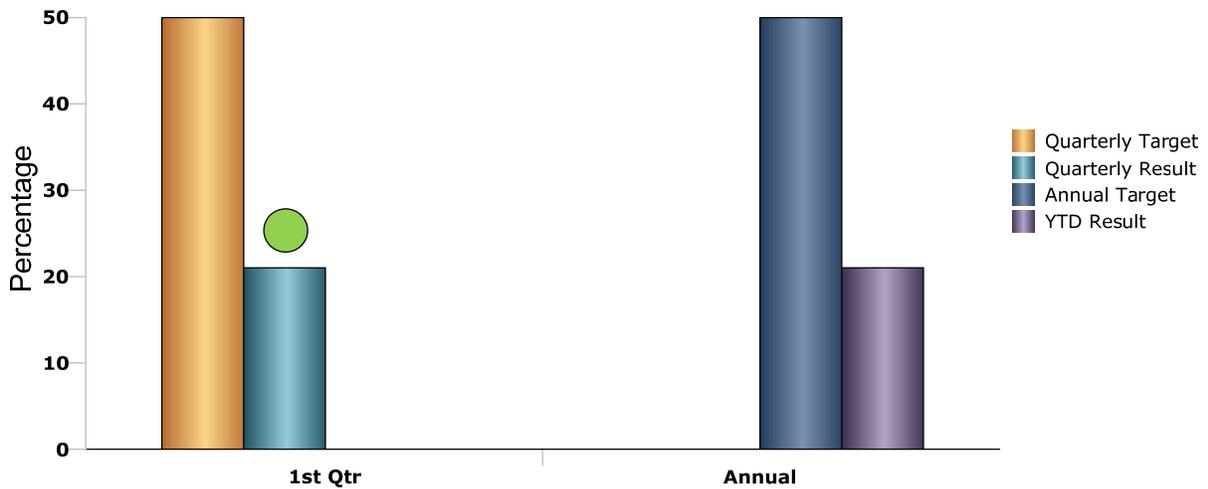
Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

Overtime Percentage 3.2.303



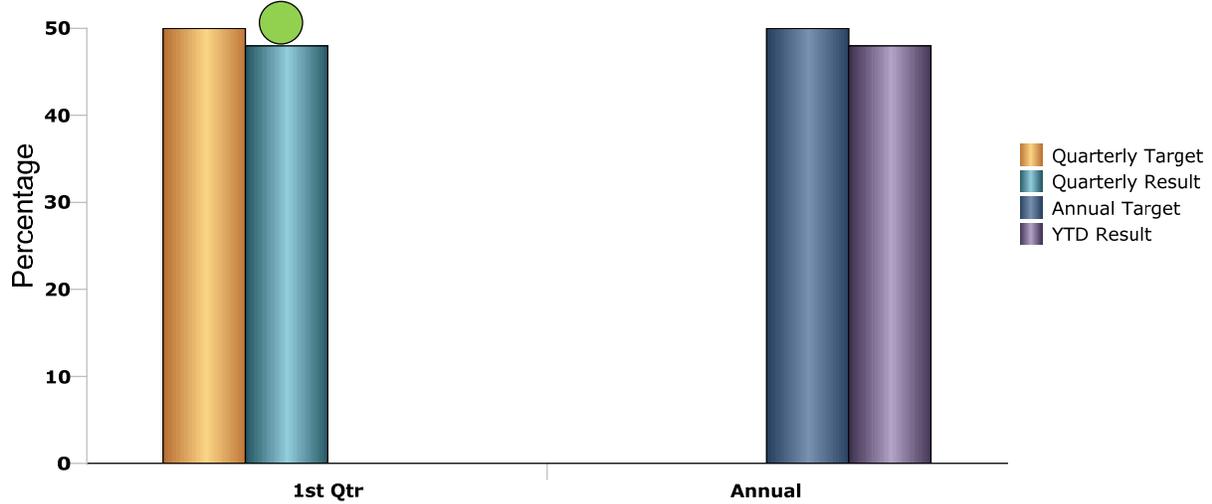
Measure 3.2.303, Overtime Percentage, aims to be between 23 and 27 percent per quarter. In total, less than 100% by the end of the year.

Sewer Rate Ranking Measured Once Per Fiscal Year 3.2.304



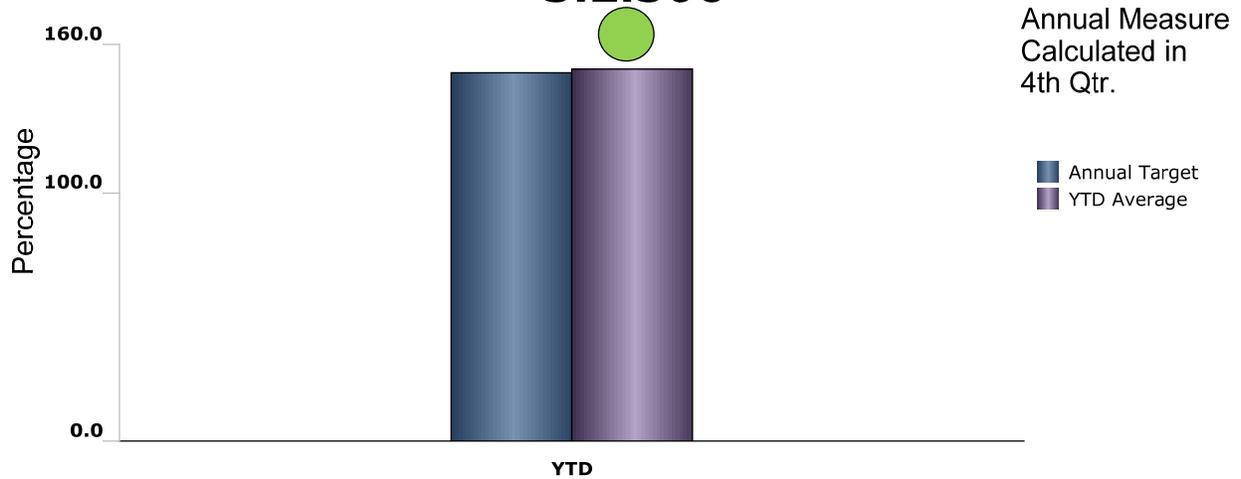
Measure 3.2.304, Sewer Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

Water Rate Ranking Measured Once Per Fiscal Year 3.2.305



Measure 3.2.305, Water Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50

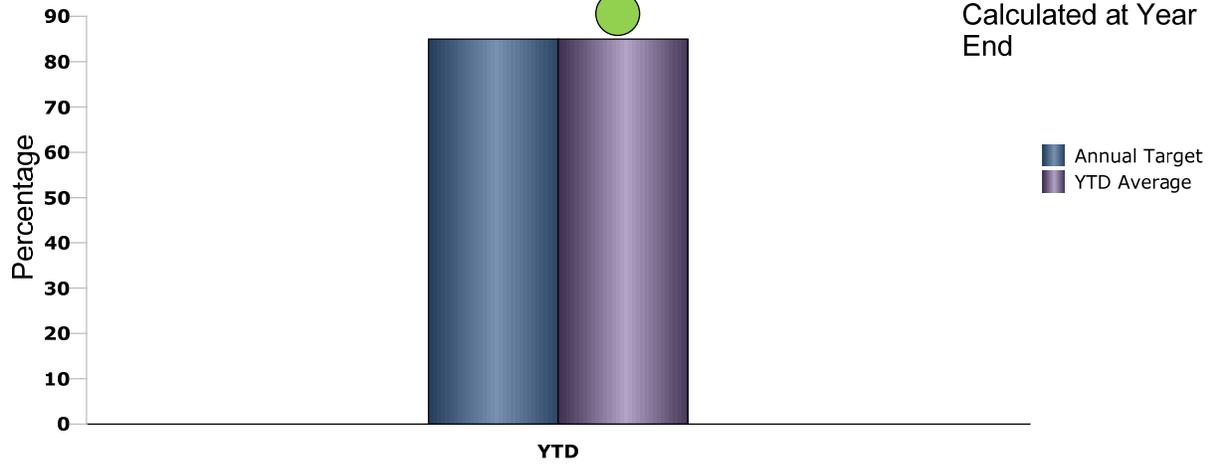
Debt Coverage Ratio - (Qualserve) YTD 3.2.306



Measure 3.2.306, Debt Coverage Ration aims to be greater than 148%. It is measured annually.

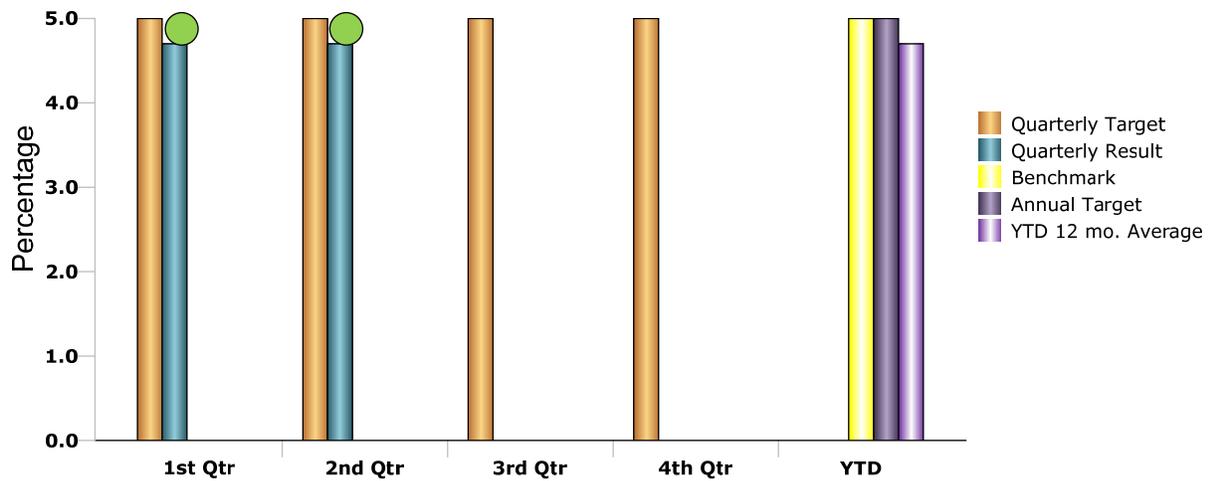
In Development

Reserve Level 3.2.307



Measure 3.2.307, Reserve Level, aims to be no less than 85%. It is measured annually.

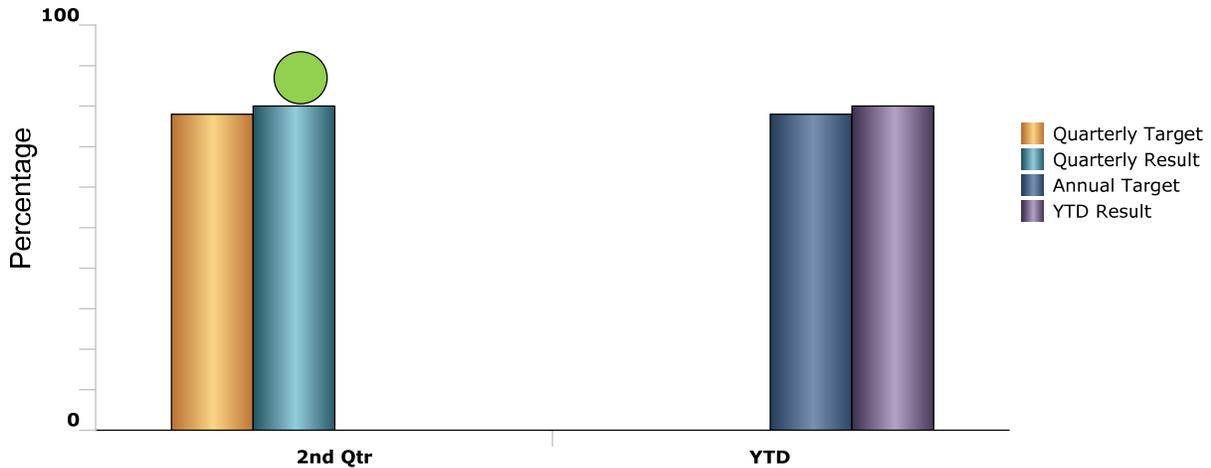
Distribution System Loss (Qualserve) 3.3.308



Measure 3.3.308, Distribution System Loss, aims to be below all set targets in order to ensure less than 5% of unaccounted water in a single year.

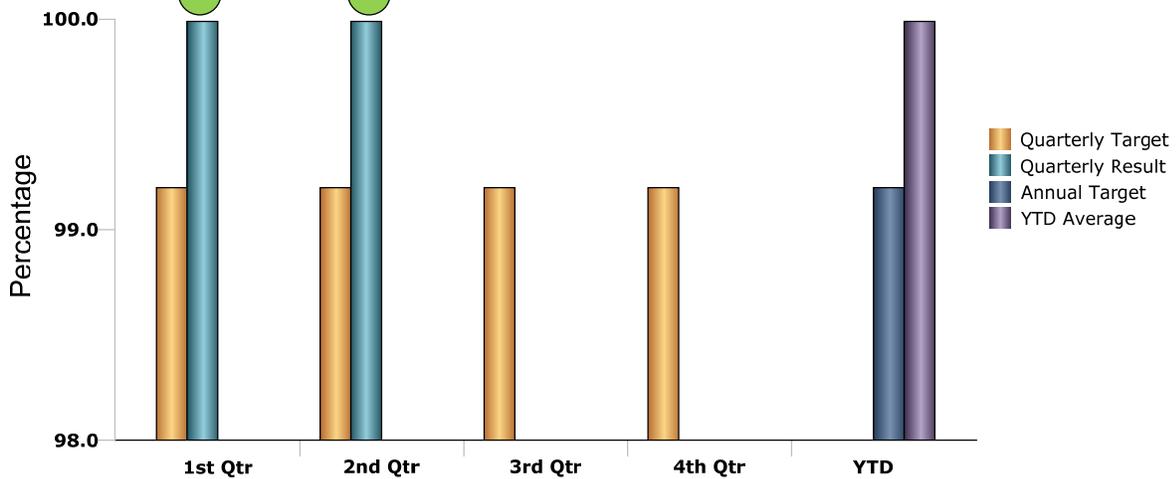
*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

Customer Satisfaction Website Measured Once Per Year 4.1.400



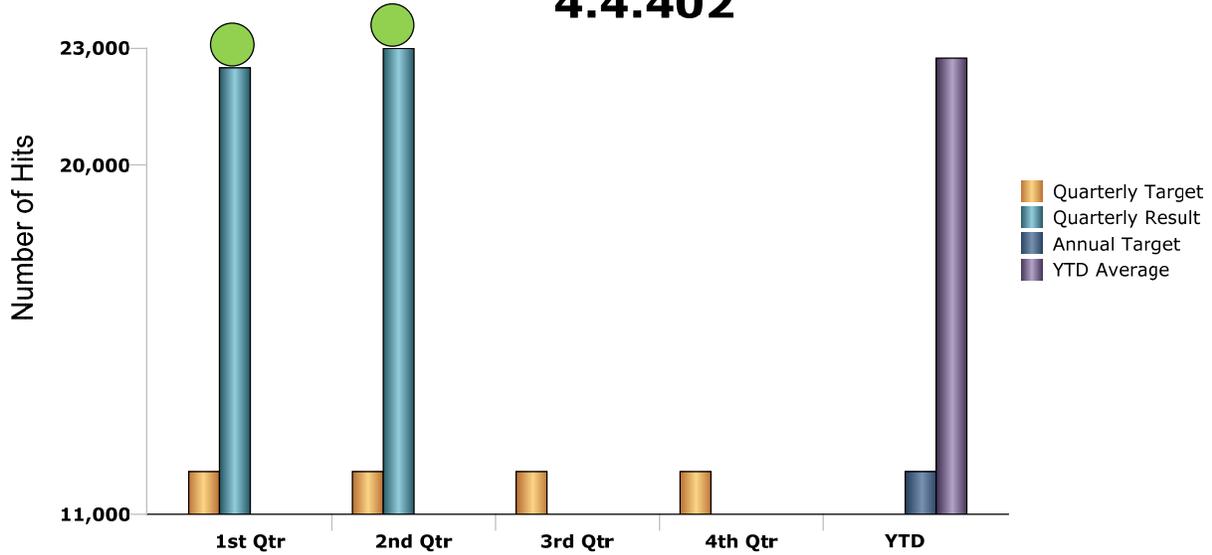
Measure 4.1.400, Customer Satisfaction with Website, is a once yearly survey that is reported on annually in the second quarter and represents the results for the given fiscal year.

Network Availability 4.3.401



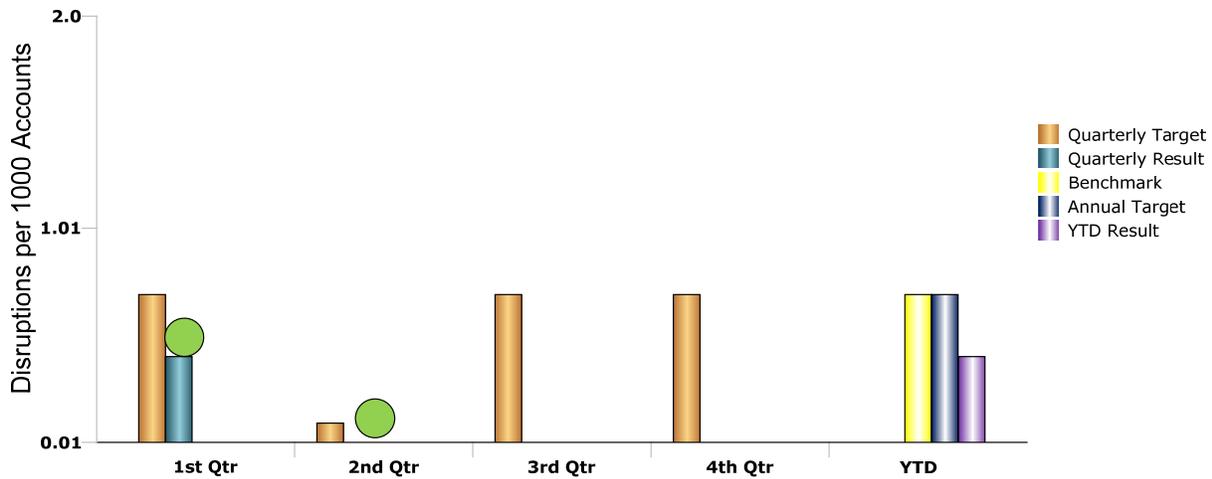
Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.2% network availability per quarter in a single year.

Website Hits 4.4.402



Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 12,100 website hits per quarter in a single year.

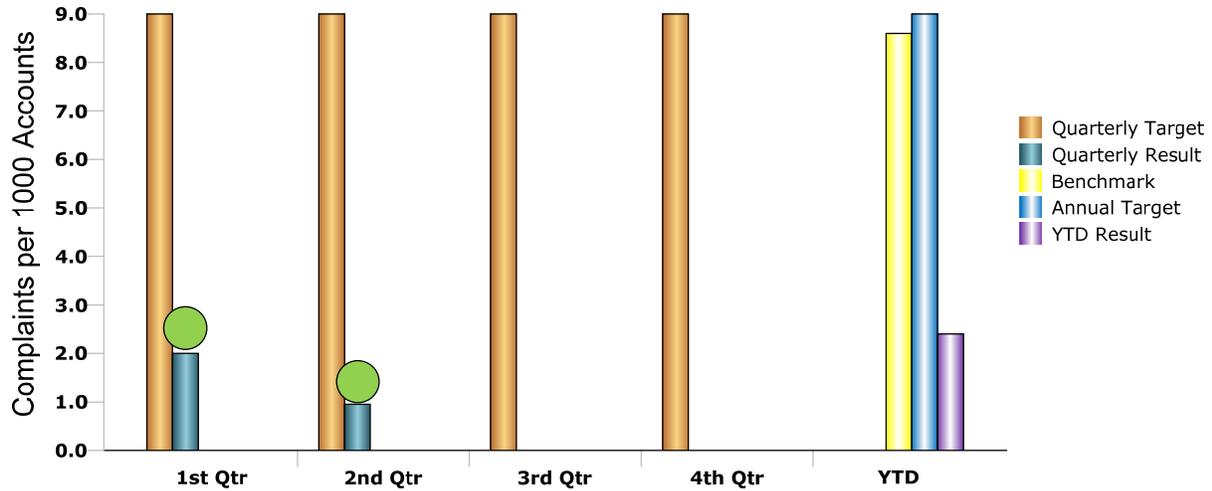
Unplanned Disruptions (Qualserve) 5.1.500



Measure 5.1.500, Unplanned Disruptions, aims to be below all set targets in order to have no more than .7 disruptions per 1000 accounts in a single year.

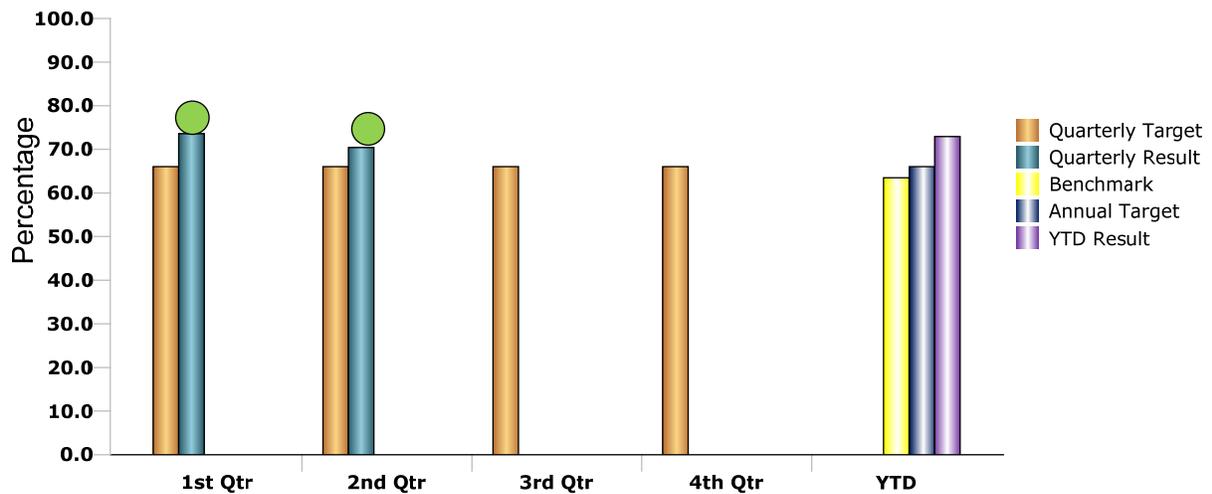
Note: Target is expressed as number of disruptions per 1000 accounts

Technical Quality Complaint (Qualserve) 5.1.501



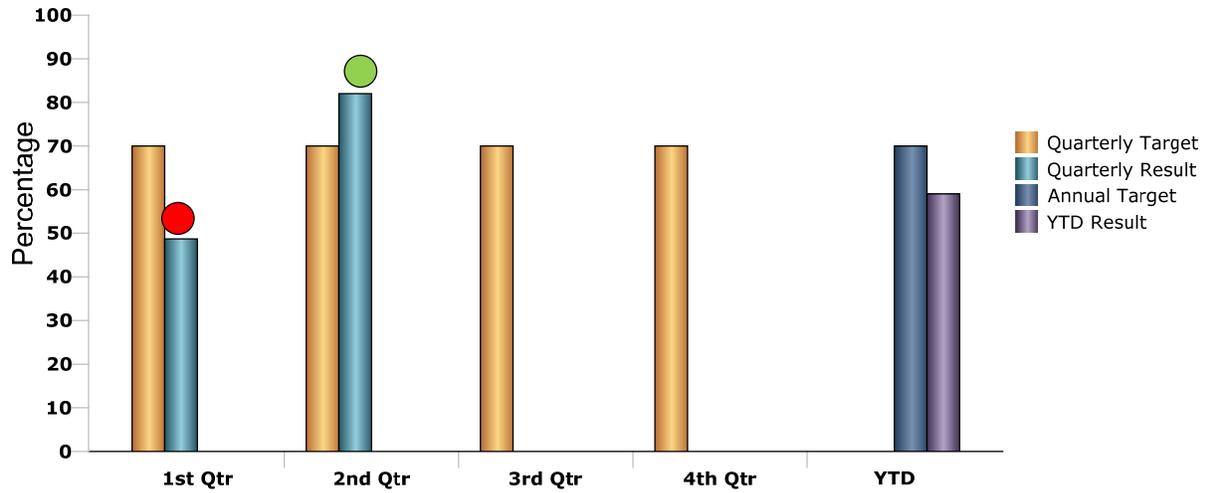
Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

Planned Potable Water Maintenance Ratio in \$ Qualserve 5.2.502



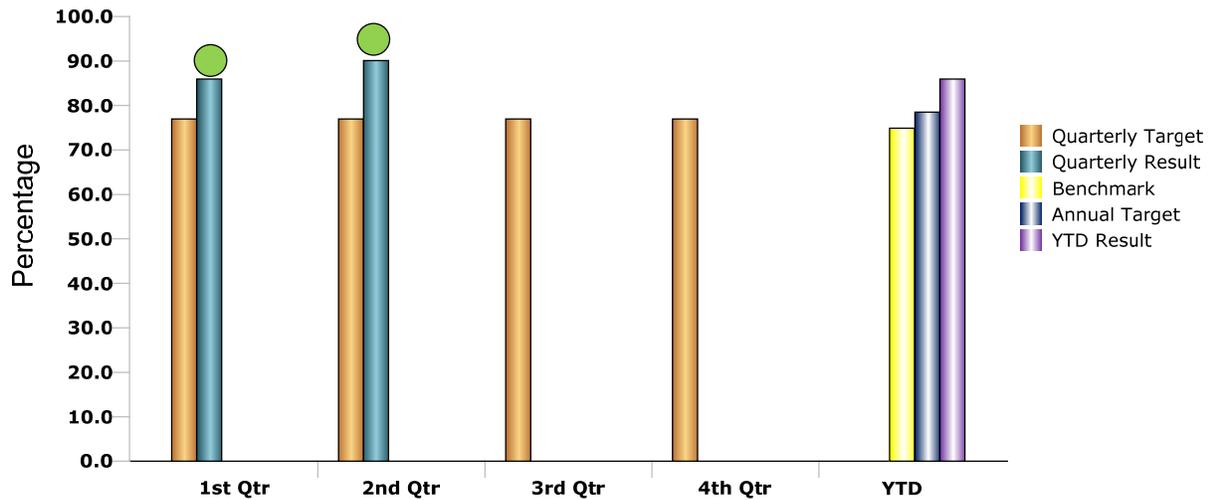
Measure 5.2.502, Planned Potable Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Planned Recycled Water Maintenance Ratio in \$ 5.2.503



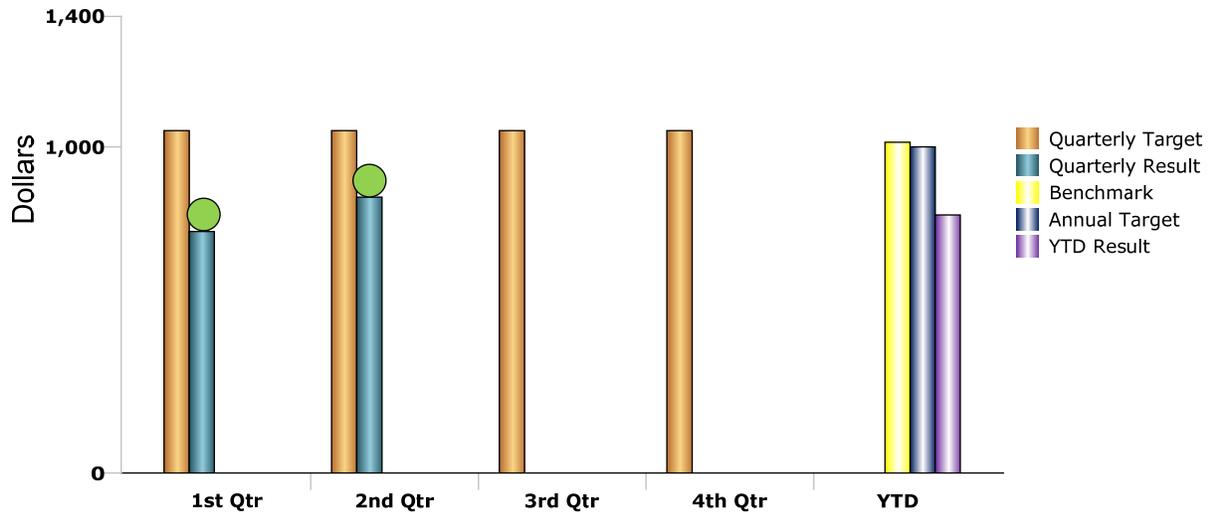
Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Planned Wastewater Maintenance Ration in \$ (Qualserve) 5.2.504



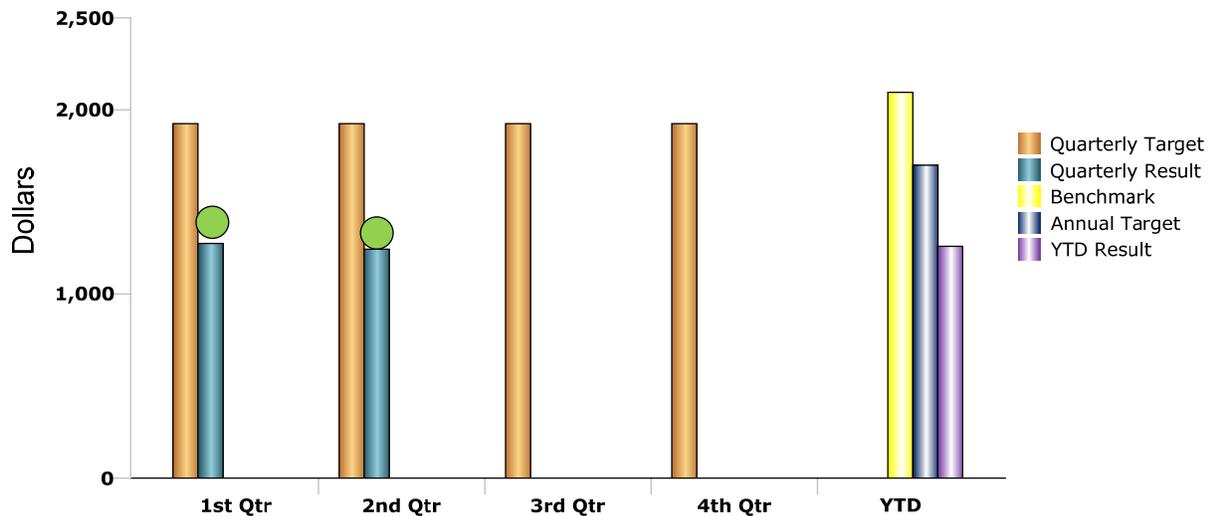
Measure 5.2.504, Planned Wastewater Maintenance Ration in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Direct Cost of Treatment per MGD (Qualserve) 5.2.505



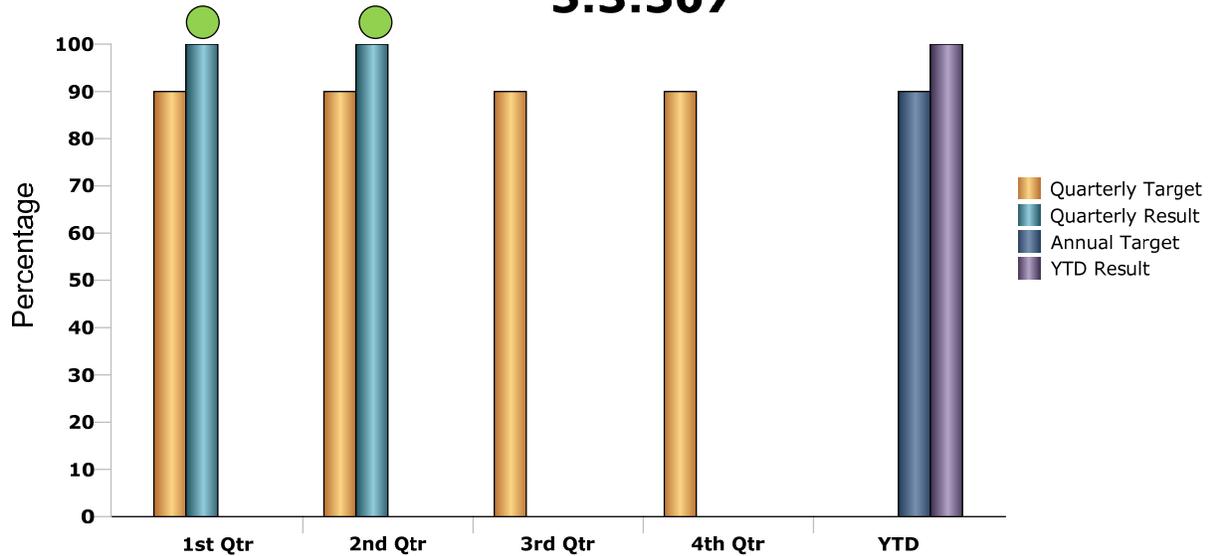
Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1000 per MG spent on wastewater treatment per quarter in a single year.

O&M Cost per MGP - Wastewater (Qualserve) 5.2.506



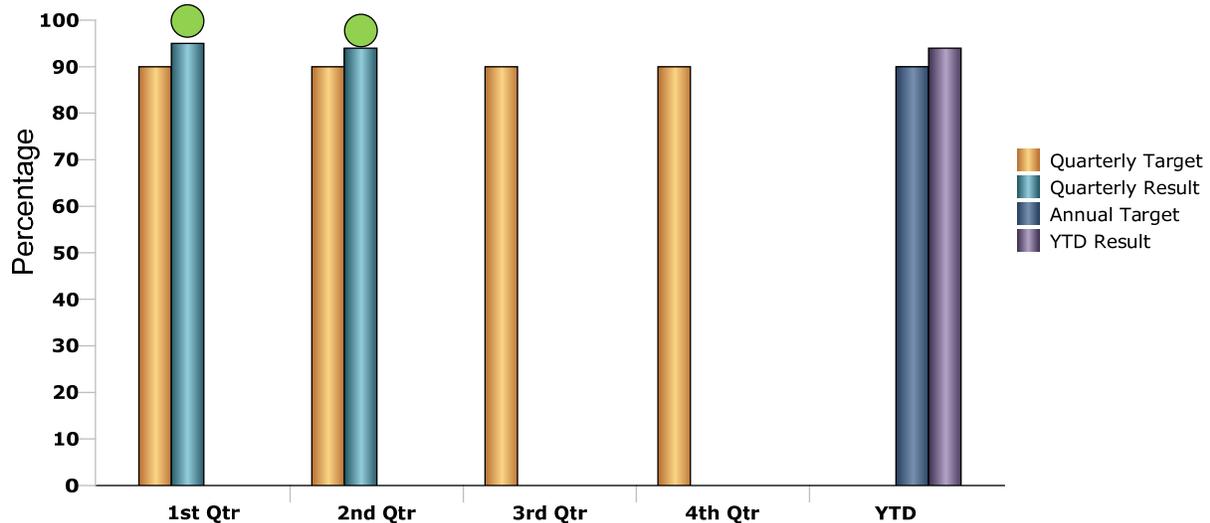
Measure 5.2.506, O & M Cost per MGP - wastewater, aims to be below all set targets in order to have no more than \$1750 per MG spent on O & M for wastewater treatment per quarter in a single year.

% PMs Completed - Fleet Shop 5.3.507



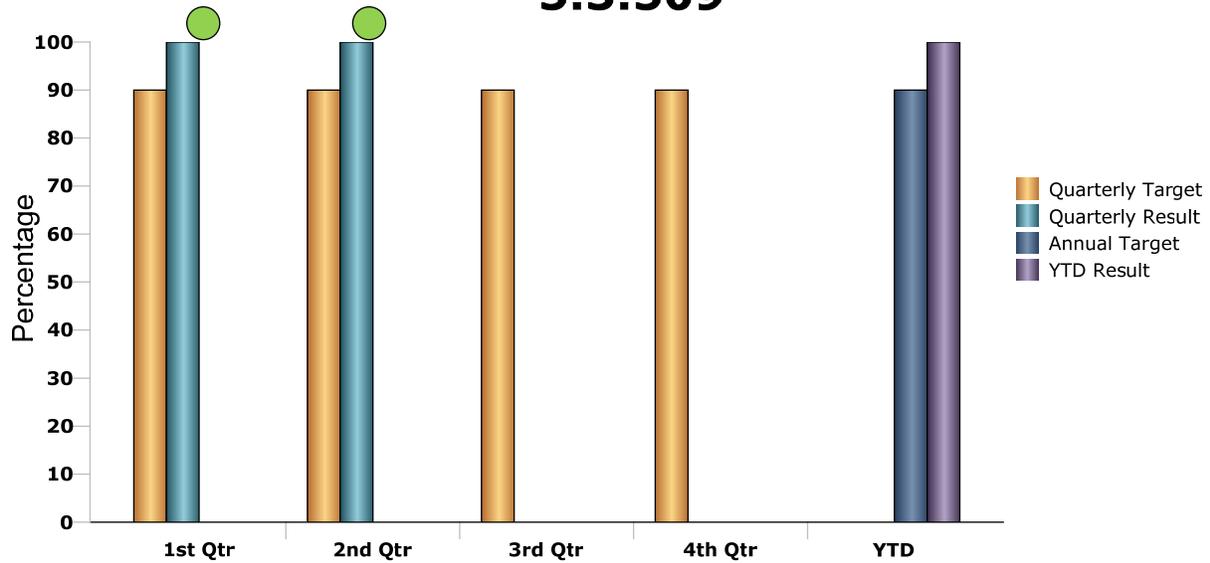
Measure 5.3.507, % PMs Completed – Fleet Shop, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

% PMs Completed - Reclamation Plant 5.3.508



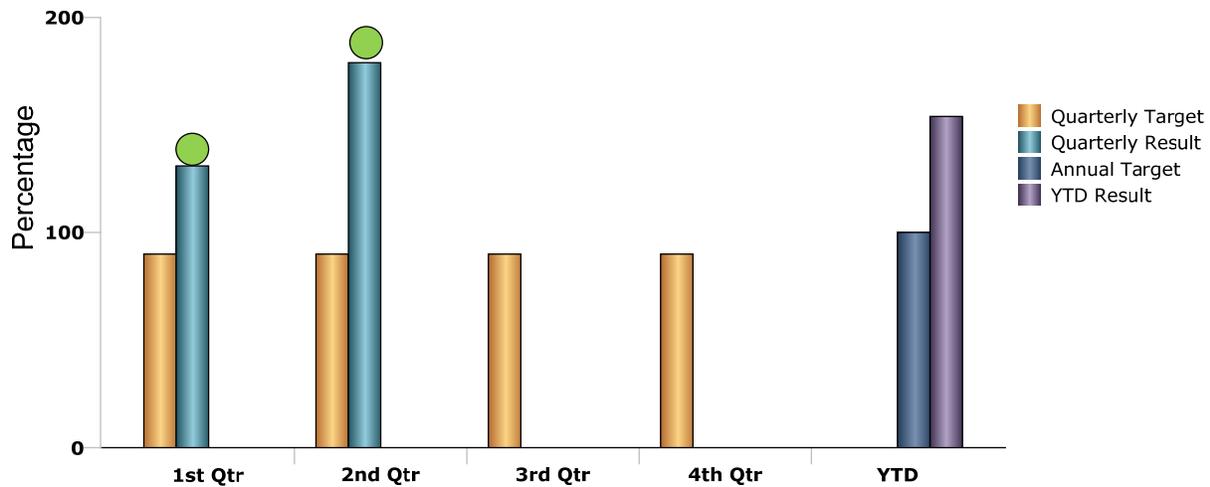
Measure 5.3.508, % PMs Completed - Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs Completed per quarter in a single year.

% PMs Completed - Pump and Electric 5.3.509



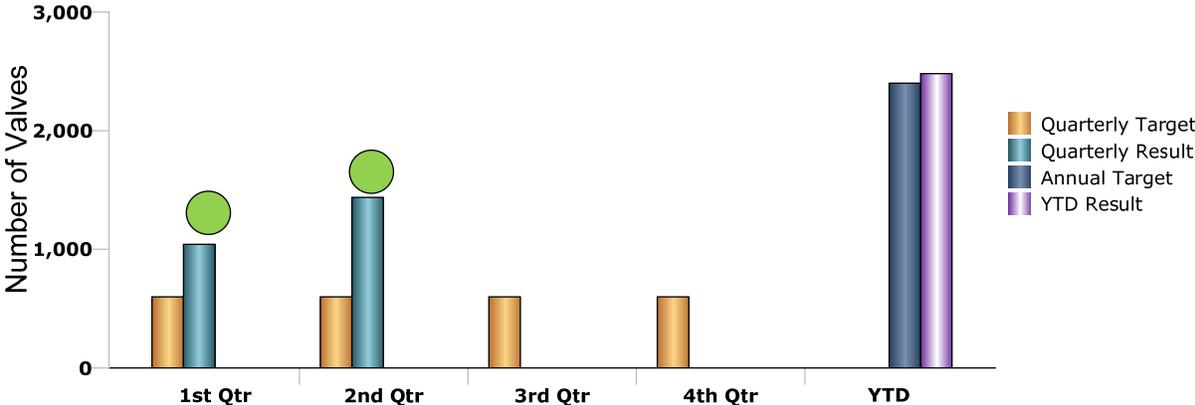
Measure 5.3.509, % PMs Completed – Pump and Electric, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

% PMs Completed - Valve Maintenance Program 5.3.510



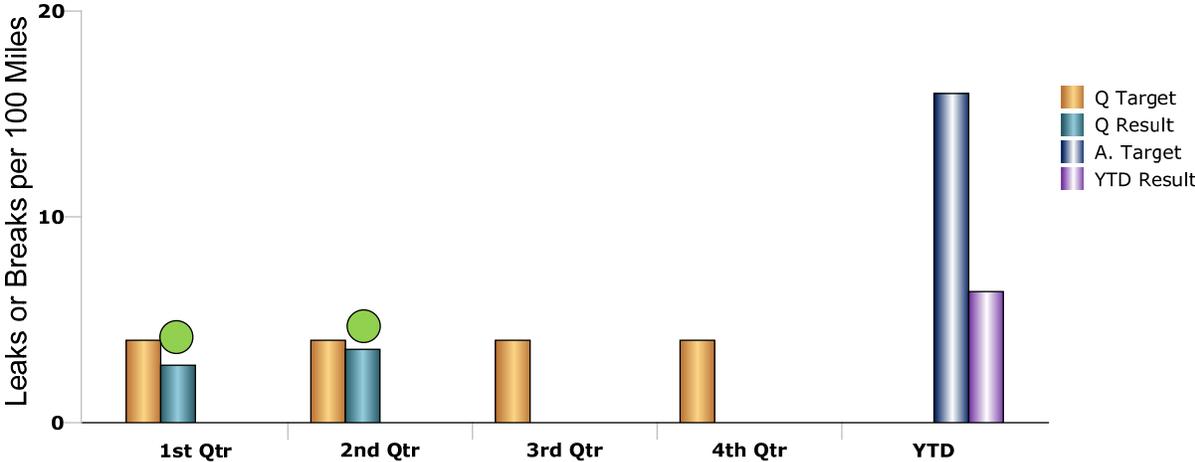
Measure 5.3.510, % PMs completed - Valve Maintenance Program, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

Valve Exercising Program



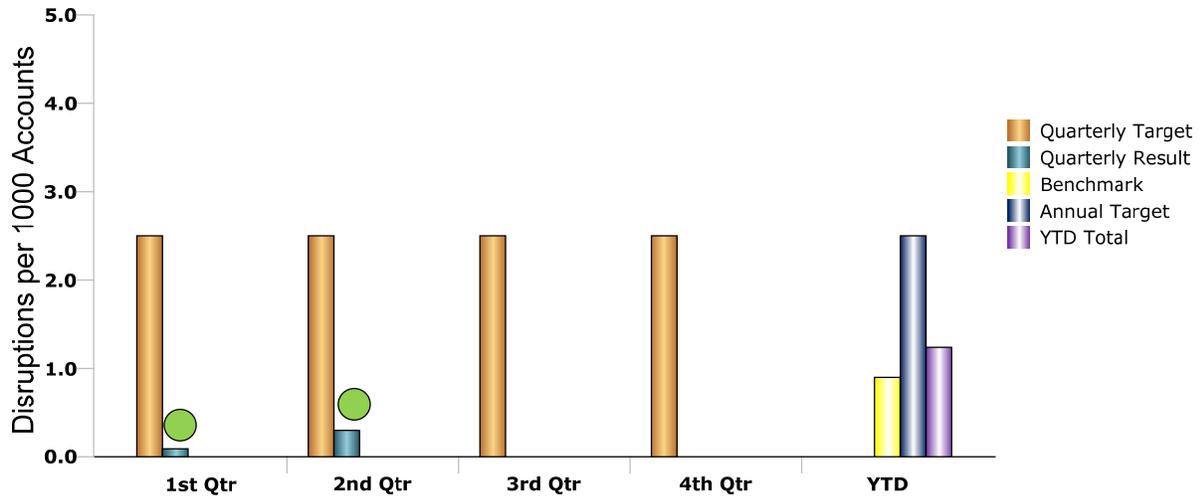
Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 2,400 valves exercised in a single year.

Water Distribution System (Potable) Integrity (Qualserve) 5.3.512



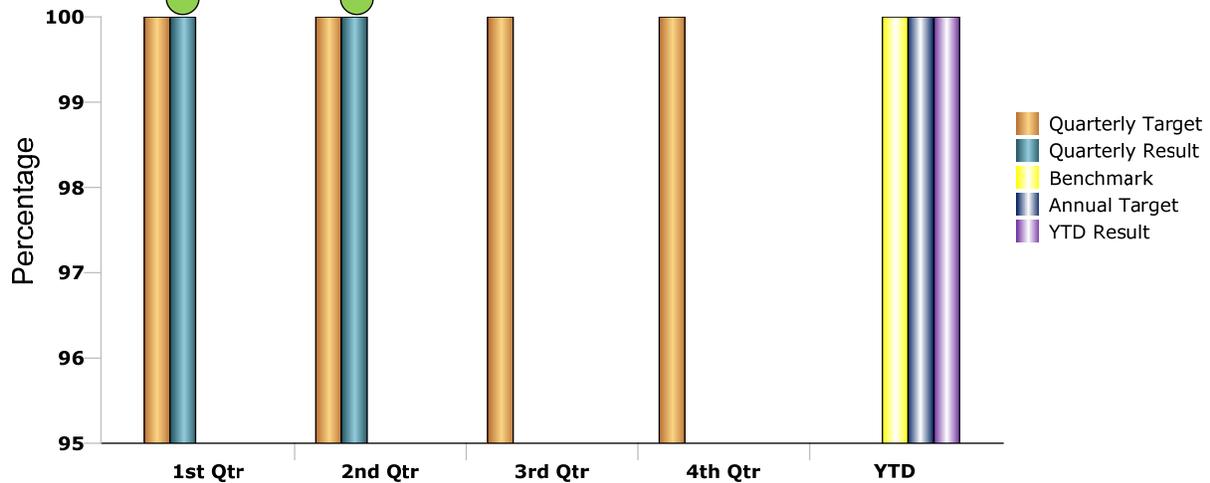
Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

Planned Water Service Disruption Rate (Qualserve) 5.3.513



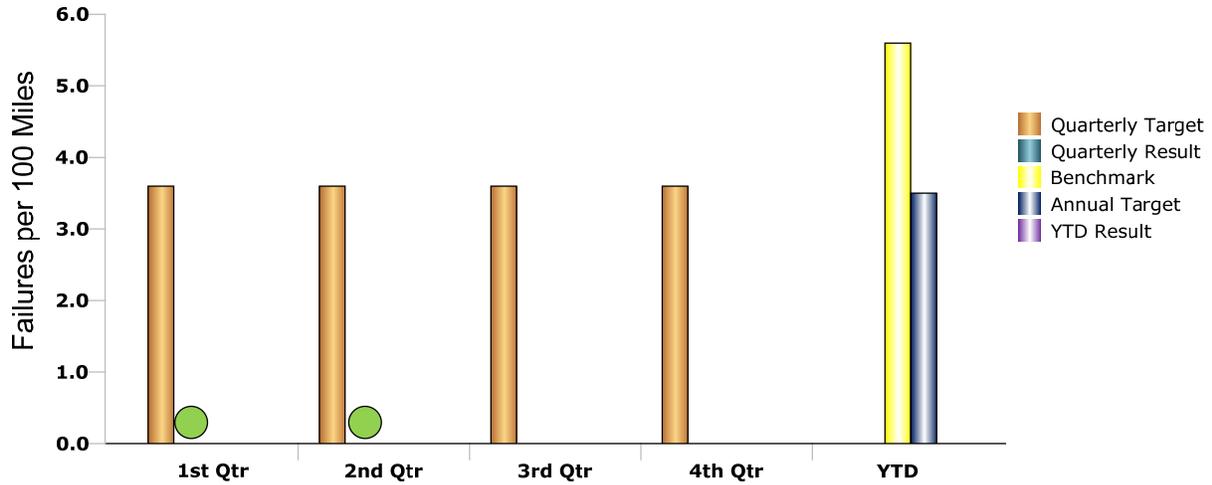
Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1,000 accounts per quarter in a single year. Note: This measure is expressed as number of accounts affected per 1,000 accounts.

Potable Water Compliance Rate (Qualserve) 5.3.514



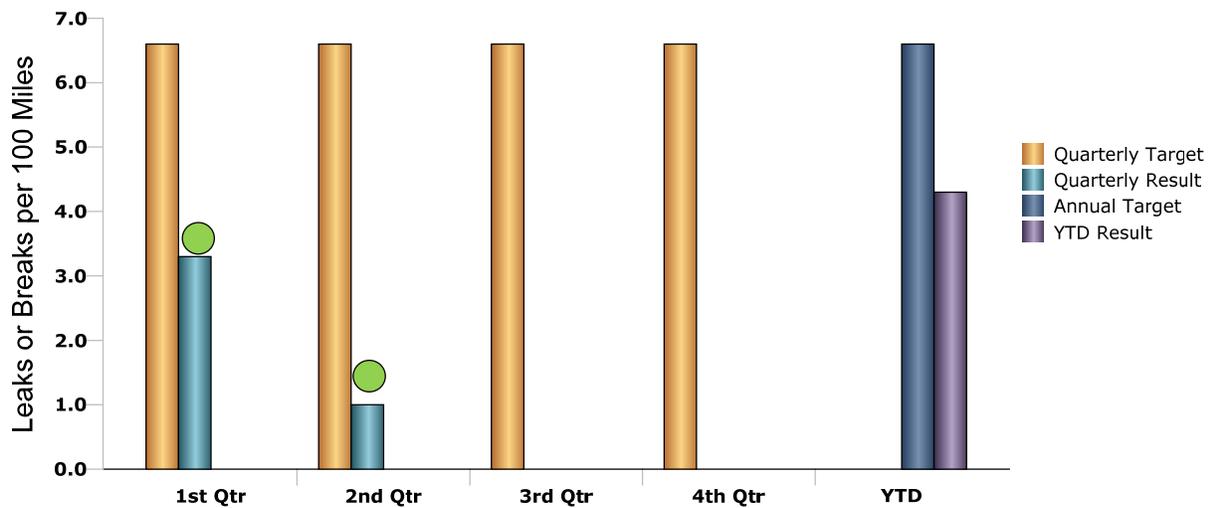
Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.

Collection System Integrity (Qualserve) 5.3.515



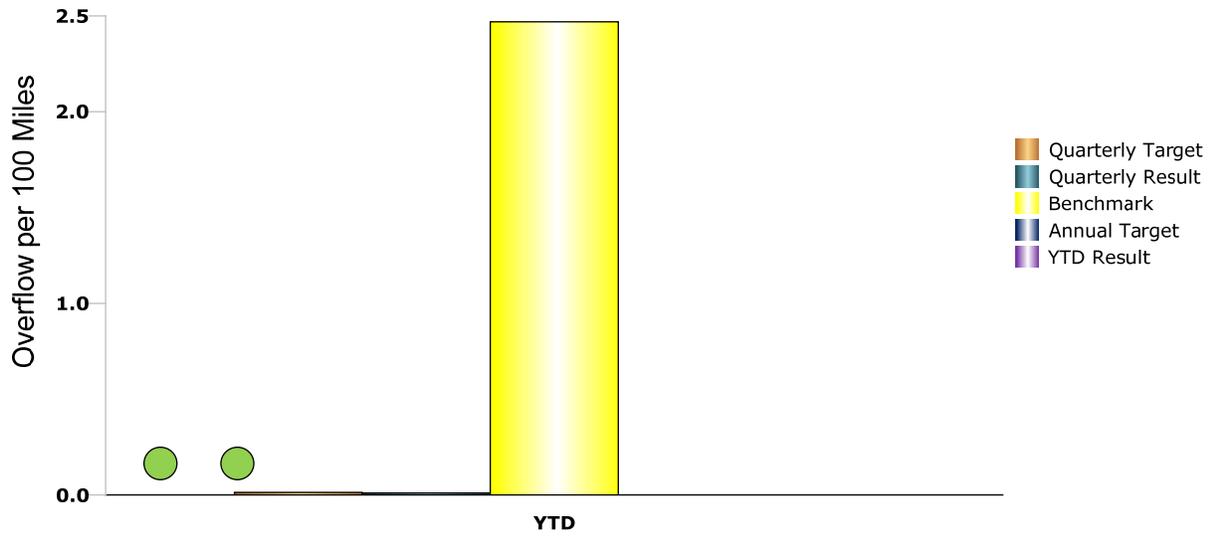
Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.

Recycled Water System Integrity 5.3.517



Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

Sewer Overflow Rate (Qualserve) 5.3.518



Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows in a single year.

AGENDA ITEM 10



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	April 8, 2014		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:	NO.		
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

ADMINISTRATIVE SERVICES:

Purchasing and Facilities:

- Purchase Orders - There were 76 purchase orders processed in March for a total of \$152,909.48.

Human Resources:

- Medical/Life Insurance Summary Plan Documents (SPD) - HR received and distributed new Summary Plan Benefit Booklets for our Medical Insurance Plans to active employees.
- Recruitments - HR has completed recruitments for Purchasing and Facilities Manager, Utility Maintenance Supervisor and Information Technology Manager. The Purchasing and IT Managers will start in early April. The Utility Maintenance Supervisor recruitment resulted in a promotion of a Utility Crew Leader in March. HR is preparing to post the Utility Crew Leader vacancy.
- New Hires - There were no new hires in the month of March.

Safety & Security:

- Safety & Security SharePoint Site Makeover - Working with IT to enhance our internal SharePoint safety page (95% done). The purpose is to centralize all safety and security information under an improved central repository that is user-friendly and can best meet and satisfy the informational needs of internal staff.
- Alarm Security Testing and Inspection - A District-wide facility alarm security testing and inspection program is

underway. 12 out of 32 District facilities are completed with the remainder on schedule for completion.

- NIMS/SEMS/ICS Program Review Update - Completed an Executive Team briefing on the training steps required for each individual section, in particular, for new employees.
- Safety Workshops - Staff attended "Social Media for Natural Disaster Response and Recovery" and "Cal/ARP" workshops for updates, proposed changes and requirements.
- California Environmental Reporting Systems (CERS) - Staff has been working on satisfying the requirements under the CalEPA California Environmental Reporting System (CERS). Starting January 1, 2013, all CUPA regulated businesses are required by law (Assembly Bill 2286) to submit and update business information electronically. The District has 26 facilities that must meet this requirement.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- Network Upgrades - IT staff is in the detailed planning stages for upgrading the switch and storage environment for the District data center. Primary improvements include the upgrading of switch capacity to the gigabit level and storage of over 100 terabytes. The storage will be configured to take advantage of both onsite and cloud-based storage. Particular attention is paid to security and encryption so that the data is both secure and replicated in the event of an emergency.
- iWater Inframap - GIS staff has implemented the iWater Inframap product in the Survey and Inspection sections of Engineering. This was done to better handle the many USA Markout requests we get each day and to replace a piece of software (FieldMaplet) that was obsolete.
- Tyler Spring Conference - An IT staff member will be attending the Spring Tyler Conference in San Antonio. The conference provides education to our staff on changes to both our billing system and financial software. A member of Customer Service will also be attending. Likewise, we will also have one IT staff member attending the Cityworks conference next month in Salt Lake City. Cityworks is the new work management software we are implementing this year.
- Safety and Security Documentation - IT staff assisted the Safety and Security Specialist in developing a SharePoint web-based repository for all safety and security related information. The new structure will allow important information such as safety procedures, resources, and checklists to be readily available and easy to find.

FINANCE:

- FY2014 Financial Audit - Staff is preparing for preliminary fieldwork related to the FY14 Financial Audit, which is scheduled for the week of May 12th.
- Large Meter Testing Program - Meter Shop has identified 98 meters that are 3" and larger to be tested this fiscal year. These meters are the largest in the system and have consumption greater than 4,500 hcf per year.
- Operations Calls to Customer Service - Staff is making changes to the phone system, which will allow for any non-emergency operations calls to be routed to Customer Service.
- Developer Meeting - The District has a meeting with developers on April 16th to discuss topics related to their developments. There will be a presentation by Tom Gould of HDR on the Capacity and Annexation Fee Study the District is currently performing. Gary London from the London Group will be presenting on the District's economic outlook. Staff will give updates on the Water Facilities Master Plan, Rosarito Desal, Carlsbad Desal, and the Water Supply Watch Condition.
- Financial Reporting:
 - o For the eight months ended February 28, 2014, there are total revenues of \$59,352,774 and total expenses of \$58,180,903. The revenues exceeded expenses by \$1,171,871.
 - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of February 28, 2014 total \$82,017,829.28 with an average yield to maturity of 0.36%. The total earnings year-to-date are \$197,716.65.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **SR-11 Potable Water Utility Relocations - Sequence 1:** This project consists of the relocation of existing pipelines in Sanyo Avenue and utility easements to accommodate the construction of the future SR-11 right-of-way. At the request of Caltrans, the District's relocations were bid as six (6) separate "work windows" to provide flexibility to Caltrans' contractor and coordinate with the SR-11 freeway construction. The project was awarded to Coffman Specialties Incorporated and a Notice to Proceed was issued to begin work on February 10, 2014. The current work includes submittal review/approval. The project is within budget and on schedule and is anticipated to be completed in August 2016. (P2453)

- **927-1 Reservoir Liner and Cover Replacement:** This project consists of replacing the liner and floating cover on the 927-1 recycled water reservoir which is also known as Pond 4 located in the Salt Creek Golf Course. The existing liner and cover have reached the end of their useful life and are in need of replacement. The project was awarded to Layfield Environmental Systems Corporation and a Notice to Proceed was issued on November 18, 2013 and the current work involves installation of the new liner, performing the liner leak testing, and repairs to the existing facilities provided for under the bid allowance items. The project is within budget and on schedule and anticipated to be complete in May 2014. (R2108)
- **803-3 & 832-2 Reservoirs Interior/Exterior Coatings and Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 803-3 Reservoir 2.0 MG and the 832-2 Reservoir 2.0 MG, along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA Standards as well as American Water Works Association and County Health Department Standards. The Contractor, Advanced Industrial Services, has completed all work on the project. On November 23, 2013 the 832-2 tank was put back into service. The 803-3 tank was put back into service on December 13, 2013. All field work is complete and project acceptance is anticipated for early April 2014. The project is within budget and on schedule. (P2518 & P2519)
- **624-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 624-2 8.0 MG Reservoir, along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as American Water Works Association and County Health Department standards. At the January 2014 Board Meeting, the Board awarded the construction contract to Advanced Industrial Services. The current work consists of completing the planned structural improvements and blasting operations and coating operations to the interior of the reservoir. The project is within budget and on schedule and is anticipated to be completed in June 2014. (P2493)
- **Palomar Bridge Utility Relocation:** This is a Caltrans project that consists of replacing the East Palomar Bridge over I-805. The District maintains a 10-inch potable water pipeline through the bridge, which will be temporarily out of service. Water service will not be interrupted during the construction. Caltrans has completed the bridge demolition, and is currently erecting the new overpass. The new pipeline will be upsized from 10-inch to 12-inch, and installation is currently planned for mid-May 2014. The project is on schedule and within budget. (P2507)

- 832-1&2 New Cingular Wireless Amendment:**
 New Cingular Wireless (New Cingular) approached the District with a request to lease additional area at the 832-1&2 for the purposes of upgrading to their new LTE technology and constructing the associated power backup facilities. As a result of the request by New Cingular, an amendment to their existing lease agreement using the most current language approved by the Board was initiated and approved by the General Manager under the Board's amended Section 2.01 of the Otay Water District's Code of Ordinances. As part of the lease amendment, the Rent shall be increased by Eight Hundred One and 07/100 Dollars (\$801.07) per month, for a total monthly rental payment of \$4,372.51. (AS001-CS0011)
- County Water Authority Request for Electrical Service:** The San Diego County Water Authority (Water Authority) has requested that the District provide electrical power for a new acoustic assessment system to be installed in an existing Water Authority vault that is currently receiving electrical power from an existing District metering facility on Ruxton Road. The Water Authority has offered to pay the entire electricity bill for the District facility. The new acoustic system is anticipated to be on-line for three (3) years. The District sent three signed copies of the letter agreement to the Water Authority for signature.
- Administration Building Fire Sprinkler Replacement:** This project consists of removing and replacing the existing fire sprinkler system in the Administration Building. A recent inspection of the fire sprinkler system identified corrosion throughout the systems as the cause for leaks the District experienced last year. Staff determined that replacing the entire fire protection system was costly and unnecessary, and requested a second opinion to rectify the corrosion issue. A&D Fire Sprinkler, Inc. recommended the first phase to be a replacement of the visually corroded fixtures. This was completed on January 21, 2014, and as a result, the District received a 5 year certification on the Administration Building. The second phase includes installing an automated system to inject a chemical solution that will treat the corrosion. Staff is currently evaluating the different types of treatment to be included in the RFP for the second phase. (P2538)
- Approximately 1,276 linear feet of both CIP and developer pipeline was installed in February 2014. The Construction Division performed quality assurance and quality control for these pipelines.
- For the month of February 2014, the District sold 11 meters (11 EDUs) generating \$105,095 in revenue. Projection for this

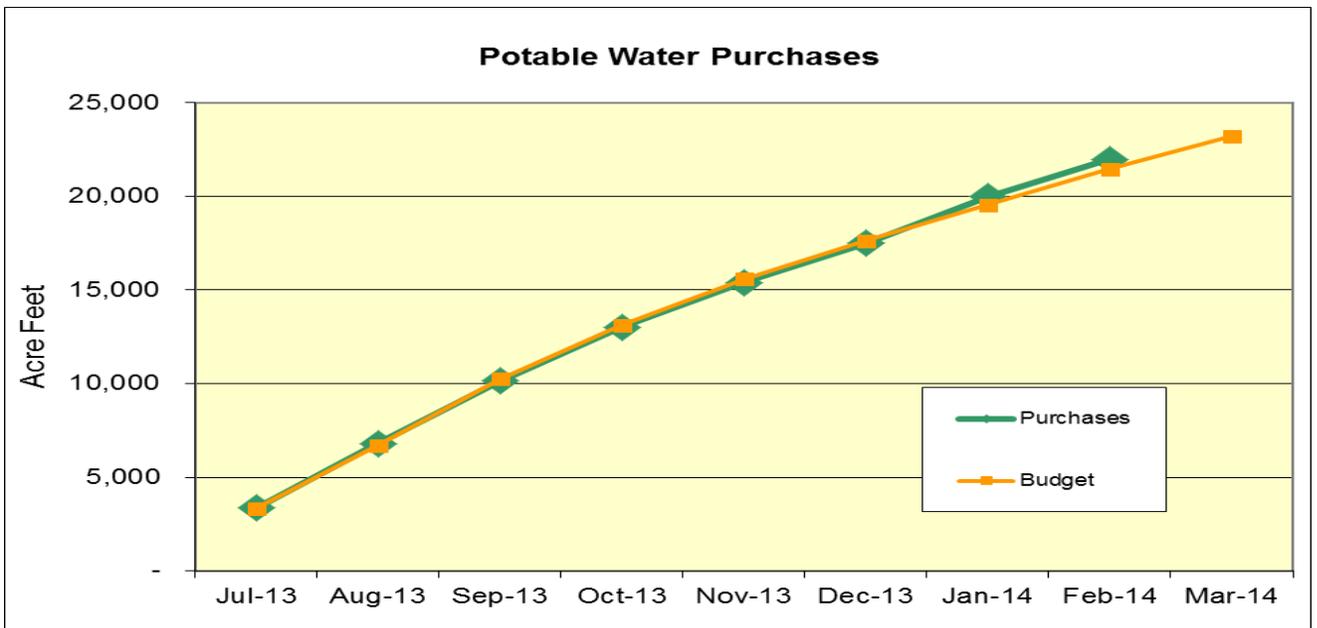
period was 17.5 meters (29.5 EDUs) with budgeted revenue of \$266,447. Total revenue for Fiscal Year 2014 through February 2014 is \$1,267,189 against the annual budget of \$3,197,767.

- The following table summarizes Engineering's project purchases issued during the period of December 27, 2013 through March 25, 2014 that were within staff signatory authority:

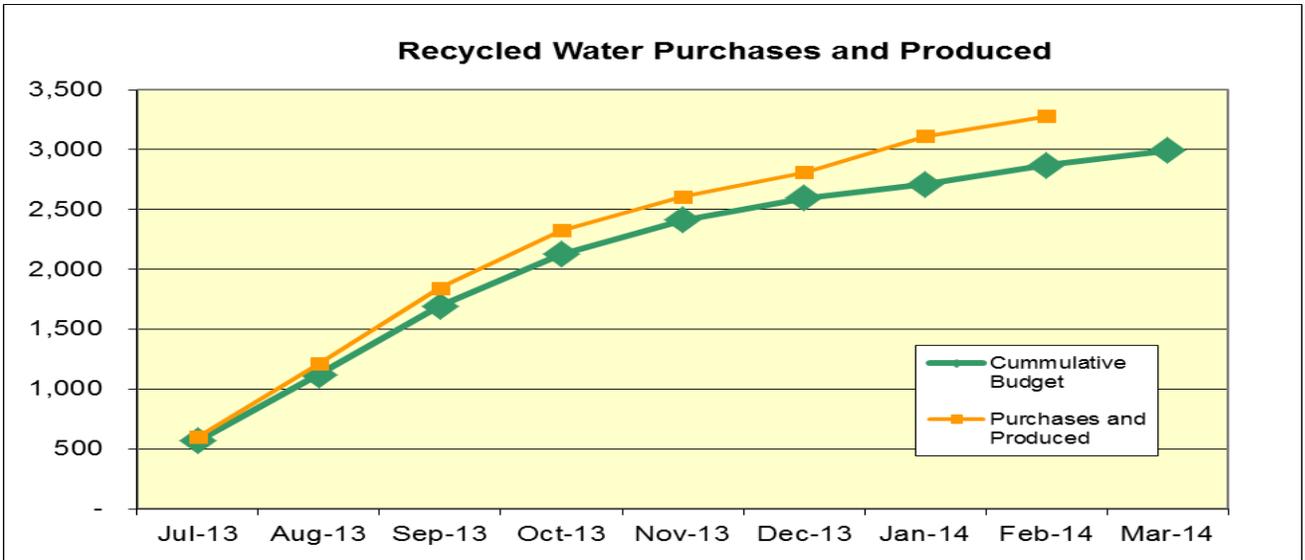
Date	Action	Amount	Contractor/ Consultant	Project
12/27/13	P.O.	\$7,545.00	A&D Fire Sprinklers, Inc	Fire Sprinkler Repair (P2538)
3/3/14	Check Request (advance deposit)	\$232,345.51	State of Calif. Dept. of Trans.	East Palomar Street Utility Relocation (P2507)

Water Operations:

- Total number of potable water meters is 49,207.
- The February potable water purchases were 1982.0 acre-feet which is 3.3% above the budget of 1917.9 acre-feet. The cumulative purchases through February is 21,973.2 acre-feet which is 2.4% above the cumulative budget of 21,456.3 acre-feet.



- The February recycled water purchases and production was 169.9 acre-feet which is 8.9% above the budget of 156.0 acre-feet. The cumulative production and purchases through February is 3,281.1 acre-feet which is 14.4% above the cumulative budget of 2,868.7 acre-feet. This increase was caused by less rainfall and higher than normal temperatures, a temporary customer that was not anticipated in the FY 2014 budget, and a new meter from the City for water sales from the SBWRP that is running approximately 10% higher than Otay's meter.



- Recycled water consumption for the month of February is as follows:
 - o Total consumption was 217.5 acre-feet or 70,857,292 gallons and the average daily consumption was 2,530,618 gallons per day.
 - o Total recycled water consumption as of February for FY 2014 is 3,301.2 acre-feet.
 - o Total number of recycled water meters is 712.
- Wastewater flows for the month of February were as follows:
 - o Total basin flow, gallons per day: 1,665,631.
 - o Spring Valley Sanitation District Flow to Metro, gallons per day: 548,239.
 - o Total Otay flow, gallons per day: 1,107,392.
 - o Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 869,853.
 - o Flow to Metro from Otay Water District was 237,539 gallons per day.
- By the end of February there were 6,088 wastewater EDUs.

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
FOR EIGHT MONTHS ENDED FEBRUARY 28, 2014

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUES:					
Water Sales	\$ 42,668,400	\$ 29,949,779	\$ 29,171,800	\$ 777,979	2.7%
Energy Charges	1,958,100	1,397,084	1,305,200	91,884	7.0%
System Charges	11,184,200	7,414,617	7,417,400	(2,783)	(0.0%)
MWD & CWA Fixed Charges	10,399,700	6,605,662	6,612,900	(7,238)	(0.1%)
Penalties	823,100	578,877	565,200	13,677	2.4%
Total Water Sales	<u>67,033,500</u>	<u>45,946,019</u>	<u>45,072,500</u>	<u>873,519</u>	<u>1.9%</u>
Recycled Water Sales	8,340,100	6,549,348	5,862,700	686,648	11.7%
Sewer Charges	2,701,600	1,835,510	1,786,400	49,110	2.7%
Meter Fees	81,600	47,194	54,400	(7,206)	(13.2%)
Capacity Fee Revenues	1,291,200	734,101	860,800	(126,699)	(14.7%)
Betterment Fees for Maintenance	776,700	367,519	472,800	(105,281)	(22.3%)
Non-Operating Revenues	1,846,000	1,345,822	1,224,400	121,422	9.9%
Tax Revenues	3,597,100	2,235,867	2,076,300	159,567	7.7%
Interest	69,100	48,493	46,100	2,393	5.2%
Transfer from OPEB	149,800	99,900	99,900	-	0.0%
General Fund Draw Down	61,600	41,100	41,100	-	0.0%
Transfer from General Fund	152,800	101,900	101,900	-	0.0%
Total Revenues	<u>\$ 86,101,100</u>	<u>\$ 59,352,774</u>	<u>\$ 57,699,300</u>	<u>\$ 1,653,474</u>	<u>2.9%</u>
EXPENSES:					
Potable Water Purchases	\$ 33,028,900	\$ 23,537,034	\$ 22,960,800	\$ (576,234)	(2.5%)
Recycled Water Purchases	1,599,500	1,187,540	1,187,400	(140)	(0.0%)
CWA-Infrastructure Access Charge	1,856,100	1,232,018	1,231,800	(218)	(0.0%)
CWA-Customer Service Charge	1,753,600	1,159,207	1,158,800	(407)	(0.0%)
CWA-Emergency Storage Charge	4,515,500	2,954,892	2,954,800	(92)	(0.0%)
MWD-Capacity Res Charge	531,000	331,988	331,800	(188)	(0.1%)
MWD-Readiness to Serve Charge	1,740,500	1,160,341	1,160,800	459	0.0%
Subtotal Water Purchases	<u>45,025,100</u>	<u>31,563,020</u>	<u>30,986,200</u>	<u>(576,820)</u>	<u>(1.9%)</u>
Power Charges	2,693,300	1,771,228	1,859,300	88,072	4.7%
Payroll & Related Costs	18,675,500	12,845,152	12,700,539	(144,613)	(1.1%)
Material & Maintenance	3,532,900	2,165,013	2,200,358	35,345	1.6%
Administrative Expenses	4,702,600	2,242,678	2,372,563	129,885	5.5%
Legal Fees	380,000	199,411	243,333	43,922	18.1%
Expansion Reserve	3,428,000	2,285,300	2,285,300	-	0.0%
Betterment Reserve	125,000	83,300	83,300	-	0.0%
Replacement Reserve	4,230,000	2,820,000	2,820,000	-	0.0%
Sewer General Fund	152,800	101,900	101,900	-	0.0%
OPEB Trust	1,242,900	828,600	828,600	-	0.0%
Potable General Fund	1,913,000	1,275,300	1,275,300	-	0.0%
Total Expenses	<u>\$ 86,101,100</u>	<u>\$ 58,180,903</u>	<u>\$ 57,756,694</u>	<u>\$ (424,208)</u>	<u>(0.7%)</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ 1,171,871</u>	<u>\$ (57,394)</u>	<u>\$ 1,229,266</u>	

**OTAY
Portfolio Management
Portfolio Summary
February 28, 2014**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	41,285,000.00	41,286,723.00	41,288,896.09	51.01	1,003	763	0.515	0.522
Certificates of Deposit - Bank	81,784.76	81,784.76	81,784.76	0.10	730	692	0.030	0.030
Local Agency Investment Fund (LAIF)	18,344,034.64	18,349,310.75	18,344,034.64	22.66	1	1	0.233	0.236
San Diego County Pool	21,232,019.39	21,124,000.00	21,232,019.39	26.23	1	1	0.463	0.469
Investments	80,942,838.79	80,841,818.51	80,946,734.88	100.00%	513	391	0.437	0.443
Cash								
Passbook/Checking (not included in yield calculations)	1,176,010.77	1,176,010.77	1,176,010.77		1	1	0.207	0.210
Total Cash and Investments	82,118,849.56	82,017,829.28	82,122,745.65		513	391	0.437	0.443

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	28,780.04	197,716.65
Average Daily Balance	82,804,820.98	81,852,017.26
Effective Rate of Return	0.45%	0.36%

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 July 3, 2013. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.


Joseph Beachem, Chief Financial Officer

3-19-14

Reporting period 02/01/2014-02/28/2014

Run Date: 03/17/2014 - 14:53

Portfolio OTAY
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**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
February 28, 2014**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 5 years. On December 16, 2008, at the Federal Reserve Board’s regular scheduled meeting, the federal funds rate was lowered from 1.00% to “*a target range of between Zero and 0.25%*” in response to the nation’s ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. There have been no further changes made to the federal funds rate at the Federal Reserve Board’s subsequent regular scheduled meetings, the most recent of which was held on January 29, 2014. They went on to say: “*The Committee also reaffirmed its expectation that the current exceptionally low target range for the federal funds rate of 0 to 1/4 percent will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.*”

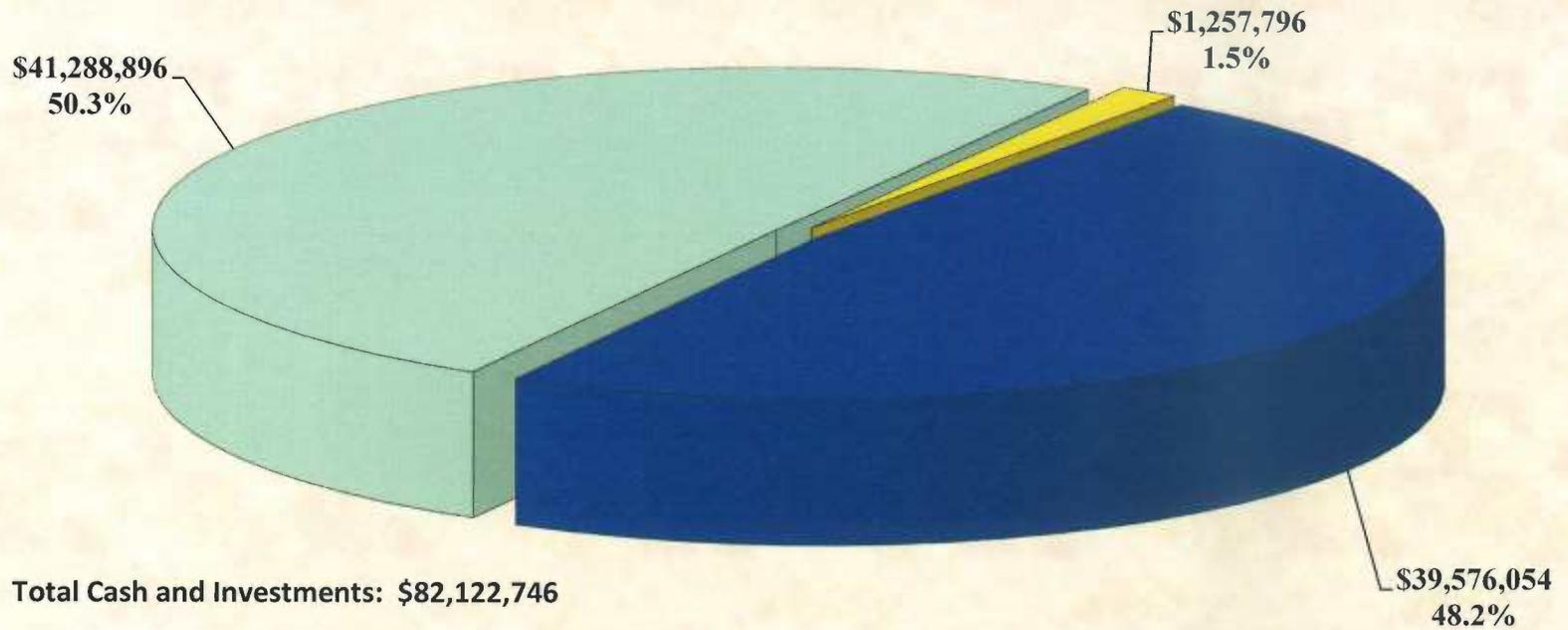
Despite the large drop in available interest rates, the District’s overall effective rate of return at February 28, 2014 was 0.45%, which was 7 basis point above the previous month. At the same time the LAIF return on deposits has declined over the previous month, reaching an average effective yield of 0.236% for the month of February 2014. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy regarding returns on investment are being considered at this time. This desired portfolio mix is important in mitigating any liquidity risk from unforeseen changes in LAIF or County Pool policy.

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

PORTFOLIO COMPLIANCE: February 28, 2014

<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01: Treasury Securities	100%	100%	0
8.02: Local Agency Investment Fund (Operations)	\$50 Million	\$50 Million	\$14.30 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	4.98%
8.03: Federal Agency Issues	100%	100%	50.28%
8.04: Certificates of Deposit	30%	15%	0.10%
8.05: Short-Term Commercial Notes	25%	10%	0
8.06: Medium-Term Commercial Debt	30%	10%	0
8.07: Money Market Mutual Funds	20%	10%	0
8.08: San Diego County Pool	100%	100%	25.85%
12.0: Maximum Single Financial Institution	100%	50%	1.43%

Otay Water District Investment Portfolio: 02/28/2014



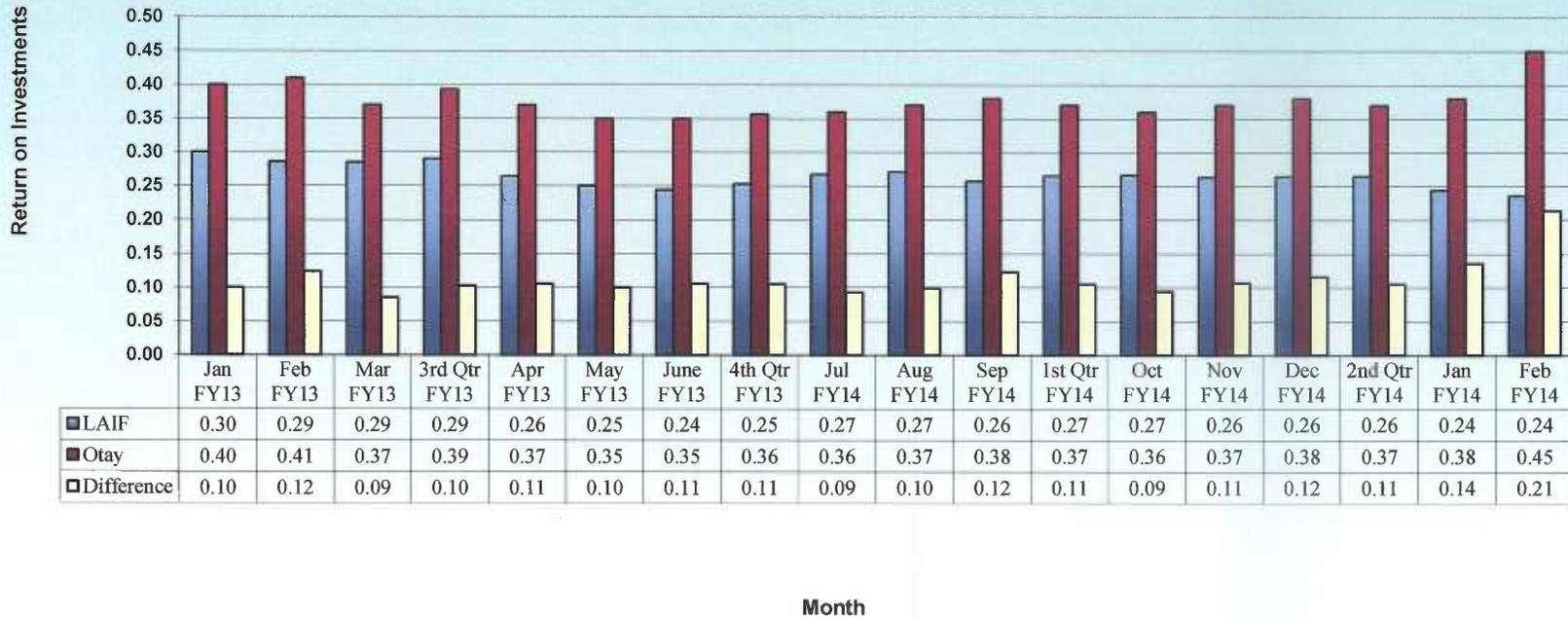
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

Performance Measure FY-14 Return on Investment

Target: Meet or Exceed 100% of LAIF



OTAY
Portfolio Management
Portfolio Details - Investments
February 28, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
31315PWT2	2267	Federal Agricultural Mortgage		04/25/2013	2,000,000.00	2,000,860.00	2,000,000.00	0.400		0.395	695	01/25/2016
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,996,080.00	2,000,000.00	0.550	AA	0.542	920	09/06/2016
3133EC2L7	2255	Federal Farm Credit Bank		11/13/2012	3,000,000.00	3,000,030.00	3,000,000.00	0.440	AA	0.434	622	11/13/2015
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,004,440.00	3,000,000.00	0.350	AA	0.345	457	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,002,910.00	3,000,000.00	0.340		0.335	534	08/17/2015
3133ECA61	2261	Federal Farm Credit Bank		12/18/2012	3,000,000.00	3,000,030.00	2,999,610.83	0.320		0.325	474	06/18/2015
3133EDD41	2278	Federal Farm Credit Bank		01/07/2014	2,000,000.00	2,000,460.00	2,000,000.00	0.625		0.616	859	07/07/2016
313382R39	2265	Federal Home Loan Bank		04/22/2013	2,705,000.00	2,706,082.00	2,705,000.00	0.375	AA	0.370	600	10/22/2015
313382R39	2266	Federal Home Loan Bank		04/22/2013	1,030,000.00	1,030,412.00	1,030,000.00	0.375	AA	0.370	600	10/22/2015
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,999,420.00	2,000,000.00	0.350	AA	0.345	723	02/22/2016
313383EE7	2270	Federal Home Loan Bank		06/19/2013	2,000,000.00	1,996,140.00	2,000,000.00	0.500	AA	0.493	933	09/19/2016
3130AQQF0	2279	Federal Home Loan Bank		02/14/2014	1,550,000.00	1,552,139.00	1,550,000.00	1.050	AA	1.036	1,081	02/14/2017
3130AQQC7	2280	Federal Home Loan Bank		01/29/2014	2,000,000.00	2,001,380.00	2,000,000.00	0.700		0.690	881	07/29/2016
3130A0VG2	2281	Federal Home Loan Bank		02/25/2014	2,000,000.00	1,998,900.00	2,000,000.00	0.700		0.690	1,000	11/25/2016
3134G4HV3	2272	Federal Home Loan Mortgage		10/29/2013	2,000,000.00	2,001,520.00	2,001,620.83	0.625		0.578	790	04/29/2016
3134G4PX0	2277	Federal Home Loan Mortgage		12/27/2013	2,000,000.00	2,000,140.00	2,000,000.00	0.500		0.493	849	06/27/2016
3136G1WT2	2273	Federal National Mortgage Assoc		11/21/2013	2,000,000.00	2,001,920.00	2,000,000.00	0.800	AA	0.789	996	11/21/2016
3136G1XZ7	2274	Federal National Mortgage Assoc		12/19/2013	2,000,000.00	1,996,200.00	2,000,000.00	0.670		0.661	1,024	12/19/2016
3135G0YW7	2276	Federal National Mortgage Assoc		12/04/2013	2,000,000.00	1,997,660.00	2,002,664.43	0.750		0.691	1,000	11/25/2016
Subtotal and Average			39,069,264.29		41,285,000.00	41,286,723.00	41,288,896.09			0.515	763	
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	692	01/22/2016
Subtotal and Average			81,784.76		81,784.76	81,784.76	81,784.76			0.030	692	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	14,255,312.70	14,259,412.81	14,255,312.70	0.236		0.233	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	4,088,721.94	4,089,897.94	4,088,721.94	0.236		0.233	1	
Subtotal and Average			20,951,177.50		18,344,034.64	18,349,310.75	18,344,034.64			0.233	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	21,232,019.39	21,124,000.00	21,232,019.39	0.469		0.463	1	
Subtotal and Average			21,232,019.39		21,232,019.39	21,124,000.00	21,232,019.39			0.463	1	

OTAY
Portfolio Management
Portfolio Details - Investments
February 28, 2014

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Total and Average			82,804,820.98		80,942,838.79	80,841,818.51	80,946,734.88			0.437	391

OTAY
Portfolio Management
Portfolio Details - Cash
February 28, 2014

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		07/01/2004	10,004.82	10,004.82	10,004.82	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	985,850.49	985,850.49	985,850.49	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	27,592.60	27,592.60	27,592.60			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	2,620.54	2,620.54	2,620.54	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	7,493.29	7,493.29	7,493.29	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		04/20/2010	99,496.36	99,496.36	99,496.36			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		01/01/2011	40,002.67	40,002.67	40,002.67			0.000	1
Average Balance			0.00								
Total Cash and Investments			82,804,820.98		82,118,849.56	82,017,829.28	82,122,745.65			0.437	391

OTAY
Portfolio Management
Interest Earnings Summary
February 28, 2014

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	12,360.00	106,807.59
Plus Accrued Interest at End of Period	45,087.25	45,091.68
Less Accrued Interest at Beginning of Period	(40,814.63)	(29,749.47)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	16,632.62	122,149.80
Adjusted by Premiums and Discounts	-115.22	-1,767.57
Adjusted by Capital Gains or Losses	699.18	699.18
Earnings during Periods	17,216.58	121,081.41
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	374.08	76,984.21
Plus Accrued Interest at End of Period	23,511.58	23,511.58
Less Accrued Interest at Beginning of Period	(12,322.20)	(23,860.55)
Interest Earned during Period	11,563.46	76,635.24
Total Interest Earned during Period	28,196.08	198,785.04
Total Adjustments from Premiums and Discounts	-115.22	-1,767.57
Total Capital Gains or Losses	699.18	699.18
Total Earnings during Period	28,780.04	197,716.65

OTAY
Interest Earnings
Sorted by Fund - Fund
February 1, 2014 - February 28, 2014
Period Yield on Beginning Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Treasury Fund												
LAIF	9001	99	LA1	14,255,312.70	15,555,312.70	14,255,312.70		0.236	0.020	3,052.80	0.00	3,052.80
UNION MONEY	9002	99	PA1	10,004.82	10,002.85	10,004.82		0.010	0.048	4.77	0.00	4.77
UNION OPERATING	9004	99	PA1	985,850.49	648,690.60	985,850.49		0.250	0.020	126.71	0.00	126.71
SD COUNTY POOL	9007	99	LA3	21,232,019.39	21,232,019.39	21,232,019.39		0.469	0.036	7,638.88	0.00	7,638.88
RESERVE-10 COPS	9010	99	PA1	2,620.54	2,620.54	2,620.54		0.010	0.001	0.02	0.00	0.02
RESERVE-10 BABS	9011	99	PA1	7,493.29	7,493.29	7,493.29		0.010	0.001	0.05	0.00	0.05
LAIF BABS 2010	9012	99	LA1	4,088,721.94	4,088,721.94	4,088,721.94		0.236	0.018	740.23	0.00	740.23
3133EAU30	2253	99	MC1	0.00	2,999,297.31	0.00	03/12/2015	0.320	0.027	53.33	3.51	56.84
3133EC2L7	2255	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	11/13/2015	0.440	0.037	1,100.00	0.00	1,100.00
3133EC6F6	2258	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	06/01/2015	0.350	0.029	875.00	0.00	875.00
3133EC7H1	2260	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	08/17/2015	0.340	0.028	850.00	0.00	850.00
3133ECA61	2261	99	MC1	3,000,000.00	2,999,585.83	2,999,610.83	06/18/2015	0.320	0.028	800.00	25.00	825.00
313382R39	2265	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	10/22/2015	0.375	0.031	845.31	0.00	845.31
313382R39	2266	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	10/22/2015	0.375	0.031	321.87	0.00	321.87
31315PWT2	2267	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/25/2016	0.400	0.033	666.67	0.00	666.67
313382YY3	2268	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/22/2016	0.350	0.029	583.33	0.00	583.33
3135GOXR9	2269	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/06/2016	0.550	0.046	916.66	0.00	916.66
313383EE7	2270	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.500	0.042	833.33	0.00	833.33
3134G4HV3	2272	99	MC1	2,000,000.00	2,001,683.33	2,001,620.83	04/29/2016	0.625	0.049	1,041.67	-62.50	979.17
3136G1WT2	2273	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/21/2016	0.800	0.067	1,333.33	0.00	1,333.33
3136G1XZ7	2274	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.670	0.056	1,116.67	0.00	1,116.67
3135G0YW7	2276	99	MC1	2,000,000.00	2,002,745.66	2,002,664.43	11/25/2016	0.750	0.058	1,250.00	-81.23	1,168.77
3134G4PX0	2277	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/27/2016	0.500	0.042	833.34	0.00	833.34
3133EDD41	2278	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/07/2016	0.625	0.052	1,041.67	0.00	1,041.67
3130A0QF0	2279	99	MC1	1,550,000.00	0.00	1,550,000.00	02/14/2017	1.050	0.093	768.54	0.00	768.54
3130A0QC7	2280	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/29/2016	0.700	0.058	1,166.66	0.00	1,166.66
3130A0VG2	2281	99	MC1	2,000,000.00	0.00	2,000,000.00	11/25/2016	0.700	0.082	233.33	0.00	233.33
2050003183-6	2283	99	BCD	81,784.76	81,784.76	81,784.76	01/22/2016	0.030	0.002	1.91	0.00	1.91
Subtotal				81,948,807.93	82,364,958.20	81,952,704.02			0.035	28,196.08	-115.22	28,080.86

Portfolio OTAY
AP

OTAY
Interest Earnings
February 1, 2014 - February 28, 2014

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
			Total	81,948,807.93	82,364,958.20	81,952,704.02			0.035	28,196.08	-115.22	28,080.86

OTAY
Activity Report
Sorted By Issuer
February 1, 2014 - February 28, 2014

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		8,617,919.88	8,617,917.91	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		1,195,213.09	858,053.20	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					0.00	15,356.91	
		Subtotal and Balance		854,205.82			9,813,132.97	9,491,328.02	1,176,010.77
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.236		6,100,000.00	7,400,000.00	
		Subtotal and Balance		19,644,034.64			6,100,000.00	7,400,000.00	18,344,034.64
		Issuer Subtotal	23.770%	20,498,240.46			15,913,132.97	16,891,328.02	19,520,045.41
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
		Subtotal and Balance		81,784.76					81,784.76
		Issuer Subtotal	0.100%	81,784.76			0.00	0.00	81,784.76
Issuer: Federal Agricultural Mortgage									
Federal Agency Issues- Callable									
		Subtotal and Balance		2,000,000.00					2,000,000.00
		Issuer Subtotal	2.435%	2,000,000.00			0.00	0.00	2,000,000.00
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
		Subtotal and Balance		2,000,000.00					2,000,000.00
		Issuer Subtotal	2.435%	2,000,000.00			0.00	0.00	2,000,000.00

OTAY
Activity Report
February 1, 2014 - February 28, 2014

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
3133EAU30	2253	Federal Farm Credit Bank			0.320	02/03/2014	0.00	3,000,000.00	
		Subtotal and Balance		17,000,000.00			0.00	3,000,000.00	14,000,000.00
		Issuer Subtotal	17.048%	17,000,000.00			0.00	3,000,000.00	14,000,000.00
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
3130A0QF0	2279	Federal Home Loan Bank			1.050	02/14/2014	1,550,000.00	0.00	
3130A0VG2	2281	Federal Home Loan Bank			0.700	02/25/2014	2,000,000.00	0.00	
		Subtotal and Balance		9,735,000.00			3,550,000.00	0.00	13,285,000.00
		Issuer Subtotal	16.178%	9,735,000.00			3,550,000.00	0.00	13,285,000.00
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
		Subtotal and Balance		4,000,000.00					4,000,000.00
		Issuer Subtotal	4.871%	4,000,000.00			0.00	0.00	4,000,000.00
Issuer: Federal National Mortgage Assoc									
Federal Agency Issues- Callable									
		Subtotal and Balance		6,000,000.00					6,000,000.00
		Issuer Subtotal	7.306%	6,000,000.00			0.00	0.00	6,000,000.00
Issuer: San Diego County									
San Diego County Pool									
		Subtotal and Balance		21,232,019.39					21,232,019.39
		Issuer Subtotal	25.855%	21,232,019.39			0.00	0.00	21,232,019.39
		Total	100.000%	82,547,044.61			19,463,132.97	19,891,328.02	82,118,849.56

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
February 1, 2014 - February 28, 2014

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		15,559,786.72	0.00	6,100,000.00	7,400,000.00	0.00	-373.91	14,259,412.81
UNION MONEY	9002	99	Amortized		10,002.85	0.00	8,617,919.88	8,617,917.91	0.00	0.00	10,004.82
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION OPERATING	9004	99	Amortized		648,690.60	0.00	1,195,213.09	858,053.20	0.00	0.00	985,850.49
PAYROLL	9005	99	Amortized		27,592.60	0.00	0.00	0.00	0.00	0.00	27,592.60
SD COUNTY POOL	9007	99	Fair Value		21,130,000.00	0.00	0.00	0.00	0.00	-6,000.00	21,124,000.00
RESERVE-10 COPS	9010	99	Amortized		2,620.54	0.00	0.00	0.00	0.00	0.00	2,620.54
RESERVE-10 BABS	9011	99	Amortized		7,493.29	0.00	0.00	0.00	0.00	0.00	7,493.29
LAIF BABS 2010	9012	99	Fair Value		4,089,897.94	0.00	0.00	0.00	0.00	0.00	4,089,897.94
UBNA-2010 BOND	9013	99	Amortized		99,496.36	0.00	0.00	0.00	0.00	0.00	99,496.36
UBNA-FLEX ACCT	9014	99	Amortized		55,359.58	0.00	0.00	15,356.91	0.00	0.00	40,002.67
3133EAU30	2253	99	Fair Value	03/12/2015	3,000,000.00	0.00	0.00	3,000,000.00	0.00	0.00	0.00
3133EC2L7	2255	99	Fair Value	11/13/2015	3,000,060.00	0.00	0.00	0.00	0.00	-30.00	3,000,030.00
3133EC6F6	2258	99	Fair Value	06/01/2015	3,004,140.00	0.00	0.00	0.00	0.00	300.00	3,004,440.00
3133EC7H1	2260	99	Fair Value	08/17/2015	3,001,920.00	0.00	0.00	0.00	0.00	990.00	3,002,910.00
3133ECA61	2261	99	Fair Value	06/18/2015	3,000,030.00	0.00	0.00	0.00	0.00	0.00	3,000,030.00
313382R39	2265	99	Fair Value	10/22/2015	2,706,514.80	0.00	0.00	0.00	0.00	-432.80	2,706,082.00
313382R39	2266	99	Fair Value	10/22/2015	1,030,576.80	0.00	0.00	0.00	0.00	-164.80	1,030,412.00
31315PWT2	2267	99	Fair Value	01/25/2016	2,000,140.00	0.00	0.00	0.00	0.00	720.00	2,000,860.00
313382YY3	2268	99	Fair Value	02/22/2016	1,997,300.00	0.00	0.00	0.00	0.00	2,120.00	1,999,420.00
3135GOXR9	2269	99	Fair Value	09/06/2016	1,995,120.00	0.00	0.00	0.00	0.00	960.00	1,996,080.00
313383EE7	2270	99	Fair Value	09/19/2016	1,994,540.00	0.00	0.00	0.00	0.00	1,600.00	1,996,140.00
3134G4HV3	2272	99	Fair Value	04/29/2016	2,002,300.00	0.00	0.00	0.00	0.00	-780.00	2,001,520.00
3136G1WT2	2273	99	Fair Value	11/21/2016	2,001,500.00	0.00	0.00	0.00	0.00	420.00	2,001,920.00
3136G1XZ7	2274	99	Fair Value	12/19/2016	1,995,500.00	0.00	0.00	0.00	0.00	700.00	1,996,200.00
3135G0YW7	2276	99	Fair Value	11/25/2016	1,996,980.00	0.00	0.00	0.00	0.00	680.00	1,997,660.00
3134G4PX0	2277	99	Fair Value	06/27/2016	1,999,640.00	0.00	0.00	0.00	0.00	500.00	2,000,140.00
3133EDD41	2278	99	Fair Value	07/07/2016	1,998,320.00	0.00	0.00	0.00	0.00	2,140.00	2,000,460.00
3130A0QF0	2279	99	Fair Value	02/14/2017	0.00	1,550,000.00	0.00	0.00	0.00	2,139.00	1,552,139.00
3130A0QC7	2280	99	Fair Value	07/29/2016	2,002,200.00	0.00	0.00	0.00	0.00	-820.00	2,001,380.00
3130A0VG2	2281	99	Fair Value	11/25/2016	0.00	2,000,000.00	0.00	0.00	0.00	-1,100.00	1,998,900.00

Portfolio OTAY
AP

OTAY
 GASB 31 Compliance Detail
 Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
2050003183-6	2283	99	Amortized	01/22/2016	81,784.76	0.00	0.00	0.00	0.00	0.00	81,784.76
Subtotal					82,442,456.84	3,550,000.00	15,913,132.97	19,891,328.02	0.00	3,567.49	82,017,829.28
Total					82,442,456.84	3,550,000.00	15,913,132.97	19,891,328.02	0.00	3,567.49	82,017,829.28

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 02/28/2014

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G4HV3	2272	99	Federal Home Loan Mortgage	Fair	2,001,620.83	2,000,000.00	2,001,520.00	.6250000	0.578	0.590	04/29/2016	2.139
3134G4PX0	2277	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,140.00	.5000000	0.493	0.497	06/27/2016	2.303
3136G1WT2	2273	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,001,920.00	.8000000	0.789	0.764	11/21/2016	2.682
3135G0YW7	2276	99	Federal National Mortgage Assoc	Fair	2,002,664.43	2,000,000.00	1,997,660.00	.7500000	0.691	0.985	11/25/2016	2.692
3136G1XZ7	2274	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,996,200.00	.6700000	0.661	0.739	12/19/2016	2.765
3130A0VG2	2281	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,900.00	.7000000	0.690	0.720	11/25/2016	2.701
313382R39	2266	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,030,412.00	.3750000	0.370	0.351	10/22/2015	1.633
313383EE7	2270	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,140.00	.5000000	0.493	0.576	09/19/2016	2.527
313382R39	2265	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,706,082.00	.3750000	0.370	0.351	10/22/2015	1.633
3130A0QC7	2280	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,380.00	.7000000	0.690	0.671	07/29/2016	2.385
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,999,420.00	.3500000	0.345	0.365	02/22/2016	1.965
3130A0QF0	2279	99	Federal Home Loan Bank	Fair	1,550,000.00	1,550,000.00	1,552,139.00	1.050000	1.036	1.002	02/14/2017	2.898
3133EC2L7	2255	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,000,030.00	.4400000	0.434	0.439	11/13/2015	1.689
3133ECA61	2261	99	Federal Farm Credit Bank	Fair	2,999,610.83	3,000,000.00	3,000,030.00	.3200000	0.325	0.319	06/18/2015	1.292
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,004,440.00	.3500000	0.345	0.231	06/01/2015	1.246
3133EDD41	2278	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,460.00	.6250000	0.616	0.615	07/07/2016	2.327
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,002,910.00	.3400000	0.335	0.146	08/17/2015	1.457
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,996,080.00	.5500000	0.542	0.944	09/06/2016	2.481
31315PWT2	2267	99	Federal Agricultural Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,860.00	.4000000	0.395	0.377	01/25/2016	1.888
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	1.896
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.0000001	0.000	0.000		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	14,255,312.70	14,255,312.70	14,259,412.81	.2360000	0.233	0.236		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	4,088,721.94	4,088,721.94	4,089,897.94	.2360000	0.233	0.236		0.000

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 02/28/2014

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
SD COUNTY	9007	99	San Diego County	Fair	21,232,019.39	21,232,019.39	21,124,000.00	4690000	0.463	0.469		0.000
Report Total					80,946,734.88	80,942,838.79	80,841,818.51			0.448		1.057



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 8, 2014
SUBMITTED BY:	Kevin Koeppen, Finance <i>KK</i> Manager, Treasury & Acct	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Joseph Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM)		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

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

FISCAL IMPACT:

SUMMARY FOR PERIOD 2/20/2014 - 3/19/2014	NET DEMANDS
CHECKS (2039519 - 2039744)	\$ 2,333,914.70
VOID CHECKS (0)	\$ 0.00
TOTAL CHECKS	\$ 2,333,914.70
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	\$ 171,250.00
CITY TREASURER - METROPOLITAN SEWERAGE SYSTEM (QUARTERLY)	\$ 255,431.00
CITY TREASURER - RECLAIMED WATER PURCHASE (DEC 2013)	\$ 37,580.62
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (FEB 2014)	\$ 16,492.02
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 700.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 707.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (JAN 2014)	\$ 3,581,782.45
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (MAR 2014)	\$ 275,281.68
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 585.63
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 208.72
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 142,511.50
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 147,474.24
UNION BANK NA - COPS 1996 (MONTHLY)	\$ 464.27
UNION BANK NA - COPS 2004 (SEMI-ANNUAL)	\$ 132,374.74
UNION BANK NA - COPS 2007 (SEMI-ANNUAL)	\$ 767,975.40
UNION BANK NA - COPS 2010 (SEMI-ANNUAL)	\$ 1,061,361.52
UNION BANK NA - ID 27 SERIES 2009 BONDS (SEMI-ANNUAL)	\$ 106,206.25
TOTAL CASH DISBURSEMENTS	\$ 9,034,439.58

RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

CHECK REGISTER

Otay Water District

Date Range: 2/20/2014 - 3/19/2014

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2039571	03/05/14	08488	ABLEFORCE INC	4154	02/06/14	PROGRAMMING SERVICES (COMPLETED 2/4/14)	4,125.00	4,125.00
2039519	02/26/14	15421	ADELA MILES	Ref002432694	02/24/14	UB Refund Cst #0000143424	36.49	36.49
2039676	03/19/14	02654	ADVANCED COMMUNICATIONS SYSTEM	15043	02/27/14	PORTABLE RADIOS	1,170.68	1,170.68
2039633	03/12/14	13901	ADVANCED INDUSTRIAL SVCS INC	1B	03/05/14	RESERVOIR UPGRADE (ENDING 2/28/14)	105,698.33	105,698.33
2039520	02/26/14	13901	ADVANCED INDUSTRIAL SVCS INC	5A	02/23/14	COATINGS/UPGRADES (ENDING 2/20/14)	47,795.80	47,795.80
2039572	03/05/14	13901	ADVANCED INDUSTRIAL SVCS INC	00014471	02/23/14	RETAINAGE RELEASE	43,678.07	43,678.07
2039677	03/19/14	12174	AECOM TECHNICAL SERVICES INC	15	02/24/14	DISINFECTION SYSTEM (ENDING 1/24/14)	65,064.29	65,064.29
2039634	03/12/14	11462	AEGIS ENGINEERING MGMT INC	1306	02/14/14	DEVELOPER PROJECTS (1/4/14-1/31/14)	14,017.86	14,017.86
2039678	03/19/14	11803	AEROTEK ENVIRONMENTAL	OE01018556	03/13/14	TEMPORARY EMPLOYMENT (ENDING 3/1/14)	1,378.58	
				OE01016696	03/06/14	TEMPORARY EMPLOYMENT (ENDING 2/22/14)	226.88	1,605.46
2039679	03/19/14	07732	AIRGAS SPECIALTY PRODUCTS INC	131325228	02/28/14	AQUA AMMONIA	3,385.80	
				131325227	02/28/14	AQUA AMMONIA	3,009.31	6,395.11
2039521	02/26/14	13753	AIRGAS USA LLC	9915950315	01/31/14	BREATHING AIR	41.75	41.75
2039680	03/19/14	15024	AIRX UTILITY SURVEYORS INC	4	02/25/14	LAND SURVEYING (1/1/14-1-31-14)	6,379.50	6,379.50
2039681	03/19/14	14811	ALARMS UNLIMITED INC	160004	02/27/14	CAMERA INSTALLATION	1,862.48	
				160161M	03/13/14	ALARM/VIDEO MONITORING (3/10/14-3/31/14)	21.27	1,883.75
2039573	03/05/14	14811	ALARMS UNLIMITED INC	159250	02/14/14	ALARM SERVICES (2/12/14)	1,404.23	
				159209	02/11/14	ALARM SERVICES (2/7/14)	941.61	2,345.84
2039635	03/12/14	14811	ALARMS UNLIMITED INC	159567	03/01/14	ALARM/VIDEO MONITORING #1 (MAR 2014)	200.00	
				159568	03/01/14	ALARM/VIDEO MONITORING #4 (MAR 2014)	39.00	
				159570	03/01/14	ALARM/VIDEO MONITORING #2 (MAR 2014)	29.00	
				159569	03/01/14	ALARM/VIDEO MONITORING #3 (MAR 2014)	29.00	297.00
2039522	02/26/14	15440	ALASKAN COPPER & BRASS CO	WOD0901	02/20/14	W/O REFUND D0901-090158	98.00	98.00
2039523	02/26/14	15434	ALEXANDRA VINSON	Ref002432707	02/24/14	UB Refund Cst #0000198546	54.24	54.24
2039574	03/05/14	01463	ALLIED ELECTRONICS INC	9002684053	02/04/14	POWER SUPPLY	487.10	487.10
2039575	03/05/14	02362	ALLIED WASTE SERVICES # 509	0509005496849	02/25/14	TRASH SERVICES (MAR 2014)	530.33	530.33
2039636	03/12/14	02362	ALLIED WASTE SERVICES # 509	0509005498469	02/25/14	TRASH SERVICES (MAR 2014)	67.49	67.49

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2039682	03/19/14	15468	ALTA PARCELS LP	WOD0835	03/14/14	W/O REFUND D0835-060061	68.42	68.42
2039576	03/05/14	14462	ALYSON CONSULTING	CM201411	02/12/14	MGMT/INSP - R2108 (1/1/14-1/31/14)	2,690.00	
				CM201412	02/12/14	MGMT/INSP - P2493 (1/1/14 - 1/31/14)	2,550.00	
				CM201413	02/12/14	MGMT/INSP - P2453 (1/1/14-1/31/14)	1,350.00	
				CM201408	02/12/14	MGMT/INSP - D0551 (12/22/13-1/2/14)	880.00	
				CM201410	02/12/14	MGMT/INSP - P2518/P2519 (1/1/14-1/31/14)	600.00	
				CM201409	02/12/14	MGMT/INSP - R2091 (1/1/14-1/31/14)	150.00	8,220.00
2039637	03/12/14	06166	AMERICAN MESSAGING	L11095700C	03/01/14	PAGER SERVICES (FEB 2014)	206.92	206.92
2039524	02/26/14	15433	AMY PARSON	Ref002432706	02/24/14	UB Refund Cst #0000197175	23.14	23.14
2039577	03/05/14	00002	ANSWER INC	9573	02/22/14	ANSWERING SERVICES (MONTHLY)	1,100.00	1,100.00
2039578	03/05/14	08967	ANTHEM BLUE CROSS EAP	41203	02/20/14	EMPLOYEE ASSISTANCE PROGRAM (MAR 2014)	321.12	321.12
2039525	02/26/14	15436	ASLAN REASIDENTIAL V LLC	Ref002432709	02/24/14	UB Refund Cst #0000204399	30.64	30.64
2039526	02/26/14	05758	AT&T	61967053090214	02/15/14	LONG DISTANCE (MONTHLY)	37.78	37.78
2039527	02/26/14	05758	AT&T	33784130450214	02/07/14	ACCESS TRANSPORT SVCS (2/7/14-3/6/14)	31.56	31.56
2039579	03/05/14	05758	AT&T	61942256050214	02/20/14	ACCESS TRANSPORT SVCS (2/20/14-3/19/14)	84.02	84.02
2039580	03/05/14	05758	AT&T	61969851400214	02/24/14	LONG DISTANCE (MONTHLY)	37.78	37.78
2039638	03/12/14	05758	AT&T	082164572802251	02/25/14	ACCESS TRANSPORT SVCS (2/25/14-3/24/14)	2,293.08	2,293.08
2039683	03/19/14	12810	ATKINS	1188867	03/01/14	DESALINATION PROJECT (1/12/14-1/14/14)	2,352.00	2,352.00
2039581	03/05/14	13392	AZTECA SYSTEMS INC	9085	02/13/14	LICENSE AGREEMENT	60,000.00	60,000.00
2039684	03/19/14	11519	BACKFLOW APPARATUS & VALVE CO	655822	02/25/14	FIRE SERVICE BACKFLOW	3,003.20	3,003.20
2039685	03/19/14	15243	BAILEY RSD SELF STORAGE LP	WOD0877	03/14/14	W/O REFUND D0877-090128	270.19	270.19
2039528	02/26/14	03584	BIOTECHNICAL SERVICES INC	1099169	01/27/14	LABORATORY MAINTENANCE	790.00	790.00
2039639	03/12/14	15456	BLUE MOUNTAIN AIR	Ref002432949	03/10/14	UB Refund Cst #0000185780	75.00	75.00
2039582	03/05/14	10970	BRENNTAG PACIFIC INC	BPI387318	02/06/14	SODIUM HYPOCHLORITE	2,099.32	
				BPI389180	02/13/14	SODIUM HYPOCHLORITE	1,022.41	
				BPI387508	02/06/14	SODIUM HYPOCHLORITE	886.15	4,007.88
2039686	03/19/14	10970	BRENNTAG PACIFIC INC	BPI391784	02/21/14	SODIUM HYPOCHLORITE	1,993.59	
				BPI393297	02/27/14	SODIUM HYPOCHLORITE	1,722.18	

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				BPI391372	02/20/14	SODIUM HYPOCHLORITE	1,423.52	
				BPI393298	02/27/14	SODIUM HYPOCHLORITE	1,022.41	
				BPI391371	02/20/14	SODIUM HYPOCHLORITE	898.16	7,059.86
2039529	02/26/14	01004	CALOLYMPIC SAFETY	324943	01/27/14	CALIBRATION GAS	335.14	335.14
2039687	03/19/14	01004	CALOLYMPIC SAFETY	326141	02/26/14	HAZWOPPER GASTECH	192.95	192.95
2039640	03/12/14	15447	CANNON, LARRY	E000064	03/06/14	SAFETY BOOTS REIMBURSEMENT	114.45	114.45
2039583	03/05/14	15177	CAROLLO ENGINEERS INC	133219	02/14/14	DESIGN 870-2 PS (1/1/13-1/31/14)	28,010.00	28,010.00
2039688	03/19/14	09801	CENTERBEAM INC	19997	02/27/14	NETWORK MAINTENANCE (1/15/14)	525.00	525.00
2039530	02/26/14	15431	CHARLES LAFLAIR	Ref002432704	02/24/14	UB Refund Cst #0000189108	82.34	82.34
2039584	03/05/14	15441	CHERRI MEGASKO	UB230743937	03/03/14	CUSTOMER REFUND	956.84	956.84
2039585	03/05/14	15444	CHRISTOBAL CHAPMAN	UB026004110	03/03/14	CUSTOMER REFUND	173.70	173.70
2039689	03/19/14	02026	CHULA VISTA ELEM SCHOOL DIST	AR042870	02/28/14	GARDEN TOURS (1/29-1/30/2014)	540.00	540.00
2039531	02/26/14	15256	CIGNA GROUP INSURANCE / LINA	09520492670214	02/26/14	AD&D & SUPP LIFE INS (FEB 2014)	4,519.60	4,519.60
2039532	02/26/14	12674	CITY OF CHULA VISTA	071060PU0040114	01/30/14	UTILITY PERMITS (1/1/13-12/31/13)	22,275.00	22,275.00
2039533	02/26/14	00234	CITY TREASURER	1000095859	01/16/14	RECLAIMED WATER PURCHASE (CY 2013)	306,271.00	306,271.00
2039690	03/19/14	04119	CLARKSON LAB & SUPPLY INC	71960	02/28/14	BACTERIOLOGICAL TESTING SERVICES	241.00	241.00
2039691	03/19/14	08160	COMPLETE OFFICE	15828360	02/26/14	TONER	808.71	
				15826570	02/26/14	PRINTER	236.52	1,045.23
2039586	03/05/14	08160	COMPLETE OFFICE	15757280	02/04/14	COPY PAPER	1,071.01	1,071.01
2039692	03/19/14	10727	COMPUTER AIDED SOLUTIONS LLC	19918	02/28/14	DIGITAL DATA LOGGER	1,635.67	1,635.67
2039693	03/19/14	15467	CORKY MCMILLIN CONSTRUCTION	WOD0032b	03/14/14	W/O REFUND D0032-010140	2,103.89	
				WOD0032a	03/14/14	W/O REFUND D0032-XX6445	673.78	
				WOD0032	03/14/14	W/O REFUND D0032-XX6437	664.86	3,442.53
2039694	03/19/14	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	02/20/14	EXCAVATION PERMITS (JAN 2014)	1,349.80	1,349.80
2039587	03/05/14	00184	COUNTY OF SAN DIEGO	A000070	02/25/14	HAZMAT CHARGES (FUEL ISLAND)	10,000.00	10,000.00
2039588	03/05/14	00184	COUNTY OF SAN DIEGO	A000072	02/25/14	ADMINISTRATIVE REIMBURSEMENT	4,160.60	4,160.60
2039589	03/05/14	00184	COUNTY OF SAN DIEGO	DEH140251D11	02/21/14	SHUT DOWN TEST (1/14/2014)	142.00	

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Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
				DEH140255D11	02/21/14	SHUT DOWN TEST (1/27/2014)	142.00	284.00
2039590	03/05/14	02122	COUNTY OF SAN DIEGO	2014010701214	01/07/14	PERMIT FEES 01214 (03/14-03/15)	356.00	356.00
2039591	03/05/14	15443	COUNTY OF SAN DIEGO	DPW20114930893	02/19/14	PERMIT FOR DEPOSIT	380.04	
				DPW20114930893	02/19/14	DEPOSIT FOR PERMIT	150.00	530.04
2039641	03/12/14	02756	COX COMMUNICATIONS SAN DIEGO	28810214	02/27/14	INTERNET SERVICES (3/1/14-3/28/14)	1,500.00	
				27170214	02/27/14	INTERNET SERVICES (3/1/14-3/28/14)	1,500.00	3,000.00
2039642	03/12/14	15448	DANIEL HINDI	UB625127928	03/10/14	CUSTOMER REFUND	860.00	860.00
2039643	03/12/14	15461	DAVID BENSOUSSAN	Ref002432954	03/10/14	UB Refund Cst #0000203315	74.42	74.42
2039644	03/12/14	15459	DEBRA GRADY	Ref002432952	03/10/14	UB Refund Cst #0000199176	50.52	50.52
2039645	03/12/14	08679	DEPARTMENT OF TRANSPORTATION	14004515	02/06/14	UTILITY RELOCATION DEPOSIT	232,345.51	232,345.51
2039695	03/19/14	03417	DIRECTV	22608345265	03/05/14	SATELLITE TV (3/4/14-4/3/14)	18.00	18.00
2039534	02/26/14	00196	DRAWINGBOARD PRINTING	8646399	01/14/14	MAILING LABELS	498.16	498.16
2039592	03/05/14	02447	EDCO DISPOSAL CORPORATION	1554580214	02/28/14	RECYCLING SERVICES (FEB 2014)	95.00	95.00
2039535	02/26/14	15429	ELOY BEAS	Ref002432702	02/24/14	UB Refund Cst #0000188139	37.37	37.37
2039593	03/05/14	03227	ENVIROMATRIX ANALYTICAL INC	4020461	02/10/14	RECYCLED WATER ANALYSIS (1/24/14-1/30/14)	600.00	600.00
2039696	03/19/14	03227	ENVIROMATRIX ANALYTICAL INC	4030406	03/03/14	RECYCLED WATER ANALYSIS (2/13/14-2/20/14)	555.00	
				4020590	02/18/14	RECYCLED WATER ANALYSIS (1/31/14-2/6/14)	445.00	
				4020756	02/24/14	RECYCLED WATER ANALYSIS (2/7/14-2/12/14)	345.00	1,345.00
2039594	03/05/14	02259	ENVIRONMENTAL RESOURCE	710818	02/10/14	LABORATORY CERTIFICATION	1,370.68	
				710702	02/17/14	LABORATORY CERTIFICATION	973.18	2,343.86
2039697	03/19/14	14320	EUROFINS EATON ANALYTICAL INC	L0156481	02/25/14	OUTSIDE LAB SERVICES (2/10/14)	750.00	
				L0156464	02/25/14	OUTSIDE LAB SERVICES (2/4/14)	255.00	1,005.00
2039646	03/12/14	15455	EVA FELICIANO	Ref002432948	03/10/14	UB Refund Cst #0000175460	6.97	6.97
2039595	03/05/14	15396	EVOQUA WATER TECHNOLOGIES LLC	901582725	02/10/14	CL2GAS PM	240.87	240.87
2039536	02/26/14	00645	FEDEX	256702788	02/21/14	MAIL SERVICES (2/13/14)	6.24	6.24
2039537	02/26/14	03546	FERGUSON WATERWORKS # 1083	0459836	01/07/14	VALVE CAN	864.00	864.00
2039596	03/05/14	03546	FERGUSON WATERWORKS # 1083	0461635	02/10/14	FILTER AIR SCOUR VALVES	2,578.50	

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				0464695	02/14/14	INVENTORY	1,652.14	
				0463608	02/10/14	16" SPOOLS	1,155.38	
				0465191	02/14/14	WAREHOUSE SUPPLIES	494.86	5,880.88
2039698	03/19/14	03546	FERGUSON WATERWORKS # 1083	0464192	02/18/14	REDI-CLAMPS	768.96	
				0465187	02/20/14	HYDRANT PARTS	712.80	
				04651871	02/25/14	HYDRANT PARTS	57.24	1,539.00
2039699	03/19/14	12187	FIRST AMERICAN DATA TREE LLC	9003400214	02/28/14	ONLINE DOCUMENTS (MONTHLY)	99.00	99.00
2039597	03/05/14	04066	FIRST CHOICE SERVICES - SD	015319	02/14/14	COFFEE SUPPLIES	496.14	496.14
2039700	03/19/14	04066	FIRST CHOICE SERVICES - SD	016424	02/26/14	FILTER EXCHANGE	485.51	
				015898	03/03/14	COFFEE SUPPLIES	275.60	761.11
2039598	03/05/14	14478	FISHER WIRELESS SERVICES INC	220888	02/17/14	RADIO UPGRADES	1,183.95	1,183.95
2039701	03/19/14	11962	FLEETWASH INC	x240171	02/21/14	FLEET VEHICLE WASHING (2/21/14)	170.82	170.82
2039599	03/05/14	11962	FLEETWASH INC	x237757	02/14/14	FLEET VEHICLE WASHING (2/14/14)	137.97	137.97
2039538	02/26/14	01612	FRANCHISE TAX BOARD	Ben2432753	02/27/14	BI-WEEKLY PAYROLL DEDUCTION	50.00	50.00
2039647	03/12/14	01612	FRANCHISE TAX BOARD	Ben2433012	03/13/14	BI-WEEKLY PAYROLL DEDUCTION	50.00	50.00
2039539	02/26/14	02344	FRANCHISE TAX BOARD	Ben2432755	02/27/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2039648	03/12/14	02344	FRANCHISE TAX BOARD	Ben2433014	03/13/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2039702	03/19/14	13563	FRIENDS OF THE WATER	187	02/25/14	GARDEN TOURS (FEB 2014)	3,720.00	3,720.00
2039540	02/26/14	10817	GEXPRO	580343422	12/18/13	RX3I PLC	6,500.44	6,500.44
2039703	03/19/14	00101	GRAINGER INC	9374419258	02/25/14	WAREHOUSE SUPPLIES	346.84	346.84
2039600	03/05/14	00101	GRAINGER INC	9363984114	02/12/14	FLUKE MULTIMETER	1,060.45	1,060.45
2039704	03/19/14	12907	GREENRIDGE LANDSCAPE INC	11737	02/26/14	LANDSCAPING SERVICES (FEB 2014)	8,909.50	8,909.50
2039601	03/05/14	00174	HACH COMPANY	8692223	02/11/14	HACH APA6000	2,482.79	
				8657388	01/20/14	LABORATORY SUPPLIES	34.40	2,517.19
2039649	03/12/14	00174	HACH COMPANY	8662636	01/22/14	HACH APA PARTS	635.02	635.02
2039650	03/12/14	15457	HAMANN CONSTRUCTION	Ref002432950	03/10/14	UB Refund Cst #0000186747	1,497.51	1,497.51
2039602	03/05/14	02350	HARPER & ASSOCIATES	ENG4871	02/04/14	COATING INSPECTION SERVICES (ENDING 1/31/14)	1,185.00	1,185.00

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2039541	02/26/14	02795	HARTFORD INSURANCE CO, THE	Ben2432741	02/27/14	MONTHLY CONTRIBUTION TO LTD	5,522.46	5,522.46
2039651	03/12/14	15453	HAYDEE MUNOZ	Ref002432946	03/10/14	UB Refund Cst #0000072934	20.32	20.32
2039705	03/19/14	15349	HDR INC	141753B	03/11/14	CONSULTING SERVICES (JAN-FEB 2014)	15,924.00	15,924.00
2039542	02/26/14	00062	HELIX WATER DISTRICT	178540010214	02/11/14	WATER PURCHASE (12/5/13-2/6/14)	42.93	
				174639860214	02/11/14	WATER PURCHASE (12/5/13-2/6/14)	42.93	85.86
2039603	03/05/14	12335	HP ENTERPRISE SERVICES LLC	U3152277	02/12/14	IVR PAYMENT SERVICES (JAN 2014)	2,220.15	2,220.15
2039543	02/26/14	15435	IBRAHIM SABBAGH	Ref002432708	02/24/14	UB Refund Cst #0000203258	246.89	246.89
2039604	03/05/14	08969	INFOSEND INC	77028	02/04/14	BILL PRINTING SERVICES (JAN 2014)	2,046.80	2,046.80
2039706	03/19/14	08969	INFOSEND INC	77817	02/28/14	BILL PRINTING SERVICES (FEB 2014)	12,360.59	
				77816	02/28/14	BILL PRINTING SERVICES (FEB 2014)	3,376.63	15,737.22
2039707	03/19/14	02372	INTERIOR PLANT SERVICE INC	7352	02/20/14	PLANT SERVICES (FEB 2014)	205.00	205.00
2039652	03/12/14	13899	INTERMEDIA.NET INC	2013166040	03/01/14	EMAIL SERVICES (2/2/14-3/2/14)	3,466.36	3,466.36
2039544	02/26/14	15420	IRMA CHAVEZ	Ref002432693	02/24/14	UB Refund Cst #0000083572	10.25	10.25
2039545	02/26/14	15419	JAMES BIEDERER	Ref002432692	02/24/14	UB Refund Cst #0000062013	9.04	9.04
2039708	03/19/14	03077	JANI-KING OF CALIFORNIA INC	SDO02140145	02/01/14	JANITORIAL SERVICES (FEB 2014)	1,135.50	1,135.50
2039605	03/05/14	10563	JCI JONES CHEMICALS INC	609035		CREDIT MEMO	-3,000.00	
				608990	02/06/14	CHLORINE	4,684.65	1,684.65
2039709	03/19/14	02269	JENAL ENGINEERING CORP	14456	02/25/14	FUEL ALARM	475.60	
				14493	03/03/14	DUSTO INSPECTIONS (FEB 2014)	100.00	575.60
2039546	02/26/14	15427	JESSICA CARTER	Ref002432700	02/24/14	UB Refund Cst #0000187668	12.67	12.67
2039606	03/05/14	03172	JONES & STOKES ASSOCIATES INC	0099170	02/12/14	ENVIRONMENTAL CONSULTING (1/1/14-1/24/14)	3,500.00	
				0099169	02/12/14	ENVIRONMENTAL CONSULTING (1/1/14-1/24/14)	1,038.15	
				0099175	02/12/14	ENVIRONMENTAL CONSULTING (1/1/14-1/24/14)	1,010.80	
				0099173	02/12/14	ENVIRONMENTAL CONSULTING (1/1/14-1/24/14)	860.00	
				0099172	02/12/14	ENVIRONMENTAL CONSULTING (1/1/14-1/24/14)	792.50	7,201.45
2039653	03/12/14	15465	JORGE AHUAGE	UB625305917	03/10/14	CUSTOMER REFUND	1,500.49	1,500.49
2039547	02/26/14	15432	JOSE CORDERO	Ref002432705	02/24/14	UB Refund Cst #0000195246	17.62	17.62
2039654	03/12/14	15460	KATE CRAFTS	Ref002432953	03/10/14	UB Refund Cst #0000199245	56.65	56.65

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2039710	03/19/14	10089	KENNEDY, ROBERT	030914031214	03/17/14	TRAVEL EXPENSES (3/9/14-3/12/14)	199.30	199.30
2039607	03/05/14	15445	KENT PAYNE	02252014	02/25/14	FINGERPRINTING	18.00	18.00
2039655	03/12/14	15464	KIRK PAVING INC	Ref002432957	03/10/14	UB Refund Cst #0000207118	1,843.76	1,843.76
2039711	03/19/14	04996	KNOX ATTORNEY SERVICE INC	4037121	02/28/14	DELIVERY SERVICES (1/31/14-2/14/14)	299.25	299.25
2039608	03/05/14	15442	KRIS PROVO	UB031176043	03/03/14	CUSTOMER REFUND	82.16	82.16
2039609	03/05/14	14460	KUBE ENGINEERING	TEQE636	02/10/14	SUN SHIELDS	409.36	409.36
2039656	03/12/14	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	2A	02/28/14	COVER/LINER REPLACEMENT (ENDING 2/28/14)	227,917.16	227,917.16
2039548	02/26/14	15422	LESLIE MADRID	Ref002432695	02/24/14	UB Refund Cst #0000162425	57.09	57.09
2039712	03/19/14	13749	LONDON GROUP REALTY ADVISORS	887	02/21/14	ECONOMIC OUTLOOK REPORT 2015-2020	6,250.00	6,250.00
2039713	03/19/14	03019	LOPEZ, JOSE	020114022814	03/11/14	MILEAGE REIMBURSEMENT (FEB 2014)	44.80	44.80
2039549	02/26/14	15418	LYNETTE SHAW	Ref002432691	02/24/14	UB Refund Cst #0000035719	56.51	56.51
2039657	03/12/14	15452	MARGARET DOERR	Ref002432945	03/10/14	UB Refund Cst #0000062219	100.50	100.50
2039658	03/12/14	15450	MARIO HERNANDEZ	Ref002432943	03/10/14	UB Refund Cst #0000031465	47.24	47.24
2039550	02/26/14	15430	MARLYS SLOCUM	Ref002432703	02/24/14	UB Refund Cst #0000188541	22.22	22.22
2039714	03/19/14	02902	MARSTON & MARSTON INC	20143	03/03/14	COMMUNITY OUTREACH (FEB 2014)	1,780.00	1,780.00
2039715	03/19/14	01183	MCMASTER-CARR SUPPLY CO	75085876	02/24/14	WAREHOUSE SUPPLIES	976.47	
				75531990	02/27/14	TOOLS FOR TP	804.98	
				75348793	02/26/14	NITRATE SENSOR MATERIALS	377.54	
				75254411	02/25/14	WAREHOUSE SUPPLIES	28.98	2,187.97
2039551	02/26/14	15424	MCMILLIN	Ref002432697	02/24/14	UB Refund Cst #0000173138	1,872.78	1,872.78
2039610	03/05/14	01824	MERKEL & ASSOCIATES INC	14021102	02/12/14	ENVIRONMENTAL SERVICES (1/1/14-1/31/14)	13,351.40	13,351.40
2039659	03/12/14	15463	MIKE HARLAN	Ref002432956	03/10/14	UB Refund Cst #0000204315	123.38	123.38
2039716	03/19/14	14699	MISSION COMMUNICATIONS LLC	40023837	02/24/14	MISSION UNIT BATTERIES	157.00	157.00
2039611	03/05/14	00237	MISSION JANITORIAL & ABRASIVE	39945300	02/14/14	JANITORIAL SUPPLIES	2,301.35	2,301.35
2039717	03/19/14	15136	MISSION UNIFORM SERVICE	340272601	02/24/14	UNIFORM SERVICES	397.23	
				340273656	03/03/14	UNIFORM SERVICES	397.23	

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				340272600	02/24/14	UNIFORM SERVICES	127.65	
				340273655	03/03/14	UNIFORM SERVICES	114.17	
				340272604	02/24/14	UNIFORM SERVICES	88.93	
				340273659	03/03/14	UNIFORM SERVICES	88.93	1,214.14
2039612	03/05/14	15136	MISSION UNIFORM SERVICE	340270513	02/10/14	UNIFORM SERVICES	402.48	
				340271558	02/17/14	UNIFORM SERVICES	397.23	
				340271557	02/17/14	UNIFORM SERVICES	114.57	
				340270512	02/10/14	UNIFORM SERVICES	114.17	
				340270516	02/10/14	UNIFORM SERVICES	94.67	
				340271561	02/17/14	UNIFORM SERVICES	88.93	1,212.05
2039660	03/12/14	15462	MONTY'S MAINTENANCE INC	Ref002432955	03/10/14	UB Refund Cst #0000204286	19.80	19.80
2039613	03/05/14	12908	NARASIMHAN CONSULTING SERVICES	039014REVISED	02/10/14	HYDRAULIC MODELING SERVICES (10/6/13-12/31/13)	10,126.00	
				039013REVISED	02/10/14	HYDRAULIC MODELING SERVICES (9/1/13-10/25/13)	2,074.50	12,200.50
2039552	02/26/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2432747	02/27/14	BI-WEEKLY DEFERRED COMP PLAN	10,808.27	10,808.27
2039661	03/12/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2433006	03/13/14	BI-WEEKLY DEFERRED COMP PLAN	10,808.27	10,808.27
2039718	03/19/14	14856	NEXUS IS INC	JC638607	02/18/14	SOFTWARE PROGRAMMING	102,515.41	
				JC639123	02/28/14	ACCESS POINTS	1,541.02	104,056.43
2039719	03/19/14	00510	OFFICE DEPOT INC	694667221001	02/28/14	OFFICE SUPPLIES	606.10	
				694670065001	02/28/14	OFFICE SUPPLIES	132.39	
				694667402001	03/03/14	OFFICE SUPPLIES	8.10	746.59
2039720	03/19/14	03149	ON SITE LASER LLC	48280	03/10/14	PRINTER SERVICES (3/7/14)	505.60	505.60
2039553	02/26/14	03149	ON SITE LASER LLC	48159	01/08/14	PRINTER SERVICES (1/8/14)	183.60	
				48164	01/09/14	PRINTER SERVICES (1/8/14)	151.20	334.80
2039614	03/05/14	01002	PACIFIC PIPELINE SUPPLY	165001	02/05/14	INVENTORY	1,752.84	
				165213	02/11/14	INVENTORY	87.64	1,840.48
2039721	03/19/14	05497	PAYPAL INC	30265715	02/28/14	PHONE PAYMENT SVCES (FEB 2014)	54.10	54.10
2039722	03/19/14	00053	PITNEY BOWES INC	818990	03/03/14	EQUIPMENT RENTAL (4/1/14-6/30/14)	207.36	207.36
2039615	03/05/14	06419	PLANT SOUP INC	941	12/17/13	PROFESSIONAL WRITING SERVICES	967.50	967.50
2039662	03/12/14	06419	PLANT SOUP INC	941a	12/17/13	PROFESSIONAL WRITING SERVICES	161.25	161.25

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2039616	03/05/14	10929	PORTABLE POWER SYSTEMS INC	166269	01/15/14	UPS BATTERIES	104.23	104.23
2039554	02/26/14	03351	POSADA, ROD	021914022114	02/24/14	TRAVEL EXPENSES (2/19/14-2/21/14)	935.64	935.64
2039723	03/19/14	01733	PRICE TRONCONE &	12789	02/07/14	ANTENNA SUBLEASE (APR-JUNE 2014)	4,128.00	4,128.00
2039724	03/19/14	13059	PRIORITY BUILDING SERVICES	38432	02/01/14	JANITORIAL SERVICES (FEB 2014)	3,664.00	3,664.00
2039617	03/05/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2432743	02/27/14	BI-WEEKLY PERS CONTRIBUTION	160,499.86	160,499.86
2039725	03/19/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2433002	03/13/14	BI-WEEKLY PERS CONTRIBUTION	160,902.50	160,902.50
2039726	03/19/14	01342	R J SAFETY SUPPLY CO INC	32242200	02/26/14	SAFETY SUPPLIES	407.70	407.70
2039618	03/05/14	01342	R J SAFETY SUPPLY CO INC	32211900	02/14/14	SAFETY SUPPLIES	331.77	
				32108901	02/05/14	SAFETY SUPPLIES	321.41	653.18
2039619	03/05/14	00766	RANROY PRINTING COMPANY	020221	02/11/14	POSTCARD	301.32	301.32
2039555	02/26/14	15426	REBECCA GAINES	Ref002432699	02/24/14	UB Refund Cst #0000185709	8.96	8.96
2039663	03/12/14	15449	ROBERT GREGORY	Ref002432942	03/10/14	UB Refund Cst #0000022624	30.64	30.64
2039556	02/26/14	15417	RODOLFO VELASCO	Ref002432690	02/24/14	UB Refund Cst #0000031635	150.00	150.00
2039664	03/12/14	15458	RYAN KOHLER	Ref002432951	03/10/14	UB Refund Cst #0000197344	93.24	93.24
2039727	03/19/14	02683	SAFECHECKS INC	0523062	02/25/14	CHECK STOCK	851.59	
				0523068	02/25/14	CHECK STOCK	222.61	1,074.20
2039665	03/12/14	15451	SAN DIEGO BUSINESS PARK	Ref002432944	03/10/14	UB Refund Cst #0000049679	100.00	100.00
2039620	03/05/14	02586	SAN DIEGO COUNTY ASSESSOR	2013181	02/11/14	ASSESSOR DATA (MONTHLY)	125.00	125.00
2039728	03/19/14	00003	SAN DIEGO COUNTY WATER AUTH	0000000967	03/03/14	SOCAL WATERSMART (MAR 2014)	35.00	35.00
2039729	03/19/14	00247	SAN DIEGO DAILY TRANSCRIPT	422041	02/21/14	BID ADVERTISEMENT	124.10	124.10
2039621	03/05/14	00121	SAN DIEGO GAS & ELECTRIC	022614	02/26/14	UTILITY EXPENSES (MONTHLY)	53,443.43	
				022514	02/25/14	UTILITY EXPENSES (MONTHLY)	49,754.21	
				021914	02/19/14	UTILITY EXPENSES (MONTHLY)	25,792.47	
				022414	02/24/14	UTILITY EXPENSES (MONTHLY)	736.92	129,727.03
2039622	03/05/14	15446	SCOTT, ADAM	03032014	03/03/14	TUITION REIMBURSEMENT	345.00	345.00
2039557	02/26/14	05512	SD COUNTY VECTOR CONTROL PROG	SD100370214	02/20/14	VECTOR CONTROL PROGRAM	539.25	539.25
2039558	02/26/14	12904	SEPULVEDA CONSTRUCTION INC	00011791A	02/11/14	RETAINAGE RELEASE	62,646.40	62,646.40

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2039666	03/12/14	06357	SHEA HOMES LP	E000065	03/06/14	RECYCLED RETROFIT REIMBURSEMENT	9,485.50	9,485.50
2039559	02/26/14	15428	SHEA HOMES LP	Ref002432701	02/24/14	UB Refund Cst #0000187873	1,872.78	1,872.78
2039730	03/19/14	15048	SIEMENS WATER TECHNOLOGIES LLC	901599866	02/24/14	MICRO2000 PARTS	3,895.28	3,895.28
2039731	03/19/14	15307	SIERRA ANALYTICAL LABS INC	4B12046	02/12/14	LABORATORY SERVICES (2/5/14)	220.00	
				4B28003	02/28/14	LABORATORY SERVICES (2/19/14)	220.00	
				4C06004	03/06/14	LABORATORY SERVICES (2/26/14)	220.00	
				4C14009	03/14/14	LABORATORY SERVICES (3/5/14)	220.00	
				4B19022	02/19/14	LABORATORY SERVICES (2/10/14)	185.00	1,065.00
2039623	03/05/14	04544	SIGN CRAFTERS	130680	01/22/14	NO TRESPASSING SIGNS	3,177.68	3,177.68
2039667	03/12/14	13327	SILVA-SILVA INTERNATIONAL	1403	03/01/14	PROJECT CONSULTANT (FEB 2014)	4,000.00	4,000.00
2039668	03/12/14	15454	SONIA GIL	Ref002432947	03/10/14	UB Refund Cst #0000146928	25.72	25.72
2039732	03/19/14	11618	SOUTH COAST COPY SYSTEMS	AR146248	02/25/14	COPIER MAINTENANCE (MAR 2014)	1,682.59	1,682.59
2039733	03/19/14	03103	SOUTHCOAST HEATING &	C53062	02/10/14	AC MAINTENANCE (FEB 2014)	480.00	
				C53081	02/10/14	IT AC MAINTENANCE (FEB 2014)	205.00	685.00
2039734	03/19/14	15176	SOUTHCOAST HEATING &	C53080	02/10/14	AC MAINTENANCE (FEB 2014)	1,068.00	1,068.00
2039624	03/05/14	06853	SOUTHERN CALIFORNIA SOIL	366738	02/15/14	GEOTECHNICAL SERVICES (2/1/14-2/15/14)	1,742.36	1,742.36
2039560	02/26/14	03760	SPANKY'S PORTABLE SERVICES INC	980134	01/31/14	PORTABLE TOILET RENTAL (1/30/14-2/26/14)	98.17	98.17
2039669	03/12/14	03760	SPANKY'S PORTABLE SERVICES INC	982675	02/27/14	PORTABLE TOILET RENTAL (2/27/14-3/26/14)	98.17	
				980896	02/10/14	PORTABLE TOILET RENTAL (2/8/14-3/7/14)	79.98	
				981861	02/24/14	PORTABLE TOILET RENTAL (2/19/14-3/18/14)	79.98	
				980899	02/10/14	PORTABLE TOILET RENTAL (2/7/14-3/6/14)	79.98	
				980898	02/10/14	PORTABLE TOILET RENTAL (2/7/14-3/6/14)	79.98	
				980897	02/10/14	PORTABLE TOILET RENTAL (2/7/14-3/6/14)	79.98	498.07
2039735	03/19/14	03516	SPECIAL DISTRICT RISK	46204	02/28/14	WORKERS' COMPENSATION (4/1/14-6/30/14)	56,637.00	56,637.00
2039625	03/05/14	02354	STANDARD ELECTRONICS	19743	02/06/14	MONITORING SERVICES (FEB 2014)	1,352.50	1,352.50
2039736	03/19/14	14906	STATE MEDIATION AND	A000076	03/17/14	ARBITRATOR LIST	50.00	50.00
2039626	03/05/14	03738	STEVEN ENTERPRISES INC	0313779IN	02/13/14	BOND PAPER (ENGINEERING)	168.67	168.67
2039627	03/05/14	07678	STREAMLINE FORMS & GRAPHICS	39129	02/06/14	TAG-COURTESY NOTICE	414.72	414.72

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2039670	03/12/14	12809	STUTZ ARTIANO SHINOFF	94311	02/24/14	LEGAL SERVICES (JAN 2014)	31,475.08	31,475.08
2039561	02/26/14	15439	SUNRANCH CAPITAL PARTNERS LLC	WOD0894	02/20/14	W/O REFUND D0894-090152	504.97	504.97
2039737	03/19/14	10339	SUPREME OIL COMPANY	395390	02/27/14	UNLEADED FUEL	14,121.00	
				395391	02/27/14	DIESEL FUEL	5,937.19	20,058.19
2039738	03/19/14	02376	TECHKNOWSION INC	2493	02/25/14	ETHERNET CONVERSIONS	3,240.00	3,240.00
2039628	03/05/14	02376	TECHKNOWSION INC	2496	02/14/14	DISTRICT GENERATORS PROGRAMMING	12,166.00	12,166.00
2039562	02/26/14	03608	TELLIARD CONSTRUCTION	OWD32014	01/31/14	CONDUIT INSTALLATION	1,500.00	1,500.00
2039563	02/26/14	15437	TEMPORARY ACCOMODATIONS	Ref002432710	02/24/14	UB Refund Cst #0000205956	35.02	35.02
2039739	03/19/14	14177	THOMPSON, MITCHELL	020114022814	03/04/14	MILEAGE REIMBURSEMENT (FEB 2014)	34.72	34.72
2039564	02/26/14	15423	TOSHIHIRO WAKAYAMA	Ref002432696	02/24/14	UB Refund Cst #0000172843	13.62	13.62
2039740	03/19/14	15469	TRIMONT REAL ESTATE ADVISORS	WOD0871	03/14/14	W/O REFUND D0871-090123	6,458.40	6,458.40
2039671	03/12/14	13743	TURNKEY HOME AND LOANS	UB203159029	03/10/14	CUSTOMER REFUND	75.00	75.00
2039741	03/19/14	00427	UNDERGROUND SERVICE ALERT OF	220140471	03/01/14	UNDERGROUND ALERTS (MONTHLY)	306.00	306.00
2039565	02/26/14	00350	UNITED STATES POSTAL SERVICE	10433951xxxx	02/24/14	PREPAID POSTAGE MACHINE	6,000.00	6,000.00
2039629	03/05/14	07674	US BANK	A000069	12/23/13	CAL-CARD EXPENSES (MONTHLY)	13,871.25	
				MW0114	01/22/14	CAL CARD EXPENSES (MONTHLY)	39.55	13,910.80
2039566	02/26/14	07674	US BANK	O0000000077	01/22/14	CAL CARD PURCHASES	26,744.43	26,744.43
2039742	03/19/14	07674	US BANK	MW0214	02/24/14	CAL CARD EXPENSES (MONTHLY)	36.73	36.73
2039672	03/12/14	07674	US BANK	A000075	12/21/04	CAL-CARD EXPENSES (MONTHLY)	16,603.60	
				E000067	02/24/14	CAL CARDS EXPENSES (MONTHLY)	5,070.46	
				E000066	02/24/14	CAL CARD EXPENSES (MONTHLY)	243.60	
				SC0114	01/22/14	CAL CARD EXPENSES (MONTHLY)	22.95	21,940.61
2039567	02/26/14	06829	US SECURITY ASSOCIATES INC	466949	01/31/14	ALARM RESPONSE (JAN 2014)	417.30	
				432622	12/31/13	ALARM RESPONSE (DEC 2013)	307.55	724.85
2039568	02/26/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2432749	02/27/14	BI-WEEKLY DEFERRED COMP PLAN	12,665.65	12,665.65
2039673	03/12/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2433008	03/13/14	BI-WEEKLY DEFERRED COMP PLAN	12,751.88	12,751.88
2039674	03/12/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2433010	03/13/14	BI-WEEKLY 401A PLAN	5,100.00	5,100.00

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2039569	02/26/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2432751	02/27/14	BI-WEEKLY 401A PLAN	6,277.00	6,277.00
2039630	03/05/14	03329	VERIZON WIRELESS	9720475883	02/21/14	VERIZON SERVICES (1/22/14-2/21/14)	6,636.35	6,636.35
2039570	02/26/14	15425	VIVIAN BARAJAS	Ref002432698	02/24/14	UB Refund Cst #0000174912	35.54	35.54
2039675	03/12/14	03781	WATTON, MARK	020114022814	03/10/14	MILEAGE REIMBURSEMENT (FEB 2014)	188.40	188.40
2039743	03/19/14	01343	WE GOT YA PEST CONTROL	87651	02/21/14	BEE REMOVAL SERVICES	115.00	115.00
2039631	03/05/14	15181	WILLDAN FINANCIAL SERVICES	01023265	02/05/14	ARBITRAGE REBATE SERVICES	1,250.00	
				01023266	02/05/14	ARBITRAGE REBATE SERVICES	1,250.00	2,500.00
2039744	03/19/14	15466	WINDINGWALK MASTER ASSOCIATION	WOD0017	03/13/14	W/O REFUND D0017-XX6456	5,403.00	5,403.00
2039632	03/05/14	15438	ZIOMEK, JEANETTE	022014	02/11/14	TUITION REIMBURSEMENT	375.50	375.50
Amount Pd Total:							2,333,914.70	
Check Grand Total:							2,333,914.70	