

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
September 3, 2014
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF JULY 2, 2014 AND AUGUST 6, 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

RECESS TO CLOSED SESSION

6. **CLOSED SESSION**
 - a) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE §54957.6]

AGENCY DESIGNATED REPRESENTATIVES: PRESIDENT LOPEZ
AND DIRECTOR
THOMPSON

EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT EMPLOYEES'
ASSOCIATION

AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

- b) PUBLIC EMPLOYEE PERFORMANCE EVALUATION [GOVERNMENT CODE §54957.6

TITLE: GENERAL MANAGER

RETURN TO OPEN SESSION

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

- 7. ADOPT RESOLUTION NO. 4242 TO APPROVE THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE OTAY WATER DISTRICT AND THE OTAY WATER DISTRICT EMPLOYEES' ASSOCIATION EFFECTIVE JULY 1, 2014 THROUGH JUNE 30, 2017, FOR THE FIELD EMPLOYEES AND ADMINISTRATIVE EMPLOYEES BARGAINING UNITS AND APPROVE EXTENDING THE SAME COST-OF-LIVING ADJUSTMENTS AND RELATED BENEFITS FOR THE MANAGEMENT AND CONFIDENTIAL EMPLOYEES; AND ADOPT ORDINANCE NO. 547 TO AMEND THE EMPLOYER-EMPLOYEE LABOR RELATIONS PROVISIONS OF THE CODE OF ORDINANCES (WILLIAMSON)
- 8. APPROVE A NEW AGREEMENT WITH THE GENERAL MANAGER WITH A TERM ENDING SEPTEMBER 3, 2017 AND PROVIDING A 2.5% COST-OF-LIVING ADJUSTMENT
- 9. LEGISLATIVE UPDATE (CHRIS FRAHM AND ROSANNA CARVACHO, BROWNSTEIN HYATT FARBER AND SCHRECK)

CONSENT CALENDAR

- 10. 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 TWO (2) PROFESSIONAL AS-NEEDED ENGINEERING DESIGN SERVICES CONTRACTS TO ARCADIS AND PSOMAS, EACH IN AN AMOUNT NOT-TO-EXCEED \$300,000 FOR FISCAL YEARS 2015 AND 2016. THE TOTAL AMOUNT TO BE AWARDED OVER THE DURATION OF THE CONTRACT WILL NOT EXCEED \$300,000 WITHOUT ADDITIONAL BOARD AUTHORIZATION
 - b) REQUEST AUTHORIZATION TO EXECUTE AND RECORD GRANT DEEDS NECESSARY TO PERFECT TITLE ON THE OTAY WATER DISTRICT (APN 597-041-50-00) AND THE GORE (APN 597-041-51-00) PROPERTIES
 - c) ADOPT RESOLUTION NO. 4240, FIXING TERMS AND CONDITIONS FOR THE ANNEXATION OF CERTAIN REAL PROPERTIES OWNED BY

THE OTAY LAND CO., LLC, APNs: 644-070-12, 14, 16, 17 AND 19-00 INTO THE OTAY WATER DISTRICT IMPROVEMENT DISTRICT NOS. 22 AND 27

- d) APPROVE THE ADOPTION OF A MITIGATED NEGATIVE DECLARATION FOR THE 870-1 RESERVOIR ACCESS ROAD PAVING PROJECT

ACTION ITEMS

11. ADMINISTRATION, FINANCE AND INFORMATION TECHNOLOGY

- a) ADOPT ORDINANCE NO. 545 AMENDING SECTION 9, ANNEXATIONS AND DETACHMENTS 9.04 B AND C.4; SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECYCLED WATER SERVICE 28.01 A AND B; SECTION 53, CONDITIONS FOR SEWER SERVICE 53.03 A.1; AND APPENDIX A OF THE DISTRICT'S CODE OF ORDINANCES WHICH WILL INCORPORATE THE FOLLOWING CHANGES: (BELL)
 - i. UPDATE THE CURRENT WATER CAPACITY FEE (INCLUDING THE TRIAD FEE) AND NEW WATER SUPPLY FEE TO REFLECT THE VALUE OF THE DISTRICT'S CURRENT AND FUTURE ASSETS
 - ii. UPDATE THE WATER ANNEXATION FEE TO REFLECT THE UPDATED "BUY-IN" FOR NEW CUSTOMERS ANNEXING INTO THE OTAY WATER DISTRICT BOUNDARIES
 - iii. MODIFY THE SEWER CAPACITY FEE TO A NEW "COMBINED" METHODOLOGY OF CHARGING CAPACITY FEES WHICH IS CONSISTENT WITH THE METHODOLOGY USED FOR WATER, WHICH REFLECTS THE VALUE OF THE DISTRICT'S CURRENT AND FUTURE ASSETS

12. BOARD

- a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

INFORMATIONAL ITEM

- 13. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:
 - a) FISCAL YEAR 2014 FOURTH QUARTER CAPITAL IMPROVEMENT PROGRAM REPORT (MARTIN)
 - b) INFORMATIONAL REPORT ON THE DISTRICT'S INTENT TO REDESIGN THE CURRENT DISTRICT WEBSITE (KERR)

AGENDA ITEM 11a



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: September 3, 2014

PROJECT: DIV. NO. All

SUBMITTED BY: Rita Bell, Finance Manager

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

SUBJECT: Adopt Ordinance No. 545 Amending Section 9, Annexations and Detachments; Section 28 Connection Fees and Charges for Potable or Recycled Water Service; Section 53, Conditions for Sewer Service; and Appendix A of the Code of Ordinances to Adjust the District's Water Capacity Fee, New Water Supply Fee, and Annexation Fee; Create a Sewer Capacity Fee and Modify the Sewer Annexation Fee, with all Changes to be Effective October 1, 2014

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 545 amending Section 9, Annexations and Detachments 9.04 B. & C.4; Section 28 Connection Fees and Charges for Potable or Recycled Water Service 28.01 A & B; Section 53, Conditions for Sewer Service 53.03 A.1; and Appendix A of the Code of Ordinances which will incorporate the following changes effective October 1, 2014.

- 1) Update the current water capacity fee (including the Triad fee) and new water supply fee to reflect the value of the District's current and future assets.
- 2) Update the water annexation fee to reflect the updated "buy-in" for new customers annexing into the Otay Water District boundaries.
- 3) Modify the sewer capacity fee to a new "combined" methodology of charging capacity fees which is consistent with the methodology used for water, which reflects the value of the District's current and future assets.

- 4) Modify the sewer annexation fee to reflect a new "buy-in" methodology which will only be charged to new customers annexing into a sewer improvement district (ID). This is also consistent with the current water annexation fee.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain approval of Ordinance No. 545 that would modify the water and sewer capacity and annexation fees the District charges.

SUMMARY:

At the time of connection to a public agency's utility system, customers are typically charged a capacity fee to "buy in" to the water and wastewater systems. The capacity fee requires new users to pay for their share of the costs to construct the facilities required for providing their water and sewer service. Revenues generated through the proposed capacity fees can be used to directly offset system expansion costs, repay debt issued for the water system expansion, or for renewal and replacement of capital projects. Use of capacity fee revenues to offset these capital and debt service costs reduces the amount of revenue required from rates assessed to existing users. In this way capacity fee revenues, in effect, reimburse the existing users (through lower rates) for the costs they have incurred to provide capacity for new users.

In addition, the new water supply fee pays for the expansion cost of capital for new water supply projects. This fee could be incorporated into the capacity fee; however, the recommendation is for it to remain separate from the general capacity fee to highlight how the District is charging new users for the new supply.

An annexation fee is based on all availability fees and property taxes paid by existing users. For water customers it is charged to all properties annexing into the Otay Water District boundaries. For sewer customers it is proposed to be charged to all properties annexing into a sewer ID. This fee compensates the existing users for their past investment in the District's water and sewer systems.

The proposed fees, effective October 1, 2014, are applied per Equivalent Dwelling Unit (EDU) and are as follows:

	Current Fee	Proposed Fee	Change
Water			
Capacity Fee	\$8,237	\$7,984	(\$253)
New Water Supply Fee	\$949	\$989	\$40
Annexation Fee	\$1,622	\$1,777	\$155
Total	\$10,808	\$10,750	(\$58)
Triad Capacity Fee	\$6,164	\$5,990	(\$174)
Sewer (in ID)			
Capacity Fee (buy-in)	\$0	\$4,092	\$4,092
Sewer (outside ID)			
Capacity Fee (buy-in)	\$5,986	\$4,092	(\$1,894)
Capacity Fee (debt)	\$0	\$2,308	\$2,308
Annexation Fee	\$0	\$1,018	\$1,018
Total (outside ID)	\$5,986	\$7,418	\$1,432

BACKGROUND:

A District objective is that growth pays for growth. This is achieved by charging capacity and annexation fees to new customers. Periodically, these fees are reviewed and updated to ensure equity and accuracy of the fees.

In 2010, a Capacity and Annexation Fee study was performed. In May of 2010, the Board changed the fee structure for water. The capacity fee structure was changed from an incremental to a combined fee methodology. A new water supply fee was established to separately identify the cost of new water supply projects and is essentially a subcomponent of the capacity fee that we choose to show separately.

The water annexation fee methodology was also modified in 2010 to reflect both the changes in the capacity fee study and to use an industry accepted method for calculating the fee. This fee is charged to new customers annexing into the Otay Water District boundaries. The purpose was to collect from new water customers their fair share of taxes (1% property tax and availability fees) already paid by the existing customers in the District.

In the 2010 study, the sewer capacity and annexation fees were not updated. Currently, the District has what is called a sewer annexation fee, a more industry standard name for this fee would be the "buy-in" portion of a capacity fee. No expansion of this system was or is planned so the expansion component of the capacity fee was not necessary.

In October 2013, an RFP was issued to retain a consultant to conduct a water and sewer capacity and annexation fee study for the District. Three firms responded and, in December 2013, under the General

Manager's authority, the firm of HDR was retained to perform a capacity and annexation fee study for the District. The results of this study are presented below.

STUDY RESULTS:

Fee Analysis:

There are several industry accepted methodologies to use when calculating capacity and annexation fees which are viable under California law.

The first capacity fee method is the Combined Capacity Fee, which is what the District currently uses for the water capacity fee. Under this methodology, the cost of the current system plus the cost of all future expansion projects is divided by all customers existing and future. The following illustrates the combined fee methodology.

$$\frac{\text{Existing and Future Asset Values}}{\text{Existing and Future Equivalent Meters}}$$

The second is the Incremental Capacity Fee method where the cost of all future expansion projects is divided by all future customers. Currently, this is the method used by the District for calculating the sewer capacity fee. Since 1998 there have been no sewer expansion projects therefore, the sewer capacity fee is essentially zero. The following illustrates the components of this calculation.

$$\frac{\text{Value of Future Facilities}}{\text{Future Equivalent Meters}}$$

The third capacity fee method is called the Buy-in Fee, where the cost of the current system, including the excess capacity, is divided by the existing customers. This fee is charged to all new customers and reflects how much existing customers have paid for the current system. The current sewer annexation fee uses this method and therefore, is essentially a sewer Buy-in Capacity Fee. The calculation is illustrated below.

$$\frac{\text{Existing Asset Value}}{\text{Existing Equivalent Meters}}$$

Annexation fees are commonly used by cities and districts and ensure that existing users are compensated for their past investment in the water system. Under this methodology, all property taxes paid by the existing District property owners (1% property tax and availability fees) is divided by the total number of existing EDUs within the District. The calculation is illustrated below.

$$\frac{\text{Total Taxes Collected}}{\text{Existing EDUs}}$$

Asset Valuation:

There are two ways to value the cost of existing facilities. The first valuation methodology is reproduction cost. This method uses the original cost of existing facilities adjusted for inflation. The second valuation methodology is replacement cost or what it would cost today to build the same functional infrastructure (which means it may not be identical in construction methods or materials, but that it performs the same function).

Staff and the consultant's recommendation is to use replacement cost using depreciated value as the basis for valuation of water and sewer pipelines. Reproduction cost using depreciated value is recommended for all other assets such as reservoirs and pump stations.

Water Capacity and Annexation Fees:

This study's recommendation is to continue to use the Combined Capacity Fee methodology for the calculation of the water capacity fee. The current water capacity fee is \$8,237.03 after being adjusted for the ENR Index through June 1, 2014. Based on the most up-to-date capital improvement plan, the newly calculated water capacity fee is \$7,984. A discounted capacity fee of \$5,990 was calculated for the Triad developers by excluding future potable storage, thereby recognizing their prepayment of storage.

In May 2010, the Board authorized a New Water Supply fee which separately identifies the cost of new water supply projects. The current study recommends continuing the same methodology as the basis of the fee and to update the current fee of \$949.03, inflated by ENR, to the recommended fee of \$989 which reflects the current capital plan.

This study also recommends to continue the current industry accepted water annexation fee methodology. This fee is charged to new customers that want to annex into the Otay Water District boundaries, since they have not historically paid their share of these fees or taxes. Thus, existing users are compensated for their past investment in the District's water system. The current water annexation fee is \$1,622.36, after being adjusted for the ENR Index through June 1, 2014, and the new recommended fee is \$1,777 reflecting the updated cumulative tax collections.

Sewer Capacity and Annexation Fees:

The sewer capacity and annexation fees were last updated in November 1998 as part of a fee study. Currently, the District has no sewer capacity fee (based on the 1998 study) and an annexation fee of \$5,985.73. The annexation fee currently charged is really a "buy-in" capacity fee meant to reimburse the sewer customers who built the sewer infrastructure. The current annexation fee is only charged when a customer is annexed into a sewer ID.

At the time of the 1998 study it was thought that some customers, up to one-third, would not pay the annexation fee or capacity fee. But in fact, in the past five years only 5 of 27 new sewer connections paid an annexation fee because these 5 customers were outside a sewer ID. The flaw in the prior thinking did not anticipate that so many new sewer customers would pay no connection fee. Based on this current study, staff recommends that all new sewer customers should have to "buy-in" to the sewer system to ensure all customers pay their fair share.

Additionally, because customers who were already in a sewer ID paid debt (used for the construction of sewer facilities) that was collected through the tax role, it is necessary to create two separate capacity fees. The first capacity fee applies to parcels within an ID that paid prior tax debt, which is recommended to be set at \$4,092. The second capacity fee applies to parcels outside an ID that have not paid tax debt and it is recommended to be set at \$6,400 (\$4,092 + \$2,308 see table above). By establishing two separate sewer capacity fees it ensures that each new customer pays their fair share of facilities and that no customer is overcharged.

The new recommended sewer annexation fee is set at \$1,018 based on the availability fees paid via the tax role by existing customers. The new annexation fee would only be paid by new customers that are not currently in a sewer ID and therefore, are required to annex into a sewer ID prior to any sewer connection.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

The fiscal impact for Fiscal Year 2015, based on the projected meter sales, is an estimated decrease in capacity fees and an increase in new water supply fees of approximately \$46,178 and \$7,295, respectively. There is no expected fiscal impact for the new water annexation fee in Fiscal Year 2015 since the District does not anticipate any new annexations. All long-term fiscal impacts of these rate changes will be assessed and considered in the future rate modeling. The proposed changes in these fees are not expected to have a significant long-term fiscal impact because of the minimal change in the amounts.

Because new sewer connections are minimal, on average less than two a year, it is difficult to determine the fiscal impact. However, based on the history of sewer, the assumption is that there will be an increase in sewer capacity and annexation fees that will offset future sewer rate increases and debt.

STRATEGIC GOAL:

To ensure that the costs of service are born by responsible parties. This revenue source will help the District meet its fiscal responsibility to its ratepayers.

LEGAL IMPACT:

None.

General Manager

Attachments:

- A) Committee Action Form
- B) Ordinance No. 545
 - Exhibit 1 Strike-through Section 9
 - Exhibit 2 Strike-through Section 28
 - Exhibit 3 Strike-through Section 53
 - Exhibit 4 Strike-through Appendix A
- C) Proposed Section 9
- D) Proposed Section 28
- E) Proposed Section 53
- F) Proposed Appendix A
- G) Fee Study by HDR
- H) Presentation by HDR



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance No. 545 Amending Section 9, Annexations and Detachments; Section 28 Connection Fees and Charges for Potable or Recycled Water Service; Section 53, Conditions for Sewer Service; and Appendix A of the Code of Ordinances to Adjust the District's Water Capacity Fee, New Water Supply Fee, and Annexation Fee; Create a Sewer Capacity Fee and Modify the Sewer Annexation Fee, with all Changes to be Effective October 1, 2014
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COMMITTEE ACTION:

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

- Staff indicated that the District updates its capacity and annexation fees every four (4) to six (6) years. The purpose of updating the fees is to assure that growth pays for growth and to verify that the rates are based on cost.
- The last capacity and annexation fee study was completed in 2010 and, at that time, the District modified the methodology of some of the District's fees which is explained in the staff report.
- The District had met with the Developers in April 2014 and shared with them the capacity and annexation fee study and the updates to the fees that are being proposed.
- Mr. Tom Gould of HDR reviewed the results of the study they had prepared on the District's Capacity and Annexation fees. He stated that it is prudent to review the fees on a regular basis as conditions change (growth, facilities, time value of money, etc.) and the fees should reflect the current environment.
- It was indicated that capacity and annexation fees are different from rates. Rates are charged for the operation and maintenance of the water and sewer systems. Capacity and annexation fees are for new customers who wish to connect to the system. The fees:

- Are to charge new customers an equitable share of the cost of infrastructure to serve their needs ("growth paying for growth," that is, new customers pay for new facilities and their proportionate share of the existing distribution system)
 - Shelters existing customers from impacts of system expansion for growth
 - Generates revenue for growth related facilities
- The methodology for determining the water capacity and annexation fees is consistent with the District's 2010 study. The past studies have used generally accepted practices.
 - The study looked at capital improvement projects that would provide for new capacity or expansion on the system. It was indicated that in situations where an existing facility will be upsized, the portion that is upsized would be included in the expansion fee. Replacement of a facility would be borne by the existing ratepayers.
 - It was explained that the Capacity Fee is used to fund existing facilities along with any expansion to serve growth and the New Supply Fee is for funding new water supply projects. The fees are based on connection size/meter size and the number of equivalent EDU's (Equivalent Dwelling Units - the safe operating capacity of the water meter) required to serve a customer's property. It was indicated that a 2-inch water meter has eight (8) times the capacity of a 3/4-inch meter (or a 2-inch meter is equivalent to eight [8] 3/4-inch meter connections). The capacity and new supply fee increase in relation to the amount of capacity (meter size) the customer is requesting from the system. The study's review of the District's Capacity fee proposes that it be lowered slightly and the Water Supply fee be increased a little (see page 8 of presentation for the new proposed Capacity and New Supply fees by meter size).
 - For a 3/4-inch meter (1 EDU), the Capacity and New Supply fee together would decrease from \$9,186 to \$8,973 or -\$213. Staff noted that the capacity and new supply fees are adjusted each quarter based on the ENR index and is the reason there is a small change in the proposed fees between studies. The fees are kept fairly updated through the quarterly inflation adjustments. The proposed rates were

calculated using June 30, 2013 data, which was the most up-to-date data available. The proposed fees were then adjusted to June 1, 2014 using the ENR index. If approved, the proposed fees will be adjusted further as per in the Code of Ordinance using the September 1, 2014 ENR index. Therefore, the October 1, 2014 implementation will use the June 30, 2013 calculated fees adjusted by the ENR values to September 1, 2014.

- Staff indicated that the board has been conscientious to assure that the ratepayers are not paying for the cost of expansion. The District has been preparing Cost of Service Studies for many years to assure that this objective is met.
- It was indicated that the District currently has an annexation fee for sewer and is not charging a capacity fee presently. The annexation fee, however, is more of a capacity fee rather than an annexation fee. The study proposes that the terminology be made consistent between water and sewer. Thus, what the District termed as an annexation fee, will now be termed a capacity fee and an annexation fee will be established for sewer.
- The new sewer capacity fee will be changed to a similar methodology as the water capacity fee. It will not include future planned assets/improvements and considers only existing sewer assets. The present sewer capacity fee "former annexation fee" for a Residential unit outside a sewer ID per EDU is \$5,986. The fee is based on the capacity requirements that a new customer places on the system (see page 13 of presentation).
- The proposed policy for sewer capacity fees was presented:
 - Customers within an ID area:
 - o would pay the capacity fee less a debt credit (the 1% general tax [availability fee] which they have paid in the past)
 - o would receive reductions recognizing their previous payments of debt
 - o pay a fee for their share of facilities paid for through rates
 - Customers outside of an ID area:
 - o Would pay a capacity and annexation fee

- The study proposes that the sewer capacity fee for a residential unit (1 EDU) for customers within an ID area be set at \$4,092 and if the customer is outside an ID area, the fee will be set at \$6,400. Staff noted that the District had a sewer State loan which was paid off approximately four (4) years ago. This debt was paid through the tax rolls. Thus, if a customer was within a sewer ID, he/she was paying for this sewer debt on their property taxes. If the customer was outside a sewer ID, he/she was not paying for this sewer debt.
- The purpose of an Annexation fee is to bring equity to existing customers who have paid the general tax and availability fees into the system over the years and those that have not. The District has established an annexation fee for water, however, an annexation fee was never established on the sewer side.
- In comparing the present and new proposed sewer fees, for parcel outside an ID, there will be a \$415 increase in the fee. The present fee is \$5,986 (this fee was titled an Annexation fee, but was really a Capacity fee) and the new proposed Capacity fee is \$6,400. For parcels within an ID who formerly paid no capacity fee the new sewer capacity fee will be \$4,092.
- Any customer outside of the District's service area or ID areas who annexes into the District's system is subject to pay an annexation fee. The fee is a one-time fee and a share is equal to the value of the past fees and taxes paid by existing customers. The fee is determined by accumulating the past taxes and availability fees and bringing them into current day dollars (applying CPI), and dividing by current EDU's. This will determine the "buy-in" share per EDU.
- The current water annexation fee for a 3/4-inch meter is \$1,622. It is proposed that the fee be increased slightly to \$1,777 for a 3/4-inch meter. It is proposed that the District implement a new annexation fee for sewer. The new sewer annexation fee for a residential customer (1 EDU) is \$1,018 (see page 20 of the presentation for the new proposed annexation fees by meter size and EDU's). Staff indicated that this fee is only for customers who are annexing into an ID. If a customer is already in an ID, they would not pay this fee.

- In response to an inquiry from the committee, staff confirmed that all the District's sewer customers are located within Division 5.
- It was discussed that the Sewer Annexation fee is a new proposed fee and it is a policy decision by the board if they wished to implement the new fee. It was noted that approximately 90% of customers are already within an ID. Over the last five (5) years the District has received 27 customer requests to connect to the District's sewer system. Of the 27 only 3 paid a sewer capacity fee (formerly known as the annexation fee).
- It was indicated that if the District charged less than what is proposed by the study, then in effect, the District would be sharing the cost of growth between the existing customers and the new customers.
- The District's attorney explained in response to an inquiry from the committee, that if the District under-collected fees, it cannot go back and collect back fees. The fees would become a proposed tax which would be voted on by the sewer ratepayers.
- The committee requested that the developers be made aware that this item would be presented to the board for consideration at the September 3 board meeting.

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

ORDINANCE NO. 545

AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT
AMENDING SECTION 9, ANNEXATIONS AND DETACHMENTS; SECTION 28,
CONNECTION FEES AND CHARGES FOR POTABLE OR
RECYCLED WATER SERVICE; SECTION 53, CONDITIONS
FOR SEWER SERVICE; AND APPENDIX A
OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances Section 9, Annexations and Detachments; Section 28, Connection Fees and Charges for Potable or Recycled Water Service; Section 53, Conditions for Sewer Service; and Appendix A be amended as per Exhibits 1, 2, 3 & 4 to this resolution.

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 9, Annexations and Detachments (Attachment C); Section 28, Connection Fees and Charges for Potable or Recycled Water Service (Attachment D); Section 53, Conditions for Sewer Service (Attachment E); and proposed Appendix A (Attachment F) of the Code of Ordinances shall become effective October 1, 2014.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 3rd day of September 2014, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS

9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENTS DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

If the land proposed to be annexed is outside the boundaries of the territory served by the Metropolitan Water District of Southern California and the territory served by the San Diego County Water Authority, and no local sources of water are available to serve such land, the District will require that the land be annexed to those entities as well.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including

without limitation any conservation or local supply use requirements.

9.04 FEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or within the District shall pay the following applicable fees and charges:

- A. Administrative Processing Fees
1. District Processing Fee. A District processing fee (see Appendix A, ~~Section 9.04 A.1.~~ for fee) shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. This fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
 2. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
 3. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
 4. Payment of Fees and Charges. The District processing fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the District shall be a condition for District approval of the annexation or detachment.
- B. Water Annexation Fees. ~~for Annexations into the Otay Water District Boundaries.~~ The annexation fee (see Appendix A, ~~Section 9, 9.04 B.~~) shall constitute the "base rate" on ~~August 6~~October 1, 2014). The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 9777.1910,739.43 on July

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~~1, 2009~~ June 1, 2014 shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from ~~June 10, 2009~~ June 1, 2014 to the date of payment.

1. No water annexation fee shall be required for existing and future agricultural water service furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.
2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing into the Otay Water District boundaries on or after March 5, 1997.
6. Basis for Determination. For annexations of land into the Otay Water District boundaries, the petitioner shall pay an annexation fee. The fee shall be paid at the time of petition to be annexed. There shall be no water annexation fee charged for parcels already within District boundaries that are applying to be annexed into a water ID.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee per EDU. See Appendix A, ~~7-Section 99.04 B.~~ for fees.

C. Sewer Annexation Fees for Annexations to Sewer Improvement Districts

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1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.
2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.
3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer improvement district on or after December 16, 1998.
4. Basis for Determination. For annexations of land to a sewer improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee per EDU. See Appendix A, Section 9, 9.04 C.4 for fees.

This annexation fee shall constitute the "base rate" on December 16, 1998~~October 1, 2014~~. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of ~~\$6,859,451,018~~10,739.43 (as of ~~November 9, 1998~~June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from ~~November 9, 1998~~June 1, 2014 to the date of payment.

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D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for

the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

9.06 OTHER CONDITIONS OF ANNEXATION

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including without limitation any conservation or local supply use requirements.

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECYCLED WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or recycled water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, ~~applicable zone charge~~ and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, by the total of the District-wide capacity fee ~~and applicable zone charge~~.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. ~~1.~~ The District-wide capacity fee ~~and the applicable zone charge~~ shall constitute the "base rate." For fees or charges after ~~July 1, 2010~~~~August 6, 2014~~~~October 1, 2014~~, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of ~~9777.19~~~~10,739.43~~ (as of ~~July 1, 2009~~~~June 1, 2014~~) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June ~~10, 2009~~~~1, 2014~~ to the date of payment. (See Appendix A, ~~Section 28, 28.01 B.1.~~ for fees.)

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2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after ~~July 1, 2010~~~~August 6, 2014~~~~October 1, 2014~~, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of ~~9777.19~~~~10,739.43~~ (as of ~~July 1, 2009~~~~June 1, 2014~~) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June ~~10, 2009~~~~1, 2014~~ to the date of payment. (See Appendix A, ~~Section 28, 28.01 B.2.~~ for fees.)

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28.02 INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The meter fees and installation charges are set forth in Appendix A, ~~Section 28, 28.02.~~

Where a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

- A. The meter fees and installation charges shall be set effective September 1, 2012, and then adjusted in the same manner as capacity fees as described in Section 28.01 B.1 above (See Appendix A, Section 28, 28.01 B.2. for fees).

28.03 METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.
- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.
- C. If a water meter/service has been previously paid and installed, and the customer requests a different meter size, the customer shall pay for the new meter and installation fees, plus any differential in capacity and new water supply fees as described in Section 28.03 B above.

SECTION 53 CONDITIONS FOR SEWER SERVICE

53.01 CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

Sewer service capacity may be acquired only for service to a specific address, parcel of land, or a land development project covered by an approved map. An approved map shall mean a recorded final map, a recorded parcel map or a tentative subdivision map that has been approved by the County or by a City, as applicable.

- A. District Acceptance of Sewer Facilities for Russell Square Area - Under an Agreement with Cal Dorado Development, Inc., dated June 28, 1981, the District accepted title to a sewer pump station, force main and appurtenances for a sewage system to provide sewer service to the residential dwelling units to be constructed within the parcels of land in San Diego County Tentative Parcel Map 17150. Under an Agreement with Cal Dorado Development, Inc., dated June 18, 1981, the District agreed to provide service to such parcels on the terms and conditions contained therein. On October 1, 1984, pursuant to Resolution No. 2139, the District Board of Directors accepted title to the facilities.

53.02 SERVICE AREAS

Sewer service shall be furnished by the District only to property located in Improvement District No. 14 (ID 14), Improvement District No. 18 (ID 18), and Assessment District No. 4 (AD 4), and the Russell Square Sewer Service Area. Sewer service to property located outside such areas may be furnished only upon annexation to ID 18 and payment of all applicable annexation fees. (Appendix A, Section 9, 9.04 C.4.)

- A. Designation of Russell Square Sewer Area - The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file with the District Secretary, constitutes the Russell Square Sewer Service Area.

53.03 53.03 ACQUISITION OF SEWER CONNECTIONS FOR SERVICE

- ~~A. ID 14, ID 18 and AD 4~~
~~Prior to December of 1998 the sewer customers who have been in an ID but not yet connected to the sewer system have paid sewer tax debt. Effective September/October 1, 2014 two separate sewer capacity fees have been established to ensure sewer customers do not pay for facilities twice. The first capacity fee applies to parcels within an ID that paid prior tax debt. The second capacity fee applies parcels outside an ID that have not paid the tax debt. The sewer capacity fees shall constitute the "base rate." For fees or charges after October 1, 2014, the base rate shall~~

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be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 10,739.43 (as of June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment.

1. Sewer Connection Capacity Fee within an ID

There shall be no connection capacity fee for sewer service to parcels already annexed into Improvement District No. 14, Improvement District No. 18 and Assessment District No. 4 on or after December 16, 1998. All new sewer connections for parcels within a sewer ID shall pay a connection fee (Ccapacity Ffee) for each Equivalent Dwelling Unit (EDU) of sewer service provided. The connection capacity fee is due at the time an application for sewer service is submitted requested. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code. (See Appendix A, Section 53 for fees) In addition, the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.10 A and B.

2. Sewer Connection Capacity Fee outside an ID

All new sewer connections for parcels not within a sewer ID (requiring to be annexed into a sewer ID) per code Section 9.04 C.) shall pay a connection fee (Ccapacity Ffee) for each Equivalent Dwelling Unit (EDU) of sewer service provided. The connection capacity fee is due at the time an application for sewer service is submitted requested. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code. (See Appendix A, Section 53 for fees)

B. Russell Square Pump Station

1. Sewer Connection Fee

A connection fee (see Appendix A, section 53, 53.03 B.1. for fee) for each Equivalent Dwelling Unit (EDU) of sewer service provided through Russell Square Pump Station shall be collected. The connection fee is due at the time an application for sewer service is submitted. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code.

- (a) Exempt Parcels - The connection fee shall not apply to connections for sewer service to the parcels within the Tentative Parcel Map 17150. Such exempt parcels are currently identified as

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Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. Monthly Sewer Service Charge

A monthly sewer service charge (see Appendix A, Section 53, ~~53.03 B.2~~ for charge) to cover normal operational costs of the Russell Square Pump Station and force mains shall be collected. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.

The proceeds of the fees and charges received by the District under 53.03 B.1 and 53.03 B.2 shall be used by the District solely for maintenance, replacement or repair under 53.03 B.1 and for the operation of the facilities under 53.03 B.2.

In addition, the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.10 A and B.

53.04 CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall deposit with the District the estimated costs to be incurred by the District in connection with the installation of the facilities required, as determined by the District. Upon completion of the work, the District shall calculate the actual costs incurred by the District in performing the work. If actual costs are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If actual costs exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.05 PAYMENT OF FEES

All fees prescribed in the Code shall become owing, due and payable at the time application is made to connect a premise to the sewer system of the District. The fees shall be paid to the District prior to the issuance of any permit authorizing the connection of such premise to the District sewer system. If the proposed connection cannot be made, the fee may be refunded when approved by the General Manager.

53.06 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION

The use of a sewer connection shall be limited to the type and number of EDUs authorized by the original wastewater discharge permit. Before adding any additional equivalent dwelling units, buildings, modifying existing buildings, or change of occupancy type, the property owner shall make a supplementary wastewater

permit application to the District for such change in use and pay additional sewer annexation fees per EDU, if necessary, as may be applicable. Periodic inspection of the premises may be made by the District and if actual use is greater than estimated use, an assessment for additional annexation fees shall be assessed in accordance with the fee schedule in the then current Code of Ordinances.

53.07 WASTEWATER DISCHARGE PERMIT ISSUANCE AND LIMITATION

- A. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewage system.
- B. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater discharge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.
- C. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to District sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.08 BASIS FOR DETERMINATION OF EQUIVALENT DWELLING UNITS (EDUs)

The number of EDUs for sewer service shall be determined on the following basis:

A. Residential Facilities

EDUs	Description
------	-------------

1	<ul style="list-style-type: none"> ▪ Single-family residence (Includes manufactured homes and mobile homes which are on private lots.) ▪ A secondary structure with a kitchen is considered an additional EDU ▪ Each individual living unit in apartments, multiple family housing and residential condominiums ▪ Each individual space in mobile homes and trailer parks
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B. Commercial/Industrial Facilities

1. Food Service Establishments

EDUs	Description
3	<ul style="list-style-type: none"> ▪ Take-out restaurants with disposable utensils, no dishwasher and no public restrooms ▪ Take-out restaurants with disposable utensils, no dishwasher and no public restrooms ▪ Miscellaneous food establishments - ice cream shops, yogurt shops, bakeries (sales on premise only) ▪ Take-out/eat-in restaurants with disposable utensils, but with seating and public restrooms ▪ Restaurants with reusable utensils, seating and public restrooms (0-18 seats) <ul style="list-style-type: none"> o Add 1.0 EDU for each additional 6 seat unit, or portion thereof

2. Hotels and Motels

EDUs	Description
.38	Per living unit without kitchen
.60	Per living unit with kitchen

3. Commercial, Professional, Industrial Buildings and Establishments not specifically listed herein

EDUs	Description
1.2 +0.7	For first 1,000 square feet <u>AND</u> For each additional square feet or portion thereof Applies to any office, store or industrial condominium or establishments
1.2 +0.7	For first 1,000 square feet <u>AND</u> For each additional 1,000 square feet of gross building floor area. Portions less than 1,000 sq. ft. will be prorated.

	Applies to situations where the occupancy type or usage is unknown at the time of application for service. This shall include, but not be limited to, shopping centers, industrial parks and professional office buildings.
1.0	Self-service laundry per washer

4. Convalescent Homes

EDUs	Description
0.7/bed	Skilled nursing care facilities, psychological hospitals, convalescent hospitals; licensed by the applicable Governmental Agency.
0.5/bed	Community Care Facilities with 16 or more beds licensed by the applicable Governmental Agency.
1.0	Community Care Homes with six or fewer total residents, including resident staff and housekeepers (to be the same EDU as a single family residence).

C. Other commercial, industrial and other types of business establishments not included in 53.08 B.1 through 53.08 B.4

If the establishment is not included in 53.08 B.1 through 53.08 B.4 or if the EDUs specified in 53.08 B.1 through 53.08 B.4 are not representative of actual flow due to the number of employees or type of operation, the number of EDUs shall be determined in each case by the list of commercial strengths as defined by the State Water Resources Control Board (SWRCB) or by the General Manager and shall be based upon the estimated volume and type of wastewater discharge into the sewer.

Examples of commercial, industrial and other business establishments include, but are not limited to, bottling works, supermarkets, markets, deli/markets, convenience stores, hospitals, laundries (other than self-service laundries), automobile service stations, mortuaries, day-care centers, bars and pool halls.

53.09 TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

EDU sewer connection rights obtained by a customer may not be sold, transferred, or assigned separately from ownership of the real property for which they were obtained, unless otherwise stated in an agreement with the District.

53.10 DEFINITIONS OF RESIDENTIAL AND MULTI-RESIDENTIAL SEWER SERVICE RATES, CHARGES AND FEES

All District sewer rates, charges, and fees are subject to Board approval of rate increases to residential and multi-residential sewer services billed on or after January 1, 2014 and may apply

to sewer services as early as the beginning of December 2013 and periodically thereafter through December 31, 2018. The increases shall be the amount sufficient to cover cost increases related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning January 1, 2014 through December 31, 2018.

Set-up Fees for Accounts - A set-up fee (see Appendix A, Section 53, 53.10 for fee) shall be charged for each account transferred to another customer.

Winter Average Determination - Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). The winter average period is January through April. The winter average is calculated by adding the four months of water consumption for the preceding winter and dividing the resulting amount by four. This average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes see Appendix A, Section 53, 53.10.

Usage Fee - The usage fee rate (see Appendix A, Section 53, 53.10) is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount) and the resulting amount is added to the System Fee applicable to the size of meter. The resulting fixed fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.

Residential Sewer System Fee - The monthly system fee is set forth in Appendix A, Section 53, 53.10.

A. Residential Rate Charges

1. Defined as: Sewer service for individually metered residential households.
2. The monthly sewer bill is calculated by adding the system fee plus the usage fee as described in 53.10 above.
3. The maximum "Winter Average" for individually metered residential customers is 30 units (after the 15% discount).
4. Monthly Residential Sewer Rate without Consumption History: The average residential sewer rate shall be determined by calculating the total usage fee for all residential customers and dividing by the number of residential customers. Then the monthly average usage

fee is added to the system fee and this shall be used to determine the total monthly fee to be used for residential customers with no prior winter consumption, customers using well water or other unmetered water. See Appendix A, Section 53, 53.10 A.

B. Multi-Residential Rate Charges

1. Defined as: Sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.
2. The monthly sewer bill for the complex is calculated by adding a system fee based on meter size (as set forth in Appendix A, Section 53, 53.10 B.2.) plus the usage fee (as set forth in Appendix A, Section 53, 53.10 B.2.) multiplied by the winter average, for the entire complex. Note: There is no cap on consumption for the multi-residential customers.
3. Monthly Multi-Residential Sewer Rate without Consumption History: The multi-residential sewer rate shall be determined by calculating the total usage fee for all multi-residential customers and dividing by the number of multi-residential dwelling units. The usage fee per dwelling unit is multiplied by the new customer's number of dwelling units and this shall be added to the monthly system fee, based on meter size, to determine the monthly rate. This is applicable to new complexes that do not have a prior winter consumption history. See Appendix A, Section 53, 53.10 B.

53.11 DEFINITIONS OF COMMERCIAL AND INDUSTRIAL SEWER SERVICE RATES, CHARGES AND FEES

All District sewer rates, charges, and fees are subject to Board approval of rate increases to commercial and industrial sewer services billed on or after January 1, 2014 and may apply to sewer services as early as the beginning of December 2013 and periodically thereafter through December 31, 2018. The increases shall be the amount sufficient to cover cost increases related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning January 1, 2014 through December 31, 2018.

Set-up Fees for Accounts - A set-up fee (see Appendix A, Section 53, 53.11 for fee) shall be charged for each account transferred to another customer.

Average Annual Consumption - The Average Annual Consumption, measured in units of hundred cubic feet (HCF). The annual consumption period is January through December of the preceding year divided by the number of months of consumption. This average is reduced by a 15% usage discount which recognizes that not all water used flows into the sewer system.

Usage Fee - The usage fee rate (see Appendix A, Section 53, 53.11 for rate) is determined by the commercial customer's sewer strength category in which they are assigned (low strength, medium strength or high strength).

System Fee - The monthly system fee is determined by the commercial customer's water meter size (as set forth in Appendix A, Section 53, 53.11).

Strength Factor - The State Water Resources Control Board (SWRCB) has grouped commercial customers into various categories and has identified Strength Factors for each of these business categories. The standard of measure for Strength Factors is the typical sewer strength of a single-family residence (SFR). A SFR has strength factor of 1. (As set forth in Appendix A, Section 53, 53.11)

A. Commercial Rate Charges

1. The monthly sewer bill for commercial sewer customers is calculated by multiplying the average annual consumption, reduced by 15%, by the usage fee based on strength (as set forth in Appendix A, Section 53 53.11) plus the monthly system fee based on the customer's water meter size.
2. For new commercial sewer customers without consumption history, staff shall make a determination of the average annual consumption to be used until a year's consumption data can be collected. The determination shall be based on the prior owner or tenant of the sewer connection, or based on the most similar type of current business operation. If the customer does not agree with staff's recommendation, the customer may request an adjustment, in writing, and direct it to the General Manager.

B. Industrial and Other Users

1. Charges determined by the Board of Directors on a case-by-case basis.

Monthly sewer service charges shall commence upon installation of the water meter to serve the premises receiving the sewer service, upon connection to the District sewer system, upon start of occupancy of the premises to be served, or one year after the date the application for sewer service is filed. If a sewer service connection has been obtained and if sewer service will not be used until sometime after installation of the water meter, commencement of the sewer service charge may be deferred until the later date only upon prior approval of the General Manager.

C. Commercial User Classifications

Commercial sewer service customers are subject to periodic inspection of the premises by the District for verification of proper sewer strength classification. In addition to such periodic inspections, strength classifications will be reviewed periodically, at the discretion of the District. If warranted following a periodic inspection, periodic classification review, or a change in the nature of a customer's business and/or use of the property, customers may be reclassified to reflect their current business operations and proper sewer strength, at the discretion of the District and consistent with the standards set forth herein and in the State Water Resources Control Board (SWRCB) listing for sewer strength.

1. Low-Strength Commercial = 1.0 Strength Factor

Car wash
General office and buildings
Barber and beauty shops
Department, retail stores and general commercial
Hospitals and convalescent homes
Public Laundromats and dry cleaners
Professional office or office building
Warehouse
Bars without dining facilities
Churches
Schools (Elementary, junior & High Schools, Colleges)
Other uses having a similar strength as determined by the District

2. Medium-Strength Commercial = 2.0 Strength Factor

Hotels without dining facilities or cooking facilities
Auto repair/sales shop and service station
Shopping centers
Other uses having a similar strength as determined by the District

3. High-Strength Commercial = 4.0 Strength Factor

Bakery or bakery with deli
Hotel with dining facilities
Restaurants and bars with food
Grocery stores with onsite butcher and/or bakery
Other uses having a similar strength as determined by
the District

53.12 ISSUANCE AND PAYMENT OF SEWER BILLS

- A. Issuance of Statements: Statements for sewer service or other charges will be mailed monthly or as soon as practical, after the applicable charges have been determined.
- B. Due Date: Each statement issued by the District for such charges shall be due and payable on the date of mailing or other presentation to the customer.
- C. Final Payment Date: All charges in each statement must be paid on or before the final payment date shown on the statement, which shall be at least 20 calendar days following the date of mailing or presentation of the statement.
- D. Place of Payment: Payments shall not be credited to a customer's account until cash, check, credit card, draft, electronic funds transfer, money order or any other acceptable form of payment that will be honored by the bank has been received by the District at the District business office during regular office hours. Deposit of payment in the mail or at a location other than the District business office shall not be credited to a customer's account until received at the business office.
- E. Returned Check Charges: A returned payment charge (see Appendix A, ~~Section 34, 34.01 D.2~~ for charge) shall be added to a customer's account in each instance where payment has been made to the District with a check, draft, credit card or any other acceptable form of payment that has not been honored upon presentment to the bank upon which it is drawn.

53.13 DELINQUENT ACCOUNTS

- A. Requirement of Deposit Due to Repeated Delinquencies: If payments on a customer account have become delinquent five or more times, the General Manager, Chief Financial Officer, or any person delegated by the General Manager, shall be authorized to require the customer to make a deposit with the District, in cash or any other form satisfactory to the General Manager. The deposit amount shall be established at the discretion of the General Manager and the Chief Financial Officer, but shall not exceed two times the

highest bill during the twelve (12) months preceding the date of demand for a deposit.

- B. Handling of Deposit: A deposit shall not earn interest and shall only be applied to reduce or satisfy amounts due the District in the event of termination of service. A deposit does not constitute payment for service bills and the customer shall be required to comply with bill payment requirements to continue receiving service.
- C. Refund of Deposit: A deposit required under this Section shall be refunded to the customer as provided in Section 25.04 B.

Otay Water District
Appendix A

Section #	Code #	Fee Description	Meter Size	Charges	
9	9.04 A.1.	District Annexation Processing Fee		\$763.83	
	9.04 B.	Annexation Fees for Water Annexations into Otay Water District Boundaries		District-wide Annexation Fee	
			3/4"	\$1,622.36	
			1"	\$4,055.90	
			1-1/2"	\$8,111.80	
			2"	\$12,978.88	
			3"	\$25,957.76	
			4"	\$40,559.00	
			6"	\$81,118.00	
			8"	\$129,788.80	
			10"	\$186,571.40	
	9.04 C.4.	Annexation Fees for Annexations to Sewer Improvement Districts		\$5,985.73	
10	10.01	Filing of Petition		\$50.00	
23	23.04	Backflow Certification			
		- Second Notification		\$10.00	
		- Third Notification		\$25.00	
		- Reconnection (service resumed)		\$50.00	
		- Initial Filing Fee (New applicants for addition to the list of approved backflow prevention device testers)		\$25.00	
		- Renewal Filing Fee (to remain on list of approved backflow prevention device testers)	Annually	\$10.00	
25	25.03 A.	Set-up Fees for Accounts		\$10.00	
25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges ⁽¹⁾	Meter Size	System Charge	MWD & CWA Fixed Charge
			3/4"	\$16.19	\$14.45
			1"	\$22.87	\$26.79
					Total Fixed Charge
					\$30.64
					\$49.66

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size	Charges		
25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges (continued) ⁽¹⁾	1-1/2"	\$39.58	\$60.61	\$100.19
			2"	\$59.62	\$103.08	\$162.70
			3"	\$113.08	\$219.23	\$332.31
			4"	\$173.22	\$351.09	\$524.31
			6"	\$340.29	\$718.69	\$1,058.98
			8"	\$540.76	\$1,160.59	\$1,701.35
			10"	\$774.64	\$1,670.55	\$2,445.19
25	25.03 E.1.(b)	Domestic Residential Water Rates ⁽¹⁾ (The Conservation Tier discount applies toward the first five units of water when overall consumption is ten units or less.)	Conservation Tier	Unit	Charge	
				0 - 5	\$1.86	
				6-10	\$2.90	
				11-22	\$3.77	
				23 or more	\$5.80	
25	25.03 E.2.(b)	Multiple Residential Water Rates - Per Dwelling Unit ⁽¹⁾		0-4	\$2.86	
				5-9	\$3.71	
				10 or more	\$5.73	
25	25.03 E.3.(b)	Business and Publicly-Owned Water Rates ⁽¹⁾	under 10"	0-185	\$3.06	
				186-1,400	\$3.14	
				1,401 or more	\$3.19	
			10" & larger	0-7,426	\$3.06	
				7,427-14,616	\$3.14	
				14,617 or more	\$3.19	
25	25.03 E.4.(c)	Irrigation and Commercial Agricultural Using Potable Water Rates ⁽¹⁾	1" & smaller	0-54	\$4.17	
				55-199	\$4.25	
				200 or more	\$4.32	
			1.5" & 2"	0-144	\$4.17	
				145-355	\$4.25	
				356 or more	\$4.32	
			3" & larger	0-550	\$4.17	
				551-1,200	\$4.25	
				1,201 or more	\$4.32	

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size		Charges					
25	25.03 E.5. (c)	Recycled Water ⁽¹⁾ Landscape Irrigation and Certain Non- Irrigation Purposes Rates	3/4" - 1"	0-32	\$3.56					
				33-75	\$3.61					
				76 or more	\$3.68					
			1.5" & 2"	0-130	\$3.56					
				131-325	\$3.61					
				326 or more	\$3.68					
			3" & 4"	0-440	\$3.56					
				441-1,050	\$3.61					
				1,051 or more	\$3.68					
			6" & larger	0-4,000	\$3.56					
				4,001-10,000	\$3.61					
				10,001 or more	\$3.68					
25	25.03 E.6.(c)	Recycled Commercial ⁽¹⁾	under 10"	0-173	\$2.56					
				174-831	\$2.64					
				832 or more	\$2.66					
			10" & larger	0-7,426	2.56					
				7,427-14,616	\$2.64					
				14,617 or more	\$2.66					
25	25.03 E.7.(b)	Potable Temporary and Construction Water Service Rates ⁽¹⁾	1" & smaller	0-54	\$8.34					
				55-199	\$8.50					
				200 or more	\$8.64					
			1.5" & 2"	0-144	\$8.34					
				145-355	\$8.50					
				356 or more	\$8.64					
			3" & larger	0-550	\$8.34					
				551-1,200	\$8.50					
				1,201 or more	\$8.64					
			25	25.03 E.10.(b)	Tank Trucks Water Rates ⁽¹⁾	1" & smaller	0-54	\$8.34		
							55-199	\$8.50		
							200 or more	\$8.64		

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size		Charges		
			1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
			3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		
25	25.03 E.11.(c)	Application Fee for Water Service Outside District Boundaries			\$500.00		
25	25.03 E.11.(d)	Water Rate for Service Outside District Boundaries ⁽¹⁾	1" & smaller	0-54	\$8.34		
				55-199	\$8.50		
				200 or more	\$8.64		
			1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
			3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		
25	25.03 E.12.(b)	Application Fee for Water Service Outside an Improvement District			\$275.00		
25	25.03 E.12.(c)	Water Rate for Service Outside Improvement District ⁽¹⁾	1" & smaller	0-54	\$8.34		
				55-199	\$8.50		
				200 or more	\$8.64		
			1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
25	25.03 E.12.(c)	Water Rate for Service Outside Improvement District (continued) ⁽¹⁾	3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size	Charges			
25	25.03 E.13.(c)	Fire Service Monthly Charge	3" or less	\$21.14			
			more than 4"	\$28.49			
25	25.03 E.14.(b)	Additional Water Service for Property Not Subject to District Taxes	per unit	\$0.31			
25	25.03 E.15.(b)	Interim Service Water Rate in Improvement District 7 ⁽¹⁾	1" & smaller	0-54	\$8.34		
				55-199	\$8.50		
				200 or more	\$8.64		
				1.5" & 2"	0-144	\$8.34	
					145-355	\$8.50	
					356 or more	\$8.64	
					3" & larger	0-550	\$8.34
						551-1,200	\$8.50
						1,201 or more	\$8.64
			25	25.03 F.	Energy Charges for Pumping Water ⁽¹⁾	Per 100 ft of lift over 450 ft per unit	\$0.048
25	25.03 G.1.	Additional Water Charge for Service in the North District	Per unit charge except for the first 5 units of residential	\$0.08			
25	25.03 H.1.	Additional Water Charges for Service in the Improvement District 9 Water Service Zone	Per unit charge except for the first 5 units of residential	\$0.27			
25	25.03 H.2.	Additional Monthly System Fee for Improvement District 9		\$2.00			
⁽¹⁾ All Water used in December and billed in January 2014.							

Section #	Code #	Fee Description	Meter Size	Charges	Effective Jan 1st
25	25.03 I.1.(b)	Additional Water Charges for Services in Improvement District 10		Per unit charge except for the first 5 units of residential 0.27 per H.C.F.	2011-2018
25	25.04 A.	Deposits for Non-Property Owners	3/4"	\$75.00	
			1"	\$150.00	
			1-1/2"	\$200.00	
			2"	\$360.00	
			3"	\$800.00	
			4"	\$1,350.00	
			6"	\$3,300.00	
			8"	\$4,400.00	
			10"	\$5,500.00	
28	28.01 B.1.	Capacity Fees and Zone Charge		District-wide Capacity Fee	
		-- I.D.'s 1,2,3,5,7,9,10,20,22,22/27,25	3/4"	\$8,237.03	
		(excluding Triad) and only I.D. 22/27	1"	\$20,592.58	
		require reclaimed irrigation meters.	1-1/2"	\$41,185.15	
			2"	\$65,896.24	
			3"	\$131,792.48	
			4"	\$205,925.75	
			6"	\$411,851.50	
			8"	\$658,962.40	
			10"	\$947,258.45	
28	28.01 B.1.	Capacity Fees and Zone Charge			
		- 22/27-TRIAD	3/4"	\$6,164.32	
			1"	\$15,410.80	
			1 -1/2"	\$30,821.60	
			2"	\$49,314.56	
			3"	\$98,629.12	
			4"	\$154,108.00	
			6"	\$308,216.00	
			8"	\$493,145.60	
			10"	\$708,896.80	
28	28.01 B.2.	New Water Supply Fee		-	
		- All IDs including Triad	3/4"	\$949.03	
			1"	\$2,372.58	
			1-1/2"	\$4,745.15	
			2"	\$7,592.24	
			3"	\$15,184.48	

Section #	Code #	Fee Description	Meter Size	Charges			
28	28.01 B.2.	New Water Supply Fee, continued	4"		\$23,725.75		
		- All IDs including Triad	6"		\$47,451.50		
			8"		\$75,922.40		
			10"		\$109,138.45		
28	28.02	Installation Charges for Water Meter and Water Service Laterals	Meter Size	Meter Cost	Installation	Total	Meter Box/Vault (if Needed)
		Potable (Non-Irrigation)	3/4" x 7.5"	\$210.94	\$100.10	\$311.04	\$84.98
			3/4" x 9"	\$224.59	\$100.10	\$324.69	\$84.98
			1"	\$272.20	\$100.10	\$372.30	\$84.98
			1.5"	\$442.43	\$100.10	\$542.53	\$192.65
			2"	\$633.96	\$100.10	\$734.06	\$192.65
			3"	\$1,975.66	\$602.69	\$2,578.35	\$3,436.57
			4"	\$3,431.41	\$602.69	\$4,034.10	\$3,436.57
			6"	\$5,926.98	\$951.99	\$6,878.97	\$3,436.57
			8"	\$7,405.32	\$1,459.79	\$8,865.11	\$4,930.00
			10"	\$10,650.23	\$1,459.79	\$12,110.02	\$4,930.00
		Potable/Recycled Irrigation	3/4" x 7.5"	\$210.94	\$100.10	\$311.04	\$216.57
			3/4" x 9"	\$224.59	\$100.10	\$324.69	\$216.57
			1"	\$272.20	\$100.10	\$372.30	\$216.57
			1.5"	\$442.43	\$100.10	\$542.53	\$216.57
			2"	\$633.96	\$100.10	\$734.06	\$216.57
			3"	\$1,367.36	\$602.69	\$1,970.05	\$3,436.57
			4"	\$2,662.04	\$602.69	\$3,264.73	\$3,436.57
			6"	\$4,792.53	\$951.99	\$5,744.52	\$3,436.57
			8"	\$6,384.51	\$1,459.79	\$7,844.30	\$4,930.00
			10"	\$9,060.10	\$1,459.79	\$10,519.89	\$4,930.00
		Combined Fire and Domestic	4"	\$8,163.63	\$602.69	\$8,766.32	\$3,436.57
			6"	\$10,865.08	\$951.99	\$11,817.07	\$3,436.57
			8"	\$15,797.04	\$1,459.79	\$17,256.83	\$4,930.00
			10"	\$21,557.73	\$1,459.79	\$23,017.52	\$4,930.00
31	31.02 D.1.	Requirement of Temporary Meter for Service		minimum/per day	\$25.00		
31	31.03 A.1.	Requirement of Deposit for Temporary Meters					
			3/4"		\$150.00		
			1"		\$180.00		
			1-1/2"		\$330.00		
			2"		\$2,046.00		

Section #	Code #	Fee Description	Meter Size	Charges
31	31.03 A.1.	Requirement of Deposit for Temporary Meters, continued	3"	\$850.00
			4"	\$1,986.00
			6"	\$2,465.00
		- Construction Trailer Temporary Meter	2"	\$2,046.00
		- Tank Truck Temporary Meter (Ordinance No. 372)	2"	\$850.00
31	31.03 A.4.	Temporary Meter Install & Removal		\$128.00
31	31.03 A.5.	Temporary Meter Move Fee (includes backflow certification)	3/4" - 2"	\$64.00
			3" and larger No backflow test	\$64.00
33	33.07 A.	Customer Request for Meter Test (Deposit)	5/8", 3/4" & 1"	\$25.00
			1-1/2" & 2 "	\$50.00
			3" & Larger	\$125.00
34	34.01 D.2.	Returned Check Charges		\$25.00
34	34.02 B.	Late Payment Charge		5% of Delinquent Balance
34	34.02 G.1.(d)	Delinquency Tag		\$10.00
34	34.02 G.3.(a)	Meter "Turn-On" Charge		During regular business hours \$35.00
34	34.02 G.3.(b)	Meter "Turn-On" Charge		After regular business hours \$65.00
53	53.03 B.1.	Sewer Connection Fee - Russell Square		\$7,500.00
53	53.03 B.2.	Monthly Sewer Service Charge - Russell Square		\$200.00
53	53.10 & 11	Set-up Fees for Accounts		\$10.00
53	53.10	Residential Sewer Usage Fee ⁽²⁾	Rate multiplied by winter average units	\$2.35

⁽²⁾ Sewer billed beginning January 1, 2014.

Section #	Code #	Fee Description	Meter Size		Charges
53	53.10	Residential Sewer System Fee ⁽²⁾	5/8" & 3/4"		\$14.38
			1" & larger		\$14.38
53	53.10 A.	Residential Sewer Without Consumption History ⁽²⁾	5/8" & 3/4"		\$42.35
			1" & larger		\$42.35
53	53.10 B.	Multi-Residential Usage Fee - Sewer Without Consumption History ⁽²⁾			\$27.97
53	53.10 B.2.	Multi-Residential Usage Fee - Sewer ⁽²⁾	Rate multiplied by winter average units		\$2.35
53	53.10 B. 2.	Multi-Residential System Fee - Sewer ⁽²⁾	.75"		\$25.83
			1"		\$38.03
			1.5"		\$68.53
			2"		\$105.12
			3"		\$190.52
			4"		\$312.51
			6"		\$617.48
			8"		\$983.46
			10"		\$1,410.42
53	53.11	Commercial and Institutional Sewer Strength Factors	Low Strength	1	
			Medium Strength	2	
			High Strength	4	
53	53.11	Monthly Usage Fee for Commercial and Institutional Sewer ⁽²⁾	Rate multiplied by annual avg. units	Low Strength	\$2.35
				Medium Strength	\$3.37
				High Strength	\$5.37
53	53.11	Monthly System Fee for Commercial and Institutional Sewer ⁽²⁾	.75"		\$25.83
			1"		\$38.03
			1.5"		\$68.53
			2"		\$105.12
			3"		\$190.52

⁽²⁾ Sewer billed beginning January 1, 2014.

Section #	Code #	Fee Description	Meter Size	Charges
			4"	\$312.51
			6"	\$617.48
			8"	\$983.46
			10"	\$1,410.42
60	60.03	Issuance of Availability Letters for Water and/or Sewer Service		\$75.00
72	72.04 A.1.	Locking or Removing Damaged or Tampered Meters		
		- To Pull and Reset Meter	3/4" - 2"	\$170.00
		- Broken Curbstop or Tabs	3/4" - 1"	\$192.00
		- If Customer uses Jumper	3/4" - 1"	\$149.00
		- Broken Lock/Locking Device	3/4" - 1"	\$56.00
		- Cap Lock (Welded)	3/4" - 1"	\$158.00
		- Broken Curbstop or Tabs	1.5" - 2"	\$265.00
		- To Pull and Reset Meter	3"	\$351.00
		- To Pull and Reset Meter	4"	\$454.00
		- To Pull and Reset Meter	6"	\$454.00
		- To Pull and Reset Meter	8"	\$600.00
		- To Pull and Reset Meter	10"	\$600.00
72	72.05 D. A.	Type I Fine		
		- First Violation		\$100.00
		- Second Violations		\$200.00
		- Third or each additional violation of that same ordinance or requirement within a twelve-month period		\$500.00
		Type II Fine	Will not exceed per each day the violation is identified or continues.	\$5,000.00
72	72.05 D. A. (continued)	Type III Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00

Section #	Code #	Fee Description	Meter Size	Charges		
		Type IV Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
State Water Code	#71630 & Annual Board Resolution #4142	Water Availability/Standby Annual Special Assessment Charge	Less than one-acre all I.D.s & Outside an I.D.	\$10.00		
			Per acre in I.D. 1, 5, & Outside an I.D.	\$10.00		
			Per acre in I.D. 2,3,7,9,10,19,20,22,25,& 27	\$30.00		
			Less than one-acre Outside I.D. and greater than one mile from District facilities.	\$3.00		
			Per acre for outside I.D. & greater than one mile from District facilities.	\$3.00		
			Less than one acre I.D. 4, 14, & 18	\$10.00		
			Per acre I.D. 4, 14, & 18	\$30.00		
Annual Board Resolution		General Obligation Bond Annual Tax Assessment	Per \$1000 of assessed value for I.D. 27	\$0.005		

Policies

5	Copies of Identifiable Public Records		\$0.10/page		
	Cassette Tape Duplication		\$2.00/tape		
	Yearly Subscription Service for Agendas and Ratified Minutes		\$20.00/year or \$0.50/meeting		
	Yearly Subscription Service for Board Packet and Ratified Minutes		\$100.00/year for first copy and \$200.00/year for each copy thereafter		

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENTS DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

If the land proposed to be annexed is outside the boundaries of the territory served by the Metropolitan Water District of Southern California and the territory served by the San Diego County Water Authority, and no local sources of water are available to serve such land, the District will require that the land be annexed to those entities as well.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including

without limitation any conservation or local supply use requirements.

9.04 FEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or within the District shall pay the following applicable fees and charges:

- A. Administrative Processing Fees
 1. District Processing Fee. A District processing fee (see Appendix A, Section 9 for fee) shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. This fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
 2. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
 3. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
 4. Payment of Fees and Charges. The District processing fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the District shall be a condition for District approval of the annexation or detachment.
- B. Water Annexation Fees. The annexation fee (see Appendix A, Section 9) shall constitute the "base rate" on October 1, 2014). The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 10,739.43 on June 1, 2014 shall be deemed the "base index." The adjustment shall be in an amount equal to the

percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment.

1. No water annexation fee shall be required for existing and future agricultural water service furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.
2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing into the Otay Water District boundaries on or after March 5, 1997.
6. Basis for Determination. For annexations of land into the Otay Water District boundaries, the petitioner shall pay an annexation fee. The fee shall be paid at the time of petition to be annexed. There shall be no water annexation fee charged for parcels already within District boundaries that are applying to be annexed into a water ID.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee per EDU. See Appendix A, Section 9 for fees.

C. Sewer Annexation Fees

1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.
2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.
3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer improvement district on or after December 16, 1998.
4. Basis for Determination. For annexations of land to a sewer improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee per EDU. See Appendix A, Section 9 for fees.

This annexation fee shall constitute the "base rate" on October 1, 2014. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 10,739.43 (as of June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment.

D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

9.06 OTHER CONDITIONS OF ANNEXATION

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including without limitation any conservation or local supply use requirements.

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECYCLED WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or recycled water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, by the total of the District-wide capacity fee.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. The District-wide capacity fee shall constitute the "base rate." For fees or charges after October 1, 2014, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 10,739.43 (as of June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment. (See Appendix A, Section 28 for fees.)

2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after October 1, 2014, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 10,739.43 (as of June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment. (See Appendix A, Section 28 for fees.)

28.02

INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The meter fees and installation charges are set forth in Appendix A, Section 28.

Where a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

- A. The meter fees and installation charges shall be set effective September 1, 2012, and then adjusted in the same manner as capacity fees as described in Section 28.01 B.1 above (See Appendix A, Section 28 for fees).

28.03

METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.
- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.
- C. If a water meter/service has been previously paid and installed, and the customer requests a different meter size, the customer shall pay for the new meter and installation fees, plus any differential in capacity and new water supply fees as described in Section 28.03 B above.

SECTION 53 CONDITIONS FOR SEWER SERVICE53.01 CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

Sewer service capacity may be acquired only for service to a specific address, parcel of land, or a land development project covered by an approved map. An approved map shall mean a recorded final map, a recorded parcel map or a tentative subdivision map that has been approved by the County or by a City, as applicable.

- A. District Acceptance of Sewer Facilities for Russell Square Area - Under an Agreement with Cal Dorado Development, Inc., dated June 28, 1981, the District accepted title to a sewer pump station, force main and appurtenances for a sewage system to provide sewer service to the residential dwelling units to be constructed within the parcels of land in San Diego County Tentative Parcel Map 17150. Under an Agreement with Cal Dorado Development, Inc., dated June 18, 1981, the District agreed to provide service to such parcels on the terms and conditions contained therein. On October 1, 1984, pursuant to Resolution No. 2139, the District Board of Directors accepted title to the facilities.

53.02 SERVICE AREAS

Sewer service shall be furnished by the District only to property located in Improvement District No. 14 (ID 14), Improvement District No. 18 (ID 18), and Assessment District No. 4 (AD 4), and the Russell Square Sewer Service Area. Sewer service to property located outside such areas may be furnished only upon annexation to ID 18 and payment of all applicable annexation fees. (Appendix A, Section 9)

- A. Designation of Russell Square Sewer Area - The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file with the District Secretary, constitutes the Russell Square Sewer Service Area.

53.03 ACQUISITION OF SEWER CONNECTIONS FOR SERVICE

- A. ID 14, ID 18 and AD 4
Effective October 1, 2014 two separate sewer capacity fees have been established to ensure sewer customers do not pay for facilities twice. The first capacity fee applies to parcels within an ID that paid prior tax debt. The second capacity fee applies parcels outside an ID that have not paid the tax debt. The sewer capacity fees shall constitute the "base rate." For fees or charges after October 1, 2014, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the

Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 10,739.43 (as of June 1, 2014) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 1, 2014 to the date of payment.

1. Sewer Capacity Fee within an ID

All new sewer connections for parcels within a sewer ID shall pay a capacity fee for each Equivalent Dwelling Unit (EDU) of sewer service provided. The capacity fee is due at the time an application for sewer service is requested. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code. (See Appendix A, Section 53 for fees)

2. Sewer Capacity Fee outside an ID

All new sewer connections for parcels not within a sewer ID (requiring to be annexed into a sewer ID per code Section 9.04 C.) shall pay a capacity fee for each Equivalent Dwelling Unit (EDU) of sewer service provided. The capacity fee is due at the time an application for sewer service is requested. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code. (See Appendix A, Section 53 for fees)

B. Russell Square Pump Station

1. Sewer Connection Fee

A connection fee (see Appendix A, section 53 for fee) for each Equivalent Dwelling Unit (EDU) of sewer service provided through Russell Square Pump Station shall be collected. The connection fee is due at the time an application for sewer service is submitted. The number of EDUs for the connection shall be as set forth in Section 53.08 of the Code.

- (a) Exempt Parcels - The connection fee shall not apply to connections for sewer service to the parcels within the Tentative Parcel Map 17150. Such exempt parcels are currently identified as Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. Monthly Sewer Service Charge

A monthly sewer service charge (see Appendix A, Section 53 for charge) to cover normal operational

costs of the Russell Square Pump Station and force mains shall be collected. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.

The proceeds of the fees and charges received by the District under 53.03 B.1 and 53.03 B.2 shall be used by the District solely for maintenance, replacement or repair under 53.03 B.1 and for the operation of the facilities under 53.03 B.2.

In addition, the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.10 A and B.

53.04 CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall deposit with the District the estimated costs to be incurred by the District in connection with the installation of the facilities required, as determined by the District. Upon completion of the work, the District shall calculate the actual costs incurred by the District in performing the work. If actual costs are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If actual costs exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.05 PAYMENT OF FEES

All fees prescribed in the Code shall become owing, due and payable at the time application is made to connect a premise to the sewer system of the District. The fees shall be paid to the District prior to the issuance of any permit authorizing the connection of such premise to the District sewer system. If the proposed connection cannot be made, the fee may be refunded when approved by the General Manager.

53.06 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION

The use of a sewer connection shall be limited to the type and number of EDUs authorized by the original wastewater discharge permit. Before adding any additional equivalent dwelling units, buildings, modifying existing buildings, or change of occupancy type, the property owner shall make a supplementary wastewater permit application to the District for such change in use and pay additional sewer annexation fees per EDU, if necessary, as may be applicable. Periodic inspection of the premises may be made by the District and if actual use is greater than estimated use, an assessment for additional annexation fees shall be

assessed in accordance with the fee schedule in the then current Code of Ordinances.

53.07 WASTEWATER DISCHARGE PERMIT ISSUANCE AND LIMITATION

- A. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewage system.
- B. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater discharge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.
- C. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to District sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.08 BASIS FOR DETERMINATION OF EQUIVALENT DWELLING UNITS (EDUs)

The number of EDUs for sewer service shall be determined on the following basis:

A. Residential Facilities

EDUs	Description
1	<ul style="list-style-type: none"> ▪ Single-family residence (Includes manufactured homes and mobile homes which are on private lots.) ▪ A secondary structure with a kitchen is considered an additional EDU ▪ Each individual living unit in apartments, multiple family housing and residential condominiums ▪ Each individual space in mobile homes and trailer parks

B. Commercial/Industrial Facilities

1. Food Service Establishments

EDUs	Description
3	<ul style="list-style-type: none"> ▪ Take-out restaurants with disposable utensils, no dishwasher and no public restrooms ▪ Take-out restaurants with disposable utensils, no dishwasher and no public restrooms ▪ Miscellaneous food establishments - ice cream shops, yogurt shops, bakeries (sales on premise only) ▪ Take-out/eat-in restaurants with disposable utensils, but with seating and public restrooms ▪ Restaurants with reusable utensils, seating and public restrooms (0-18 seats) <ul style="list-style-type: none"> o Add 1.0 EDU for each additional 6 seat unit, or portion thereof

2. Hotels and Motels

EDUs	Description
.38	Per living unit without kitchen
.60	Per living unit with kitchen

3. Commercial, Professional, Industrial Buildings and Establishments not specifically listed herein

EDUs	Description
1.2 +0.7	<p>For first 1,000 square feet <u>AND</u> For each additional square feet or portion thereof</p> <p>Applies to any office, store or industrial condominium or establishments</p>
1.2 +0.7	<p>For first 1,000 square feet <u>AND</u> For each additional 1,000 square feet of gross building floor area. Portions less than 1,000 sq. ft. will be prorated.</p> <p>Applies to situations where the occupancy type or usage is unknown at the time of application for service. This shall include, but not be limited to, shopping centers, industrial parks and professional office buildings.</p>
1.0	Self-service laundry per washer

4. Convalescent Homes

EDUs	Description
0.7/bed	Skilled nursing care facilities, psychological hospitals, convalescent hospitals; licensed by the applicable Governmental Agency.
0.5/bed	Community Care Facilities with 16 or more beds licensed by the applicable Governmental Agency.
1.0	Community Care Homes with six or fewer total residents, including resident staff and housekeepers (to be the same EDU as a single family residence).

C. Other commercial, industrial and other types of business establishments not included in 53.08 B.1 through 53.08 B.4

If the establishment is not included in 53.08 B.1 through 53.08 B.4 or if the EDUs specified in 53.08 B.1 through 53.08 B.4 are not representative of actual flow due to the number of employees or type of operation, the number of EDUs shall be determined in each case by the list of commercial strengths as defined by the State Water Resources Control Board (SWRCB) or by the General Manager and shall be based upon the estimated volume and type of wastewater discharge into the sewer.

Examples of commercial, industrial and other business establishments include, but are not limited to, bottling works, supermarkets, markets, deli/markets, convenience stores, hospitals, laundries (other than self-service laundries), automobile service stations, mortuaries, day-care centers, bars and pool halls.

53.09 TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

EDU sewer connection rights obtained by a customer may not be sold, transferred, or assigned separately from ownership of the real property for which they were obtained, unless otherwise stated in an agreement with the District.

53.10 DEFINITIONS OF RESIDENTIAL AND MULTI-RESIDENTIAL SEWER SERVICE RATES, CHARGES AND FEES

All District sewer rates, charges, and fees are subject to Board approval of rate increases to residential and multi-residential sewer services billed on or after January 1, 2014 and may apply to sewer services as early as the beginning of December 2013 and periodically thereafter through December 31, 2018. The increases shall be the amount sufficient to cover cost increases

related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning January 1, 2014 through December 31, 2018.

Set-up Fees for Accounts - A set-up fee (see Appendix A, Section 53 for fee) shall be charged for each account transferred to another customer.

Winter Average Determination - Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). The winter average period is January through April. The winter average is calculated by adding the four months of water consumption for the preceding winter and dividing the resulting amount by four. This average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes see Appendix A, Section 53.

Usage Fee - The usage fee rate (see Appendix A, Section 53) is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount) and the resulting amount is added to the System Fee applicable to the size of meter. The resulting fixed fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.

Residential Sewer System Fee - The monthly system fee is set forth in Appendix A, Section 53.

A. Residential Rate Charges

1. Defined as: Sewer service for individually metered residential households.
2. The monthly sewer bill is calculated by adding the system fee plus the usage fee as described in 53.10 above.
3. The maximum "Winter Average" for individually metered residential customers is 30 units (after the 15% discount).
4. Monthly Residential Sewer Rate without Consumption History: The average residential sewer rate shall be determined by calculating the total usage fee for all

residential customers and dividing by the number of residential customers. Then the monthly average usage fee is added to the system fee and this shall be used to determine the total monthly fee to be used for residential customers with no prior winter consumption, customers using well water or other unmetered water. See Appendix A, Section 53.

B. Multi-Residential Rate Charges

1. Defined as: Sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.
2. The monthly sewer bill for the complex is calculated by adding a system fee based on meter size (as set forth in Appendix A, Section 53) plus the usage fee (as set forth in Appendix A, Section 53) multiplied by the winter average, for the entire complex. Note: There is no cap on consumption for the multi-residential customers.
3. Monthly Multi-Residential Sewer Rate without Consumption History: The multi-residential sewer rate shall be determined by calculating the total usage fee for all multi-residential customers and dividing by the number of multi-residential dwelling units. The usage fee per dwelling unit is multiplied by the new customer's number of dwelling units and this shall be added to the monthly system fee, based on meter size, to determine the monthly rate. This is applicable to new complexes that do not have a prior winter consumption history. See Appendix A, Section 53.

53.11 DEFINITIONS OF COMMERCIAL AND INDUSTRIAL SEWER SERVICE RATES, CHARGES AND FEES

All District sewer rates, charges, and fees are subject to Board approval of rate increases to commercial and industrial sewer services billed on or after January 1, 2014 and may apply to sewer services as early as the beginning of December 2013 and periodically thereafter through December 31, 2018. The increases shall be the amount sufficient to cover cost increases related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning January 1, 2014 through December 31, 2018.

Set-up Fees for Accounts - A set-up fee (see Appendix A, Section 53 for fee) shall be charged for each account transferred to another customer.

Average Annual Consumption - The Average Annual Consumption, measured in units of hundred cubic feet (HCF). The annual consumption period is January through December of the preceding year divided by the number of months of consumption. This average is reduced by a 15% usage discount which recognizes that not all water used flows into the sewer system.

Usage Fee - The usage fee rate (see Appendix A, Section 53 for rate) is determined by the commercial customer's sewer strength category in which they are assigned (low strength, medium strength or high strength).

System Fee - The monthly system fee is determined by the commercial customer's water meter size (as set forth in Appendix A, Section 53).

Strength Factor - The State Water Resources Control Board (SWRCB) has grouped commercial customers into various categories and has identified Strength Factors for each of these business categories. The standard of measure for Strength Factors is the typical sewer strength of a single-family residence (SFR). A SFR has strength factor of 1. (As set forth in Appendix A, Section 53)

A. Commercial Rate Charges

1. The monthly sewer bill for commercial sewer customers is calculated by multiplying the average annual consumption, reduced by 15%, by the usage fee based on strength (as set forth in Appendix A, Section 53) plus the monthly system fee based on the customer's water meter size.
2. For new commercial sewer customers without consumption history, staff shall make a determination of the average annual consumption to be used until a year's consumption data can be collected. The determination shall be based on the prior owner or tenant of the sewer connection, or based on the most similar type of current business operation. If the customer does not agree with staff's recommendation, the customer may request an adjustment, in writing, and direct it to the General Manager.

B. Industrial and Other Users

1. Charges determined by the Board of Directors on a case-by-case basis.

Monthly sewer service charges shall commence upon installation of the water meter to serve the premises receiving the sewer service, upon connection to the District sewer system, upon start of occupancy of the premises to be served, or one year after the date the application for sewer service is filed. If a sewer service connection has been obtained and if sewer service will not be used until sometime after installation of the water meter, commencement of the sewer service charge may be deferred until the later date only upon prior approval of the General Manager.

C. Commercial User Classifications

Commercial sewer service customers are subject to periodic inspection of the premises by the District for verification of proper sewer strength classification. In addition to such periodic inspections, strength classifications will be reviewed periodically, at the discretion of the District. If warranted following a periodic inspection, periodic classification review, or a change in the nature of a customer's business and/or use of the property, customers may be reclassified to reflect their current business operations and proper sewer strength, at the discretion of the District and consistent with the standards set forth herein and in the State Water Resources Control Board (SWRCB) listing for sewer strength.

1. Low-Strength Commercial = 1.0 Strength Factor

Car wash
General office and buildings
Barber and beauty shops
Department, retail stores and general commercial
Hospitals and convalescent homes
Public Laundromats and dry cleaners
Professional office or office building
Warehouse
Bars without dining facilities
Churches
Schools (Elementary, junior & High Schools, Colleges)
Other uses having a similar strength as determined by the District

2. Medium-Strength Commercial = 2.0 Strength Factor

Hotels without dining facilities or cooking facilities
Auto repair/sales shop and service station
Shopping centers
Other uses having a similar strength as determined by the District

3. High-Strength Commercial = 4.0 Strength Factor

Bakery or bakery with deli
Hotel with dining facilities
Restaurants and bars with food
Grocery stores with onsite butcher and/or bakery
Other uses having a similar strength as determined by
the District

53.12 ISSUANCE AND PAYMENT OF SEWER BILLS

- A. Issuance of Statements: Statements for sewer service or other charges will be mailed monthly or as soon as practical, after the applicable charges have been determined.
- B. Due Date: Each statement issued by the District for such charges shall be due and payable on the date of mailing or other presentation to the customer.
- C. Final Payment Date: All charges in each statement must be paid on or before the final payment date shown on the statement, which shall be at least 20 calendar days following the date of mailing or presentation of the statement.
- D. Place of Payment: Payments shall not be credited to a customer's account until cash, check, credit card, draft, electronic funds transfer, money order or any other acceptable form of payment that will be honored by the bank has been received by the District at the District business office during regular office hours. Deposit of payment in the mail or at a location other than the District business office shall not be credited to a customer's account until received at the business office.
- E. Returned Check Charges: A returned payment charge (see Appendix A, Section 34 for charge) shall be added to a customer's account in each instance where payment has been made to the District with a check, draft, credit card or any other acceptable form of payment that has not been honored upon presentment to the bank upon which it is drawn.

53.13 DELINQUENT ACCOUNTS

- A. Requirement of Deposit Due to Repeated Delinquencies: If payments on a customer account have become delinquent five or more times, the General Manager, Chief Financial Officer, or any person delegated by the General Manager, shall be authorized to require the customer to make a deposit with the District, in cash or any other form satisfactory to the

General Manager. The deposit amount shall be established at the discretion of the General Manager and the Chief Financial Officer, but shall not exceed two times the highest bill during the twelve (12) months preceding the date of demand for a deposit.

- B. Handling of Deposit: A deposit shall not earn interest and shall only be applied to reduce or satisfy amounts due the District in the event of termination of service. A deposit does not constitute payment for service bills and the customer shall be required to comply with bill payment requirements to continue receiving service.
- C. Refund of Deposit: A deposit required under this Section shall be refunded to the customer as provided in Section 25.04 B.

Otay Water District
Appendix A

Section #	Code #	Fee Description	Meter Size	Charges	
9	9.04 A.1.	District Annexation Processing Fee		\$763.83	
	9.04 B.	Annexation Fees for Water Annexations into Otay Water District Boundaries		District-wide Annexation Fee	
			3/4"	\$1,777.00	
			1"	\$4,443.00	
			1-1/2"	\$8,885.00	
			2"	\$14,216.00	
			3"	\$28,432.00	
			4"	\$44,425.00	
			6"	\$88,850.00	
			8"	\$142,160.00	
			10"	\$204,355.00	
	9.04 C.4.	Annexation Fees for Annexations to Sewer Improvement Districts per EDU		\$1,018.00	
10	10.01	Filing of Petition		\$50.00	
23	23.04	Backflow Certification			
		- Second Notification		\$10.00	
		- Third Notification		\$25.00	
		- Reconnection (service resumed)		\$50.00	
		- Initial Filing Fee (New applicants for addition to the list of approved backflow prevention device testers)		\$25.00	
		- Renewal Filing Fee (to remain on list of approved backflow prevention device testers)	Annually	\$10.00	
25	25.03 A.	Set-up Fees for Accounts		\$10.00	
25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges ⁽¹⁾	Meter Size	System Charge	MWD & CWA Fixed Charge
			3/4"	\$16.19	\$14.45
			1"	\$22.87	\$26.79
					Total Fixed Charge
					\$30.64
					\$49.66

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size	Charges		
25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges (continued) ⁽¹⁾	1-1/2"	\$39.58	\$60.61	\$100.19
			2"	\$59.62	\$103.08	\$162.70
			3"	\$113.08	\$219.23	\$332.31
			4"	\$173.22	\$351.09	\$524.31
			6"	\$340.29	\$718.69	\$1,058.98
			8"	\$540.76	\$1,160.59	\$1,701.35
			10"	\$774.64	\$1,670.55	\$2,445.19
25	25.03 E.1.(b)	Domestic Residential Water Rates ⁽¹⁾		Unit	Charge	
		(The Conservation Tier discount applies toward the first five units of water when overall consumption is ten units or less.)	Conservation Tier	0 - 5	\$1.86	
				6-10	\$2.90	
				11-22	\$3.77	
				23 or more	\$5.80	
25	25.03 E.2.(b)	Multiple Residential Water Rates - Per Dwelling Unit ⁽¹⁾		0-4	\$2.86	
				5-9	\$3.71	
				10 or more	\$5.73	
25	25.03 E.3.(b)	Business and Publicly-Owned Water Rates ⁽¹⁾	under 10"	0-185	\$3.06	
				186-1,400	\$3.14	
				1,401 or more	\$3.19	
			10" & larger	0-7,426	\$3.06	
				7,427-14,616	\$3.14	
				14,617 or more	\$3.19	
25	25.03 E.4.(c)	Irrigation and Commercial Agricultural Using Potable Water Rates ⁽¹⁾	1" & smaller	0-54	\$4.17	
				55-199	\$4.25	
				200 or more	\$4.32	
			1.5" & 2"	0-144	\$4.17	
				145-355	\$4.25	
				356 or more	\$4.32	
			3" & larger	0-550	\$4.17	
				551-1,200	\$4.25	
				1,201 or more	\$4.32	

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size		Charges					
25	25.03 E.5. (c)	Recycled Water ⁽¹⁾ Landscape Irrigation and Certain Non- Irrigation Purposes Rates	3/4" - 1"	0-32	\$3.56					
				33-75	\$3.61					
				76 or more	\$3.68					
						1.5" & 2"	0-130	\$3.56		
					131-325		\$3.61			
					326 or more		\$3.68			
						3" & 4"	0-440	\$3.56		
					441-1,050		\$3.61			
					1,051 or more		\$3.68			
						6" & larger	0-4,000	\$3.56		
					4,001-10,000		\$3.61			
					10,001 or more		\$3.68			
			25	25.03 E.6.(c)	Recycled Commercial ⁽¹⁾	under 10"	0-173	\$2.56		
							174-831	\$2.64		
							832 or more	\$2.66		
		10" & larger				0-7,426	2.56			
						7,427-14,616	\$2.64			
						14,617 or more	\$2.66			
25	25.03 E.7.(b)	Potable Temporary and Construction Water Service Rates ⁽¹⁾	1" & smaller	0-54	\$8.34					
				55-199	\$8.50					
				200 or more	\$8.64					
					1.5" & 2"	0-144	\$8.34			
						145-355	\$8.50			
						356 or more	\$8.64			
					3" & larger	0-550	\$8.34			
						551-1,200	\$8.50			
						1,201 or more	\$8.64			
			25	25.03 E.10.(b)	Tank Trucks Water Rates ⁽¹⁾	1" & smaller	0-54	\$8.34		
							55-199	\$8.50		
							200 or more	\$8.64		

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size		Charges		
25	25.03 E.10.(b)	Tank Trucks Water Rates ⁽¹⁾ , continued	1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
			3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		
25	25.03 E.11.(c)	Application Fee for Water Service Outside District Boundaries			\$500.00		
25	25.03 E.11.(d)	Water Rate for Service Outside District Boundaries ⁽¹⁾	1" & smaller	0-54	\$8.34		
				55-199	\$8.50		
				200 or more	\$8.64		
			1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
			3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		
25	25.03 E.12.(b)	Application Fee for Water Service Outside an Improvement District			\$275.00		
25	25.03 E.12.(c)	Water Rate for Service Outside Improvement District ⁽¹⁾	1" & smaller	0-54	\$8.34		
				55-199	\$8.50		
				200 or more	\$8.64		
			1.5" & 2"	0-144	\$8.34		
				145-355	\$8.50		
				356 or more	\$8.64		
			3" & larger	0-550	\$8.34		
				551-1,200	\$8.50		
				1,201 or more	\$8.64		
25	25.03 E.13.(c)	Fire Service Monthly Charge	3" or less		\$21.14		
			more than 4"		\$28.49		

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size	Charges		
25	25.03 E.14.(b)	Additional Water Service for Property Not Subject to District Taxes	per unit	\$0.31		
25	25.03 E.15.(b)	Interim Service Water Rate in Improvement District 7 ⁽¹⁾	1" & smaller	0-54 55-199 200 or more	\$8.34 \$8.50 \$8.64	
			1.5" & 2"	0-144 145-355 356 or more	\$8.34 \$8.50 \$8.64	
			3" & larger	0-550 551-1,200 1,201 or more	\$8.34 \$8.50 \$8.64	
25	25.03 F.	Energy Charges for Pumping Water ⁽¹⁾	Per 100 ft of lift over 450 ft per unit	\$0.048		
25	25.03 G.1.	Additional Water Charge for Service in the North District	Per unit charge except for the first 5 units of residential	\$0.08		
25	25.03 H.1.	Additional Water Charges for Service in the Improvement District 9 Water Service Zone	Per unit charge except for the first 5 units of residential	\$0.27		
25	25.03 H.2.	Additional Monthly System Fee for Improvement District 9		\$2.00		
25	25.03 I.1.(b)	Additional Water Charges for Services in Improvement District 10	Per unit charge except for the first 5 units of residential	0.27 per H.C.F.	Effective Jan 1st 2011-2018	

⁽¹⁾ All Water used in December and billed in January 2014.

Section #	Code #	Fee Description	Meter Size	Charges		
25	25.04 A.	Deposits for Non-Property Owners	3/4"	\$75.00		
			1"	\$150.00		
			1-1/2"	\$200.00		
			2"	\$360.00		
			3"	\$800.00		
			4"	\$1,350.00		
			6"	\$3,300.00		
			8"	\$4,400.00		
			10"	\$5,500.00		
28	28.01 B.1.	Capacity Fees		District-wide Capacity Fee		
		- All IDs excluding Triad	3/4"	\$7,984.00		
			1"	\$19,960.00		
			1-1/2"	\$39,920.00		
			2"	\$63,872.00		
			3"	\$127,744.00		
			4"	\$199,600.00		
			6"	\$399,200.00		
			8"	\$638,720.00		
			10"	\$918,160.00		
28	28.01 B.1.	Capacity Fees	3/4"	\$5,990.00		
		- TRIAD	1"	\$14,975.00		
			1 -1/2"	\$29,950.00		
			2"	\$47,920.00		
			3"	\$95,840.00		
			4"	\$149,750.00		
			6"	\$299,500.00		
			8"	\$479,200.00		
			10"	\$688,850.00		
28	28.01 B.2.	New Water Supply Fee	3/4"	\$989.00		
		- All IDs including Triad	1"	\$2,473.00		
			1-1/2"	\$4,945.00		
			2"	\$7,912.00		
			3"	\$15,824.00		
			4"	\$24,725.00		
			6"	\$49,450.00		
			8"	\$79,120.00		
			10"	\$113,735.00		

Section #	Code #	Fee Description	Meter Size	Charges			
				Meter Cost	Installation	Total	Meter Box/Vault (if Needed)
28	28.02	Installation and Water Meter Charges	Meter Size				
		- Potable (Non-Irrigation)	3/4" x 7.5"	\$210.94	\$100.10	\$311.04	\$84.98
			3/4" x 9"	\$224.59	\$100.10	\$324.69	\$84.98
			1"	\$272.20	\$100.10	\$372.30	\$84.98
			1.5"	\$442.43	\$100.10	\$542.53	\$192.65
			2"	\$633.96	\$100.10	\$734.06	\$192.65
			3"	\$1,975.66	\$602.69	\$2,578.35	\$3,436.57
			4"	\$3,431.41	\$602.69	\$4,034.10	\$3,436.57
			6"	\$5,926.98	\$951.99	\$6,878.97	\$3,436.57
			8"	\$7,405.32	\$1,459.79	\$8,865.11	\$4,930.00
			10"	\$10,650.23	\$1,459.79	\$12,110.02	\$4,930.00
		- Potable/Recycled Irrigation	3/4" x 7.5"	\$210.94	\$100.10	\$311.04	\$216.57
			3/4" x 9"	\$224.59	\$100.10	\$324.69	\$216.57
			1"	\$272.20	\$100.10	\$372.30	\$216.57
			1.5"	\$442.43	\$100.10	\$542.53	\$216.57
			2"	\$633.96	\$100.10	\$734.06	\$216.57
			3"	\$1,367.36	\$602.69	\$1,970.05	\$3,436.57
			4"	\$2,662.04	\$602.69	\$3,264.73	\$3,436.57
			6"	\$4,792.53	\$951.99	\$5,744.52	\$3,436.57
			8"	\$6,384.51	\$1,459.79	\$7,844.30	\$4,930.00
			10"	\$9,060.10	\$1,459.79	\$10,519.89	\$4,930.00
		- Combined Fire and Domestic	4"	\$8,163.63	\$602.69	\$8,766.32	\$3,436.57
			6"	\$10,865.08	\$951.99	\$11,817.07	\$3,436.57
			8"	\$15,797.04	\$1,459.79	\$17,256.83	\$4,930.00
			10"	\$21,557.73	\$1,459.79	\$23,017.52	\$4,930.00
31	31.02 D.1.	Requirement of Temporary Meter for Service		minimum/per day	\$25.00		
31	31.03 A.1.	Requirement of Deposit for Temporary Meter:	3/4"		\$150.00		
			1"		\$180.00		
			1-1/2"		\$330.00		
			2"		\$2,046.00		
			3"		\$850.00		
			4"		\$1,986.00		
			6"		\$2,465.00		
		- Construction Trailer Temporary Meter	2"		\$2,046.00		
		- Tank Truck Temporary Meter (Ordinance No. 372)	2"		\$850.00		
31	31.03 A.4.	Temporary Meter Install & Removal			\$128.00		

Section #	Code #	Fee Description	Meter Size	Charges
31	31.03 A.5.	Temporary Meter Move Fee (includes backflow certification)	3/4" - 2"	\$64.00
			3" and larger No backflow test	\$64.00
33	33.07 A.	Customer Request for Meter Test (Deposit)	5/8", 3/4" & 1"	\$25.00
			1-1/2" & 2 "	\$50.00
			3" & Larger	\$125.00
34	34.01 D.2.	Returned Check Charges		\$25.00
34	34.02 B.	Late Payment Charge		5% of Delinquent Balance
34	34.02 G.1.(d)	Delinquency Tag		\$10.00
34	34.02 G.3.(a)	Meter "Turn-On" Charge	During regular business hours	\$35.00
34	34.02 G.3.(b)	Meter "Turn-On" Charge	After regular business hours	\$65.00
53	53.03 A.1.	Sewer Capacity Fee per EDU for parcels within a Sewer ID		\$4,092.00
53	53.03 A.2.	Sewer Capacity Fee per EDU for parcels not within a Sewer ID		\$6,400.00
53	53.03 B.1.	Sewer Connection Fee - Russell Square Annexing		\$7,500.00
53	53.03 B.2.	Monthly Sewer Service Charge - Russell Square		\$200.00
53	53.10 & 11	Set-up Fees for Accounts		\$10.00
53	53.10	Residential Sewer Usage Fee ⁽²⁾	Rate multiplied by winter average units	\$2.35
53	53.10	Residential Sewer System Fee ⁽²⁾	5/8" & 3/4"	\$14.38
			1" & larger	\$14.38
53	53.10 A.	Residential Sewer Without Consumption History ⁽²⁾	5/8" & 3/4"	\$42.35
			1" & larger	\$42.35

Section #	Code #	Fee Description	Meter Size	Charges
53	53.10 B.	Multi-Residential Usage Fee - Sewer Without Consumption History ⁽²⁾		\$27.97
53	53.10 B.2.	Multi-Residential Usage Fee - Sewer ⁽²⁾	Rate multiplied by winter average units	\$2.35
53	53.10 B. 2.	Multi-Residential System Fee - Sewer ⁽²⁾	.75"	\$25.83
			1"	\$38.03
			1.5"	\$68.53
			2"	\$105.12
			3"	\$190.52
			4"	\$312.51
			6"	\$617.48
			8"	\$983.46
			10"	\$1,410.42
53	53.11	Commercial and Institutional Sewer Strength Factors	Low Strength 1	
			Medium Strength 2	
			High Strength 4	
53	53.11	Monthly Usage Fee for Commercial and Institutional Sewer ⁽²⁾	Rate multiplied by annual avg. units	Low Strength \$2.35 Medium Strength \$3.37 High Strength \$5.37
53	53.11	Monthly System Fee for Commercial and Institutional Sewer ⁽²⁾	.75"	\$25.83
			1"	\$38.03
			1.5"	\$68.53
			2"	\$105.12
			3"	\$190.52
			4"	\$312.51
			6"	\$617.48
			8"	\$983.46
			10"	\$1,410.42
60	60.03	Issuance of Availability Letters for Water and/or Sewer Service		\$75.00

⁽²⁾ Sewer billed beginning January 1, 2014.

Section #	Code #	Fee Description	Meter Size	Charges		
72	72.04 A.1.	Locking or Removing Damaged or Tampered Meters				
		- To Pull and Reset Meter	3/4" - 2"	\$170.00		
		- Broken Curbstop or Tabs	3/4" - 1"	\$192.00		
		- If Customer uses Jumper	3/4" - 1"	\$149.00		
		- Broken Lock/Locking Device	3/4" - 1"	\$56.00		
		- Cap Lock (Welded)	3/4" - 1"	\$158.00		
		- Broken Curbstop or Tabs	1.5" - 2"	\$265.00		
		- To Pull and Reset Meter	3"	\$351.00		
		- To Pull and Reset Meter	4"	\$454.00		
		- To Pull and Reset Meter	6"	\$454.00		
		- To Pull and Reset Meter	8"	\$600.00		
		- To Pull and Reset Meter	10"	\$600.00		
72	72.05 D. A.	Type I Fine				
		- First Violation		\$100.00		
		- Second Violations		\$200.00		
		- Third or each additional violation of that same ordinance or requirement within a twelve-month period		\$500.00		
		Type II Fine	Will not exceed per each day the violation is identified or continues.	\$5,000.00		
		Type III Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
		Type IV Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
State Water Code	#71630 & Annual Board Resolution #4142	Water Availability/Standby Annual Special Assessment Charge	Less than one-acre all I.D.s & Outside an I.D.	\$10.00		

Section #	Code #	Fee Description	Meter Size	Charges		
State Water Code	#71630 & Annual Board Resolution #4142	Water Availability/Standby Annual Special Assessment Charge	Per acre in I.D. 1, 5, & Outside an I.D.	\$10.00		
			Per acre in I.D. 2,3,7,9,10,19,20,22,25,& 27	\$30.00		
			Less than one-acre Outside I.D. and greater than one mile from District facilities.	\$3.00		
			Per acre for outside I.D. & greater than one mile from District facilities.	\$3.00		
		Sewer Availability/Standby Annual Special Assessment Charge	Less than one acre I.D. 4, 14, & 18	\$10.00		
			Per acre I.D. 4, 14, & 18	\$30.00		
Annual Board Resolution		General Obligation Bond Annual Tax Assessment	Per \$1000 of assessed value for I.D. 27	\$0.005		

Policies

5	Copies of Identifiable Public Records		\$0.10/page		
	Cassette Tape Duplication		\$2.00/tape		
	Yearly Subscription Service for Agendas and Ratified Minutes		\$20.00/year or \$0.50/meeting		
	Yearly Subscription Service for Board Packet and Ratified Minutes		\$100.00/year for first copy and \$200.00/year for each copy thereafter		

Draft Final Report
Otay Water District

**Capacity, New Water Supply, and
Annexation Fees for Water and Sewer
August 2014**



Prepared by
HDR



August 21, 2014

Ms. Rita K. Bell
Finance Manager
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, California 91978-2004

Subject: Draft Final Report for the Updated Capacity Fees, New Water Supply Fee, and Annexation Fees for the Water and Sewer Utilities

Dear Ms. Bell:

HDR was retained by the Otay Water District (District) to develop cost-based capacity, new water supply, and annexation fees for the District. Enclosed please find HDR's draft final report for this project. The conclusions and recommendations contained within this report should enable the District to implement cost-based capacity, new water supply, and annexation fees that meet the District's financial goals and objectives. The District has historically established cost-based fees and this report is a continuation of those past practices.

This report has been prepared using "generally accepted" financial, rate setting and engineering principles. The District's financial, budgeting and engineering data were the primary sources for much of the data contained in this report. This report was developed with significant participation and input by District management and staff. Prior to adoption of the calculated capacity, new water supply, and annexation fees, HDR recommends that the District have its legal counsel review the report to ensure compliance with California law.

HDR appreciates the opportunity to assist the District in this matter. We also would like to thank you and your staff for assistance provided to us. If you have any questions, please call.

Very truly yours,
HDR Engineering, Inc.

Thomas E. Gould
Vice President
HDR's Business Leader for
Finance and Rates

Enclosure

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Phone: (425) 450-6200

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Sewer Exhibits

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Exhibit A-1	Summary of Annexation Fee Calculation
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Abbreviations and Acronyms

CCP	Cast-in-place Concrete Pipe
CF	Capacity Fee
CIP	Cast-iron pipe
CIP	Capital Improvement Plan
COP	Certificate of Participation
DIP	Ductile iron pipe
EDU	Equivalent dwelling unit
G.O.	General Obligation (Bond)
HDPE	High density plastic pipe
MGD	Million gallons per day
OC	Original Cost
OCLD	Original Cost Less Depreciation
PVC	Polyvinyl Chloride Pipe
RC	Replacement/Reproduction Cost
RCLD	Replacement/Reproduction Cost Less Depreciation
RCNLD	Replacement/Replacement Cost New Less Depreciation
RCNLD	Reproduction/Replacement Cost New Less Depreciation
RCP	Clap pipe
STL	Steel pipe
VCP	Vitrified clay pipe



Executive Summary

Introduction

HDR was retained by the Otay Water District (District) to review and update the capacity, new water supply fee, and annexation fees for the water and sewer utilities. The purpose of capacity, new water supply fee, and annexation fees is to bring equity between existing customers and new customers connecting to the District’s utility systems. The objective of this study was to calculate cost-based fees for new customers connecting to the District’s water and sewer system. By establishing cost-based new water supply, capacity and annexation fees, the District attempts to have “growth pay for growth” and existing utility customers will, for the most part, be sheltered from the financial impacts of growth.

The District currently has a new water supply fee, water capacity fee, water annexation fee and a sewer annexation fee which is actually the sewer capacity fee. For this study, the proposed fees were developed to be cost-based and bring consistency in the naming and application of the fees across both utilities. The current capacity, new water supply, and annexation fees have not been formally updated since June 2010. Since 2010, the annexation fees, new water supply and capacity fees have been updated quarterly based on the Engineering News Record Construction Cost Index for Los Angeles. The capacity fees were recently updated as of June 2014 ENR and the fees are effective July 1, 2014.¹

Summary and Conclusions

The new water supply fee is based on the future capital improvements needed to serve growth divided by the equivalent dwelling units (EDUs) that will be served by the new capacity. For the capacity fees, the District has previously used the “combined methodology” for calculating the capacity fees (CFs) and this methodology is in conformance with generally accepted rate making practices and is based on the District’s water and sewer system planning and design criteria. The calculations also take into account the financing mechanisms of capital improvements. Based on the sum of the existing and future component costs, the net allowable utility CF is determined. “Net” refers to the “gross” capacity fee, net of any debt service credits. “Allowable” refers to the concept that the calculated capacity fee is the District’s cost-based charge. The District, as a matter of policy, may charge any amount up to the cost-based capacity fee, but not over that amount. Charging an amount greater than the allowable capacity fee would not meet the nexus test of a cost-based capacity fee related to the benefit derived by the customer.

¹ The adjustment of these types of fees using a price index is a generally accepted utility practice and a best industry practice.

Capacity fees must be implemented according to the capacity requirement or impact each new development has on the utility system. This way, the capacity fee is related to the impact the customer places on the system, and to the benefit they derive from the service provided.

The existing and maximum allowable capacity and new water supply fee for the water utility system, as calculated within this report, for a new single-family residential meter connection is presented in Table ES-1. The maximum allowable fee has been adjusted to reflect the recent ENR adjustment made in June 2014. Further detail can be found in Section 4 of this report.

Table ES – 1		
Existing and Maximum Allowable Water Capacity and New Water Supply Fee		
Fee Description	Existing Fee	Maximum Allowable
Capacity Fee	\$8,237	\$7,984
New Water Supply Fee	\$949	\$989

Larger sized meters pay a higher dollar amount, based on industry established (American Water Works Association – AWWA) weighting factor standards for single family meter equivalencies. The capacity fees for these larger sized meters are presented in Section 4 of this report.

The existing and maximum allowable capacity fee for the sewer utility, as calculated within this study, for one Equivalent Dwelling Unit (EDU), or one single-family dwelling unit, is presented in Table ES-2. The maximum allowable fee has been adjusted to reflect the recent ENR adjustment made in June 2014.

Table ES – 2	
Existing and Maximum Allowable Sewer Capacity Fee (\$/EDU)	
Existing Fee	Maximum Allowable
\$5,986	\$6,400

The sewer capacity fees, charged based on various numbers of EDUs, are presented in Section 4 of this report.

The annexation fee is charged to new customers annexing into the District boundaries. The annexation fee reimburses existing customers for past contributions so that all customers have contributed equally to the District’s water and sewer system. Currently the District only charges a water annexation fee. The current sewer “annexation fee” is actually a capacity fee. This study has proposed a standardization of the use of the term “capacity” and “annexation” fees between the water and sewer utility.

The calculation of the District’s water annexation fee is based on the original value of 1% General Tax and availability charges received to date, escalated to present day values based on the Consumer Price Index, from San Diego, from 1959 to present (through 2013). The 1% general tax is only for water and is not included in the sewer calculation. The existing and proposed annexation fees are shown below in Table ES-3.

Table ES – 3		
Existing and Maximum Allowable Annexation Fee		
Utility	Existing Fee	Maximum Allowable
Water Annexation Fee	\$1,622	\$1,777
Sewer Annexation Fee	N/A	\$1,018

District Board Review

On August 18, 2014 the findings of this study were presented to the District’s FA&C Committee. Results of the study will be presented to the District’s Board September 3rd.

Summary

The capacity and annexation fees developed and presented in this report are based on the planning and engineering design criteria of the District’s water and sewer systems, the value of the existing assets, past financing of the system and “generally accepted” ratemaking principles. Adoption of the proposed capacity fees and annexation fees will provide multiple benefits to the District and will continue the District’s practice of establishing equitable and cost-based charges for new customers connecting to the District’s utility systems.

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Section 1 Introduction

1.1 Introduction

HDR was retained by the Otay Water District (District) to review and update its capacity fees, new water supply fee, and annexation fees for water and sewer. The objective of this study is to calculate cost-based capacity, new water supply, and annexation fees for new customers connecting to the District’s water and sewer system. These fees provide the means of balancing the cost requirements for new utility infrastructure between existing customers and new customers. The portion of existing infrastructure and future capital improvements that will provide service (capacity) to new customers is included in the capacity fees. In contrast to this, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure in service. These infrastructure costs are typically included within the rates charged to the District’s customers, and are not included within the capacity fee. By establishing cost-based fees the District maintains an approach of having “growth pay for growth” and existing utility customers should, for the most part, be sheltered from the financial impacts of growth.

“The objective of this study is to calculate cost-based capacity, new water supply, and annexation fees for new customers connecting to the District’s water and sewer system.”

1.2 Organization of Report

This report documents the methodology, approach and technical analysis undertaken by HDR and the District to develop the District’s capacity, new water supply, and annexation fees for water and sewer. For purposes of ease in understanding the fees and proposed adjustments, the sewer capacity fee, which is currently the sewer annexation fee, is referred to in this report as the existing sewer capacity fee. The report is divided into five sections. Section 1 provides a brief introduction and overview of the study. Given this brief introduction, Section 2 provides an overview of capacity, new water supply, and annexation fees and the criteria and general methodology that should be used to calculate and establish cost-based fees. Next, Section 3 provides an overview of the requirements under California law for determining capacity, new water supply, and annexation fees. Section 4 reviews the District specific calculations of the cost-based water and sewer capacity fees and the new water supply fee. Finally, Section 5 and provides a summary of the water and sewer annexation fees.

“By establishing cost-based fees for water and sewer the District maintains an approach of having “growth pay for growth” and existing utility customers should, for the most part, be sheltered from the financial impacts of growth.”

1.3 Disclaimer

HDR, in its calculation of the capacity, new water supply, and annexation fees for water and sewer presented in this report, has used “generally accepted” engineering and ratemaking principles. This should not be construed as a legal opinion with respect to California law. HDR recommends that the District have its legal counsel review the new water supply, capacity and annexation fees for water and sewer as set forth in this report to ensure compliance with California law.



Section 2 – Overview of Capacity, New Water Supply and Annexation Fees

2.1 Introduction

An important starting point in establishing capacity, new water supply, and annexation fees is to have a basic understanding of the purpose of these fees, along with the criteria and general methodology that is used to establish cost-based fees. Presented in this section of the report is an overview of these fees and the criteria and general methodology that is used to develop cost-based capacity, new water supply, and annexation fees.

2.2 Defining Capacity, New Water Supply, and Annexation Fees

The first step in establishing cost-based capacity, new water supply and annexation fees is to gain a better understanding of the definition of a system development charge (SDC) [i.e. a capacity fee (CF)]. For the purposes of this report, an SDC is defined as follows:

“System development charges (capacity fees) are one-time charges paid by new development to finance construction of public facilities needed to serve them.”¹

Simply stated, capacity fees are a contribution of capital to either reimburse existing customers for the available capacity in the existing system, or help finance planned future growth-related capacity improvements. At some utilities, capacity fees may be referred to as system development charges, impact fees, connection charges, infrastructure investment fees, etc. Regardless of the label used to identify them, their objective is the same. That is, these charges are intended to provide funds to the utility to finance all or a part of the capital improvements needed to serve and accommodate new customer growth. Absent those fees, many utilities would likely be unwilling to build growth-related facilities (i.e., burden existing rate payers with the entire cost of growth-related capacity expansion).

In the specific case of the District, annexation fees are a separate fee applied to new outside-District connections to account for the contributions existing District customers have made to the system through payment of general taxes and availability fees over the years. New outside District customers pay a one-time fee based on past general taxes, availability fees and past debt payments (for sewer) that bring the new outside-District customer connecting to the District’s system to an equal financial footing with existing customers of sharing the cost of developing the utility systems to provide services. The District currently has a policy in place for the sewer utility that only customers outside of an ID area pay the annexation fee.

¹ Arthur C. Nelson, System Development Charges for Water, Wastewater, and Stormwater Facilities, Lewis Publishers, New York, 1995, p. 1,

It is important to note that the current sewer “annexation fee” is actually a buy-in capacity fee. To avoid confusion regarding these fees and their purpose, an objective of this study was to establish consistent terminology between the utilities regarding these fees. Given that, the sewer “annexation fee” is changed in name primarily. It has been updated, to reflect the current value of the system based on District data and asset values, to a sewer capacity fee. A new sewer annexation fee, based on prior availability fees paid, is calculated for any new customers connecting to the system who are not located within an existing ID area. These fees are further explained in Section 5, along with the updated water annexation fees.

2.3 Economic Theory and Capacity, New Water Supply, and Annexation Fees

Capacity, new water supply, and annexation fees are generally imposed as a condition of service. The objective of a capacity fee is not merely to generate money for a utility, but to ensure that all customers seeking to connect to the utility’s system bear an equitable share of the cost of capacity that is invested in both the existing system and any future growth-related expansions. Through the implementation of fair and equitable capacity, new water supply, and annexation fees, existing customers will not be unduly burdened with the cost of new development.

By establishing cost-based fees, the District will be taking an important step in assuring adequate infrastructure to meet growth-related needs, and more importantly, providing this required infrastructure to new customers in a cost-based, fair and equitable manner.

2.4 Capacity, New Water Supply and Annexation Fee Criteria

In the determination and establishment of the capacity new water supply, and annexation fees, a number of different criteria are often utilized. The criteria often used by utilities to these fees are as follows:

- Customer understanding
- System planning criteria
- Financing criteria, and
- State/local laws

Annexation fees differ from capacity and new water supply fees in that annexation fees are based solely on fees and taxes previously paid by other customers. In that sense, system planning criteria does not apply to annexation fees. Capacity and new water supply fees are based on capacity needs of new customers, capacity available in the system, and the cost to provide a unit of capacity. With these differences in mind, a majority of the discussion below relates primarily to capacity and new water supply fees.

The component of customer understanding implies that the charge is easy to understand. This criterion has implications on the way that the fees are implemented and assessed to the customer. For water systems, the charge is generally based on meter size or specific customer usage (demands). The other implication of this criterion is that the methodology is clear and concise in its calculation of the amount of infrastructure necessary to provide service.

The use of system planning criteria is one of the more important aspects in the determination of the new water supply and capacity fees. System planning criteria provides the “rational nexus” between the amount of infrastructure necessary to provide service and the charge to the customer. The rational nexus test requires that there be a connection (nexus) established between new development and the new or expanded facilities required to accommodate new development, and appropriate apportionment of the cost to the new development in relation to benefits reasonably received.

“System planning criteria provides the “rational nexus” between the amount of infrastructure necessary to provide service and the charge to the customer.”

To comply with the rational nexus test the calculated fees require the following:

1. *“A connection be established between new development and the new or expanded facilities required to accommodate such development. This establishes the rational basis of public policy.*
2. *Identification of the cost of these new or expanded facilities needed to accommodate new development. This establishes the burden to the public of providing new facilities to new development and the rational basis on which to hold new development accountable for such costs. This may be determined using the so-called Banberry factors. [Banberry Development Company v. South Jordan City (631 P.2d 899, Utah 1981)].*
3. *Appropriate apportionment of that cost to new development in relation to benefits it reasonably receives. This establishes the nexus between the fees being paid to finance new facilities that accommodate new development and benefit new development receives from such new facilities.”²*

The first bullet of the rational nexus test requires the establishment of a rational basis of public policy. This implies the planning and capital improvement studies that are used to establish the need for new facilities to accommodate growth. Adopted master plans or facility plans should firmly meet this first test since these plans assess existing facilities and capacity, project future capacity requirements and determine the future capital infrastructure and new facilities needed to accommodate growth.

The second portion of the rational nexus test discusses the Banberry Factors. In summary, *“consideration must be given to seven factors to determine the proportionate share of costs to be borne by new development:*

- *The cost of existing facilities*
- *The means by which existing facilities have been financed*
- *The extent to which new development has already contributed to the cost of providing existing excess capacity*

²Ibid, p. 16 and 17.

- *The extent to which existing development will, in the future, contribute to the cost of providing existing facilities used community wide or non-occupants of new development*
- *The extent to which new development should receive credit for providing at its cost facilities the community has provided in the past without charge to other development in the service area.*
- *Extraordinary costs incurred in serving new development*
- *The time-price differential inherent in fair comparisons of amount of money paid at different times.”³*

The final portion of the rational nexus test is the reasonable apportionment of the cost to new development in relation to benefits it reasonably receives. This is accomplished in the methodology to establish the capacity and new water supply fees, which is discussed in more detail within this section.

One of the driving forces behind establishing cost-based capacity, new water supply, and annexation fees is that “growth pays for growth.” Therefore, these fees are typically

“One of the driving forces behind establishing cost-based capacity, new water supply, and annexation fees is that “growth pays for growth.”

established as a means of having new customers pay an equitable share of the cost of their required infrastructure. The financing criteria for establishing the fees relates to the method used to finance infrastructure on the system and assures that customers are not paying twice for infrastructure – once through the development fees and again through rates. The double payment can come in through the imposition of growth-related infrastructure debt service within a customer’s

rates. The financing criteria also reviews the basis under which main line extensions were provided and assures that the customer are not charged for infrastructure that was provided (contributed) by developers.

Many states and local communities have enacted laws which govern the calculation and imposition of these types of development fees. These laws must be followed in the development of these types of fees. Most statutes require a “reasonable relationship” between the fee charged and the cost associated with providing service capacity to the customer. (California legal requirements are described in Section 3 of this report.) The fees do not need to be mathematically exact, but must bear a reasonable relationship to the cost burden imposed. As discussed above, the utilization of the planning and financing criteria and the actual costs of construction and the planned costs of construction provide the nexus for the reasonable relationship requirement.

³Ibid, P. 18 and 19.

2.5 Overview of the Capacity and New Water Supply Fee Methodology

There are “generally-accepted” methodologies that are used to establish capacity and new water supply fees. Nelson describes eight different methodologies that may be used to establish capacity fees. “They include:

- *Market capacity method*
- *Prototypical system method*
- *Growth-related cost allocation method*
- *Recoupment value method, also known as the buy-in method*
- *Replacement cost method*
- *Marginal cost method*
- *Average cost method*
- *System-wide and growth-related cost-attribution method*⁴

As Nelson notes, each of these methods may have certain advantages and disadvantages and should be applied in a manner that reflects circumstances and conditions of the utility. As an example, a utility which has significant capacity in their existing system and can accommodate future growth would likely use the recoupment (buy-in) method. In contrast to this, a utility with no existing capacity which requires expansion of capacity to accommodate growth could potentially use the growth-related cost allocation method or the marginal cost method. For utilities that have some existing capacity available to serve a portion of new development, but must build additional capacity to serve all future development, the system-wide and growth-related attribution method may be appropriate. In the case of the District, this is essentially the circumstance for water, in which there is available capacity, but also the need for future expansion to accommodate build-out. Sewer, on the other hand, has available capacity for the foreseeable future to accommodate anticipated customer growth.

Regardless of the overall methodology selected, a common denominator of the technical analyses is the various steps undertaken. These steps are as follows:

- Determination of system planning criteria
- Determination of equivalent dwelling unit equivalents (EDUs)
- Calculation of existing system costs
- Determination of any credits

The first step in establishing capacity fees is the determination of the system planning criteria. This implies calculating the amount of water or sewer capacity required by a single-family residential customer. For water systems, water demand per equivalent meter is most often used, since this represents the basis for system design. The number of existing customers is expressed in equivalent meter units. The American Water Works Association (AWWA) has a standardized method for determining meter equivalency for larger meter sizes.

⁴Ibid., P. 71.

For the sewer system, the amount of flow for one dwelling unit is determined and used to assess the number of equivalent dwelling units, or EDUs. The number of dwelling unit equivalents or equivalent meters can be determined based on a single family meter capacity. This provides the linkage between the amounts of infrastructure necessary to provide service to a set number of customers.

Once the number of equivalent meters, or capacity components for the system are determined, a component by component analysis is undertaken to determine the portion of the capacity fee attributable to each component in dollars per equivalent meter. In this process, the existing assets must be valued. Existing assets may be valued in a number of different ways. These methods may include the following:

- ✓ Original Cost (OC)
- ✓ Original Cost Less Depreciation (OCLD)
- ✓ Replacement Cost (RC)
- ✓ Replacement Cost Less Depreciation (RCLD)

Given these four different methods for valuing the assets, the selection of the valuation method certainly arises. The American Water Works Association M-1 manual notes the following concerning these various generally accepted valuation methods:

“Using the OC and OCLD valuations, the SDC [capacity fee] reflects the original investment in the existing capacity. The new customer “buys in” to the capacity at the OC or the net book value cost (OCLD) for the facilities and as a result pays an amount similar to what the existing customers paid for the capacity (OC) or the remaining value of the original investment (OCLD).

Using the RCN and the RCNLD valuations, the SDC [capacity fee or new supply fee] reasonably reflects the cost of providing new expansion capacity to customers as if the capacity was added at the time the new customers connected to the water system. It may be also thought of as a valuation method to fairly compensate the existing customers for the carrying costs of the excess capacity built into the system in advance of when the new customers connect to the system. This is because, up to the point of the new customer connecting to the system, the existing customers have been financially responsible for the carrying costs of that excess capacity that is available to development.”⁵

As a point of reference for this study, the District capacity fee analysis will use a RCNLD methodology for all assets and the District references this as “reproduction” not “replacement” cost in the study. The District’s existing assets are escalated to current dollars using a cost index (e.g. the Engineering New Record, Construction Cost Index; ENR CCI) and then depreciated using a simple straight-line method based on the useful life of each historical asset,

⁵ AWWA M-1 Manual, 6th Edition, p. 268

respectively. The pipes are valued at “replacement” cost based on current inventory of the system at the current time and a current dollar per lineal foot. This value is also depreciated and is referred to as “replacement” cost.

After the existing infrastructure is analyzed then the future expansion projects are added to the total cost component. This total existing and future cost is divided by the total existing and future equivalent meters to determine the “gross capacity charge”. The last step in the calculation of the capacity charge is the determination of any credits. This is generally a calculation to assure that customers are not paying twice – once through capacity fees and again within the local water and sewer rates.

2.6 Summary

This section of the report has provided an overview of capacity, new water supply, and annexation fees; the basis for establishing cost-based fees, considerations in establishing the fees, the burden development places on the system and the steps typically taken in the development of the technical analyses. In the development of the District’s capacity, new water supply, and annexation fee study, the issues identified in this section of the report have been addressed and will be discussed in more detail in later sections of the report. The next section of the report provides a brief overview of the legal considerations in establishing new capacity, water supply, and annexation fees as they relate to California law.

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Section 3 – Legal Considerations in Establishing Fees for the District

3.1 Introduction

An important consideration in establishing capacity, new water supply, and annexation fees is any legal requirements at the state or local level. The legal requirements often establish the methodology around which the capacity, new water supply, and annexation fees must be calculated or how the funds must be used. Given that, it is important for the District to understand these legal requirements and develop and adopt fees which comply with those legal requirements. This section of the report provides an overview of the legal requirements for establishing capacity, new water supply, and annexation fees under California law. A discussion of the applicability of Proposition 218, as it relates to these fees is also provided.

The discussion within this section of the report is intended to be a summary of our understanding of the relevant California law as it relates to establishing capacity, new water supply, and annexation fees. It in no way constitutes a legal interpretation of California law by HDR.

3.2 Requirements under California Law

In establishing capacity, new water supply, and annexation fees, an important requirement is that they be developed and implemented in conformance with local laws. In particular, many states have established specific laws regarding the establishment, calculation and implementation of development fees. The main objective of most state laws is to assure that these charges are established in such a manner that they are fair, equitable and cost-based. In other cases, state legislation may have been needed to provide the legislative powers to the utility to establish the charges.

“The laws for the enactment of capacity charges in California are found in California Government Code sections 66013, 66016, and 66022 within the ‘Mitigation Fee Act.’

The laws for the enactment of capacity charges in California are codified in California Government Code sections 66013, 66016, and 66022, which are interspersed within the ‘Mitigation Fee Act.’ The Mitigation Fee Act is comprehensive legislation dealing mainly with development impact fees, although the above sections set forth the various requirements for imposition of capacity fees in California: calculation of the fees, noticing, accounting and reporting requirements, and processes for

judicial review.

A summary of the relevant statutes required in the calculation of capacity fees is as follows:

“66013 (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

“66013 (b) (3) ‘Capacity charge’ means a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged.”

In addition to the determination of “the estimated reasonable cost of providing the service for which the fee is imposed,” California law also requires the following:

- That notice (of the time and place of the meeting, including a general explanation of the matter to be considered) and a statement that certain data is available be mailed to those who filed a written request for such notice,
- That certain data (the estimated cost to provide the service and anticipated revenue sources) be made available to the public,
- An opportunity for public input at an open and public meeting to adopt or modify the fee, and
- That revenue in excess of actual cost be used to reduce the fee creating the excess.

The basic principle that needs to be followed under California law is that the charge be based on a proportionate share of the costs of the system required to provide service and that the requirements for adoptions and accounting be followed in compliance with California law.

For annexation fees, California has provided the authority to charge an availability charge for water and sewer utilities. Within the California water code Section 71631.6 there is a provision for availability charges, as follows:

“71631.6. Notwithstanding the provisions of Section 71631, in any improvement district situated within the Otay Municipal Water District in San Diego County, the standby assessment or availability charge shall not exceed thirty dollars (\$30) per acre per year for land on which the charge is levied or ten dollars (\$10) per year for a parcel less than one acre. In any such improvement district the proceeds from any standby assessment or availability charge in excess of ten dollars (\$10) per acre per year shall only be used for the purposes of such improvement district. This section, applicable only to the Otay Municipal Water District of San Diego County, is necessary because of the unique and special water management problems of the area included within such district.”

Additionally, the California Public Utilities Code Section 16475¹, while not applicable to the District, provides further authority and clarification of this fee.

“16475.(a) A public utility district which acquires, constructs, owns, operates, controls or uses works for supplying its inhabitants with water, may, pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, fix and collect a water standby or immediate availability charge on all land within its boundaries to which water is made available for any purpose by the district, whether the water is actually used or not, except that such charge shall not supply to lands permanently dedicated exclusively to transportation of persons or property. If the procedures set forth in this section as it read at the time a standby charge was established were followed, the district's board of directors may, by resolution, continue the charge pursuant to this section in successive years at the same rate. If new, increased, or extended assessments are proposed, the district shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code....

(c) If a person for more than one year obtains substantially all of his or her water requirements for the contiguous parcels of land which he or she occupies from rainfall, springs, streams, lakes, rivers, or wells, and if the person's primary economic activity on such land is the commercial extraction or processing of minerals, such land shall be exempt from any water standby or availability charges.

d) Any funds derived from the charges levied pursuant to this section may be used by the district for all purposes which a public utility district is authorized to expend funds insofar as said purposes relate to the acquisition, construction, operation, control, or use of works for supplying its inhabitants with water.”

These Sections of California law indicate the authority to levy the availability fee, which is the key financial input to the annexation fees, properties exempt from such fees, and directives and authority of how such fee revenue should be used.

3.3 Proposition 218 and 26 and Capacity, New Water Supply, and Annexation Fees

In 1996, the voters of California approved Proposition 218, which required that the imposition of certain fees and assessments by municipal governments require a vote of the people to change or increase the fee or assessment. Of interest in this particular study is the applicability of Proposition 218 to the establishment of capacity fees for the District.

In *Richmond v. Shasta Community Services Dist.*, 32 Cal.4th 409 (2004), the California Supreme Court held that water connection fees (capacity and new water supply fees) are not “assessments” under Proposition 218 because they are imposed only on those who are voluntarily seeking water service, rather than being charged to particular identified parcels, and therefore such fees are not subject to the procedural or substantive requirements of

¹ Generally the Public Utilities Code does not apply to the District.

Proposition 218. The court also held that such fees can properly be enacted by either ordinance or resolution.

In November 2010 the voters of California passed Proposition 26, an initiative based state constitutional amendment, the Supermajority Vote for Passage of New Taxes and Fees Act. Proposition 26 requires a two-thirds supermajority vote of the California State Legislature or local legislative Board, to pass many fees, levies, charges and tax revenue allocations that previously could be enacted by a simple majority vote. However, the changes of this legislation do not apply to most user fees, property development charges, and property assessments, per exemption 6 of the legislation. Exemption 6 states that a charge imposed as a condition of property development are exempt. This language is similar to the fees' exemption from Proposition 218. Property development charges, such as capacity fees and annexation fees, which are imposed as a result of property development in order to provide services directly to the fee payer, and are associated with level of benefits directly received by the fee payer, are exempt from this legislation because they are determined based on the benefit the fee payer directly receives from the services, or have a reasonable nexus to the benefits derived by the fee payer.

3.4 Summary

This section of the report has provided an overview of the legal requirements under California law for the establishment of capacity, new water supply, and annexation fees. As was noted above, an important legal requirement is that the fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. The next section of the report provides the District's calculation of the fees, which provides the basis for the establishment of a reasonable cost (capacity fee).



Section 4 – Determination of the District’s Capacity and New Water Supply Fees

4.1 Introduction

This section of the report presents the details and key assumptions in the calculation of the District’s capacity fees for water and sewer and the new water supply fee for water. The calculation of the District’s capacity and new water supply fees is based upon District specific accounting and planning information. Specifically, the fees are based upon the District’s fixed asset records; the District’s current capital improvement plans, existing equivalent dwelling units (EDUs) and projection of future EDUs. For the water utility, the Water Resources Master (WRM) Plan Update, of October 2008 (and revised in 2010 and 2013) was used. This document will be referred to as the “WRM Plan” throughout this section of the report. Additionally, for the sewer utility, the latest Plan used for planning criteria, was the Wastewater Management (WWM) Plan, 2013, referred to as the WWM Plan in this report. As was noted in Section 2 of this report, these planning documents and projections of future EDUs provide the required support for a “rationally based public policy” to support the imposition of cost-based capacity and new water supply fees.

To the extent that the cost and timing of future capital improvements change, then the capacity and new water supply fees presented in this section of the report should be updated to reflect the changes.

4.2 Overview of the District’s Water and Sewer System

The Otay Water District is a water, recycled water and sewer service provider. The District was established in 1956. The District is located in the southern portion of San Diego County and includes approximately 137 square miles of which 125.5 miles are within the District’s boundaries. The service area includes both urban and rural development.

The District provides water within 125.5 square miles of the southeaster San Diego County. The water service planning area comprises three distinct land use planning agencies. They are the City of San Diego, the City of Chula Vista, and the County of San Diego. It serves the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and eastern Otay Mesa along the international border of Mexico. Potable water delivered by Otay Water District is purchased from the San Diego County Water Authority. Most of the water is purchased from the region’s primary importer, the Metropolitan Water District of Southern California. There are approximately 724 miles of potable water lines, 40 potable reservoirs, and 21 potable pump stations.

The District provides wastewater service to a portion of the land area within the Jamacha Basin, which is located within its North District. The County of San Diego also provides wastewater service in a portion of the Jamacha Basin. Wastewater flows from each agency’s customers are conveyed in joint collection and pumping systems. The District is responsible for approximately 88 miles of sewer line. The District owns and operates the Ralph W. Chapman Water Reclamation Facility (RWCWRF) within the Jamacha Basin. Wastewater flows generated within the Jamacha Basin are pumped to the RWCWRF and treated to produce recycled water, which is used to meet a portion of the District’s existing recycled water demand. All remaining flows are discharged into the Metro System. Wastewater collection, pumping, and treatment costs are shared between the District and the County as provided in the 1998 agreement between the Spring Valley Sanitation District (San Diego County) and Otay Water District.

There are two sources of recycled water to the District. The RWCWRF has up to 1.3 MGD (million gallons per day capacity). The District also has an agreement with the City of San Diego which allows the District to purchase up to 6.0 MGD of recycled water generated by the City’s South Bay Water Reclamation Plant (SBWRP). There are approximately 99 miles of recycled water lines, 4 recycled water reservoirs, and 3 recycled water pump stations. The District delivers recycled water to customers through a dedicated distribution system where it is used to irrigate golf courses, playing fields, public parks, roadside landscapes and open space in eastern Chula Vista.

4.3 Current Water and Sewer Capacity Fees

The District’s current water capacity and new water supply fees are shown below in Table 4-1.

Table 4-1 Current Water Capacity and New Water Supply Fees by Meter Size			
Meter Size	Meter Equivalent	Water Capacity Fee	New Water Supply Fee
3/4"	1.0	\$8,237	\$949
1"	2.5	20,593	2,373
1- 1/2"	5.0	41,185	4,745
2"	8.0	65,896	7,592
3"	16.0	131,792	15,184
4"	25.0	205,926	23,726
6"	50.0	411,852	47,452
8"	80.0	658,962	75,992
10"	115.0	947,258	109,138

[1] – District Capacity Fees effective June 2014, ENR on 7/1/2014

Larger sized meters pay a greater fee which is based upon industry established (American Water Works Association [AWWA]) safe operating capacities of the meters. Weighting factors are created to establish single family meter equivalencies.

As part of this study, the District requested that HDR develop a capacity fee for the sewer utility. Currently the sewer capacity fee is referred to as the sewer “annexation fee”, but that fee is based on the buy-in costs of available capacity in the sewer system. Within this study, and for consistency moving forward, the District’s current sewer annexation fee will be appropriately renamed and referred to as the sewer capacity fee. The existing sewer capacity fee is presented in Table 4-2, on a per EDU basis. The District’s Code Section 53.09 indicates the number of EDUs for various types of land uses.

Number of EDUs	Sewer Capacity Fee
0.38	\$2,275
0.60	3,591
1.00	5,986
1.20	7,183
0.70	4,190
5.00	29,929
15.00	89,786
25.00	149,643
40.00	239,429

[1] – District Capacity Fees effective June 2014, ENR on 7/1/2014

Section 53.09 of the District’s Code provides guidelines for determining the number of EDUs. For example, single-family, multi-family, condos and mobile homes are charged 1.0 EDU per unit. Hotels/motels with rooms with no kitchen are charged 0.38 EDUs per unit, while rooms with kitchens are charged 0.60 EDUs. Commercial uses are charged 1.2 EDUs for the first 1,000 square feet, and 0.70 EDU per 1,000 square feet of additional space.

4.4 Calculation of the District’s Capacity and New Water Supply Fees

As was discussed in Section 2, the process of calculating new water supply fee and capacity fees is based upon a four-step process. These steps were as follows:

- Determination of system planning criteria
- Determination of equivalent dwelling units (EDUs)

- Calculation of the capacity fee for system costs
- Determination of any capacity fee credits

Each of these areas is discussed in more detail below.

4.4.1 System Planning Criteria

System planning criteria typically involves calculating the amount of water required by a single-family residential customer. Water demand represents the basis for system design. For the District, the American Water Works Association (AWWA) has a standardized method for determining meter equivalency for larger meter sizes. The number of equivalent meters can be determined based on AWWA meter equivalency.

The number of customers by meter size was based on data from the District’s utility billing system as of June 2013. Table 4-3 shows a summary of the District’s 2013 water service customers by meter size.

Table 4-3 2013 Water Existing Number of Meters						
Meter Size	Residential	Master Metered	Commercial & Public	AG, LDs, Const.	Recycled	Total
5/8"	1	0	679	--	--	680
3/4"	43,186	41	336	103	1	43,667
1"	1,463	186	389	262	102	2,402
1-1/2"	14	245	291	383	393	1,326
2"	4	224	404	466	194	1,292
3"	--	34	32	5	4	75
4"	--	61	28	6	7	102
6"	--	6	8	2	2	18
8"	--	3	--	--	--	3
10"	--	--	5	--	1	6
Total	44,668	800	2,172	1,227	704	49,571

The total number of water service customers by meter size as of June 2013 is 49,571 units.

For the sewer utility, the WWM Plan used 80 gallons per capita day (gpcd) for residential equivalents, and 25 gpcd for employment populations.

4.4.2 Equivalent Meter Units

For system planning the number of existing customers by meter size is converted to equivalent meters. Equivalent meters are used to adjust to the total number of customers to reflect the capacity differences associated with different size meter connections. The AWWA has a

standardized method for determining meter equivalency for larger meter sizes. For the District, the AWWA M1 Manual meter equivalency ratios are used for residential connections.

The number of dwelling unit equivalents or equivalent meters can be determined based on a single family meter capacity. Table 4-4 shows the 2013 water service customers by meter size converted to a single family meter equivalency.

Table 4-4 2013 Water Equivalent Meters			
Meter Size	AWWA Single Family Weighting	Total Customers by Meter Size	Total Single Family Meter Equivalency
5/8"	1.00	680	680
3/4"	1.00	43,667	43,667
1"	2.50	2,402	6,005
1-1/2"	5.00	1,326	6,630
2"	8.00	1,292	10,336
3"	16.00	75	1,200
4"	25.00	102	2,550
6"	50.00	18	900
8"	80.00	3	240
10"	115.00	6	690
Total		49,571	72,898

The total water residential meter equivalency for the District is 72,898 units. This total will be used in determination of the capacity and annexation fees.

For the sewer system, the number of EDUs was determined by using the EDUs in the 2010 study of 6,714, and adding the 27 new connections since 2009, for a total of 6,741 existing EDUs on the sewer system.

4.4.3 Calculation of the Capacity Fee for the Major System Components

The next step of the analysis is to review the major functional system infrastructure to determine the capacity fee for the system. In calculating the capacity fees for the District, existing components, debt service for existing facilities, future capital improvements relating to expansion and capital fund reserves were included. The methodology used to calculate each component is described below.

EXISTING OR BUY-IN COMPONENT – To calculate the value of the existing assets for the buy-in component, the District’s methodology considered the original cost of each asset. The original cost

of the asset was then adjusted to the value for reproduction cost. The reproduction cost of each asset was then depreciated for the remaining useful life (i.e. reproduction cost less depreciation). A reproduction cost method “is appropriate when the system has been completely built out, or possesses substantial excess capacity to accommodate new development on a fill-in basis. . .”¹

The District provided an asset listing for the various existing components and their installation dates. As was noted in Section 2, there are different methods for valuing existing assets. In this case, a reproduction cost new less depreciation method was used. To accomplish this, the original cost of each asset was escalated to current, June 30, 2013 dollars, based on the Construction Cost Index (CCI) for the Los Angeles area published in the City Engineering News & Record (ENR). Then, based on the installation date and an estimated useful life provided by the District for each asset, the reproduction cost for each asset was depreciated.

Pipelines were valued at replacement cost new less depreciation. The length and size of pipe was multiplied by an average replacement cost per inch diameter of \$25. Including the recycled water components, the total capacity related eligible plant is approximately \$631.8 million. The valuation of the existing assets can be seen on Exhibit W-1 for water and Exhibit S-1 for sewer of the Technical Appendix.

Given the value of the assets, the next step was to determine the portion of the project costs that were deemed eligible to be included in the calculation of the capacity fee. The term “Capacity fee eligible” simply describes the amount of the asset to be included within the calculation of the fee. Within this study, meters, older computers, and miscellaneous other operational cost items that appeared to be nearly depreciated were not included in the capacity fee calculation. The final value of the assets was reduced by the amount of future principal on the debt associated with the assets as the principal will be recovered via the debt component.

As described below (see Debt Service Component discussion), the remaining principal portion of the debt associated with the assets was deducted from the total eligible asset value prior to calculating the capacity fee. This inclusion of a “debt service credit” avoids double charging the customer for the asset value in the existing or buy-in component of the capacity charge, and also in the debt service component of the rates. The principal portion of the debt service balance on existing assets is removed from the value prior to calculating the buy-in portion of the fee.

DEBT SERVICE COMPONENT - In addition to the buy-in component, a debt service component was also developed. This component accounts for the principal on existing assets. By segregating the debt service out, the cost can be clearly identified and calculated appropriately. To avoid double-counting of the assets financed with debt, the future principal associated with those assets was deducted from the existing infrastructure value.

¹ Arthur C. Nelson, System Development Charges for Water, Wastewater, and Stormwater Facilities, Lewis Publishers, New York, 1995, P. 77

The District has six outstanding issues for the water system. They are the 1996, 2007 and 2010A Certificates of Participation, 2009 General Obligation Bond, 2010 Build America Bonds, and the 2013 Water Revenue Refunding Bonds. There are no outstanding sewer bonds or State low-interest loans. The District's total outstanding principal is \$110 million, which is all related to water. Details of the debt service are shown on Exhibit W-1 and W-3A.

OTHER COMPONENTS - In addition to the existing or buy-in component and debt service component, capital fund reserves, past interest payments from 1959 to 2008 which were not previously capitalized (net of depreciation at 50 year average life) were determined to be capacity fee related. These components are considered to be asset valuation adjustments to the overall water and sewer systems since they are capacity infrastructure costs that relate to the water and sewer systems as a whole. The total capacity eligible fund reserve is \$30 million for water. Past interest payments net of depreciation is \$40 million for water and \$9.9 million for sewer. Further detail can be seen on Exhibit W-1, W-3B and W-4 for water and S-1, S-3B and S-4 for sewer of the Technical Appendix.

FUTURE COMPONENTS – An important requirement for a capacity fee study is the connection between the anticipated future growth on the system and the needed facilities required to accommodate that growth. For purposes of this study, the District's most current Capital Improvement Plan was provided. This plan came from the District's latest WRM Plan, which is currently being updated, and the District's Adopted Capital Improvement Program Budget document for 2014 - 2019. District staff reviewed the existing capital improvement plan (CIP) and updated it with information, as available, from the on-going WRM Plan update. Additionally, projected growth was developed within this WRM Plan for the water system, and within the WWM Plan for the sewer system. The projects necessary to meet demand for the water system were included in the CIP, along with a projection of the number of future EDUs. For the sewer system, it was determined that no expansion projects are needed at this time to meet the needs of projected growth.

The updated CIP detailed projects as expansion, betterment, new supply or replacement projects. Capital improvements that were expansion related were included in the capacity fee calculation. The total capacity eligible future projects for water totaled \$280 million. Exhibit W-6 of the water Technical Appendix contains the details of this portion of the fee.

4.5 Allowable Capacity and New Water Supply Fees

Based on the sum of the component costs calculated above, the allowable water and sewer capacity fee were determined. "Allowable" refers to the concept that the calculated capacity fees shown on Table 4-5 are the District's cost-based water capacity fees. The District, as a matter of policy, may charge any amount up to the allowable capacity fee, but not over that amount. Charging an amount greater than the allowable capacity fee would not meet the nexus test of a cost-based capacity fee. Details are provided in Exhibit W-7 for water and S-7 for sewer of the Technical Appendix.

**Table 4-5
Summary of Allowable Water Capacity Fee
Based on Single Family Meter Equivalent**

	Total "Allowable" Capacity Fee
Total Existing Capacity Plant (Repro & Replace. Less Depreciation)	\$592,228,550
Total Future Capacity Plant	<u>283,405,230</u>
Total Capacity Plant	\$875,633,780
Existing EDUs	72,898
Future EDUs	<u>41,405</u>
Total EDUs	114,303
Total Allowable Capacity Fee per 3/4" Equivalent Meter	\$7,661
Index to June 2014 ENR	1.0422
Total Allowable Capacity Fee per 3/4" Equivalent Meter	\$7,984

As can be seen in Table 4-5, the water capacity fee is \$7,661 for a 3/4" equivalent meter as of June 2013 data. The maximum allowable fee has been adjusted to reflect the recent ENR adjustment made in June 2014. The final allowable fee is \$7,984. The fee is then placed in the context of the size of meter. The water capacity fee varies based upon the safe operating capacity of the customer's meter, which is shown below in Table 4-7.

Table 4-6 shows the new water supply fee calculation. This fee used the same methodology as described above, but is based only on future CIP projects that were identified as necessary for new water supply. The cost of these future projects were divided by the projected growth they are estimated to serve, to determine a total allowable new water supply fee per EDU for an equivalent meter.

**Table 4-6
Summary of Allowable New Water Supply Fee**

	Total "Allowable" Water Supply Fee
Total Future Capacity Plant (Expansion)	\$39,279,000
Future EDUs	<u>41,405</u>
Total Allowable Capacity Fee per 3/4" Meter Equivalent	\$949
Index to February 2014 ENR	1.0422
Total Allowable Capacity Fee per 3/4" Equivalent Meter	\$989

Table 4-7 provides a summary of the calculated and allowable new water supply and water capacity fees by meter size.

**Table 4-7
Calculated Water Capacity and New Water Supply Fee by Meter Size**

Meter Size	Meter Equivalent	Water Capacity Fee	Water New Water Supply Fee
3/4"	1.0	\$7,984	\$989
1"	2.5	19,960	2,473
1- 1/2"	5.0	39,920	4,945
2"	8.0	63,872	7,912
3"	16.0	127,744	15,824
4"	25.0	199,600	24,725
6"	50.0	399,200	49,450
8"	80.0	638,720	79,120
10"	115.0	918,160	113,735

As can be seen in Table 4-7, the water capacity fee is \$7,984 for a 3/4" meter, the new water supply fee is \$989 for a new water supply fee. The capacity and new water supply fee varies based upon the safe operating capacity of the customer's meter. The capacity charges for the larger meter sizes are determined by multiplying the capacity charge for a 3/4" meter by the meter capacity weighting factors in the AWWA M1 manual. The weighting factors are determined based on the AWWA safe operating capacities for the size of meter. The safe operating capacity of each meter is divided by the safe operating capacity for a single family displacement type meter to determine the weighting factor for each meter. For example, the safe operating flow capacity of a 2" displacement meter is eight (8) times the safe operating

flow capacity of a 3/4" meter. Stated another way, the capacity of a customer with a 2" displacement meter has the equivalent capacity of eight (8) single-family homes.

The District's current fee schedule has a separate fee for the Triad Development area. For this study, District staff researched the purpose of the fee reduction back to its inception and determined that when the Triad Development initially was developed the developers paid for the storage the area would need. Therefore, the capacity fees for the Triad area are credited the portion of the fee that relates to potable water storage. HDR reviewed the discount provided to Triad and concluded that the discount of 25% of the fee fairly reflects the time value of the \$17 million paid for storage facilities. This is also consistent with the District's current approach to providing a Triad credit on the fees.

Table 4-8 presents the calculated water capacity fees along with the reduced Triad Development fees. New connections within the Triad area still pay the annexation fee (as appropriate) and the new water supply fee, as presented within this report.

Table 4-8 Calculated Water Capacity and Triad Capacity Fees by Meter Size			
Meter Size	Meter Equivalent	Water Capacity Fee	Triad Water Capacity Fee
3/4"	1.0	\$7,984	\$5,990
1"	2.5	19,960	14,975
1- 1/2"	5.0	39,920	29,950
2"	8.0	63,872	47,920
3"	16.0	127,744	95,840
4"	25.0	199,600	149,750
6"	50.0	399,200	299,500
8"	80.0	638,720	479,200
10"	115.0	918,160	688,850

SEWER CAPACITY FEES – The allowable sewer capacity fee is shown below in Table 4-9. There were no future sewer capacity related projects. There is ample capacity within the existing sewer system to serve the anticipated growth on the system. Details are provided in Exhibit S-7 of the Technical Appendix.

**Table 4-9
Summary of Allowable Sewer Capacity Fee Based on One EDU**

	Total "Allowable" Capacity Fee
Total Existing Capacity Plant (Repro & Replace. Less Depreciation)	\$41,397,911
Total Future Capacity Plant	<u>0</u>
Total Capacity Plant	\$41,397,911
Existing EDUs	6,741
Future EDUs	<u>0</u>
Total EDUs	6,741
Total Allowable Capacity Fee per EDU	\$6,141
Index to June 2014 ENR	1.0422
Total Allowable Capacity Fee per EDU	\$6,400

Table 4-10 provides a summary of the calculated and allowable sewer capacity fee by number of EDUs, based on Section 53.09 of the District’s Code. The District’s current resolution also specifies that customers within an ID area would not pay the “annexation fee”. Since the current sewer annexation fee is actually the buy-in capacity fee, it was determined by District staff who researched the historical aspects of the Resolution, that customers within an ID area should pay an equitable portion of the costs of available capacity, but should not pay an actual annexation fee, and should receive a credit for debt payments they have paid through debt assessments applied to parcels within the ID areas. Therefore, the sewer capacity fee is listed for those customers outside an ID area, who would pay the full capacity fee and an annexation fee for sewer, and those inside an ID area who would pay only a reduced capacity fee, which is reduced by the principal paid on the 1990 State loan for treatment plant, and all past interest payments.

**Table 4-10
Calculated Sewer Capacity Fee by Number of EDUs**

Number of EDUs	Sewer Capacity Fee Outside ID Area	Sewer Capacity Fee Inside Sewer ID Area
0.38	\$2,432	\$1,555
0.60	3,840	2,455
1.00	6,400	4,092
1.20	7,680	4,911
0.70	4,480	2,865

4.6 Key Assumptions

In the development of the capacity fees for the District's water and sewer utilities, a number of key assumptions were utilized. These are as follows:

- The District's capacity fees were developed on the basis of planning documents, anticipated future connections and the needed capital improvements to serve those future connections.
- The District developed their projections of future EDUs based upon an analysis of available land area and type of development, and assumed meter sizes.
- The District's asset records were used to determine the existing infrastructure assets.
- The District provided financial records related to capital reserves available, past interest payments, billing system reports for number of meters by size, and pipeline inventories.
- The District provided the current cost per lineal foot for pipelines for each utility.
- The District provided the most recent CIP for future expansion improvements.
- The District determined the portion of future improvements that were growth-related.
- The base year for the CIP was assumed at 2014.
- The calculation of the debt credit component included current outstanding principal on existing assets.

4.7 Implementation of the Capacity, New Water Supply Fees, and Annexations Fees

The District currently escalates capacity, new water supply, and annexation fees based on the Engineering News Record Construction Cost Index (ENR-CCI) on a quarterly basis. The ENR-CCI tracks changes in municipal construction costs. The methodology used to calculate these fees takes into account the cost of money or interest charges and inflation. Therefore, HDR would recommend that the District continue to adjust the fees at least annually, or quarterly, using the local ENR-CCI to reflect the cost of interest and inflation. This method of escalating the District's fees should be used for no more than a five-year period. After five years, HDR recommends that the District update the fees based on the actual cost of infrastructure and any new planned facilities that would be contained in an updated master plan or capital improvement plan.

4.8 Conformance of the District's Fees with Critical Legal Elements

In calculating the District's capacity fees, significant thought and consideration was given developing a fair and reasonable methodology that would meet the critical legal elements for capacity fees. These critical elements were previously discussed in Section 2. In summary form, the three tests to comply with the rational nexus test for the calculated fees require the following:

1. A connection be established between new development and the new or expanded facilities required to accommodate such development. This establishes the rational basis of public policy.

In the development of this study, the District's capacity fees were based upon District specific accounting and planning information. Specifically, the capacity fees are based upon the District's fixed asset records; and the District's current capital improvement plan (CIP) and projection of future EDUs. The use of this data and information was the "best available" and "reasonable" information and provides the required support for a "*rationally based public policy*" to support the imposition of capacity fees.

2. Identification of the cost of these new or expanded facilities needed to accommodate new development. This establishes the burden to the public of providing new facilities to new development and the rational basis on which to hold new development accountable for such costs. This may be determined using the so-called Banberry factors. Banberry states that "consideration must be given to seven factors to determine the proportionate share of costs to be borne by new development:

- The cost of existing facilities

The District's analysis considers the existing assets with a combined component. The assets are valued using a depreciated reproduction cost value for all assets and a replacement cost value for pipes.

- The means by which existing facilities have been financed

The District's analysis considered the debt service component related to the expansion component. The methodology provided a debt credit for outstanding principle related to existing assets.

- The extent to which new development has already contributed to the cost of providing existing excess capacity

The District's methodology excluded all contributed capital from the calculation of the combined component of the capacity fee. The Triad credit (discount) reflects this requirement.

- The extent to which existing development will, in the future, contribute to the cost of providing existing facilities used community wide or non-occupants of new development

The District's future expansion considers all future projects for the benefit of future expansion. Absent growth, the District's existing facilities are sufficient to serve existing District customers.

- The extent to which new development should receive credit for providing at its cost facilities the community has provided in the past without charge to other development in the service area.

The District is not aware of any situation or condition that would receive a credit for this test. No credits have been included within the calculation of the District's

capacity fee for new development providing at its cost facilities the community has provided in the past without charge to other development in the service area.

- **Extraordinary costs incurred in serving new development**

No extraordinary costs are assumed to have been incurred in the past, nor are any extraordinary costs assumed to be incurred in the future and included within the calculation of the District’s capacity fee.

- **The time-price differential inherent in fair comparisons of amount of money paid at different times.**

By using a depreciated reproduction cost for assets and depreciated replacement cost for pipes, the methodology for the combined method, the District has acknowledged the age and remaining useful life of the facilities. The adjustment for the Engineering News Record takes into consideration the time-price differential as a customer connects to the system.

3. **Appropriate apportionment of that cost to new development in relation to benefits it reasonably receives. This establishes the nexus between the fees being paid to finance new facilities that accommodate new development and benefit new development receives from such new facilities.**

The District’s methodology considered the value of existing and future assets to determine the fee. The value of those assets were divided by the number of EDUs that would be served by those assets.

Based upon the above, HDR is of the opinion that the District’s calculated capacity, new water supply and annexation fees meet the rational nexus test. While different parties may agree or disagree on certain assumptions or approaches, the overall test is a reasonableness relationship between the fee imposed and the benefit derived.

The other perspective to consider is the following finding by the Florida Supreme Court. The court ruled the fees were valid when they:

- “Do not exceed that which is reasonably required to fund expansion to benefit future connections
- Are needed to finance expansion that accommodates new development
- Are earmarked for expansion”²

The answer to these three tests for the District are “yes.” As calculated the proposed fees will be no greater than the calculated fees. The District’s calculated capacity fees may be used to not only pay for debt on past expansion projects, but also to fund future planned expansion projects. Finally, the District has a separate and segregated expansion fund and all capacity

² Florida Supreme Court, Contractors and Builders Association of Pinellas County v. City of Dunedin [329 So. 2nd 314 (Fla. 1976)]

fees collected will remain in the expansion fund and be used to fund existing expansion related debt and future expansions.

4.9 Consultant Recommendations

Based on our review and analysis of the District’s fees, HDR makes the following recommendations:

- The District should revise and update their capacity and new supply fees for new connections to the water and sewer systems that are no greater than the fees as set forth in this report.
- The District should continue within their resolution or ordinance the provision for periodic (annual or quarterly) adjustments to the fees based on changes in the Engineering News Record Construction Cost Index.
- The District should update the actual calculations for the capacity and new supply fees based on the methodology as approved by the resolution or ordinance setting forth the methodology for capacity fees at such time when a new capital improvement plan, facilities plan, master plan or a comparable plan is approved or updated by the District.

4.10 Summary

The capacity and new supply fees developed and presented in this section of the report are based on the engineering design criteria of the District’s water and sewer system, the value of the existing assets, future capital improvements, current debt service on existing assets and “generally accepted” ratemaking principles. Adoption of the proposed fees will provide multiple benefits to the District and create equitable and cost-based charges for new customers connecting to the District’s water and sewer system.

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Section 5 – Determination of the District’s Water and Sewer Annexation Fees

5.1 Introduction

This section of the report presents the details and key assumptions in the calculation of the District’s water and sewer annexation fee. The annexation fee is charged only to new customers annexing into the District’s service area boundaries (i.e. customer’s currently outside the District’s boundaries). The annexation fee reimburses existing customers for past contributions so that all customers have contributed equally to the District’s water and sewer systems. Currently the District only charges a water annexation fee. As noted in the previous section of the report, the District’s sewer “annexation fee” is actually the sewer system buy-in capacity fee. This study proposes separating the sewer fee into an annexation and capacity fee, in order that both utilities are treated as consistently as possible within the fee structure and schedule. The calculation of the District’s annexation fee is based upon District specific tax and availability charge collections.

5.2 Current Water Annexation Fees

The current water annexation fee is based on the original value of the 1% General Tax and availability charges to date. These values are then escalated using the Consumer Price Index, from San Diego, from 1959 to present (2013). The total present value of the 1% general tax and the availability charges are divided by current water and recycled EDUs. The District’s current water annexation fees are shown below in Table 5-1.

Meter Size	Meter Equivalent	Water Annexation Fee
3/4"	1.0	\$1,622.39
1"	2.5	4,055.90
1- 1/2"	5.0	8,111.80
2"	8.0	12,978.88
3"	16.0	25,957.76
4"	25.0	40,559.00
6"	50.0	81,118.00
8"	80.0	129,788.80
10"	115.0	186,571.40

[1] – District Annexation Fees linked to ENR-CCI for Los Angeles and adjusted quarterly. Last updated July 2014.

As shown, the District’s current annexation charge is based on a 3/4” meter based on the AWWA safe operating capacity of a single family meter. The fees shown are effective July 1, 2014 and were adjusted by the consumer price index June 2014.

5.3 Calculation of the District’s Water and Sewer Annexation Fee

The District currently has a water annexation fee and does not have a sewer annexation fee. The District’s current sewer “annexation” fee is a sewer capacity fee. To avoid confusion concerning the purpose or use of the fees, HDR has developed the capacity fee (See Section 4) and in this section of the report will develop a sewer annexation similar to the current water annexation fee. The separate sewer annexation fee established herein has been developed such that it reflects the availability fees previously paid by customers within the ID areas of the sewer service area.

The calculation is still based on the current methodology for water of the original value of the 1% General Tax and availability charges to date escalated to present day values based on the Consumer Price Index, from San Diego, from 1959 to present (2013). The 1% general tax is only for the water utility and is not included in the sewer calculation because no customers in the service area have paid the 1% general tax for the sewer system. The calculated water annexation fees are shown below in Table 5-2 and Table 5-3.

Table 5-2 Calculation of Water Annexation Fee		
Item	Original Value	Present Value
1% General Tax	\$40,494,657	\$62,541,413
Availability Charges	<u>35,605,529</u>	<u>67,000,559</u>
Total Gen. Tax & Availability	\$76,100,186	\$129,541,972
Current EDUs	72,898	72,898
Potable Water Annexation Fee	\$1,044	\$1,777

[1] – District Annexation Fees inked to ENR-CCI for Los Angeles and adjusted quarterly. Last updated July 2014.

The resulting proposed annexation fee would be \$1,777 for a 3/4” meter size. Table 5-3 shows the water annexation fees for various meter sizes.

**Table 5-3
Water Annexation Fee by Meter Type and Size**

Meter Size	Meter Equivalent	Water Annexation Fee
3/4"	1.0	\$1,777
1"	2.5	4,443
1- 1/2"	5.0	8,885
2"	8.0	14,216
3"	16.0	28,432
4"	25.0	44,426
6"	50.0	88,852
8"	80.0	142,162
10"	115.0	204,359

Similar to the capacity fees and new water supply fees, the annexation fees for larger size meters are assessed based on the size of the meter, using the AWWA safe operating capacities from the AWWA M1 manual.

Table 5-4 shows the calculation for the sewer annexation fee. The same methodology is applied to sewer except the 1% general tax is not included for sewer.

**Table 5-4
Calculation of Sewer Annexation Fee**

Item	Original Value	Present Value
Availability Charges	\$2,948,941	\$6,861,466
Current EDUs	6,741	6,741
Sewer Annexation Fee	\$437	\$1,018

[1] – District Annexation Fees linked to ENR-CCI for Los Angeles and adjusted quarterly.

The resulting proposed sewer annexation fee would be \$1,018 per one EDU. EDU's are determined by the District's code, Section 53.09. For example, single-family, multi-family, condos and mobile homes are charged 1.0 EDU per unit. Table 5-5 shows the sewer annexation fees for various EDUs.

**Table 5-5
Sewer Annexation Fee by Number of EDUs**

Number of EDUs	Sewer Annexation Fee
0.38	\$387
0.60	611
1.00	1,018
1.20	1,222
0.70	713
5.00	5,090
15.00	15,270
25.00	25,450
40.00	40,720

The sewer annexation fee, per District Resolution, applies only to customers who are not currently within an ID area that annex into the District’s service area. Customers within an ID area are assumed to have been paying the availability charges and therefore are considered to be equal to other existing customers in having paid their share of system improvements prior to connecting to the system.

5.4 Key Assumptions

In the development of the annexation fees for the District a number of key assumptions were utilized. These are as follows:

- The annexation fees were developed to utilize the same and consistent methodology to both utilities.
- The District’s annexation fees were developed on the basis of 1% General Tax and Availability Charges escalated by the San Diego Consumer Price Index.
- The District water EDUs were based on current number of accounts by meter size calculated into equivalent meters by the AWWA meter equivalency for a single family meter.
- The District sewer EDUs were provided by the District, based on the 2010 EDUs and additional 27 new EDUs since 2009.
- The sewer annexation fees do not include any 1% general tax within the calculation.

5.5 Implementation of the Annexation Fees

The methodology used to calculate the annexation fees takes into account the cost of money or inflation. Therefore, HDR would recommend that the District continue the practice of adjusting the annexation fees, each year, by the Consumer Price Index for San Diego.

5.6 Consultant Recommendations

Based on our review and analysis of the District's annexation fees, HDR makes the following recommendations:

- The District should revise and update their water annexation fees for new connections and annexations to the water system that are no greater than the water annexation fees as set forth in this report.
- The District should establish sewer annexation fee for new connections and annexations to the sewer system that are no greater than the sewer annexation fees as set forth in this report. The sewer annexation fee will be a new fee for the District.
- The District should continue with their resolution provision for periodic (annual or quarterly) adjustments to the annexation fees based on changes in the ENR-CCI.
- The District should update the actual calculations for the annexation fees based on the methodology as approved by the resolution, for annexation fees at least every five years.

5.7 Summary

The water and sewer annexation fees developed and presented in this section of the report are based on the District's customer data and 1% General Tax and availability charges. Adoption of the proposed annexation fees will continue to create equitable and cost-based charges for new customers connecting to the District's water and sewer systems.



Technical Appendices

Summary of 8/5/14 Revised Capacity, New Supply and Annexation Fees
(\$/EDU/3/4-inch meter)

Component	2010 Study Fee	2014 Current Fee (1)	2014 Calculated Fee (2)
Annexation Fee (3)			
Water	\$1,477	\$1,622.36	\$1,777
Sewer	<u>0</u>	<u>0</u>	<u>1,018</u>
Total Annexation Fee	\$1,477	\$1,622.36	\$2,795
Water (4)			
Buy-In Fee	\$7,249		\$8,467
Expansion Fee	\$7,803		\$7,134
Combined Capacity Fee	\$7,499	\$8,237.03	\$7,984
New Supply Fee	<u>864</u>	<u>949.03</u>	<u>989</u>
Total Fee	\$8,363	\$9,186.06	\$8,973
Sewer			
Buy-In Fee for customers not in an ID			\$6,400
Buy-In Fee for customers in an ID area (5)			4,092
Expansion Fee			\$0
Combined Capacity Fee	\$5,804	\$5,985.73	\$6,400
Combined Capacity Fee (5)	\$5,804	\$5,985.73	\$4,092

- (1) Fees updated 6/2014 effective 7/1/2014.
- (2) Calculated based on 6/30/2013 data and 6/30/2013 ENR-CCI for LA. Fee then adjusted to 6/2014 ENR-CCI for LA.
- (3) Fee adjusted annually by San Diego CPI.
- (4) Fee adjusted by ENR-CCI for LA.
- (5) Customers within an ID area should pay for the portions of the system that were not paid for through debt, but were rate funded.



Water Technical Appendix

Plant Description	Original Cost (1)	Accumulated Depreciation	Original Cost Less Depr.	Reproduction Cost (2)	Reproduction Cost Less Depr.	Pipe Replacement Cost	Pipe Replacement Cost Less Depr.	Capacity Fee=	Reference
	OC		OCLD	RC	RCLND	RC-Pipe (3)	RCLND-Pipe	RCLND + RCLND- Pipe	
Water									
Land	\$12,572,073	\$0	\$12,572,073	\$41,598,728	\$41,598,728	\$0	\$0	\$41,598,728	
Buildings	18,099,224	8,085,813	10,013,411	28,163,194	14,983,209	0	0	14,983,209	
Field Equipment	3,041,431	2,993,891	47,540	4,745,616	89,516	0	0	89,516	
Chlorination	703,384	459,632	243,753	1,206,788	365,943	0	0	365,943	
Contributed	0	0	0	0	0	0	0	0	
Finance (Capitalized Interest)	10,593,028	3,078,729	7,514,300	18,392,716	10,620,495	0	0	10,620,495	
Maps And Plans	297,875	134,023	163,851	469,644	258,449	0	0	258,449	
Main Water System	115,650,206	30,154,998	85,495,208	216,632,115	109,737,686	1,141,184,018	259,757,728	259,757,728	
Pump Stations	24,728,324	5,832,833	18,895,491	32,608,021	24,004,786	0	0	24,004,786	
Pumps	5,655,878	2,543,094	3,112,784	11,575,265	5,094,109	0	0	5,094,109	
Power	440,470	337,324	103,146	601,323	106,243	0	0	106,243	
Repairs	18,120,697	5,434,850	12,685,847	21,593,830	13,897,391	0	0	13,897,391	
Reservoirs	109,651,677	32,331,864	77,319,813	151,949,303	99,344,198	0	0	99,344,198	
Security	133,075	126,174	6,902	242,186	13,942	0	0	13,942	
Water System Yearly	14,130,155	9,776,852	4,353,302	37,604,412	10,111,731	0	0	10,111,731	
Total Water	\$333,817,498	\$101,290,076	\$232,527,421	\$567,383,142	\$330,226,426	\$1,141,184,018	\$259,757,728	\$480,246,469	

Plant Description	Original Cost (1)	Accumulated Depreciation	Original Cost Less Depr.	Reproduction Cost (2)	Reproduction Cost Less Depr.	Pipe Replacement Cost	Pipe Replacement Cost Less Depr.	Capacity Fee=		Reference
	OC		OCLD	RC	RCLND	RC-Pipe (3)	RCLND-Pipe	RCLND +	RCLND- Pipe	
Recycled Water										
Land	\$883,418	\$0	\$883,418	993,363	993,363	0	0	\$993,363		
Buildings	727,480	103,053	624,427	757,636	651,560	0	0	651,560		
Field Equipment	0	0	0	0	0	0	0	0		
Chlorination	754,411	93,044	661,367	777,062	681,224	0	0	681,224		
Contributed Equipment	0	0	0	0	0	0	0	0		
Equipment	11,439	11,439	0	16,310	0	0	0	0		
Jamacha Basin Sewer	6,126,940	960,901	5,166,039	6,686,802	5,293,109	0	0	5,293,109		
Maps & Plans	12,601	4,791	7,810	19,877	12,319	0	0	12,319		
Main	51,629,411	9,266,266	42,363,146	63,235,595	51,017,085	172,625,600	116,015,111	116,015,111		
Pump Stations	8,179,040	900,974	7,278,067	9,179,419	8,168,247	0	0	8,168,247		
Pumps	1,388,624	378,470	1,010,153	1,464,519	1,063,829	0	0	1,063,829		
Power	34,098	32,338	1,760	50,401	2,599	0	0	2,599		
Repair	420,935	11,134	409,801	421,948	410,778	0	0	410,778		
Reservoir	18,705,700	3,061,974	15,643,727	22,188,939	18,274,952	0	0	18,274,952		
Study	71,821	71,821	0	75,341	0	0	0	0		
Total Recycled	\$88,945,919	\$14,896,204	\$74,049,715	\$105,867,211	\$86,569,064	\$172,625,600	\$116,015,111	\$151,567,090		
Total	\$422,763,417	\$116,186,281	\$306,577,136	\$673,250,353	\$416,795,490	\$1,313,809,618	\$375,772,840	\$631,813,559		
Less: Outstanding Debt Principal (4)								(110,725,000)		See Exhibit W-3A
Plus: Capital Fund Reserves (5)								30,735,587		See Exhibit W-4
Past Interest Payments (6)								40,404,404		See Exhibit W-3B
Less:										
Excess Storage Capacity - Potable (7)								-		
Excess Storage Capacity - Recycled (8)								-		
Excess Storage Pump Station - Potable (9)								-		
Excess Storage Pump Station - Recycled (10)								-		
Total Net Plant								\$592,228,550		
Existing Equivalent Dwelling Units EDU (11)								72,898		See Exhibit W-5
Buy-In Capacity Fee per EDU (12)								\$8,124		
				Plus: ENR update per Ordinance 534						
				Current Index		6/2014	10,739.43			
				Base Index		06/30/13	<u>10,304.68</u>			
				Total Capacity Fee with ENR		Index	1.04	\$8,467		

(1) Asset listing as of June 30, 2013.
 (2) Based on specific in service date of asset and June 2013 Engineering News Record, for LA construction cost index.
 (3) Based on pipe inventory and \$25 per inch diameter. See Exhibit W-2
 (4) Remaining principal as of June 30, 2013. See Exhibit W-3A.
 (5) Cash reserves as of December 2013 which are CF eligible. See Exhibit W-4.
 (6) Past interest payments from 1959 to 2008 which were not previously capitalized; net of depreciation at 50 year average life. See Exhibit W-3B.
 (7) Potable Reservoir excess capacity 7.75 MGD at \$0.95 per gallon equals \$7,400,000.
 (8) Recycled Reservoir excess capacity 8.49 MGD at \$0.84 per gallon equals \$7,200,000.
 (9) Potable Storage Pump Station estimate to construct four pump stations with a total capacity of 3,600 gpm in today's dollars. (4 X \$2,500,000 = \$10,000,000)
 (10) Recycled Storage Pump Station estimate to construct two pump stations with a total capacity of 11,234 gpm in today's dollars. (11,234 X \$1,000 = \$11,234,000)
 (11) Based on data from the utility billing system as of June 30, 2013. See Exhibit W-5.
 (12) Based on "buy-in" methodology established in AWWA M1, Sixth Edition, Table VI.2-1, page 269.

Exhibit W-2

Development of Pipe Replacement Cost

Pipe cost based on dollars per inch diameter 2014 =

\$25

POTABLE WATER PIPELINES				RECYCLED WATER PIPELINES				TOTAL
DIAMETER	MATERIAL	LENGTH	REPLACEMENT	DIAMETER	MATERIAL	LENGTH	REPLACEMENT	
INCH	TYPE	FEET	COST	INCH	TYPE	FEET	COST	
4	ACP	24,006	\$2,400,600	4	ACP	54	\$5,400	
4	STL	643	64,300	4	STL	316	31,600	
4	PVC	12,177	1,217,700	4	PVC	2,999	299,900	
4	CCP	46	4,600	4	DIP	29	2,900	
4	RCP	33	3,300	4	CPR	2,715	271,500	
6	ACP	228,212	34,231,800	6	ACP	410	61,500	
6	STL	2,195	329,250	6	STL	1,163	174,450	
6	PVC	9,021	1,353,150	6	PVC	91,288	13,693,200	
6	CCP	176	26,400					
8	ACP	822,967	164,593,400	8	ACP	9,874	1,974,800	
8	STL	6,788	1,357,600	8	STL	259	51,800	
8	DIP	31	6,216	8	PVC	124,170	24,834,000	
8	PVC	709,345	141,869,000	8	DIP	16	3,200	
10	ACP	384,339	96,084,750	10	ACP	12,205	3,051,250	
10	STL	5,375	1,343,750	10	PVC	11,229	2,807,250	
10	DIP	517	129,163	10	PRM (FRP)	5,332	1,333,000	
10	PVC	82,433	20,608,250	10	STL	22	5,500	
10	CIP	1,999	499,750	12	ACP	11,593	3,477,900	
12	ACP	402,530	120,759,000	12	STL	9,748	2,924,400	
12	STL	29,142	8,742,600	12	PVC	50,636	15,190,800	
12	DIP	6,089	1,826,700	12	DIP	195	58,500	
12	PVC	309,300	92,790,000	12	PRM (FRP)	2,548	764,400	
12	CCP	10,791	3,237,300	14	STL	16,325	5,713,750	
12	CIP	6,136	1,840,800	16	ACP	15,799	6,319,600	
12	RCP	740	222,000	16	STL	17,917	7,166,800	
14	ACP	33,677	11,786,950	16	PVC	67,454	26,981,600	
14	STL	7,257	2,539,950	20	ACP	21,548	10,774,000	
14	CCP	63	22,050	20	STL	4,922	2,461,000	
16	ACP	149,832	59,932,800	20	PVC	28,651	14,325,500	
16	STL	36,345	14,538,000	24	STL	4,726	2,835,600	
16	DIP	2,820	1,128,168	24	PVC	1,194	716,400	
16	PVC	124,192	49,676,800	30	STL	32,114	24,085,500	
16	CCP	10,972	4,388,800	30	PVC	0	0	
16	CIP	14	5,600					
16	RCP	1,712	684,800	36	PVC	254	228,600	
18	ACP	14,536	6,541,200					
18	STL	1,664	748,800					
18	DIP	371	166,991					
18	PVC	204	91,800					
18	PVC	8,242	3,708,900					
18	PVC	5,261	2,367,450					
						Total	\$172,625,600	

Exhibit W-2

Development of Pipe Replacement Cost

Pipe cost based on dollars per inch diameter 2014 =

\$25

POTABLE WATER PIPELINES				RECYCLED WATER PIPELINES				TOTAL
DIAMETER INCH	MATERIAL TYPE	LENGTH FEET	REPLACEMENT COST	DIAMETER INCH	MATERIAL TYPE	LENGTH FEET	REPLACEMENT COST	
20	ACP	55,818	27,909,000					
20	STL	18,216	9,108,000					
20	PVC	31,480	15,740,000					
20	CCP	3,658	1,829,000					
20	RCP	1,235	617,500					
24	ACP	65,289	39,173,400					
24	STL	12,481	7,488,600					
24	PVC	30,699	18,419,400					
24	CCP	11,949	7,169,400					
24	RCP	185	111,000					
27	STL	1,183	798,525					
30	ACP	1,730	1,297,500					
30	STL	88,570	66,427,500					
30	PVC	2,420	1,815,000					
30	CCP	13,314	9,985,500					
30	CIP	1,975	1,481,250					
30	RCP	84	63,000					
36	ACP	1,433	1,289,700					
36	STL	34,737	31,263,300					
36	PVC	1,147	1,032,300					
36	CCP	29,352	26,416,800					
42	STL	15,855	16,647,750					
42	PVC	636	667,800					
42	CCP	342	359,100					
48	STL	66	78,756					
60	STL	83	124,500					
		Total	\$1,141,184,018					
		Useful Life	Rep. Cost			Useful Life	Rep. Cost	Rep. Cost
Contributed Pipelines			\$695,541,379	Contributed Pipelines			\$41,401,050	
Otay Owned			50 445,518,140	Otay Owned			50 131,221,350	
Total			\$1,141,059,518	Total			\$172,622,400	\$1,313,681,918
Assume for potable 12" inches and smaller was contributed				Assume for recycled 8" and smaller was contributed				
Yearly Depreciation	Average Age (1)	Accumulated Depreciation	Replacement Cost Less Depreciation	Yearly Depreciation	Average Age (1)	Accumulated Depreciation	Replacement Cost Less Depreciation	Replacement Cost Less Depreciation
\$ 8,910,363	20.8	\$ 185,760,411	\$259,757,728	\$ 2,624,427	5.8	\$ 15,206,239	\$116,015,111	\$375,772,840

(1) Average age based on 2010 study information.

Otay Water District - Water
 Exhibit W-3A
 Development of Water Debt
 For the Year Ended June 30, 2013

Debt Name	1996			2007			2009			2010 A			2010 B			July 5, 2013			TOTAL PRINCIPAL
	Principal	Interest	COP	Principal	Interest	COP	Principal	Interest	G.O.	Principal	Interest	COP	Principal	Interest	BABs	Principal	Interest	Refunding	
I. Debt Status:																			
Original Debt	\$15,400,000			\$42,000,000			\$7,780,000			\$13,840,000			\$36,355,000			\$7,735,000			\$123,110,000
# of Years/Rate	0.00%			0.00%			0.00%			0.00%			0.00%			0.00%			
II. Principal and Interest Payments:																			
2014	\$500,000	\$602,900	\$1,102,900	\$955,000	\$1,541,900	\$2,496,900	\$535,000	\$215,088	\$750,088	\$820,000	\$533,538	\$1,353,538	\$0	\$2,371,868	\$2,371,868	\$660,000	\$254,667	\$914,667	\$3,470,000
2015	500,000	572,700	1,072,700	995,000	1,504,900	2,499,900	550,000	198,663	748,663	845,000	508,563	1,353,563	0	2,371,868	2,371,868	605,000	237,275	842,275	3,495,000
2016	600,000	537,500	1,137,500	1,035,000	1,466,300	2,501,300	570,000	181,663	751,663	870,000	478,488	1,348,488	0	2,371,868	2,371,868	615,000	213,033	828,033	3,690,000
2017	600,000	501,200	1,101,200	1,075,000	1,425,800	2,500,800	585,000	162,969	747,969	900,000	443,088	1,343,088	0	2,371,868	2,371,868	635,000	186,800	821,800	3,795,000
2018	600,000	465,000	1,065,000	1,115,000	1,383,700	2,498,700	605,000	139,633	744,633	940,000	406,288	1,346,288	0	2,371,868	2,371,868	660,000	159,567	819,567	3,920,000
2019	700,000	465,000	1,165,000	1,155,000	1,339,300	2,494,300	635,000	114,433	749,433	975,000	367,988	1,342,988	0	2,371,868	2,371,868	685,000	131,167	816,167	4,150,000
2020	700,000	423,700	1,123,700	1,200,000	1,292,900	2,492,900	650,000	88,533	738,533	1,015,000	323,113	1,338,113	0	2,371,868	2,371,868	715,000	101,567	816,567	4,280,000
2021	700,000	339,200	1,039,200	1,250,000	1,243,400	2,493,400	680,000	61,533	741,533	1,065,000	271,113	1,336,113	0	2,371,868	2,371,868	745,000	70,767	815,767	4,440,000
2022	800,000	291,900	1,091,900	1,300,000	1,191,700	2,491,700	705,000	33,500	738,500	1,120,000	216,488	1,336,488	0	2,371,868	2,371,868	775,000	38,767	813,767	4,700,000
2023	800,000	243,600	1,043,600	1,355,000	1,136,800	2,491,800	720,000	4,800	724,800	1,175,000	159,113	1,334,113	0	2,371,868	2,371,868	805,000	5,567	810,567	4,855,000
2024	900,000	190,200	1,090,200	1,410,000	1,079,300	2,489,300	0	0	0	1,235,000	98,863	1,333,863	0	2,371,868	2,371,868	835,000	0	835,000	4,380,000
2025	900,000	135,900	1,035,900	1,470,000	1,019,200	2,489,200	0	0	0	1,295,000	33,994	1,328,994	0	2,371,868	2,371,868	0	0	0	3,665,000
2026	1,000,000	76,500	1,076,500	1,530,000	955,500	2,485,500	0	0	0	0	0	0	1,365,000	2,328,345	3,693,345	0	0	0	3,895,000
2027	1,100,000	11,100	1,111,100	1,595,000	955,500	2,550,500	0	0	0	0	0	0	1,450,000	2,238,589	3,688,589	0	0	0	4,145,000
2028	0	0	0	1,665,000	818,000	2,483,000	0	0	0	0	0	0	1,545,000	2,143,093	3,688,093	0	0	0	3,210,000
2029	0	0	0	1,735,000	744,800	2,479,800	0	0	0	0	0	0	1,640,000	2,041,540	3,681,540	0	0	0	3,375,000
2030	0	0	0	1,810,000	668,400	2,478,400	0	0	0	0	0	0	1,745,000	1,933,609	3,678,609	0	0	0	3,555,000
2031	0	0	0	1,890,000	588,600	2,478,600	0	0	0	0	0	0	1,855,000	1,818,823	3,673,823	0	0	0	3,745,000
2032	0	0	0	1,970,000	505,500	2,475,500	0	0	0	0	0	0	1,975,000	1,694,728	3,669,728	0	0	0	3,945,000
2033	0	0	0	2,055,000	416,600	2,471,600	0	0	0	0	0	0	2,105,000	1,560,558	3,665,558	0	0	0	4,160,000
2034	0	0	0	2,150,000	323,200	2,473,200	0	0	0	0	0	0	2,245,000	1,417,508	3,662,508	0	0	0	4,395,000
2035	0	0	0	2,245,000	225,700	2,470,700	0	0	0	0	0	0	2,390,000	1,265,086	3,655,086	0	0	0	4,635,000
2036	0	0	0	2,340,000	124,000	2,464,000	0	0	0	0	0	0	2,550,000	1,102,634	3,652,634	0	0	0	4,890,000
2037	0	0	0	2,445,000	17,800	2,462,800	0	0	0	0	0	0	2,715,000	929,495	3,644,495	0	0	0	5,160,000
2038	0	0	0	0	0	0	0	0	0	0	0	0	2,895,000	745,010	3,640,010	0	0	0	2,895,000
2039	0	0	0	0	0	0	0	0	0	0	0	0	3,085,000	548,357	3,633,357	0	0	0	3,085,000
2040	0	0	0	0	0	0	0	0	0	0	0	0	3,290,000	338,716	3,628,716	0	0	0	3,290,000
2041	0	0	0	0	0	0	0	0	0	0	0	0	3,505,000	115,262	3,620,262	0	0	0	3,505,000
TOTAL	\$10,400,000	\$4,856,400	\$15,256,400	\$37,745,000	\$21,968,800	\$59,713,800	\$6,235,000	\$1,200,815	\$7,435,815	\$12,255,000	\$3,840,631	\$16,095,631	\$36,355,000	\$50,683,773	\$87,038,773	\$7,735,000	\$1,399,175	\$9,134,175	\$110,725,000

Otay Water District - Water
 Exhibit W-3B
 Development of Past Interest Payments

Year	Total	Sewer	Water	CPI Escalation Factor 2008	Present Day Dollars Sewer	Present Day Dollars Water	CPI Escalation Factor 2013	Present Day Dollars Sewer	Present Day Dollars Water	Average			Depreciated Sewer	Depreciated Water	Present Dollars Less Depr. Sewer	Present Dollars Less Depr. Water
										Age	YTD	Remaining				
2008	2,601,252	47,277	2,553,975	1.09	51,683	2,791,997	1.07	\$50,788	\$2,743,663	50	6	44	\$6,095	\$329,240	\$44,694	\$2,414,424
2007	950,479	58,066	892,413	1.03	59,948	921,344	1.12	64,783	995,641	50	7	43	9,070	139,390	55,713	856,252
2006	959,225	68,491	890,734	1.06	72,330	940,660	1.14	78,163	1,016,515	50	8	42	12,506	162,642	65,657	853,872
2005	1,327,844	78,562	1,249,282	1.09	85,786	1,364,158	1.18	92,704	1,474,164	50	9	41	16,687	265,350	76,017	1,208,814
2004	1,252,307	88,293	1,164,014	1.13	99,946	1,317,638	1.22	108,006	1,423,893	50	10	40	21,601	284,779	86,405	1,139,114
2003	947,099	97,695	849,404	1.17	114,629	996,632	1.27	123,873	1,077,001	50	11	39	27,252	236,940	96,621	840,061
2002	1,503,063	106,779	1,396,284	1.22	129,973	1,699,564	1.32	140,454	1,836,617	50	12	38	33,709	440,788	106,745	1,395,829
2001	1,543,336	115,556	1,427,780	1.26	145,585	1,798,801	1.36	157,325	1,943,856	50	13	37	40,904	505,403	116,420	1,438,454
2000	1,540,592	124,036	1,416,556	1.32	163,449	1,866,668	1.42	176,630	2,017,197	50	14	36	49,456	564,815	127,173	1,452,382
1999	1,809,747	176,967	1,632,780	1.39	246,694	2,276,112	1.51	266,587	2,459,658	50	15	35	79,976	737,898	186,611	1,721,761
1998	1,952,742	227,266	1,725,476	1.44	328,010	2,490,361	1.56	354,461	2,691,184	50	16	34	113,428	861,179	241,034	1,830,005
1997	2,080,744	274,606	1,806,138	1.47	404,084	2,657,737	1.59	436,669	2,872,057	50	17	33	148,467	976,499	288,202	1,895,558
1996	1,421,139	319,333	1,101,806	1.50	478,077	1,649,525	1.62	516,629	1,782,543	50	18	32	185,986	641,715	330,642	1,140,827
1995	936,716	362,687	574,029	1.54	557,180	881,856	1.66	602,111	952,969	50	19	31	228,802	362,128	373,309	590,841
1994	1,329,706	394,491	935,215	1.56	615,062	1,458,118	1.68	664,660	1,575,701	50	20	30	265,864	630,280	398,796	945,420
1993	749,618	419,512	330,106	1.60	671,011	528,005	1.73	725,121	570,583	50	21	29	304,551	239,645	420,570	330,938
1992	689,412	296,895	392,517	1.63	485,193	641,462	1.77	524,319	693,190	50	22	28	230,700	305,004	293,619	388,186
1991	1,172,353	336,012	836,341	1.68	564,437	1,404,895	1.82	609,953	1,518,186	50	23	27	280,578	698,366	329,375	819,821
1990	1,454,800	372,559	1,082,241	1.74	648,438	1,883,639	1.88	700,728	2,035,536	50	24	26	336,349	977,057	364,379	1,058,479
1989	1,314,494	408,975	905,519	1.84	754,333	1,670,183	1.99	815,163	1,804,867	50	25	25	407,581	902,434	407,581	902,434
1988	1,841,881	444,586	1,397,295	1.95	867,861	2,727,613	2.11	937,845	2,947,568	50	26	24	487,680	1,532,735	450,166	1,414,833
1987	1,339,462	477,707	861,755	2.05	979,340	1,766,671	2.22	1,058,315	1,909,135	50	27	23	571,490	1,030,933	486,825	878,202
1986	1,428,383	509,385	918,998	2.12	1,081,084	1,950,422	2.29	1,168,263	2,107,705	50	28	22	654,227	1,180,315	514,036	927,390
1985	1,508,454	538,914	969,540	2.18	1,175,872	2,115,468	2.36	1,270,694	2,286,060	50	29	21	737,003	1,325,915	533,692	960,145
1984	1,585,069	566,769	1,018,300	2.30	1,302,731	2,340,584	2.48	1,407,783	2,529,329	50	30	20	844,670	1,517,597	563,113	1,011,731
1983	1,614,923	593,048	1,021,875	2.43	1,442,993	2,486,408	2.63	1,559,356	2,686,913	50	31	19	966,801	1,665,886	592,555	1,021,027
1982	1,496,029	601,840	894,189	2.50	1,507,009	2,239,051	2.71	1,628,535	2,419,608	50	32	18	1,042,262	1,548,549	586,272	871,059
1981	1,546,319	118,910	1,427,409	2.67	317,909	3,816,220	2.89	343,546	4,123,960	50	33	17	1,226,740	2,721,814	116,806	1,402,147
1980	1,689,015	126,371	1,562,644	3.03	383,386	4,740,775	3.28	414,303	5,123,071	50	34	16	281,726	3,483,688	132,577	1,639,383
1979	1,727,910	146,451	1,581,459	3.50	512,015	5,529,024	3.78	553,304	5,974,885	50	35	15	387,313	4,182,420	165,991	1,792,466
1978	846,568	139,706	706,862	4.07	568,464	2,876,224	4.40	614,305	3,108,163	50	36	14	442,300	2,237,877	172,005	870,286
1977	699,346	146,858	552,488	4.48	657,544	2,473,719	4.84	710,569	2,673,200	50	37	13	525,821	1,978,168	184,748	695,032
1976	500,880	152,370	348,510	4.77	726,805	1,662,393	5.15	785,415	1,796,448	50	38	12	596,915	1,365,301	188,499	431,148
1975	505,080	158,245	346,835	5.06	800,816	1,755,196	5.47	865,394	1,896,736	50	39	11	675,007	1,479,454	190,387	417,282
1974	545,897	163,251	382,646	5.54	904,016	2,118,935	5.98	976,917	2,289,806	50	40	10	781,533	1,831,845	195,383	457,961
1973	545,960	166,687	379,273	6.15	1,024,296	2,330,642	6.64	1,106,895	2,518,586	50	41	9	907,654	2,065,240	199,241	453,345
1972	559,456	195,260	364,196	6.55	1,278,131	2,383,950	7.07	1,381,199	2,576,192	50	42	8	1,160,207	2,164,001	220,992	412,191
1971	507,776	19,884	487,892	6.80	135,304	3,319,940	7.35	146,215	3,587,660	50	43	7	125,745	3,085,388	20,470	502,272
1970	399,854	11,322	388,532	7.06	79,979	2,744,620	7.63	86,429	2,965,946	50	44	6	76,058	2,610,033	10,371	355,914
1969	286,268	-	286,268	7.43	-	2,128,323	8.03	-	2,299,951	50	45	5	0	2,069,956	0	229,995
1968	269,080	-	269,080	7.82	-	2,104,459	8.45	-	2,274,163	50	46	4	0	2,092,230	0	181,933
1967	237,827	-	237,827	8.14	-	1,935,438	8.79	-	2,091,512	50	47	3	0	1,966,021	0	125,491
1966	243,112	-	243,112	8.39	-	2,040,489	9.07	-	2,205,034	50	48	2	0	2,116,833	0	88,201
1965	224,790	-	224,790	8.54	-	1,920,159	9.23	-	2,075,001	50	49	1	0	2,033,501	0	41,500
1964	199,375	-	199,375	7.77	-	1,549,240	8.40	-	1,674,171	50	50	0	0	1,674,171	0	0
1963	127,415	-	127,415	7.87	-	1,003,018	8.51	-	1,083,902	50	51	0	0	1,083,902	0	0
1962	75,500	-	75,500	7.98	-	602,213	8.62	-	650,775	50	52	0	0	650,775	0	0
1961	75,500	-	75,500	8.06	-	608,255	8.71	-	657,305	50	53	0	0	657,305	0	0
1960	72,250	-	72,250	8.14	-	587,971	8.79	-	635,385	50	54	0	0	635,385	0	0
1959	75,500	-	75,500	8.95	-	675,375	8.95	-	675,375	50	55	0	0	675,375	0	0
\$50,311,547		\$9,651,623	\$40,659,924		\$22,421,405	\$97,772,150		\$24,224,408	\$105,328,567				\$14,290,716	\$64,924,162	\$9,933,692	\$40,404,404

1. 1959-1962 only id 2 & 3, 1963-1966 - 2,3,5,6,7,9,10, this is the interest which is not already capitalized (previously).

Otay Water District - Water
Exhibit W-4
Summary of Reserve Funds
For the Year Ended June 30, 2013

Account #						Betterment		Capital Improvement		General	Total	% CF Eligible (1)	Capacity Fee
	OPEB	New Water Supply	Expansion	Replacement	Betterment	Debt Fund	Debt Reserve						
RESTRICTED RESERVES													
312201/312241 (ID 1)					(\$5,850,335)	\$9,402,124					\$3,551,789	0%	\$0
312202/312242 (ID 2)					(1,683,179)	314,727					(1,368,452)	0%	0
312203/312243 (ID 3)					(6,308,107)	1,521,924					(4,786,184)	0%	0
312213/312244 (ID 5)					(222,001)	114,381					(107,621)	0%	0
312204/312245 (ID 7)					(804,842)	780,367					(24,476)	0%	0
312205/312246 (ID 9)					(6,117,475)	1,411,602					(4,705,872)	0%	0
312206/312247 (ID 10)					(1,025,174)	871,591					(153,583)	0%	0
312207/312248 (ID 18)					0	0					0	0%	0
312214/312249 (ID 19)					9,404	14,350					23,754	0%	0
312208/312251 (ID 20)					(12,444,252)	3,485,711					(8,958,541)	0%	0
312209/312252 (ID 22)					(7,154,838)	4,680,147					(2,474,691)	0%	0
312210/312253 (ID 25)					(17,833)	0					(17,833)	0%	0
312211/312254 (ID 85)					(18,741,290)	38,724					(18,702,566)	0%	0
312212/312255 (ID 90)					(389,393)	237,609					(151,784)	0%	0
312101 Capacity Fees			5,324,932								5,324,932	100%	5,324,932
312102 Capital Improvement Fund				5,081,116							5,081,116	100%	5,081,116
312103 New Supply Fund		(389,977)									(389,977)	100%	(389,977)
312104 Annex/Developer Fee				0							0	0%	0
312111 New Supply Debt Fund		741,513									741,513	100%	741,513
312112 Expansion Debt Fund			30,701,201								30,701,201	100%	30,701,201
312113 Replacement Debt Fund				6,639,144							6,639,144	0%	0
312121 New Supply CIF			0								0	100%	0
312122 Expansion CIF			0								0	100%	0
312123 Replacement CIF				0							0	0%	0
312261 Betterment CIF					0						0	0%	0
312413 State Loan Reserve								0			0	0%	0
312414 GO Bonds Reserve								917,708			917,708	0%	0
312416 Grants - CIP								0			0	0%	0
312419 2010 COPs Taxable BABs								13,155,639			13,155,639	0%	0
312421 2010 COPs TE - Reserve								1,030,688			1,030,688	0%	0
312422 2010 COPs BABs - Reserve								2,707,418			2,707,418	0%	0
TOTAL RESTRICTED	\$0	\$351,536	\$36,026,133	\$11,720,260	(\$60,749,316)	\$22,873,257	\$17,811,452	\$0	\$0	\$0	\$28,033,323		\$41,458,785
DESIGNATED RESERVES													
312229 Designated Betterment					\$41,131,682						\$41,131,682	0%	0
312103 New Supply Fee Reserve		23,604									23,604	100%	23,604
312412 Expansion Reserve			(22,544,902)								(22,544,902)	100%	(22,544,902)
312101 Replacement Reserve				15,739,451							15,739,451	0%	0
312102 Retiree Health Ins - OPEB (a)	0										0	0%	0
312102 Retiree Health Ins Reserve (b)	149,705										149,705	0%	0
TOTAL DESIGNATED	\$149,705	\$23,604	(\$22,544,902)	\$15,739,451	\$41,131,682	\$0	\$0	\$0	\$0	\$0	\$34,499,540		(\$22,521,297)
TOAL RESTRICTED & DESIGNATED	\$149,705	\$375,140	\$13,481,232	\$27,459,711	(\$19,617,634)	\$22,873,257	\$17,811,452	\$0	\$0	\$0	\$62,532,863		\$18,937,488
GENERAL FUND (UNRESTRICTED)													
Annexation (Potable)									\$11,798,099		\$11,798,099	100%	\$11,798,099
Annexation (Sewer)											0	0%	0
Operating									3,480,529		3,480,529	0%	0
11-215101 Developer Deposit									375,057		375,057	0%	0
77-215101/215111 Dev/Cell Site Dep									828,445		828,445	0%	0
312415 Lakeview Replacement									231,210		231,210	0%	0
312424 Highlands Golf Course, LLC									43,320		43,320	0%	0
TOTAL GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,756,661	\$0	\$16,756,661		\$11,798,099
TOTALS BY FUND CATEGORY	\$149,705	\$375,140	\$13,481,232	\$27,459,711	(\$19,617,634)	\$22,873,257	\$17,811,452	\$0	\$16,756,661	\$0	\$79,289,524		\$30,735,587

Notes:
(1) Balance available unrestricted for expansion and new supply.

**Otay Water District - Water
Exhibit W-5
Development of Equivalent Dwelling Units
For the Year Ended June 30, 2013**

Class of Service	Billed Usage	Number of Meters (1)											Total	
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"		
Number of Meters														
Residential	0	1	43,186	1,463	14	4	0	0	0	0	0	0	0	44,668
Master Metered	0	0	41	186	245	224	34	61	6	3	0	0	0	800
Commercial & Public	0	679	336	389	291	404	32	28	8	0	5	0	0	2,172
Ag, Lds & Construction	0	0	103	262	383	466	5	6	2	0	0	0	0	1,227
Recycled	0	0	1	102	393	194	4	7	2	0	1	0	0	704
Temporary	0	0	7	9	6	2	0	67	0	0	0	0	0	91
Total Billed	0	680	43,674	2,411	1,332	1,294	75	169	18	3	6	0	0	49,662
Less: Temporary		0	7	9	6	2	0	67	0	0	0	0	0	91
Total Existing Permanent		680	43,667	2,402	1,326	1,292	75	102	18	3	6	0	0	49,571

Class of Service	Equivalent Meters												Total	
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"			
AWWA Weighting - 5/8" Meter	1.00	1.00	2.50	5.00	8.00	16.00	25.00	50.00	80.00	115.00	168.75			
Residential	1	43,186	3,658	70	32	0	0	0	0	0	0	0	0	46,947
Master Metered	0	41	465	1,225	1,792	544	1,525	300	240	0	0	0	0	6,132
Commercial & Public	679	336	973	1,455	3,232	512	700	400	0	575	0	0	0	8,862
Ag, Lds & Construction	0	103	655	1,915	3,728	80	150	100	0	0	0	0	0	6,731
Recycled	0	1	255	1,965	1,552	64	175	100	0	115	0	0	0	4,227
Temporary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Meter Equivalency	680	43,667	6,005	6,630	10,336	1,200	2,550	900	240	690	0	0	0	72,898
Projected Ultimate EDUs (2)														114,303
Expansion EDUs (2)														41,405

Notes:

- (1) Based on data from the utility billing system as of FY 2013.
- (2) Based on data from the District on Land Use Demand email April 4, 2014.

Count	Project Type	CIPNo	Project Title	Projected Project Cost (000s)	Expansion Betterment Replacement New Supply				% CF Eligible	Capacity Fee
					Expansion	Betterment	Replacement	New Supply		
1	C	P2083	PS - 870-2 Pump Station Replacement (11,000 GPM)	\$16,500	0.0%	0.0%	100.0%		0%	\$0
2	RF	P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	435	0.0%	100.0%			0%	0
3	RF	P2282	Vehicle Capital Purchases	5,021	0.0%	0.0%	100.0%		0%	0
4	CF	P2285	Office Equipment and Furniture Capital Purchases	589	0.0%	0.0%	100.0%		0%	0
5	C	P2286	Field Equipment Capital Purchases	1,758	0.0%	0.0%	100.0%		0%	0
6	P	P2366	APCD Engine Replacements and Retrofits	3,488	0.0%	0.0%	100.0%		0%	0
7	P	P2382	Safety and Security Improvements	1,758	40.0%	0.0%	60.0%		40%	703
8	P	P2434	Rancho Del Rey Groundwater Well Development	8,700	0.0%	60.0%	0.0%	40.0%	0%	0
9	M	P2440	I-905 Utility Relocations	1,600	0.0%	0.0%	100.0%		0%	0
10	M	P2451	Otay Mesa Desalination Conveyance and Disinfection SystemOtay Mesa Desalination C	30,000	0.0%	60.0%	0.0%	40.0%	0%	0
11	CF	P2453	SR-11 Utility Relocations	2,250	0.0%	0.0%	100.0%		0%	0
12	C	P2466	Regional Training Facility	300	40.0%	60.0%	0.0%		40%	120
13	M	P2469	Information Technology Network and Hardware	2,509	40.0%	0.0%	60.0%		40%	1,004
14	C	P2470	Financial System Enhancements	2,322	40.0%	0.0%	60.0%		40%	929
15	M	P2477	Res - 624-1 Reservoir Cover Replacement	450	0.0%	0.0%	100.0%		0%	0
16	C	P2485	SCADA Communication System and Software Replacement	1,974	0.0%	0.0%	100.0%		0%	0
17	P	P2486	Asset Management Plan Condition Assessment and Data Acquisition	1,090	0.0%	0.0%	100.0%		0%	0
18	P	P2493	624-2 Reservoir Interior Coating and Upgrades	1,950	0.0%	0.0%	100.0%		0%	0
19	M	P2494	Multiple Species Conservation Plan	900	100.0%	0.0%	0.0%		100%	900
20	M	P2495	San Miguel Habitat Management/Mitigation Area	2,100	100.0%	0.0%	0.0%		100%	2,100
21	C	P2504	Regulatory Site Access Road and Pipeline Relocation	900	0.0%	50.0%	50.0%		0%	0
22	M	P2507	East Palomar Street Utility Relocation	940	0.0%	0.0%	100.0%		0%	0
23	M	P2508	Pipeline Cathodic Protection Replacement Program	300	0.0%	0.0%	100.0%		0%	0
24	M	P2511	North District - South District Interconnection System	37,300	40.0%	60.0%	0.0%		40%	14,920
25	M	P2515	870-1 Reservoir Paving	550	0.0%	0.0%	100.0%		0%	0
26	M	P2518	803-3 Reservoir Interior/Exterior Coating	450	0.0%	0.0%	100.0%		0%	0
27	M	P2519	832-2 Reservoir Interior/Exterior Coating	450	0.0%	0.0%	100.0%		0%	0
28	M	P2520	Motorola Mobile Radio Upgrade	100	0.0%	0.0%	100.0%		0%	0
29	C	P2529	711-2 Reservoir Interior & Exterior Coating	760	0.0%	0.0%	100.0%		0%	0
30	M	P2530	711-1 Reservoir Interior & Exterior Coating	940	0.0%	0.0%	100.0%		0%	0
31	C	P2531	944-1 Reservoir Interior & Exterior Coating	240	0.0%	0.0%	100.0%		0%	0
32	M	P2532	944-2 Reservoir Interior & Exterior Coating	950	0.0%	0.0%	100.0%		0%	0
33	M	P2533	1200-1 Reservoir Interior & Exterior Coating	365	0.0%	0.0%	100.0%		0%	0
34	M	P2534	978-1 Reservoir Interior & Exterior Coating	270	0.0%	0.0%	100.0%		0%	0
35	M	P2535	458-2 Reservoir Interior Coating	640	0.0%	0.0%	100.0%		0%	0
36	M	P2537	Operations Yard Property Acquisition Improvements	350	100.0%	0.0%	0.0%		100%	350
37	CF	P2538	Administration and Operations Building Fire Sprinkler Replacement Program	110	0.0%	0.0%	100.0%		0%	0
38	MF	P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	375	0.0%	0.0%	100.0%		0%	0
39	MF	P2540	Work Management System Replacement	700	40.0%	0.0%	60.0%		40%	280
40	M	P2541	624 Pressure Zone PRSs	600	0.0%	100.0%	0.0%		0%	0
41	M	P2542	850-3 Reservoir Interior Coating	480	0.0%	0.0%	100.0%		0%	0
42	MF	P2543	850-1 Reservoir Interior/Exterior Coating	460	0.0%	0.0%	100.0%		0%	0
43	MF	P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	940	0.0%	0.0%	100.0%		0%	0
44	M	P2545	980-1 Reservoir Interior Exterior Coating	1,250	0.0%	0.0%	100.0%		0%	0
45	C	P2546	980-2 Reservoir Interior/Exterior Coating	1,250	0.0%	0.0%	100.0%		0%	0
46	M	P2547	Main Breaker Instillation at the District Administration Building	105	40.0%	60.0%	0.0%		40%	42
47	C	P2548	Sump Pump Installation at the 980-1 & 2 Reservoirs	35	0.0%	0.0%	100.0%		0%	0
48	P	P2549	Fuel System upgrade	30	0.0%	0.0%	100.0%		0%	0

Count	Project Type	CIPNo	Project Title	Projected Project Cost (000s)					% CF	
					Expansion	Betterment	Replacement	New Supply	Eligible	Capacity Fee
49	C	P2550	Fuel Island upgrade	75	0.0%	0.0%	100.0%		0%	0
50	C	P2551	Blossom Lane Helix WD and Otay WD Interconnection	400	0.0%	100.0%	0.0%		0%	0
51	CF	P2552	South Barcelona Helix WD and Otay WD Interconnection	1,200	0.0%	100.0%	0.0%		0%	0
52	CF	P2553	Heritage Road Bridge Replacement and Utility Relocation	600	40.0%	0.0%	60.0%		40%	240
53	CF	R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	600	100.0%	0.0%	0.0%		100%	600
54	CF	R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	140	100.0%	0.0%	0.0%		100%	140
55	CF	R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	450	100.0%	0.0%	0.0%		100%	450
56	C	R2048	RecPL - Otay Mesa Distribution Pipelines and Conversions	2,150	100.0%	0.0%	0.0%		100%	2,150
57	C	R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	3,500	100.0%	0.0%	0.0%		100%	3,500
58	C	R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	4,500	100.0%	0.0%	0.0%		100%	4,500
59	R	R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	1,747	100.0%	0.0%	0.0%		100%	1,747
60	R	R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	400	100.0%	0.0%	0.0%		100%	400
61	R	R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	970	100.0%	0.0%	0.0%		100%	970
62	R	R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	600	100.0%	0.0%	0.0%		100%	600
63	C	R2087	RecPL - 24-Inch, 927 Zone, Wueste Road - Olympic/Otay WTP	7,000	100.0%	0.0%	0.0%		100%	7,000
64	C	R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	215	0.0%	0.0%	100.0%		0%	0
65	R	R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	600	0.0%	0.0%	100.0%		0%	0
66	C	R2110	RecPS - 944-1 Optimization and Pressure Zone modifications	200	100.0%	0.0%	0.0%		100%	200
67	C	R2111	RWCWRF - RAS Pump Replacement	620	0.0%	0.0%	100.0%		0%	0
68	M	R2112	450-1 Disinfection Facility Rehabilitation	190	0.0%	0.0%	100.0%		0%	0
69	C	R2113	Chlorine 1-ton Cyliner Emergency Close Valve	37	0.0%	100.0%	0.0%		0%	0
70	M	R2114	Large Recycle Pump Replacement	100	0.0%	0.0%	100.0%		0%	0
1		P2002	PS - Proctor Valley PS (10,000 GPM)	11,050	40%	60%	0%		40%	4,420
2		P2017	PL - EastLake Oversizing Reimbursement Agreement	630	40%	60%	0%		40%	252
3		P2033	PL - 16-Inch, 1296 Zone, Melody Road - Campo/Presilla	1,826	100.0%	0.0%	0.0%		100%	1,826
4		P2037	Res - 980-3 Reservoir 13 MG	15,200	100.0%	0.0%	0.0%		100%	15,200
5		P2040	Res - 1655-1 Reservoir 0.5 MG	2,055	0.0%	50.0%	50.0%		0%	0
6		P2053	PL - 20-Inch, 944 Zone, Campo Road - 944-1 Pump Station/944 Reservoirs	725	100.0%	0.0%	0.0%		100%	725
7		P2056	PL - 16-Inch, 1296 Zone, Jamul Drive Parallel	1,325	0.0%	100.0%	0.0%		0%	0
8		P2058	PL - 24-Inch, 1296 Zone, Proctor Valley Road - Pioneer/Campo	1,200	66.0%	34.0%	0.0%		66%	792
9		P2066	PL - 30-Inch, 870 Zone, Otay Mesa R/W - Alta/State Prison	608	50.0%	25.0%	25.0%		50%	304
10		P2067	PL - 24-Inch, 870 Zone, Otay Mesa R/W - State Prison/Otay Mesa	810	20.0%	40.0%	40.0%		20%	162
11		P2104	PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain	833	100.0%	0.0%	0.0%		100%	833
12		P2106	PL - 12-Inch, 711 Zone, La Media Road - Rock Mountain/Otay Valley	210	100.0%	0.0%	0.0%		100%	210
13		P2107	PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125	722	100.0%	0.0%	0.0%		100%	722
14		P2116	PL - 12-Inch, 711 Zone, Rock Mountain Road - SR 125/EastLake	270	100.0%	0.0%	0.0%		100%	270
15		P2122	PL - 20-Inch, 711 Zone, OTC to Hunte Parkway	225	100.0%	0.0%	0.0%		100%	225
16		P2135	PL - 24-Inch, 980 Zone, Otay Lakes Road - Wueste/Loop	390	100.0%	0.0%	0.0%		100%	390
17		P2137	PL - 20-Inch, 980 Zone, Otay Lakes Road - Loop/P2138	190	100.0%	0.0%	0.0%		100%	190
18		P2138	PL - 20-Inch, 980 Zone, Otay Lakes Road to 980-4 Reservoir	390	100.0%	0.0%	0.0%		100%	390
19		P2139	PL - 20-Inch, 980 Zone, Otay Lakes Road - P2138/Loop	535	100.0%	0.0%	0.0%		100%	535
20		P2142	Res - 1296-4 Reservoir 10 MG	11,700	100.0%	0.0%	0.0%		100%	11,700
21		P2146	PL - 20-Inch, 980 Zone, Otay Lakes Road - P2139/End	535	100.0%	0.0%	0.0%		100%	535
22		P2148	PL - 16-Inch, 850 Zone, Jamacha Boulevard - Sweetwater Springs/Trace	550	0.0%	100.0%	0.0%		0%	0
23		P2150	PL - 16-Inch, 458 Zone, East Palomar Street - Medical Center/Raven	384	0.0%	100.0%	0.0%		0%	0
24		P2156	PL - 12-Inch, 1296 Zone, Olive Vista Drive Parallel	225	0.0%	100.0%	0.0%		0%	0
25		P2171	PL - 30-Inch, 1296 Zone, Proctor Valley Road - Pioneer/Melody	563	66.0%	34.0%	0.0%		66%	372
26		P2174	PS - 1090-1 Pump Station Replacement (280 GPM)	820	0.0%	0.0%	100.0%		0%	0
27		P2176	Res - 1090-2 Reservoir 0.5 MG	1,235	50.0%	50.0%	0.0%		50%	618
28		P2177	PL - 30-Inch, 1296 Zone, Melody Road to 1296-4 Reservoir	945	66.0%	34.0%	0.0%		66%	624
29		P2181	PL - 30-Inch, 1296 Zone, Proctor Valley Road - Proctor Valley PS/Millar Ranch	5,900	40.0%	60.0%	0.0%		40%	2,360
30		P2188	PL - 24-Inch, 832 Zone, Campo Road - Steele Canyon/944-1 Pump Station	1,485	100.0%	0.0%	0.0%		100%	1,485
31		P2190	PL - 10-Inch, 1485 Zone, Jamul Highlands Road to Presilla Drive	228	0.0%	100.0%	0.0%		0%	0
32		P2195	PL - 30-Inch, 640 Zone, Campo Road - Regulatory Site/Millar Ranch	2,592	75.0%	0.0%	25.0%		75%	1,944
33		P2196	PL - 30-Inch, 640 Zone, Millar Ranch Road to 832-1 Pump Station	1,485	100.0%	0.0%	25.0%		75%	371
34		P2197	PL - 24-Inch, 832 Zone, 832-1 Pump Station to 832 Reservoirs	270	100.0%	0.0%	0.0%		100%	270

Count	Project Type	CIPNo	Project Title	Projected Project Cost (000s)					% CF Eligible	Capacity Fee
					Expansion	Betterment	Replacement	New Supply		
35	P2198	PL - 20-Inch, 832 Zone, 832 Reservoirs to Fair Oaks Drive		810	100.0%	0.0%	0.0%		100%	810
36	P2203	PL - 30-Inch, 1296 Zone, Proctor Valley Road - Millar Ranch/Pioneer		2,700	40.0%	60.0%	0.0%		40%	1,080
37	P2204	PL - 24-Inch, 1296 Zone, Pioneer Way - Proctor Valley/1296 Reservoirs		2,100	40.0%	60.0%	0.0%		40%	840
38	P2228	Res - 870-2 Reservoir 10 MG		11,700	100.0%	0.0%	0.0%		100%	11,700
39	P2233	Res - 640-3 Emergency Reservoir 10 MG		8,000	100.0%	0.0%	0.0%		100%	8,000
40	P2235	Res - 624-4 Emergency Reservoir 40 MG		32,000	100.0%	0.0%	0.0%		100%	32,000
41	P2256	PS - 978-2 Pump Station (1,500 GPM)		900	0.0%	100.0%	0.0%		0%	0
42	P2258	PS - Lower Otay Pump Station Phase 1 (9,000 GPM)		7,805	40.0%	60.0%	0.0%		40%	3,122
43	P2288	Otay WTP Capacity Increase Participation/Purchase (30 MGD)		40,000	40.0%	60.0%	0.0%		40%	16,000
44	P2296	Dis - 624-2 Reservoir Disinfection Facility		1,400	40.0%	60.0%	0.0%		40%	560
45	P2298	Dis - 978-1 Pump Station Disinfection Facility		250	0.0%	100.0%	0.0%		0%	0
46	P2301	Dis - 1296-1 Pump Station Disinfection Facility		850	40.0%	60.0%	0.0%		40%	340
47	P2303	Dis - 1485 Reservoir(s) Recirculation and Disinfection Facility		450	0.0%	100.0%	0.0%		0%	0
48	P2304	Water System Facilities Seismic Upgrades		1,200	40.0%	60.0%	0.0%		40%	480
49	P2306	Engine Power Equipment Repair and Replacement Program		14,000	0.0%	0.0%	100.0%		0%	0
50	P2316	Building Roof Repair and Replacement Program		3,000	0.0%	0.0%	100.0%		0%	0
51	P2318	PL - 20-Inch, 657 Zone, Summit Cross-Tie and 36-Inch Main Connections		600	0.0%	100.0%	0.0%		0%	0
52	P2319	Dis - 870-1 Reservoir Phase 2 Chloramination Facility		400	100.0%	0.0%	0.0%		100%	400
53	P2336	Central Area Operations Yard and Facilities		3,500	40.0%	60.0%	0.0%		40%	1,400
54	P2348	Daley Ranch Well Field Development		6,500	40.0%	60.0%	0.0%		40%	2,600
55	P2356	PL - 12-Inch, 803 Zone, Jamul Drive Permastran Pipeline Replacement		765	0.0%	0.0%	100.0%		0%	0
56	P2374	PL - 30-Inch, 870 Zone, 870-2 Reservoir to 870-1 Reservoir		1,061	100.0%	0.0%	0.0%		100%	1,061
57	P2387	PL - 12-Inch, 832 Zone, Steele Canyon Road - Via Caliente/Campo		440	0.0%	100.0%	0.0%		0%	0
58	P2388	Flexible Membrane Cover Tension System Repair and Replacement		7,200	0.0%	0.0%	100.0%		0%	0
59	P2390	Siempre Viva Bridge Pipeline Crossings		230	100.0%	0.0%	0.0%		100%	230
60	P2392	PS - Lower Otay Pump Station Expansion Phase 2 (9,000 GPM)		450	40.0%	60.0%	0.0%		40%	180
61	P2393	PS - Pointe Hydro Pump Station Expansion (400 GPM)		150	0.0%	100.0%	0.0%		0%	0
62	P2395	Perdue WTP Capacity Participation/Purchase (5 MGD)		15,000	40.0%	60.0%	0.0%		40%	6,000
63	P2399	PL - 30-Inch, 980 Zone, 980 Reservoirs to Hunte Parkway		5,480	100.0%	0.0%	0.0%		100%	5,480
64	P2401	PL - 12-Inch, 624 Zone, Otay Valley Road - Heritage/SR 125		1,251	100.0%	0.0%	0.0%		100%	1,251
65	P2402	PL - 12-Inch, 624 Zone, La Media Road - Village 7/Otay Valley		444	100.0%	0.0%	0.0%		100%	444
66	P2403	PL - 12-Inch, 624 Zone, Heritage Road - Olympic/Otay Valley		925	100.0%	0.0%	0.0%		100%	925
67	P2404	PL - 12-Inch, 624 Zone, Rock Mountain Road - Village 4/Otay Valley		252	100.0%	0.0%	0.0%		100%	252
68	P2405	PL - 624/340 PRS, Paseo Ranchero and Otay Valley Road		125	0.0%	100.0%	0.0%		0%	0
69	P2406	PL - 711/624 PRS, EastLake Parkway and Rock Mountain Road		125	100.0%	0.0%	0.0%		100%	125
70	P2407	Dictionary Hill Fire Flow Capacity Pipeline Enhancements		1,500	0.0%	100.0%	0.0%		0%	0
71	P2411	PL - 1296/944 PRS Upgrade 1296-1 Pump Station Site		350	0.0%	100.0%	0.0%		0%	0
72	P2412	PL - 944/832 PRS Upgrade 944-1 Pump Station Site		550	0.0%	100.0%	0.0%		0%	0
73	P2413	PL - 920/803 PRS Jamul Drive - Alta Loma Drive		700	0.0%	100.0%	0.0%		0%	0
74	P2415	Raw Water Supply Acquisition Feasibility Assessment		500	40.0%	60.0%	0.0%		40%	200
75	P2426	PL - 1296/920 PRS Jamul Drive - Mexican Canyon Road		700	0.0%	100.0%	0.0%		0%	0
76	P2427	PL - 20-Inch, Otay Lakes Road		4,800	40.0%	60.0%	0.0%		40%	1,920
77	P2430	PL - 30-Inch, 980 Zone, Proctor Valley Road - PB Bndy/Proctor Valley PS		10,500	40.0%	60.0%	0.0%		40%	4,200
78	P2431	Res - 980-4 Reservoir 5 MG		5,900	100.0%	0.0%	0.0%		100%	5,900
79	P2433	978-1 Pump Station Sonic Meter		80	0.0%	100.0%	0.0%		0%	0
80	P2435	PL - 30-Inch, 980 Zone, Proctor Valley Road to Proctor Valley PS		6,134	40.0%	60.0%	0.0%		40%	2,454
81	P2437	Dis - 624-4 Reservoir Disinfection Facility		1,400	100.0%	0.0%	0.0%		100%	1,400
82	P2450	Otay River Groundwater Well Demineralization Project		11,030	0.0%	60.0%	0.0%		0%	0
83	P2454	Vaults and Meter, Alta Road and Use Area		465	0.0%	0.0%	100.0%		0%	0
84	P2456	Air and Vacuum Valve Upgrades		2,624	0.0%	26.0%	74.0%		0%	0
85	P2464	San Diego 17 Pump Station and Flow Control Facility		22,000	40.0%	60.0%	0.0%		40%	8,800
86	P2467	San Diego Formation Groundwater Feasibility Study		1,800	0.0%	60.0%	0.0%		0%	0
87	P2471	850/657 PRS at La Presa Pump Station		310	0.0%	100.0%	0.0%		0%	0
88	P2472	Water Supply Feasibility Studies		175	40.0%	60.0%	0.0%		40%	70
89	P2476	Dis - 1090-1 Pump Station Disinfection System Upgrade		150	0.0%	100.0%	0.0%		0%	0
90	P2478	Administration Building Engine/Generator Set		120	0.0%	0.0%	100.0%		0%	0

Count	Project Type	CIPNo	Project Title	Projected Project Cost (000s)					% CF	
					Expansion	Betterment	Replacement	New Supply	Eligible	Capacity Fee
91	P2481	Middle Sweetwater River Basin Groundwater Well System	8,800	0.0%	60.0%	0.0%		0%	0	
92	P2482	Otay Mesa Lot 7 Groundwater Well System	4,500	0.0%	60.0%	0.0%		0%	0	
93	P2483	PS - 870-1 Pump Motor and Switch Gear Replacement	130	0.0%	0.0%	100.0%		0%	0	
94	P2496	Otay Lakes Road Utility Relocations	100	0.0%	0.0%	100.0%		0%	0	
95	P2497	Solar Power Feasibility Study	150	100.0%	0.0%	0.0%		100%	150	
96	P2498	Brine Disposal Pipeline Otay River Demineralization Plant to South Bay Outfall	6,147	0.0%	60.0%	0.0%		0%	0	
97	P2499	Otay Mesa Operations Yard and Facilities	3,000	0.0%	0.0%	100.0%		0%	0	
98	P2500	Padre Dam - Otay Interconnection Dehesa Valley	800	0.0%	100.0%	0.0%		0%	0	
99	P2516	PL - 12-Inch, 640 Zone, Jamacha Road - Darby/Osage	450	0.0%	0.0%	100.0%		0%	0	
100	P2517	Chase Avenue Helix and Otay Interconnection	400	0.0%	100.0%	0.0%		0%	0	
101	P2522	Potable Water Pipeline Replacement Program	1,200	0.0%	0.0%	100.0%		0%	0	
102	P2523	Potable Water Valve Replacement Program	200	0.0%	0.0%	100.0%		0%	0	
103	P2524	Potable Water Pipeline Appurtenances Replacement Program	80	0.0%	0.0%	100.0%		0%	0	
104	P2525	Potable Water Pump Station Rehabilitation Program	800	0.0%	0.0%	100.0%		0%	0	
105	P2526	Potable Water Reservoir Rehabilitation Program	1,000	0.0%	0.0%	100.0%		0%	0	
106	P2528	30-Inch Potable Water Pipeline Manifold at 624 Reservoirs	7,000	40.0%	60.0%	0.0%		40%	2,800	
107	R2023	RecRes - 450-2 Reservoir 4 MG	4,800	100.0%	0.0%	0.0%		100%	4,800	
108	R2034	RecRes - 860-1 Reservoir 4 MG	3,800	100.0%	0.0%	0.0%		100%	3,800	
109	R2035	RecPS - 860-1 Pump Station (3,400 GPM)	5,800	100.0%	0.0%	0.0%		100%	5,800	
110	R2037	RecPL - 8-Inch, 680 Zone, La Media Road - Rock Mountain/Otay Valley	164	100.0%	0.0%	0.0%		100%	164	
111	R2038	RecPL - 8-Inch, 680 Zone, Rock Mountain Road - La Media/Otay Valley	296	100.0%	0.0%	0.0%		100%	296	
112	R2043	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - La Media/SR 125	123	100.0%	0.0%	0.0%		100%	123	
113	R2052	RecPL - 30-Inch, 450 Zone, Tijuana Valley - Otay Mesa Place/450-2 Reservoir	14,400	100.0%	0.0%	0.0%		100%	14,400	
114	R2053	RWCWRF - R.O. Building Remodel and Office Furniture	590	100.0%	0.0%	0.0%		100%	590	
115	R2055	RWCWRF - Effluent Meter	90	0.0%	100.0%	0.0%		0%	0	
116	R2067	RWCWRF - Waste Backwash Water Pipeline	220	0.0%	100.0%	0.0%		0%	0	
117	R2068	RWCWRF - Load Equalization Tank	1,200	0.0%	100.0%	0.0%		0%	0	
118	R2072	RecPL - 16-Inch, 860 Zone, Otay Mesa Road - 860-1 Pump Station/Heritage	2,500	100.0%	0.0%	0.0%		100%	2,500	
119	R2073	RecPL - 24-Inch, 860 Zone, Alta Road - Airway/Border	4,750	100.0%	0.0%	0.0%		100%	4,750	
120	R2075	Brine Disposal Pipeline Otay Mesa to South Bay Outfall	22,300	100.0%	0.0%	0.0%		100%	22,300	
121	R2078	RecPL - 8-Inch, 680 Zone, Otay Valley Road - SR 125/Heritage	560	100.0%	0.0%	0.0%		100%	560	
122	R2079	RecPL - 6-Inch, 450 Zone, Otay Valley Road - Otay Valley/Entertainment	150	100.0%	0.0%	0.0%		100%	150	
123	R2080	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Medical Center/Heritage	2,000	100.0%	0.0%	0.0%		100%	2,000	
124	R2081	RecPL - 20-Inch, 927 Zone, Lane Avenue - Proctor Valley/Pond No. 1	1,210	100.0%	0.0%	0.0%		100%	1,210	
125	R2088	RecPL - 30-Inch, 860 Zone, County Jail - Roll Reservoir/860-1 Reservoir	3,500	100.0%	0.0%	0.0%		100%	3,500	
126	R2089	North District Distribution Pipelines and Conversions	14,220	0.0%	60.0%	0.0%		0%	0	
127	R2093	MBR City of Chula Vista	11,000	0.0%	60.0%	0.0%		0%	0	
128	R2094	Potable Irrigation Meters to Recycled Water Conversions	2,000	0.0%	60.0%	0.0%		0%	0	
129	R2095	RWCWRF - Filter Storage Reservoir Cover Replacement	75	0.0%	0.0%	100.0%		0%	0	
130	R2097	RWCWRF - Salt Creek Live Stream Discharge	320	100.0%	0.0%	0.0%		100%	320	
131	R2103	Recycled Water Pump Station Rehabilitation Program	150	0.0%	0.0%	100.0%		0%	0	
132	R2104	Recycled Water Reservoir Rehabilitation Program	100	0.0%	0.0%	100.0%		0%	0	
133	R2105	RWCWRF Systems Replacement/Rehabilitation Program	400	0.0%	0.0%	100.0%		0%	0	
134	R2106	Recycled Water Pipeline Replacement Program	240	0.0%	0.0%	100.0%		0%	0	
135	R2115	RecPS - 944-1 Pump Station Upgrade Phase 2 (10,000 GPM)	1,400	100.0%	0.0%	0.0%		100%	1,400	
Total			\$607,915					(in \$100s)	\$283,405	

Expansion Equivalent Dwelling Units

41,405

Future Capacity Water Fee (Per EDU)

\$6,845

Plus: ENR update per Ordinance 534

Current Index 6/2014 10,739.43

Base Index 06/30/13 10,304.68

Total Capacity Fee with ENR Index 1.04

\$7,134

**Otay Water District - Water
Exhibit W-7
Current and Proposed Water Capacity Fee**

Item			CF 2013/2014
Existing Capacity Fee Plant			\$592,228,550
Future Capacity Fee Plant			283,405,230
Total Capacity Fee			\$875,633,780
Existing EDUs			72,898
Growth EDUs			41,405
Total EDUs			114,303
Total Capacity Fee			\$7,661
Plus: ENR update per Ordinance 534			
Current Index	6/2014	10,739.43	
Base Index	06/30/13	<u>10,304.68</u>	
Total Capacity Fee with ENR	Index	1.04	\$7,984
Current Water Capacity Fee (1)			\$8,237
Calculated Water Capacity Fee (2)			7,984
	Difference		-\$253

Meter Size (3)	Meter Ratio (4)	Current	Capacity Fee
			2013/2014 Calculated
3/4"	1.00	8,237	7,984
1"	2.50	20,593	19,960
1-1/2"	5.00	41,185	39,920
2"	8.00	65,896	63,872
3"	16.00	131,792	127,744
4"	25.00	205,926	199,600
6"	50.00	411,852	399,200
8"	80.00	658,962	638,720
10"	115.00	947,258	918,160

Notes:

- (1) Current capacity fee as of ENR adjustment on 6/2014.
- (2) Based on "Combined" methodology established in AWWA M1, Sixth Edition, Table VI.2-1, page 273.
- (3) Recommended for meter sizes larger than 4-inch should be based on projected usage.
- (4) Based on AWWA meter equivalency from AWWA M1 Manual, Sixth Edition, Table VI.2-5, page 274.

Otay Water District - Water
 Exhibit W-8
 Development of Capacity Fee - New Supply

Count	Project		Project Title	Projected Project Cost	Expansion	Betterment	Replacement	New Supply	% CF		
	Type	CIPNo							Eligible	Capacity Fee	
8		P2434	Rancho Del Rey Groundwater Well Development	\$8,700	0.0%	60.0%	0.0%	40.0%	40%	\$3,480	
10		P2451	Otay Mesa Desalination Conveyance and Disinfection System	30,000	0.0%	60.0%	0.0%	40.0%	40%	12,000	
82		P2450	Otay River Groundwater Well Demineralization Project	11,030	0.0%	60.0%	0.0%	40.0%	40%	4,412	
86		P2467	San Diego Formation Groundwater Feasibility Study	1,800	0.0%	60.0%	0.0%	40.0%	40%	720	
91		P2481	Middle Sweetwater River Basin Groundwater Well System	8,800	0.0%	60.0%	0.0%	40.0%	40%	3,520	
92		P2482	Otay Mesa Lot 7 Groundwater Well System	4,500	0.0%	60.0%	0.0%	40.0%	40%	1,800	
96		P2498	Brine Disposal Pipeline Otay River Demineralization Plant to South Bay Outfall	6,147	0.0%	60.0%	0.0%	40.0%	40%	2,459	
126		R2089	North District Distribution Pipelines and Conversions	14,220	0.0%	60.0%	0.0%	40.0%	40%	5,688	
126		R2093	MBR City of Chula Vista	11,000	0.0%	60.0%	0.0%	40.0%	40%	4,400	
128		R2094	Potable Irrigation Converting to Recycled Water Conversions	2,000	0.0%	60.0%	0.0%	40.0%	40%	800	
				\$98,197							\$39,279
Total				\$98,197							\$39,279

Expansion Equivalent Dwelling Units (1)

41,405

New Supply Water Fee per EDU

\$949

Plus: ENR update per Ordinance 534

Current Index 6/2014 10,739.43

Base Index 06/30/13 10,304.68

Total New Supply with ENR Index 1.04 **\$989**

Notes:

(1) Based on data from the utility billing system as of June 30, 2013 and Land Use Demand email April 4, 2014. See Exhibit W-5.



Sewer Technical Appendix

Otay Water District - Sewer
 Exhibit S-1
 Development of Capacity Fee - Buy-In

Plant Description	Original Cost (1)	Accumulated Depreciation	Original Cost Less Depr.	Reproduction Cost (2)	Reproduction Cost Less Depr.	Pipe Replacement Cost	Pipe Replacement Cost Less Depr.	Capacity Fee=
	OC		OCLD	RC	RCLND	RC-Pipe (3)	RCLND-Pipe	RCLND + RCLND- Pipe
Sewer								
Land	\$28,200	\$0	\$28,200	\$29,724	\$29,724	\$0	\$0	\$29,724
Field Equipment	27,298	24,075	3,223	32,833	3,877	0	0	3,877
Chlorination	181,718	117,164	64,554	266,143	94,115	0	0	94,115
Contributed	0	0	0	0	0	0	0	0
Capitalized Interest	862,003	337,631	524,372	1,373,971	821,589	0	0	821,589
Jamacha Sewer Basin	17,750,516	14,284,838	3,465,678	35,047,045	6,443,818	0	0	6,443,818
Maps & Plans	235,966	185,504	50,462	825,150	188,093	0	0	188,093
Main Pipe	604,156	229,236	374,919	974,880	554,612	101,982,000	13,952,550	13,952,550
Pump Stations	3,624	3,624	0	6,472	0	0	0	0
Pumps	22,304	21,526	778	37,856	979	0	0	979
Power	225,767	166,109	59,659	316,710	83,045	0	0	83,045
Repairs	0	0	0	0	0	0	0	0
Security	26,267	26,267	0	71,914	0	0	0	0
Jamacha Sewer Basin	520,959	166,365	354,593	1,022,636	645,256	0	0	645,256
Sewer Pipes	3,235,551	13,352	3,222,199	3,250,273	3,232,006	0	0	3,232,006
Sewer Pumps and Valves	224,650	174,554	50,096	317,331	54,685	0	0	54,685
Sewer Plastic Water Service	99,166	32,721	66,445	192,204	77,114	0	0	77,114
Pump Stations	6,123,709	3,905,678	2,218,031	19,617,649	5,430,564	0	0	5,430,564
Spring Valley Sanitation District	779,470	385,122	394,349	856,775	406,803	0	0	406,803
Total Sewer	\$30,951,324	\$20,073,766	\$10,877,558	\$64,239,566	\$18,066,280	\$101,982,000	\$13,952,550	\$31,464,219
Total	\$30,951,324	\$20,073,766	\$10,877,558	\$64,239,566	\$18,066,280	\$101,982,000	\$13,952,550	\$31,464,219
Less: Outstanding Debt Principal (4)								0
Capital Fund Reserves (5)								0
Past Interest Payments (6)								9,933,692
Total Net Plant								\$41,397,911
Existing Equivalent Dwelling Units (7)								6,741
Buy-In Capacity Fee per EDU (8)								\$6,141
				Plus: ENR update per Ordinance 534				
				Current Index		06/01/14	10,739.43	
				Base Index		06/30/13	<u>10,304.68</u>	
				Total Capacity Fee with ENR		Index	1.04	\$6,400

- (1) Asset listing as of June 30, 2013.
- (2) Based on specific in service date of asset and June 2013 Engineering News Record, for LA construction cost index.
- (3) Based on pipe inventory and \$25 per inch diameter. See Exhibit S-2
- (4) Remaining principal as of June 30, 2013. See Exhibit S-3A.
- (5) Cash reserves as of December 2013 which are CF eligible. See Exhibit S-4.
- (6) Past interest payments from 1959 to 2008 which were not capitalized; net of depreciation at 50 year average life. See Exhibit S-3B.
- (7) Based on 2010 study information, See Exhibit S-5 with added EDUs 2009 to Feb 2014 per District email 4/2014.
- (8) Based on "buy-in" methodology established in AWWA M1, Sixth Edition, Table VI.2-1, page 269.

Otay Water District - Sewer
 Exhibit S-3A
 Development of Sewer Debt
 For the Year Ended June 30, 2013

Debt Name	Principal	Interest		
				TOTAL (1)
I. Debt Status:				
Original Debt	\$0			\$0
# of Years/Rate	0.00%			
II. Principal and Interest Payments:				
2014	\$0	\$0	\$0	\$0
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
2025	0	0	0	0
2026	0	0	0	0
2027	0	0	0	0
2028	0	0	0	0
2029	0	0	0	0
2030	0	0	0	0
2031	0	0	0	0
2032	0	0	0	0
2033	0	0	0	0
2034	0	0	0	0
2035	0	0	0	0
2036	0	0	0	0
2037	0	0	0	0
2038	0	0	0	0
2039	0	0	0	0
2040	0	0	0	0
2041	0	0	0	0
TOTAL	\$0	\$0	\$0	\$0

(1) The sewer debt was paid off in 2011.

Otay Water District - Sewer
 Exhibit S-3B
 Development of Past Interest Payments

Year	Total	Sewer	Water	CPI Escalation Factor 2008	Present Day Dollars Sewer	Present Day Dollars Water	CPI Escalation Factor 2013	Present Day Dollars Sewer	Present Day Dollars Water	Average		Depreciated Sewer	Depreciated Water	Present	Present	
										Age	YTD			Remaining	Dollars Less Depr. Sewer	Dollars Less Depr. Water
2008	2,601,252	47,277	2,553,975	1.09	51,683	2,791,997	1.07	\$50,788	\$2,743,663	50	6	44	\$6,095	\$329,240	\$44,694	\$2,414,424
2007	950,479	58,066	892,413	1.03	59,948	921,344	1.12	64,783	995,641	50	7	43	9,070	139,390	55,713	856,252
2006	959,225	68,491	890,734	1.06	72,330	940,660	1.14	78,163	1,016,515	50	8	42	12,506	162,642	65,657	853,872
2005	1,327,844	78,562	1,249,282	1.09	85,786	1,364,158	1.18	92,704	1,474,164	50	9	41	16,687	265,350	76,017	1,208,814
2004	1,252,307	88,293	1,164,014	1.13	99,946	1,317,638	1.22	108,006	1,423,893	50	10	40	21,601	284,779	86,405	1,139,114
2003	947,099	97,695	849,404	1.17	114,629	996,632	1.27	123,873	1,077,001	50	11	39	27,252	236,940	96,621	840,061
2002	1,503,063	106,779	1,396,284	1.22	129,973	1,699,564	1.32	140,454	1,836,617	50	12	38	33,709	440,788	106,745	1,395,829
2001	1,543,336	115,556	1,427,780	1.26	145,585	1,798,801	1.36	157,325	1,943,856	50	13	37	40,904	505,403	116,420	1,438,454
2000	1,540,592	124,036	1,416,556	1.32	163,449	1,866,668	1.42	176,630	2,017,197	50	14	36	49,456	564,815	127,173	1,452,382
1999	1,809,747	176,967	1,632,780	1.39	246,694	2,276,112	1.51	266,587	2,459,658	50	15	35	79,976	737,898	186,611	1,721,761
1998	1,952,742	227,266	1,725,476	1.44	328,010	2,490,361	1.56	354,461	2,691,184	50	16	34	113,428	861,179	241,034	1,830,005
1997	2,080,744	274,606	1,806,138	1.47	404,084	2,657,737	1.59	436,669	2,872,057	50	17	33	148,467	976,499	288,202	1,895,558
1996	1,421,139	319,333	1,101,806	1.50	478,077	1,649,525	1.62	516,629	1,782,543	50	18	32	185,986	641,715	330,642	1,140,827
1995	936,716	362,687	574,029	1.54	557,180	881,856	1.66	602,111	952,969	50	19	31	228,802	362,128	373,309	590,841
1994	1,329,706	394,491	935,215	1.56	615,062	1,458,118	1.68	664,660	1,575,701	50	20	30	265,864	630,280	398,796	945,420
1993	749,618	419,512	330,106	1.60	671,011	528,005	1.73	725,121	570,583	50	21	29	304,551	239,645	420,570	330,938
1992	689,412	296,895	392,517	1.63	485,193	641,462	1.77	524,319	693,190	50	22	28	230,700	305,004	293,619	388,186
1991	1,172,353	336,012	836,341	1.68	564,437	1,404,895	1.82	609,953	1,518,186	50	23	27	280,578	698,366	329,375	819,821
1990	1,454,800	372,559	1,082,241	1.74	648,438	1,883,639	1.88	700,728	2,035,536	50	24	26	336,349	977,057	364,379	1,058,479
1989	1,314,494	408,975	905,519	1.84	754,333	1,670,183	1.99	815,163	1,804,867	50	25	25	407,581	902,434	407,581	902,434
1988	1,841,881	444,586	1,397,295	1.95	867,861	2,727,613	2.11	937,845	2,947,568	50	26	24	487,680	1,532,735	450,166	1,414,833
1987	1,339,462	477,707	861,755	2.05	979,340	1,766,671	2.22	1,058,315	1,909,135	50	27	23	571,490	1,030,933	486,825	878,202
1986	1,428,383	509,385	918,998	2.12	1,081,084	1,950,422	2.29	1,168,263	2,107,705	50	28	22	654,227	1,180,315	514,036	927,390
1985	1,508,454	538,914	969,540	2.18	1,175,872	2,115,468	2.36	1,270,694	2,286,060	50	29	21	737,003	1,325,915	533,692	960,145
1984	1,585,069	566,769	1,018,300	2.30	1,302,731	2,340,584	2.48	1,407,783	2,529,329	50	30	20	844,670	1,517,597	563,113	1,011,731
1983	1,614,923	593,048	1,021,875	2.43	1,442,993	2,486,408	2.63	1,559,356	2,686,913	50	31	19	966,801	1,665,886	592,555	1,021,027
1982	1,496,029	601,840	894,189	2.50	1,507,009	2,239,051	2.71	1,628,535	2,419,608	50	32	18	1,042,262	1,548,549	586,272	871,059
1981	1,546,319	118,910	1,427,409	2.67	317,909	3,816,220	2.89	343,546	4,123,960	50	33	17	1,226,740	2,721,814	116,806	1,402,147
1980	1,689,015	126,371	1,562,644	3.03	383,386	4,740,775	3.28	414,303	5,123,071	50	34	16	281,726	3,483,688	132,577	1,639,383
1979	1,727,910	146,451	1,581,459	3.50	512,015	5,529,024	3.78	553,304	5,974,885	50	35	15	387,313	4,182,420	165,991	1,792,466
1978	846,568	139,706	706,862	4.07	568,464	2,876,224	4.40	614,305	3,108,163	50	36	14	442,300	2,237,877	172,005	870,286
1977	699,346	146,858	552,488	4.48	657,544	2,473,719	4.84	710,569	2,673,200	50	37	13	525,821	1,978,168	184,748	695,032
1976	500,880	152,370	348,510	4.77	726,805	1,662,393	5.15	785,415	1,796,448	50	38	12	596,915	1,365,301	188,499	431,148
1975	505,080	158,245	346,835	5.06	800,816	1,755,196	5.47	865,394	1,896,736	50	39	11	675,007	1,479,454	190,387	417,282
1974	545,897	163,251	382,646	5.54	904,016	2,118,935	5.98	976,917	2,289,806	50	40	10	781,533	1,831,845	195,383	457,961
1973	545,960	166,687	379,273	6.15	1,024,296	2,330,642	6.64	1,106,895	2,518,586	50	41	9	907,654	2,065,240	199,241	453,345
1972	559,456	195,260	364,196	6.55	1,278,131	2,383,950	7.07	1,381,199	2,576,192	50	42	8	1,160,207	2,164,001	220,992	412,191
1971	507,776	19,884	487,892	6.80	135,304	3,319,940	7.35	146,215	3,587,660	50	43	7	125,745	3,085,388	20,470	502,272
1970	399,854	11,322	388,532	7.06	79,979	2,744,620	7.63	86,429	2,965,946	50	44	6	76,058	2,610,033	10,371	355,914
1969	286,268	-	286,268	7.43	-	2,128,323	8.03	-	2,299,951	50	45	5	0	2,069,956	0	229,995
1968	269,080	-	269,080	7.82	-	2,104,459	8.45	-	2,274,163	50	46	4	0	2,092,230	0	181,933
1967	237,827	-	237,827	8.14	-	1,935,438	8.79	-	2,091,512	50	47	3	0	1,966,021	0	125,491
1966	243,112	-	243,112	8.39	-	2,040,489	9.07	-	2,205,034	50	48	2	0	2,116,833	0	88,201
1965	224,790	-	224,790	8.54	-	1,920,159	9.23	-	2,075,001	50	49	1	0	2,033,501	0	41,500
1964	199,375	-	199,375	7.77	-	1,549,240	8.40	-	1,674,171	50	50	0	0	1,674,171	0	0
1963	127,415	-	127,415	7.87	-	1,003,018	8.51	-	1,083,902	50	51	0	0	1,083,902	0	0
1962	75,500	-	75,500	7.98	-	602,213	8.62	-	650,775	50	52	0	0	650,775	0	0
1961	75,500	-	75,500	8.06	-	608,255	8.71	-	657,305	50	53	0	0	657,305	0	0
1960	72,250	-	72,250	8.14	-	587,971	8.79	-	635,385	50	54	0	0	635,385	0	0
1959	75,500	-	75,500	8.95	-	675,375	8.95	-	675,375	50	55	0	0	675,375	0	0
\$50,311,547		\$9,651,623	\$40,659,924		\$22,421,405	\$97,772,150		\$24,224,408	\$105,328,567				\$14,290,716	\$64,924,162	\$9,933,692	\$40,404,404

1. 1959-1962 only id 2 & 3, 1963-1966 - 2,3,5,6,7,9,10, this is the interest which is not already capitalized (previously).

Otay Water District - Sewer
 Exhibit S-4
 Summary of Reserve Funds
 For the Year Ended June 30, 2013

Account #					Betterment		Capital			Total	% CF Eligible (1)	Capacity Fee
	OPEB	New Water Supply	Expansion	Replacement	Betterment	Debt Fund	Debt Reserve	Improvement	General			
RESTRICTED RESERVES												
312201/312241 (ID 1)					(\$5,850,335)	\$9,402,124				\$3,551,789	0%	\$0
312202/312242 (ID 2)					(1,683,179)	314,727				(1,368,452)	0%	0
312203/312243 (ID 3)					(6,308,107)	1,521,924				(4,786,184)	0%	0
312213/312244 (ID 5)					(222,001)	114,381				(107,621)	0%	0
312204/312245 (ID 7)					(804,842)	780,367				(24,476)	0%	0
312205/312246 (ID 9)					(6,117,475)	1,411,602				(4,705,872)	0%	0
312206/312247 (ID 10)					(1,025,174)	871,591				(153,583)	0%	0
312207/312248 (ID 18)					0	0				0	100%	0
312214/312249 (ID 19)					9,404	14,350				23,754	0%	0
312208/312251 (ID 20)					(12,444,252)	3,485,711				(8,958,541)	0%	0
312209/312252 (ID 22)					(7,154,838)	4,680,147				(2,474,691)	0%	0
312210/312253 (ID 25)					(17,833)	0				(17,833)	0%	0
312211/312254 (ID 85)					(18,741,290)	38,724				(18,702,566)	0%	0
312212/312255 (ID 90)					(389,393)	237,609				(151,784)	0%	0
312101 Capacity Fees			5,324,932							5,324,932	0%	0
312102 Capital Improvement Fund				5,081,116						5,081,116	0%	0
312103 New Supply Fund		(389,977)								(389,977)	0%	0
312104 Annex/Developer Fee				0						0	0%	0
312111 New Supply Debt Fund		741,513								741,513	0%	0
312112 Expansion Debt Fund			30,701,201							30,701,201	0%	0
312113 Replacement Debt Fund				6,639,144						6,639,144	0%	0
312121 New Supply CIF				0						0	0%	0
312122 Expansion CIF				0						0	0%	0
312123 Replacement CIF				0						0	0%	0
312261 Betterment CIF					0					0	0%	0
312413 State Loan Reserve							0			0	0%	0
312414 GO Bonds Reserve							917,708			917,708	0%	0
312416 Grants - CIP							0			0	0%	0
312419 2010 COPs Taxable BABs							13,155,639			13,155,639	0%	0
312421 2010 COPs TE - Reserve							1,030,688			1,030,688	0%	0
312422 2010 COPs BABs - Reserve							2,707,418			2,707,418	0%	0
TOTAL RESTRICTED	\$0	\$351,536	\$36,026,133	\$11,720,260	(\$60,749,316)	\$22,873,257	\$17,811,452	\$0	\$0	\$28,033,323		\$0
DESIGNATED RESERVES												
312229 Designated Betterment					\$41,131,682					\$41,131,682	0%	\$0
321203 New Supply Fee Reserve		23,604								23,604	0%	0
312412 Expansion Reserve			(22,544,902)							(22,544,902)	0%	0
321201 Replacement Reserve				15,739,451						15,739,451	0%	0
321202 Retiree Health Ins - OPEB (a)	0									0	0%	0
321202 Retiree Health Ins Reserve (b)	149,705									149,705	0%	0
TOTAL DESIGNATED	\$149,705	\$23,604	(\$22,544,902)	\$15,739,451	\$41,131,682	\$0	\$0	\$0	\$0	\$34,499,540		\$0
TOAL RESTRICTED & DESIGNATED	\$149,705	\$375,140	\$13,481,232	\$27,459,711	(\$19,617,634)	\$22,873,257	\$17,811,452	\$0	\$0	\$62,532,863		\$0
GENERAL FUND (UNRESTRICTED)												
Annexation (Potable)									\$11,798,099	\$11,798,099	0%	\$0
Annexation (Sewer)										0	100%	0
Operating									3,480,529	3,480,529	0%	0
11-215101 Developer Deposit									375,057	375,057	0%	0
77-215101 215111 Dev/Cell Site Dep									828,445	828,445	0%	0
312415 Lakeview Replacement									231,210	231,210	0%	0
312424 Highlands Golf Course, LLC									43,320	43,320	0%	0
TOTAL GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,756,661	\$16,756,661		\$0
TOTALS BY FUND CATEGORY	\$149,705	\$375,140	\$13,481,232	\$27,459,711	(\$19,617,634)	\$22,873,257	\$17,811,452	\$0	\$16,756,661	\$79,289,524		\$0

**Otay Water District - Sewer
Exhibit S-5
Development of Equivalent Dwelling Units**

	Number of EDUs
Number of 2009 EDUs (1)	6,714
EDUs added 2009 to Feb 2014 (2)	27
Current EDUs	<hr/> 6,741
 Expansion EDUs	 0

(1) Based on 2010 study.

(2) Based on 2010 study information with added EDUs 2009 to Feb 2014
per District email 4/4/2014.

Otay Water District - Sewer
 Exhibit S-6
 Development of Capacity Fee - Future

Count	Project Type	CIPNo	Project Title	Projected Project Cost (000s)				% CF Eligible (2)	Capacity Fee
					Expansion	Betterment	Replacement		
71	S2024		Campo Road Sewer Main Replacement	\$5,500	0.0%	100.0%	0.0%	0%	\$0
72	S2027		Rancho San Diego Pump Station Rehabilitation	3,500	0.0%	0.0%	100.0%	0%	0
73	S2033		Sewer System Various Locations Rehabilitation	6,000	0.0%	0.0%	100.0%	0%	0
74	S2043		RWCWRF Sludge Handling System	1,500	0.0%	100.0%	0.0%	0%	0
134	S2001		PL - 8-Inch, Russell Square Sewer Lift Station to City of El Cajon System	385	0.0%	100.0%	0.0%	0%	0
135	S2002		PL - 8-Inch, Hidden Mountain Sewer Lift Station to City of El Cajon System	460	0.0%	100.0%	0.0%	0%	0
136	S2012		SVSD Outfall and RSD Replacement and OM Reimbursement	3,030	0.0%	0.0%	100.0%	0%	0
137	S2018		RWCWRF - Secondary Process Automation	50	0.0%	100.0%	0.0%	0%	0
138	S2021		Jamacha Road 8-Inch Sewer Main Replacement	180	0.0%	100.0%	0.0%	0%	0
139	S2035		Sewer Collection System Main Replacement Program	600	0.0%	0.0%	100.0%	0%	0
140	S2036		Sewer Manhole Rehabilitation Program	80	0.0%	0.0%	100.0%	0%	0
141	S2037		Sewer Lift Station Rehabilitation Program	160	0.0%	0.0%	100.0%	0%	0
142	S2038		Sewer Force Main Replacement Program	40	0.0%	0.0%	100.0%	0%	0
				\$21,485					\$0
Total				\$21,485				(in \$000s)	\$0

Expansions Equivalent Dwelling Units

0

Future Sewer Fee (Per EDU)

\$0

**Otay Water District - Sewer
Exhibit S-7
Current and Proposed Sewer Capacity Fee**

Item	CF 2013/2014	Reference
Existing Capacity Fee Plant	\$41,397,911	See Exhibit S-1
Future Capacity Fee Plant	0	See Exhibit S-7
Total Capacity Fee	\$41,397,911	
Existing EDUs	6,741	See Exhibit S-1
Growth EDUs	0	See Exhibit S-7
Total EDUs	6,741	
Total Capacity Fee	\$6,141	
Plus: ENR update per Ordinance 534		
Current Index	06/01/14 10,739.43	
Base Index	06/30/13 <u>10,304.68</u>	
Total Capacity Fee with ENR	Index 1.04 \$6,400	
Current Sewer Capacity Fee (1)	\$5,986	
Calculated Sewer Capacity Fee (2)	6,400	
	Difference \$415	

Example Customer Classification	Number of EDUs (3)	Capacity Fee 2013/2014	
		Current	Calculated
Hotel/Motel w/o kitchen; /unit	0.38	\$2,275	\$2,432
Hotel/Motel with kitchen; per unit	0.60	3,591	3,840
Residential units (single & multi-family, mobile homes - per unit)	1.00	5,986	6,400
Commercial - first 1,000 sq.ft.	1.20	7,183	7,680
Commercial - addtl 1,000 sq.ft.	0.70	4,190	4,480

Notes:

- (1) Current capacity fee as of ENR adjustment on 6/2014, fees effective 7/1/2014.
 - (2) Based on "Combined" methodology established in AWWA M1, Sixth Edition, Table VI.2-1, page 273.
 - (3) EDU's are determined by the District's code, Section 53.09. For example, Single-family, multi-family, condos and mobile homes are charged 1.0 EDU per unit. Churches are charged prorated as 150 seats = 1.0 EDU. Schools range between 24 to 50 students = 1.0 EDU, depending on the type of school (Elementary to High School).
- *Churches, theatres, auditoriums - does not include office space, school rooms, day-care facilities, food prep areas, Additional EDUs are assigned for these supplementary/types of uses.

Otay Water District - Sewer

Exhibit S-7A

Calculation of Inside ID Area Capacity Fee - Accounting for Principal and Interest Payments

\$6,400 Calculated Sewer Capacity Fee
1,535 **\$9.933 M past Interest removed from model (Exh. 3)**
\$4,865 Calculated capacity Fee without past interest

\$6,400 Calculated Sewer Capacity Fee
773 **Past Principal discount**
\$5,627 Calculated capacity Fee without past principal
For \$5 M 1990 state loan

\$6,400 Calculated Sewer Capacity Fee
(1,535) Reduction for past interest payments
(773) Reduction for past principal payments
\$4,092 Calculated fee for inside ID areas



Water and Sewer Annexation Fees

Otay Water District
 Exhibit A-1
 Summary of Annexation Fee Calculation

(A) Line No.	(B) Item	(C) Original Amount	(D) Present Value	Resource
Water & Recycled Annexation Fee				
1	Total 1 % General Tax*	\$40,494,657	\$62,541,413	<i>Exhibit 3 - Present Value in 2013 Dollars of Tax Collections</i>
2	Availability Charges	<u>35,605,529</u>	<u>67,000,559</u>	<i>Exhibit 3 - Present Value in 2013 Dollars of Water Availability Charges</i>
3	Total Gen Tax & Availability	\$76,100,186	\$129,541,972	
4	Current EDUs	72,898	72,898	<i>Exhibit 2 - Water EDUs</i>
5	Water & Recycled Annexation Fee	\$1,044	\$1,777	<i>Exhibit 1 - = Line 3 divided by Line 4</i>
	Current Fee		<u>1,622</u>	
	Total Increase (Decrease) to Current Fee		\$155	
Sewer Annexation Fee				
6	Total 1 % General Tax*	\$0	\$0	<i>1% general tax for water only</i>
7	Availability Charges	<u>2,948,941</u>	<u>6,861,466</u>	<i>Exhibit 3 - Present Value in 2013 Dollars of Sewer Availability Charges</i>
8	Total Gen Tax & Availability	\$2,948,941	\$6,861,466	<i>Exhibit 1 - = Line 4 + Line 7</i>
9	Current EDUs	6,741	6,741	<i>Exhibit 2 - Sewer EDUs</i>
10	Sewer Annexation Fee	\$437	\$1,018	<i>Exhibit 1 - = Line 8 divided by Line 9</i>
	Current Fee		<u>0</u>	
	Total Increase (Decrease) to Current Fee		\$1,018	

Otay Water District
Exhibit 1A
Summary of Water Annexation Fee by Meter Size

Meter Size (inch)	Hydraulic Capacity Factor [1]	Proposed Water Annexation Fee
5/8"	1.00	\$1,777
3/4"	1.00	1,777
1"	2.50	4,443
1-1/2"	5.00	8,885
2"	8.00	14,216
3"	16.00	28,432
4"	25.00	44,425
6"	50.00	88,850
8"	80.00	142,160
10"	115.00	204,355

[1] Based on AWWA capacity rating for 5/8" meter.

Otay Water District
 Exhibit A-2
 Summary of Water and Sewer EDUs

Class of Service	Number of Meters (1)										Total
	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	
Number of Water Meters											
Residential	1	43,186	1,463	14	4	0	0	0	0	0	44,668
Master Metered	0	41	186	245	224	34	61	6	3	0	800
Commercial & Public	679	336	389	291	404	32	28	8	0	5	2,172
Ag, Lds & Construction	0	103	262	383	466	5	6	2	0	0	1,227
Recycled	0	1	102	393	194	4	7	2	0	1	704
Temporary	0	7	9	6	2	0	67	0	0	0	91
Total	680	43,674	2,411	1,332	1,294	75	169	18	3	6	49,662
Less: Temporary	0	7	9	6	2	0	67	0	0	0	91
Total Existing Permanent	680	43,667	2,402	1,326	1,292	75	102	18	3	6	49,571
AWWA Weighting - 5/8" Meter	1.00	1.00	2.50	5.00	8.00	16.00	25.00	50.00	80.00	115.00	
Permanent Existing Water EDUs	680	43,667	6,005	6,630	10,336	1,200	2,550	900	240	690	72,898

Number of Sewer ASUs (2)

6,741

Notes:

- (1) Based on data from the utility billing system as of FY 2013.
- (2) Based on estimate provided by District for FY 2013.

**Otay Water District
Exhibit A-3
Summary of Tax Collections and Availability Charges**

		State Share of		Present Value in		Present Value in		Present Value
	Year	Tax Coll	PV Factor	Today's Dollars	Water Avail	Today's Dollars	Sewer Avail	in Today's Dollars
FY 1959	1959	34,446	8.95	\$ 308,128		\$ -		-
FY 1960	1960	69,628	8.79	\$ 612,327		\$ -		-
FY 1961	1961	95,352	8.71	\$ 830,136		\$ -		-
FY 1962	1962	73,400	8.62	\$ 632,674		\$ -		-
FY 1963	1963	71,693	8.51	\$ 609,883	41,883	\$ 356,293		-
FY 1964	1964	74,297	8.40	\$ 623,879	59,677	\$ 501,114		-
FY 1965	1965	65,485	9.23	\$ 604,482	66,763	\$ 616,279		-
FY 1966	1966	75,554	9.07	\$ 685,277	66,175	\$ 600,210		-
FY 1967	1967	82,050	8.79	\$ 721,569	96,460	\$ 848,294		-
FY 1968	1968	57,645	8.45	\$ 487,194	94,834	\$ 801,501		-
FY 1969	1969	58,675	8.03	\$ 471,410	94,876	\$ 762,258	3,086	24,794
FY 1970	1970	-	7.63	\$ -	112,789	\$ 861,000	20,804	158,812
FY 1971	1971	-	7.35	\$ -	105,577	\$ 776,349	24,549	180,518
FY 1972	1972	120,000	7.07	\$ 848,837	141,692	\$ 1,002,278	44,112	312,032
FY 1973	1973	128,000	6.64	\$ 849,992	114,084	\$ 757,582	54,132	359,467
FY 1974	1974	150,000	5.98	\$ 897,621	123,266	\$ 737,641	60,748	363,524
FY 1975	1975	222,000	5.47	\$ 1,214,051	83,416	\$ 456,177	60,800	332,497
FY 1976	1976	262,000	5.15	\$ 1,350,519	105,200	\$ 542,270	60,800	313,403
FY 1977	1977	272,018	4.84	\$ 1,316,153	130,708	\$ 632,427	60,906	294,692
FY 1978	1978	327,000	4.40	\$ 1,437,861	162,949	\$ 716,508	58,611	257,720
FY 1979	1979	163,271	3.78	\$ 616,852	379,294	\$ 1,433,005	67,365	254,511
FY 1980	1980		3.28	\$ -	595,000	\$ 1,950,686	68,000	222,936
FY 1981	1981		2.89	\$ -	682,000	\$ 1,970,382	68,000	196,460
FY 1982	1982	137,863	2.71	\$ 373,047	757,885	\$ 2,050,780	69,000	186,709
FY 1983	1983	110,000	2.63	\$ 289,233	909,659	\$ 2,391,852	69,000	181,428
FY 1984	1984	108,391	2.48	\$ 269,230	766,718	\$ 1,904,431	68,000	168,903
FY 1985	1985	107,173	2.36	\$ 252,701	837,736	\$ 1,975,281	67,000	157,978
FY 1986	1986	94,431	2.29	\$ 216,576	797,498	\$ 1,829,046	66,000	151,370
FY 1987	1987	110,000	2.22	\$ 243,694	759,875	\$ 1,683,430	65,000	144,001
FY 1988	1988	200,000	2.11	\$ 421,896	897,269	\$ 1,892,772	64,000	135,007
FY 1989	1989	300,000	1.99	\$ 597,956	856,702	\$ 1,707,566	63,000	125,571
FY 1990	1990	400,000	1.88	\$ 752,341	893,639	\$ 1,680,803	62,000	116,613
FY 1991	1991	500,000	1.82	\$ 907,636	1,010,761	\$ 1,834,806	61,000	110,732
FY 1992	1992	550,000	1.77	\$ 971,306	904,588	\$ 1,597,512	60,000	105,961
FY 1993	1993	600,000	1.73	\$ 1,037,092	1,086,662	\$ 1,878,280	52,166	90,168
FY 1994	1994	650,000	1.68	\$ 1,095,155	959,193	\$ 1,616,101	54,000	90,982
FY 1995	1995	714,965	1.66	\$ 1,186,942	1,167,150	\$ 1,937,633	56,995	94,620
FY 1996	1996	734,935	1.62	\$ 1,189,006	1,162,252	\$ 1,880,335	56,995	92,209
FY 1997	1997	752,852	1.59	\$ 1,197,159	1,095,138	\$ 1,741,450	56,995	90,631
FY 1998	1998	778,739	1.56	\$ 1,214,580	1,072,577	\$ 1,672,873	63,353	98,810
FY 1999	1999	852,078	1.51	\$ 1,283,590	1,015,615	\$ 1,529,946	64,899	97,766
FY 2000	2000	962,353	1.42	\$ 1,370,406	1,015,422	\$ 1,445,977	64,899	92,417
FY 2001	2001	1,105,495	1.36	\$ 1,505,080	1,113,297	\$ 1,515,702	68,512	93,276
FY 2002	2002	1,283,514	1.32	\$ 1,688,284	1,100,080	\$ 1,447,002	69,381	91,261
FY 2003	2003	1,554,975	1.27	\$ 1,971,630	1,076,548	\$ 1,365,009	69,381	87,971
FY 2004	2004	1,781,421	1.22	\$ 2,179,143	1,113,609	\$ 1,362,235	82,392	100,787
FY 2005	2005	947,347	1.18	\$ 1,117,878	1,091,674	\$ 1,288,185	82,588	97,455
FY 2006	2006	1,338,279	1.14	\$ 1,527,258	1,085,726	\$ 1,239,041	85,310	97,356
FY 2007	2007	2,930,494	1.12	\$ 3,269,474	1,111,263	\$ 1,239,806	90,370	100,824
FY 2008	2008	3,279,923	1.07	\$ 3,523,529	1,118,075	\$ 1,201,116	114,259	122,745
FY 2009	2009	3,429,830	1.07	\$ 3,685,224	1,103,565	\$ 1,185,739	92,029	98,882
FY 2010	2010	3,053,504	1.06	\$ 3,238,237	1,125,125	\$ 1,193,194	89,313	94,717
FY 2011	2011	2,946,521	1.03	\$ 3,032,735	1,097,832	\$ 1,129,954	89,801	92,428
FY 2012	2012	2,875,801	1.01	\$ 2,913,293	1,127,195	\$ 1,141,890	86,951	88,085
FY 2013	2013	2,901,260	1.00	\$ 2,901,260	1,118,557	\$ 1,118,557	92,439	92,439
		\$ 40,494,657	1.00	\$ 62,541,413	\$ 35,605,529	\$ 67,000,559	\$ 2,948,941	\$ 6,861,466

PV factor calculated based on San Diego CPI. See Exhibit 4.

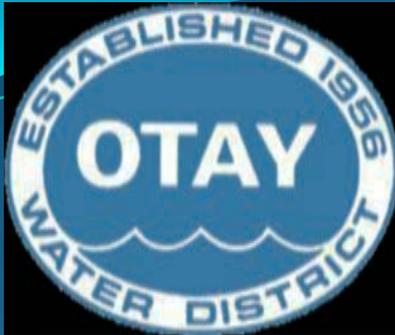
Otay Water District

Exhibit 4

Summary 20 City Average ENR-CCI to ENR-CCI for LA

Current Year	2013
ENR-CCI	10,738.68
CPI	260.31

Year	20 City	Change of	San			
	Average ENR-CCI	20 City CCI	ENR -CCI for LA	PV Factor	Diego CPI	PV Factor
1959	797.00	5.0%	882.87	12.16	29.10	8.95
1960	824.00	3.4%	912.78	11.76	29.60	8.79
1961	847.00	2.8%	938.26	11.45	29.90	8.71
1962	872.00	3.0%	965.96	11.12	30.20	8.62
1963	901.00	3.3%	998.08	10.76	30.60	8.51
1964	936.00	3.9%	1,036.85	10.36	31.00	8.40
1965	971.00	3.7%	1,075.62	9.98	28.20	9.23
1966	1,019.00	4.9%	1,128.79	9.51	28.70	9.07
1967	1,074.00	5.4%	1,189.72	9.03	29.60	8.79
1968	1,155.00	7.5%	1,279.45	8.39	30.80	8.45
1969	1,269.00	9.9%	1,405.73	7.64	32.40	8.03
1970	1,381.00	8.8%	1,529.80	7.02	34.10	7.63
1971	1,581.00	14.5%	1,751.35	6.13	35.40	7.35
1972	1,753.00	10.9%	1,941.88	5.53	36.80	7.07
1973	1,895.00	8.1%	2,099.18	5.12	39.20	6.64
1974	2,020.00		2,279.66	4.71	43.50	5.98
1975	2,212.00		2,585.93	4.15	47.60	5.47
1976	2,401.00		2,923.33	3.67	50.50	5.15
1977	2,576.00		3,161.75	3.40	53.80	4.84
1978	2,776.00		3,421.25	3.14	59.20	4.40
1979	3,003.00		3,638.81	2.95	68.90	3.78
1980	3,237.00		4,102.37	2.62	79.40	3.28
1981	3,535.00		4,530.96	2.37	90.10	2.89
1982	3,825.00		4,934.14	2.18	96.20	2.71
1983	4,066.00		5,063.89	2.12	99.00	2.63
1984	4,146.00		5,259.93	2.04	104.80	2.48
1985	4,195.00		5,446.69	1.97	110.40	2.36
1986	4,295.00		5,452.20	1.97	113.50	2.29
1987	4,406.00		5,474.14	1.96	117.50	2.22
1988	4,519.00		5,770.84	1.86	123.40	2.11
1989	4,615.00		5,789.77	1.85	130.60	1.99
1990	4,732.00		5,994.55	1.79	138.40	1.88
1991	4,835.00		6,090.12	1.76	143.40	1.82
1992	4,985.00		6,348.55	1.69	147.40	1.77
1993	5,210.00		6,477.84	1.66	150.60	1.73
1994	5,408.00		6,532.95	1.64	154.50	1.68
1995	5,471.00		6,626.22	1.62	156.80	1.66
1996	5,620.00		6,558.44	1.64	160.90	1.62
1997	5,826.00		6,663.55	1.61	163.70	1.59
1998	5,920.00		6,851.95	1.57	166.90	1.56
1999	6,059.00		6,825.97	1.57	172.80	1.51
2000	6,221.00		7,068.04	1.52	182.80	1.42
2001	6,334.00		7,226.92	1.49	191.20	1.36
2002	6,538.00		7,402.75	1.45	197.90	1.32
2003	6,694.00		7,531.77	1.43	205.30	1.27
2004	7,115.00		8,192.14	1.31	212.80	1.22
2005	7,445.98		8,567.42	1.25	220.60	1.18
2006	7,751.20		8,878.97	1.21	228.10	1.14
2007	7,967.25		9,181.67	1.17	233.32	1.12
2008	8,311.12		9,823.19	1.09	242.31	1.07
2009	8,574.84		9,760.69	1.10	242.27	1.07
2010	8,802.40		10,004.30	1.07	245.46	1.06
2011	9,074.08		10,088.80	1.06	252.91	1.03
2012	9,308.15		10,270.93	1.05	256.96	1.01
2013	9,546.61		10,738.68	1.00	260.31	1.00



Otay Water District

September 3, 2014

Water and Sewer Capacity and Annexation Fees



Overview of Presentation

- **Purpose and methodology of fees**
- **Review the results of the District's study**
 - **Capacity fees**
 - Water
 - Sewer
 - **New supply fee**
 - **Annexation fees**
 - Water
 - Sewer
- **Summary and Next Steps**

Purpose of the District's Study

- **Review and update the fees to reflect existing conditions and value of the assets in place and capacity available**
- **To apply the same methodology to both utilities**
 - **Update the existing sewer “annexation fee” to the sewer buy-in capacity fee; develop a sewer annexation fee based on availability fees**
- **Review administrative and implementation of the fees**

Capacity Fees and New Supply Fees - Purpose



- **To charge new customers an equitable share of the cost of infrastructure to serve their needs**
 - “Growth pays for growth”
- **Provides equity between new and existing customers**
 - These one-time fees pay an equitable share of system capacity equal to the value of the funds paid by others
- **Shelters existing customers from impacts of system expansion for growth**
- **Generates revenue for growth related facilities**

Criteria in Determining Capacity Fees

- **Easy to understand**
- **Asset value**
- **System financing**
- **System planning criteria**
- **Customer acceptance**



Methodology for Determining Capacity Fees

- **Methodology used is consistent with past District studies**
 - District uses “generally accepted methods
- **Only capital improvements that provide new capacity are included**
 - Fees are segregated by new supply and other capacity improve.
 - Does not include operations or maintenance
 - Not intended for renewals and replacements
- **Methodology considers:**
 - Existing and future assets needed to serve growth
 - System Planning
 - **Defining and equivalent dwelling unit (EDU)**
 - Method of financing – Debt credit



Review of the Water Capacity and the New Water Supply Fees



Present Water Capacity Fee and New Supply Fee By Meter Size

Present Water Capacity and New Supply Fee			
Meter Size	# of Equiv. EDUs	Capacity Fee	New Water Supply Fee
3/4"	1.00	\$8,237	\$949
1"	2.50	20,593	2,371
1-1/2"	5.00	41,185	4,743
2"	8.00	65,896	7,589
3"	16.00	131,792	15,177
4"	25.00	205,926	23,715
6"	50.00	411,852	47,430
8"	80.00	658,962	75,887
10"	115.00	947,258	109,088

- Connections in the Triad development area receive a credit (lower fee) for storage facilities.



Calculated Water Capacity Fee and New Supply Fee By Meter Size

Calculated Water Capacity and New Supply Fee			
Meter Size	# of Equiv. EDUs	Capacity Fee	New Water Supply Fee
3/4"	1.00	\$7,984	\$989
1"	2.50	19,960	2,473
1-1/2"	5.00	39,920	4,945
2"	8.00	63,872	7,912
3"	16.00	127,744	15,824
4"	25.00	199,600	24,725
6"	50.00	399,200	49,450
8"	80.00	638,720	79,120
10"	115.00	918,160	113,735

- Connections in the Triad development area receive a credit (lower fee) on the capacity fee for potable storage facilities. The credit is approximately 25%.

Comparison of Present and Calculated Water Fees

- For 3/4-inch meter; 1 EDU:

Present Fees			Calculated Fees			\$ Difference
Capacity Fee	New Supply Fee	Total	Capacity Fee	New Supply Fee	Total	
\$8,237	\$949	\$9,186	\$7,984	\$989	\$8,973	(\$213)

Sewer Capacity Fees



Overview of Sewer Capacity Fees

- **Methodology similar to the water capacity fee**
 - No future planned assets/improvements
 - Considers only existing sewer assets
- **Planning criteria – same as in last study**
- **Move from “annexation” fee to capacity buy-in fees**
 - Provides consistency in fees between the utilities
- **Reviewed implementation by EDU versus meter size**
 - Maintain EDUs approach
- **Changing nomenclature**



Sewer Capacity Fee* Per EDU

Present Sewer Capacity Fee		
Example Customer Classifications	Number of EDUs	Capacity Fee
Hotel/Motel w/o kitchen	0.38	\$2,275
Hotel/Motel w/ kitchen	0.60	3,591
Residential units - per unit*	1.00	5,986
Commercial - first 1,000 sq.ft.	1.20	7,183
Commercial - addtl 1,000 sq.ft.	0.70	4,190

* This fee is described as an *annexation fee* on the current fee schedule. However, it is based on the value of the assets divided by EDUs served.

EDUs are determined based on District code Section 53.08.
Residential units = 1.0 EDU.



Key Policy Issue for Sewer Capacity Fees

- **Customers within ID areas:**
 - Would pay the capacity fee less a debt credit
 - Reductions recognize their previous payments of debt
 - Fee for their share of facilities paid for through rates
- **Customers outside of an ID area:**
 - Would pay capacity fee and annexation fee
- **Provides consistency between utilities**
- **Example to illustrate the issue:**
 - Since 2009, 27 new connection to sewer system
 - 3 have paid the “annexation” capacity fee
 - None have paid an annexation fee such as the water utility’s annexation fee

Calculated Sewer Capacity Fee* Per EDU

Calculated Sewer Capacity Fee			
Example Customer Classifications	Number of EDUs	Capacity Fee Outside ID area	Capacity Fee Inside ID area
Hotel/Motel w/o kitchen	0.38	\$2,432	\$1,555
Hotel/Motel w/ kitchen	0.60	3,840	2,455
Residential units - per unit*	1.00	6,400	4,092
Commercial - first 1,000 sq.ft.	1.20	7,680	4,911
Commercial - addtl 1,000 sq.ft.	0.70	4,480	2,865

*Includes multi-family, mobile homes - per unit.

- **EDUs are determined based on District code Section 53.08. Residential units = 1.0 EDU**
- **Customers within an ID area would pay a lower capacity fee, accounting for debt payments paid previously through debt assessments to their property.**

Comparison of Present and Calculated Sewer Fees

- 1 EDU (likely a 3/4-inch meter size)

Present Fees	Calculated	
Annexation (Capacity) Fee	Capacity Fee	\$ Difference
\$5,986	\$6,400	\$414

- Currently no capacity fee is charged to a new connection within an ID area.

Annexation Fees



Annexation Fees

- **Purpose:** To bring equity to existing customers who have paid the general tax and availability fees into the system over the years and those that have not.
 - Anyone outside of the service area or ID areas that annexes into the system is subject to pay these fees
 - These are a one-time fee to pay into the system, a share equal to the value to the past fees and taxes paid by others
- **Calculation:** The fee is determined by accumulating the past taxes and availability fees, bringing them into current day dollars (applying CPI), and dividing by current EDUs to determine the “buy-in” share per EDU.

Water Annexation Fee By Meter Size

Present Water Annexation Fee	
Meter Size	Annexation Fee
3/4"	\$1,622
1"	4,056
1-1/2"	8,112
2"	12,979
3"	25,958
4"	40,559
6"	81,118
8"	129,789
10"	186,571

- Currently, there is not a similar annexation fee for sewer; part of this study.

Water and Sewer Annexation Fee

Calculated Water Annexation Fee		Calculated Sewer Annexation Fee	
Meter Size	Annexation Fee	Number of EDUs	Capacity Fee
3/4"	\$1,777	0.38	\$387
1"	4,443	0.60	611
1-1/2"	8,885	1.00	1,018
2"	14,216	1.20	1,222
3"	28,432	0.70	713
4"	44,425	5.00	5,090
6"	88,850	15.00	15,270
8"	142,160	25.00	25,450
10"	204,355	40.00	40,720

- Under current policy: Sewer annexation fees are collected only for new customers connecting to the system and being added into an ID area.
- New connections to the sewer system already within an ID area do not pay the annexation fee. They have already been paying availability fees and debt.

Comparison of Present and Calculated Fees for 1 EDU

Utility		Present Fees			Calculated Fees				
Service Area	Capacity Fee	New Supply Fee	Annex. Fee	Total	Capacity Fee	New Supply Fee	Annex. Fee	Total	\$ Difference
Water	\$8,237	\$949	\$1,622	\$10,808	\$7,984	\$989	\$1,777	\$10,750	(\$58)
Sewer in ID area	\$0	\$0	\$0	\$0	4,092	\$0	\$0	\$4,092	\$4,092
Sewer Out of ID	\$5,986	\$0	\$0	\$5,986	\$6,400	\$0	\$1,018	\$7,418	\$1,432

- **New water connections – same as previously implemented**
- **New sewer connections inside the sewer ID areas should pay their share of portions of the sewer system rate funded over the years**
- **Customers outside the sewer ID areas should pay their buy-in share of availability fees and system capacity costs by paying both fees**

Summary and Next Steps

- **Capacity fees are an equitable method to finance the cost of growth and expansion facilities**
- **Updated fees reflect the District's current costs and value of capacity**
- **Full Board presentation September 3rd**





AGENDA ITEM 12a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	September 3, 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:

AGENDA ITEM 13a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 3, 2014
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Informational Item - Fourth Quarter Fiscal Year 2014 Capital Improvement Program Report		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) accept the Fourth Quarter Fiscal Year 2014 Capital Improvement Program (CIP) Report for review and receives a summary via PowerPoint presentation (see Attachment C).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To update the Board about the status of all CIP project expenditures and to highlight significant issues, progress, and milestones on major projects.

ANALYSIS:

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year the District staff prepares a Six-Year CIP Plan that identifies the District's infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, replacement/renewal projects, capital purchases, and developer's reimbursement projects.

The Fourth Quarter Fiscal Year 2014 update is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget of \$13.9 million. Expenditures through the Fourth Quarter totaled approximately \$8.5 million. Approximately 61% of the Fiscal Year 2014 expenditure budget was spent (see Attachment B).

The expenditures versus forecast for Fiscal Year 2014 were influenced in part by the changes in the economy, external agency driven projects, as well as budgeting flexibility for "Just in time" delivery for District projects as noted below.

1. A majority of the projects contained in the annual CIP budget are multi-year projects that required the project manager to forecast how expenditures would occur over several future fiscal years. Development of the Fiscal Year 2014 budget occurred approximately sixteen months in advance of the fiscal year's completion.
2. The FY 2014 CIP budget contained Developer reimbursement projects and District transmission projects that were programmed into the budget based on the Developer timelines for project delivery. Changes in the economy influenced Developer decisions on when to implement these projects. Staff worked with the Developers to incorporate the best project delivery information into the budgeting process, however, as the economic climate changed during this fiscal year, Developers revised their project delivery schedules.
3. Fifteen (15) percent of the FY 2014 CIP budget consisted of projects that were driven by external agencies including the County of San Diego, the City of Chula Vista, Caltrans, and the San Diego Association of Governments.
4. The CIP also contained a number of projects that experienced reprioritization during the course of this fiscal year. The Otay Mesa Desalination Conveyance and Disinfection System project is an example of this concept, as the District worked with Mexico, California State agencies, and United States Federal agencies on moving the project forward.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

No fiscal impact as this is an informational item only.

STRATEGIC GOAL:

The Capital Improvement Program 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.

DM/RP:jf

P:\Forms\D-Construction\CIP Quarterly Reports\CIP Qtr Reports\FY 2014\Q4\Staff Report\BD 09-03-14, Staff Report, Fourth Quarter FY 2014 CIP Report, (DM-RP).docx

Attachments: Attachment A - Committee Action
Attachment B - Fiscal Year 2014 Fourth Quarter CIP Expenditure Report
Attachment C - Presentation



ATTACHMENT A

SUBJECT/PROJECT: Various	Informational Item - Fourth Quarter Fiscal Year 2014 Capital Improvement Program Report
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on August 14, 2014, and the following comments were made:

- Staff provided a PowerPoint presentation to the Committee and indicated that the expenditures through the fourth quarter of FY 2014 totaled approximately \$8.5 million, which is about 61% of the District's fiscal year budget.
- Staff indicated that the District's FY 2014 CIP budget consists of 63 projects that total \$13.9 million and is divided into four categories:
 - Capital Facilities= \$4.4 million
 - Replacement/Renewal= \$7.7 million
 - Capital Purchases= \$1.6 million
 - Developer Reimbursement= \$0.2 million
- The PowerPoint presentation included the following:
 - Total Life-to-Date Expenditures
 - CIP Budget Forecast vs. Expenditures
 - Annual CIP Expenditures vs. Budget
 - Factors that Influence CIP Expenditures
 - Major CIP Projects
 - CIP Projects in Construction
 - Construction Contract Status of projects, contract amount with allowances, net change orders, and percent of project completion
 - Consultant Contract Status of contract amounts, approve payments to date, change orders, dates when contracts were signed and the end date of contracts

- Staff provided a slide that showed how annual expenditures over the five-year period from FY 2009 to FY 2014 ranged from 57% to 78% of the fiscal year budgeted amount. Expenditures for FY 2014 is projected at 61%.
- Staff discussed factors that influenced the CIP expenditures during the fiscal year. Changes in the economy, external agency driven projects, and budgeting flexibility for "Just in time" delivery for District projects found to influence the rate of expenditure. Details of these influential factors are provided on page 2 of the staff report.
- It was also discussed that a majority of projects in the annual CIP budget are multi-year projects that require the project manager to forecast how expenditures will occur over several future fiscal years. Development of the fiscal year budget occurs on average sixteen (16) months in advance of that fiscal year's completion.
- Staff provided an update of the following:
 - 624-2 Reservoir Interior/Exterior Coating & Upgrades. Staff indicated that this project has already been tested and placed into service as of July 2014.
 - 927-1 Recycled Water Reservoir Cover and Liner Replacement was completed and placed into service on June 30, 2014.
 - SR-11 Utility Relocations Sequence I project will relocate existing water to support the construction of SR-11 being performed by Caltrans. Staff indicated that this project is going through submittal review and stated that construction began in July 2014.

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

**FISCAL YEAR 2014
4th QUARTER REPORT
(Expenditures through 6/30/2014)
(\$000)**

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/14				LIFE-TO-DATE, 06/30/14				Comments	
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %		
CAPITAL FACILITY PROJECTS												
p2083	PS - 870-2 Pump Station Replacement (28,000 GPM)	Marchioro	\$ 540	\$ 316	\$ 224	59%	\$ 12,581	\$ 928	\$ 11,653	7%	Project schedule adjusted to add a 3D model to the consultant's scope of work. Value engineering workshop is scheduled for August 2014.	
P2190	PL - 10-Inch, 1485 Zone, Jamul Highlands	Martin	-	-	-	0%	228	3	225	1%	No budget for FY 2014.	
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Vasquez	5	-	5	0%	435	234	201	54%	Project moved to FY 2015.	
p2403	PL - 12-Inch, 624 Zone, Heritage Road - Olympic/Otay Valley	Martin	-	-	-	0%	925	-	925	0%	No budget for FY 2014.	
P2434	Rancho Del Rey Groundwater Well Development	Marchioro	100	9	91	9%	8,700	3,607	5,093	41%	Design is on hold.	
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	1,500	932	568	62%	30,000	2,561	27,439	9%	The Project schedule has been adjusted to match progress with the Rosarito Beach Desal Project.	
P2466	Regional Training Facility	Coburn-Boyd	14	4	10	29%	300	285	15	95%	Project is on hold.	
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	24	51	32%	1,090	818	272	75%	The asset management decision-making software will be purchased in FY 2015.	
P2511	Otay Interconnect Pipeline	Marchioro	600	306	294	51%	37,300	1,980	35,320	5%	Environmental subconsultant will amend EIR to include new alignment. Design is on hold.	
P2514	PL - 30-Inch, 980 Zone, Hunte Parkway - Proctor Valley/Use Area	Martin	130	71	59	55%	1,815	1,740	75	96%	Construction completed. Claims resolution work is completed.	
P2528	30-Inch Potable Water Pipeline Manifold at 624 Reservoirs	Marchioro	-	-	-	0%	7,000	18	6,982	0%	No budget for FY 2014.	
P2537	Operations Yard Property Acquisition Improvements	Almgren	50	16	34	32%	300	37	263	12%	Project is progressing to 30% design.	
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	80	29	51	36%	320	29	291	9%	SANDAG driven project. Design is at 90%. Construction bids were rejected at the July 3, 2014 Board meeting. Project to be re-bid at a future date.	
P2541	624 Pressure Zone PRSs	Marchioro	300	207	93	69%	600	207	393	35%		
P2542	850-3 Reservoir Interior Coating	Cameron	10	-	10	0%	440	-	440	0%	Project moved to FY 2016.	
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	475	-	475	0%	No budget for FY 2014.	
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	-	-	-	0%	1,075	-	1,075	0%	No budget for FY 2014.	
R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	Martin	-	-	-	0%	600	-	600	0%	No budget for FY 2014.	
R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	Martin	-	-	-	0%	140	-	140	0%	No budget for FY 2014.	
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Martin	-	-	-	0%	450	-	450	0%	No budget for FY 2014.	
R2048	RecPL - Otay Mesa Distribution Pipelines and Conversions	Martin	100	5	95	5%	2,200	475	1,725	22%	Developer driven project.	
R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	Martin	100	1	99	1%	3,500	1,340	2,160	38%	Developer driven project.	
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	135	61	74	45%	4,500	2,804	1,696	62%	Project is on hold as a result of the temporary recycled water moratorium.	
R2087	RecPL - 24-Inch, 927 Zone, Wueste Road - Olympic/Otay WTP	Cameron	5	1	4	20%	7,000	1,032	5,968	15%	Project is on hold as a result of the temporary recycled water moratorium.	
R2091	RecPS - 927-1 Pump Station Upgrade (10,000 GPM) and System Enhancements	Martin	250	173	77	69%	2,130	2,068	62	97%	Construction completed. Claims resolution work is completed.	
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Stalker	60	29	31	48%	130	101	29	78%	The remaining balance will be used in FY 2015.	
R2108	Res - 927-1 Reservoir Cover Replacement	Martin	100	1,064	(964)	1064%	1,400	1,064	336	76%	Project was accelerated. Construction completed.	
R2110	RecPS - 927-1 Optimization and Pressure Zone modifications	Marchioro	150	63	87	42%	150	63	87	42%	Distribution system improvements completed; however, pump station control strategy improvements postponed until FY 2015.	
S2039	Hidden Mountain Lift Station Enclosure	Stalker	8	7	1	88%	37	37	-	100%	Project completed.	
S2043	RWCWRF Sludge Handling System	Beppler	50	37	13	74%	1,500	37	1,463	2%	Project is on hold pending internal review and outcome of Metro cost analysis of the Point Loma Permit Renewal Upgrades.	
Total Capital Facility Projects			Total:	4,362	3,355	1,007	77%	127,321	21,468	105,853	17%	
REPLACEMENT/RENEWAL PROJECTS												
p2366	APCD Engine Replacements and Retrofits	Rahders	5	31	(26)	620%	3,488	2,513	975	72%	Due to delays in manufacturing, \$16,500 will be moved to FY 2015 budget.	
P2382	Safety and Security Improvements	Ramirez	500	116	384	23%	3,397	2,019	1,378	59%	\$83K in system upgrades were completed by the end of FY 2014. The remaining balance will be expensed in phase projects during FY 2015 and forward.	
P2440	I-905 Utility Relocations	Marchioro	10	4	6	40%	1,600	1,584	16	99%	Staff anticipates that Caltrans will issue an additional \$33,493 credit to the District; however, the \$33k credit on hold is pending Caltrans' receipt of final accounting numbers from the City of San Diego's sewer contractor.	

**FISCAL YEAR 2014
4th QUARTER REPORT**
(Expenditures through 6/30/2014)
(\$000)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/14				LIFE-TO-DATE, 06/30/14				Comments
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
p2453	SR-11 Utility Relocations	Marchioro	125	74	51	59%	2,250	233	2,017	10%	Construction contract awarded January 2014; however, construction schedule is tied to large Caltrans' freeway project. Majority of water relocation construction anticipated in FY 2015.
P2477	Res - 624-1 Reservoir Cover Replacement	Martin	50	31	19	62%	1,000	927	73	93%	Project accepted by the District on July 1, 2013. The two-year contract warranty will expire on July 1, 2015.
P2485	SCADA Communication System and Software Replacement	Stalker	540	400	140	74%	1,846	1,168	678	63%	Spending was delayed due to delays in the SCADA Replacement and South District Radio Installation projects.
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	1,550	1,451	99	94%	1,950	1,467	483	75%	Construction is 95% complete. Project acceptance anticipated for the end of July 2014.
P2494	Multiple Species Conservation Plan	Coburn-Boyd	60	12	48	20%	887	811	76	91%	Project on hold FY 2014, but work will begin again in FY 2015.
P2495	San Miquel Habitat Management/Mitigation Area	Coburn-Boyd	140	138	2	99%	2,040	1,032	1,008	51%	This is a continuing project. Fiscal Year budget spent as expected.
P2496	Otay Lakes Road Utility Relocations	Martin	70	24	46	34%	325	300	25	92%	Construction is substantially completed. Project acceptance by the District is pending the City of Chula Vista's acceptance of the work.
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	325	13	312	4%	900	327	573	36%	Project is on hold.
P2507	East Palomar Street Utility Relocation	Cameron	230	337	(107)	147%	900	620	280	69%	Caltrans driven project. Utility agreements are in place for reimbursement. Anticipated completion in July 2015.
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	60	46	14	77%	300	49	251	16%	PDR completed June 30, 2014. Final design of 14-inch forcemain cathodic protection rehab will be completed to 90% level by August 2014.
P2513	East Orange Avenue Bridge Crossing	Cameron	300	142	158	47%	1,350	1,307	43	97%	Project completed.
P2515	870-1 Reservoir Paving	Almgren	490	96	394	20%	550	153	397	28%	Design completed. Construction to begin in November 2014.
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	125	116	9	93%	750	626	124	83%	Construction is complete. Project is in warranty period.
p2519	832-2 Reservoir Interior/Exterior Coating	Cameron	335	376	(41)	112%	775	645	130	83%	Construction is complete. Project is in warranty period.
P2520	Motorola Mobile Radio Upgrade	Martinez	30	12	18	40%	100	77	23	77%	\$35K was added to FY 2015 for a new project total of \$135K. The additional funds are to provide handheld devices with increased range during an emergency response.
P2521	Large Meter Vault Upgrade Program	Mendez-Schomer	105	23	82	22%	600	219	381	37%	Retrofit of the vault sites finished under budget. After inspections and reviews, the amount of work needed was less than expected. Any additional work will be moved to a work order and this CIP will be closed this Fiscal Year.
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	600	-	600	0%	No budget for FY 2014.
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	725	-	725	0%	No budget for FY 2014.
P2531	944-1 Reservoir Interior & Exterior Coating	Cameron	5	7	(2)	140%	175	7	168	4%	Design 90% completed. Construction to begin in November 2014.
P2532	944-2 Reservoir Interior & Exterior Coating	Cameron	5	8	(3)	160%	725	8	717	1%	Design 90% completed. Construction to begin in November 2014.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	325	-	325	0%	No budget for FY 2014.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	225	-	225	0%	No budget for FY 2014.
P2535	458-2 Reservoir Interior Coating	Cameron	345	7	338	2%	425	14	411	3%	Design 90% completed. Construction to begin in November 2014.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	100	22	78	22%	400	22	378	6%	The project's scope was modified from a full replacement to repair and treatment. This will significantly reduce the cost. Repairs are complete. Treatment system to be installed in July 2014.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Beppler	100	32	68	32%	350	32	318	9%	Preliminary design report is underway with draft due August 2014. Remaining balance moved to FY 2015.
R2111	RWCWRF - RAS Pump Replacement	Beppler	100	57	43	57%	100	57	43	57%	30% design completed in June 2014. Final design anticipated in September 2014. Remaining balance moved to FY 2015.

**FISCAL YEAR 2014
4th QUARTER REPORT**
(Expenditures through 6/30/2014)
(\$000)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/14				LIFE-TO-DATE, 06/30/14				Comments
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Kennedy	450	17	433	4%	3,550	834	2,716	23%	Expenses on projects the County plans, designs, and builds. Remaining budget will be moved to FY 2015.
S2024	Campo Road Sewer Main Replacement	Beppler	275	136	139	49%	5,500	181	5,319	3%	Preliminary design report is underway with draft due in September 2014.
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	500	18	482	4%	2,900	57	2,843	2%	70% design submittal reviewed in July 2014. Remaining balance moved to FY 2015.
S2033	Sewer System Rehabilitation	Beppler	800	375	425	47%	6,000	607	5,393	10%	Design completed. Awaiting permits from the County of San Diego. Construction to begin in November 2014. Remaining balanced moved to FY 2015.
Total Replacement/Renewal Projects		Total:	7,730	4,121	3,609	53%	47,008	17,896	29,112	38%	
CAPITAL PURCHASE PROJECTS											
P2282	Vehicle Capital Purchases	Rahders	266	25	241	9%	5,021	2,900	2,121	58%	Due to delays in manufacturing, \$175,877 will be moved to FY 2015 budget.
P2285	Office Equipment and Furniture Capital Purchases	Payne	55	20	35	36%	589	524	65	89%	Expenditures under budget.
p2286	Field Equipment Capital Purchases	Rahders	149	128	21	86%	1,758	1,291	467	73%	CIP completed.
P2469	Information Technology Network and Hardware	Segura	350	290	60	83%	2,509	1,675	834	67%	To accommodate a better and more thorough bidding process for the purchase of the Storage Area Network Equipment, \$60K will be moved to FY 2015.
P2470	Financial System Enhancements	Stevens	130	52	78	40%	2,322	1,671	651	72%	Staffing changes delayed contractor spending.
P2540	Work Order Management System Replacement	Stevens	300	118	182	39%	700	118	582	17%	Money will be spent during FY 2015.
S2042	Sewer Vehicle Capital Purchases	Rahders	367	367	-	100%	367	367	-	100%	CIP completed.
Total Capital Purchase Projects		Total:	1,617	1,000	617	62%	13,266	8,546	4,720	64%	
DEVELOPER REIMBURSEMENT PROJECTS											
P2104	PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain	Martin	-	-	-	0%	833	-	833	0%	No budget for FY 2014.
P2107	PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125	Martin	-	-	-	0%	722	-	722	0%	No budget for FY 2014.
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Martin	1	-	1	0%	1,747	-	1,747	0%	Developer driven project. No major activity anticipated for FY 2014.
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Martin	1	-	1	0%	400	-	400	0%	Developer driven project. No major activity anticipated for FY 2014.
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Martin	1	-	1	0%	971	1	970	0%	Developer driven project. No major activity anticipated for FY 2014.
R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	Martin	1	-	1	0%	600	-	600	0%	Developer driven project. No major activity anticipated for FY 2014.
R2094	Potable Irrigation Meters to Recycled Water Conversions	Martin	150	38	112	25%	1,700	1,603	97	94%	Project complete.
Total Developer Reimbursement Projects		Total:	154	38	116	25%	6,973	1,604	5,369	23%	
GRAND TOTAL			\$ 13,863	\$ 8,514	\$ 5,349	61%	\$ 194,568	\$ 49,514	\$ 145,054	25%	

Otay Water District Capital Improvement Program

Fiscal Year 2014
Fourth Quarter
(through June 30, 2014)



624-2 Reservoir Exterior Coating

Background

The approved CIP Budget for Fiscal Year 2014 consists of 63 projects that total \$13.9 million. These projects are broken down into four categories.

- | | |
|----------------------------|----------------|
| 1. Capital Facilities | \$ 4.4 million |
| 2. Replacement/Renewal | \$ 7.7 million |
| 3. Capital Purchases | \$ 1.6 million |
| 4. Developer Reimbursement | \$ 0.2 million |

Overall expenditures through the Fourth Quarter of Fiscal Year 2014 totaled \$8.5 million, which is approximately 61% of the Fiscal Year budget.

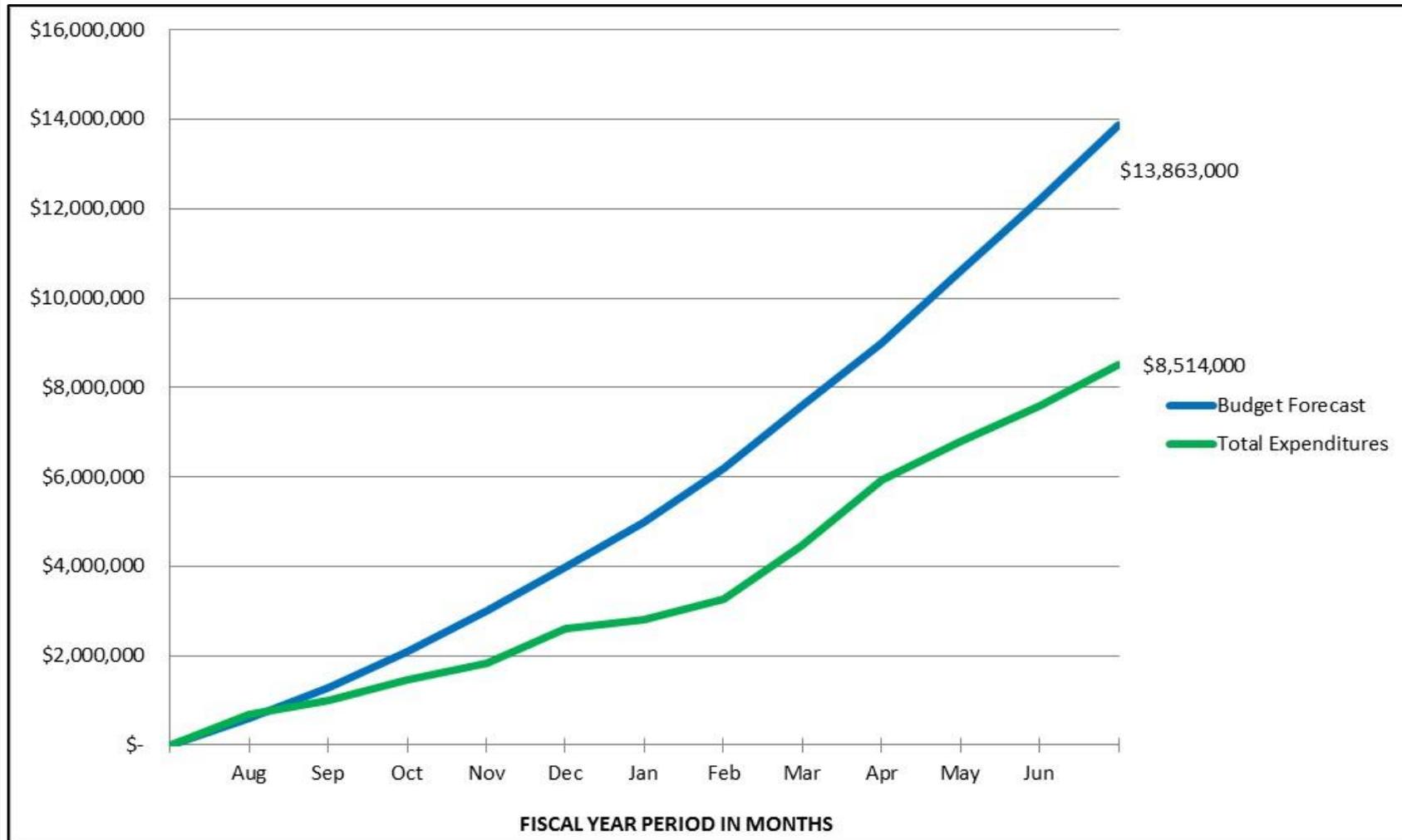
Fiscal Year 2014

Fourth Quarter Update

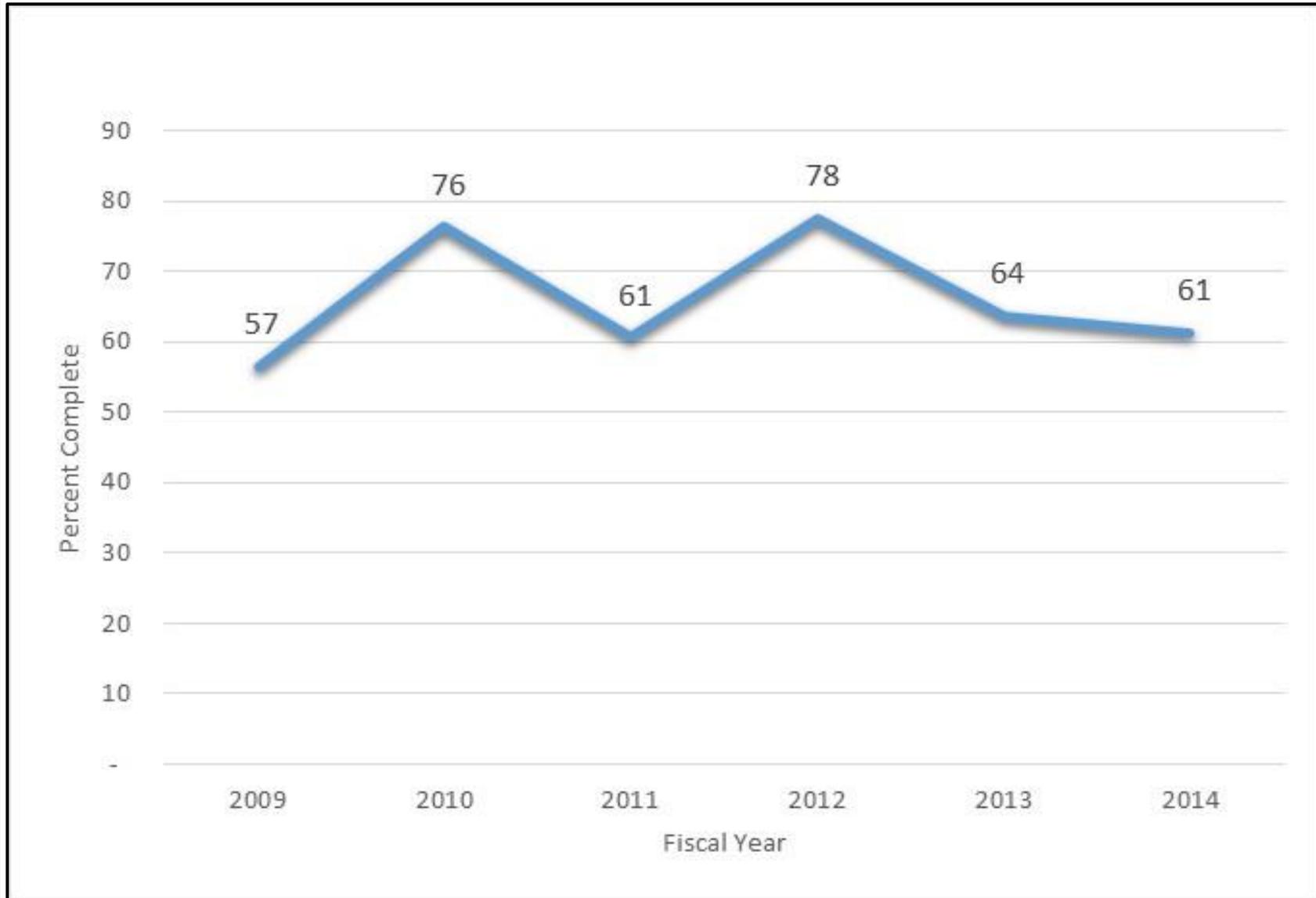
(\$1,000)

CIP CAT	Description	FY 2014 Budget	FY 2014 Expenditures	% FY 2014 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	Capital Facilities	\$4,362	\$3,355	77%	\$127,321	\$21,468	17%
2	Replacement/ Renewal	\$7,730	\$4,121	53%	\$47,008	\$17,896	38%
3	Capital Purchases	\$1,617	\$1,000	62%	\$13,266	\$8,546	64%
4	Developer Reimbursement	\$154	\$38	25%	\$6,973	\$1,604	23%
	Total:	\$13,863	\$8,514	61%	\$194,568	\$49,514	25%

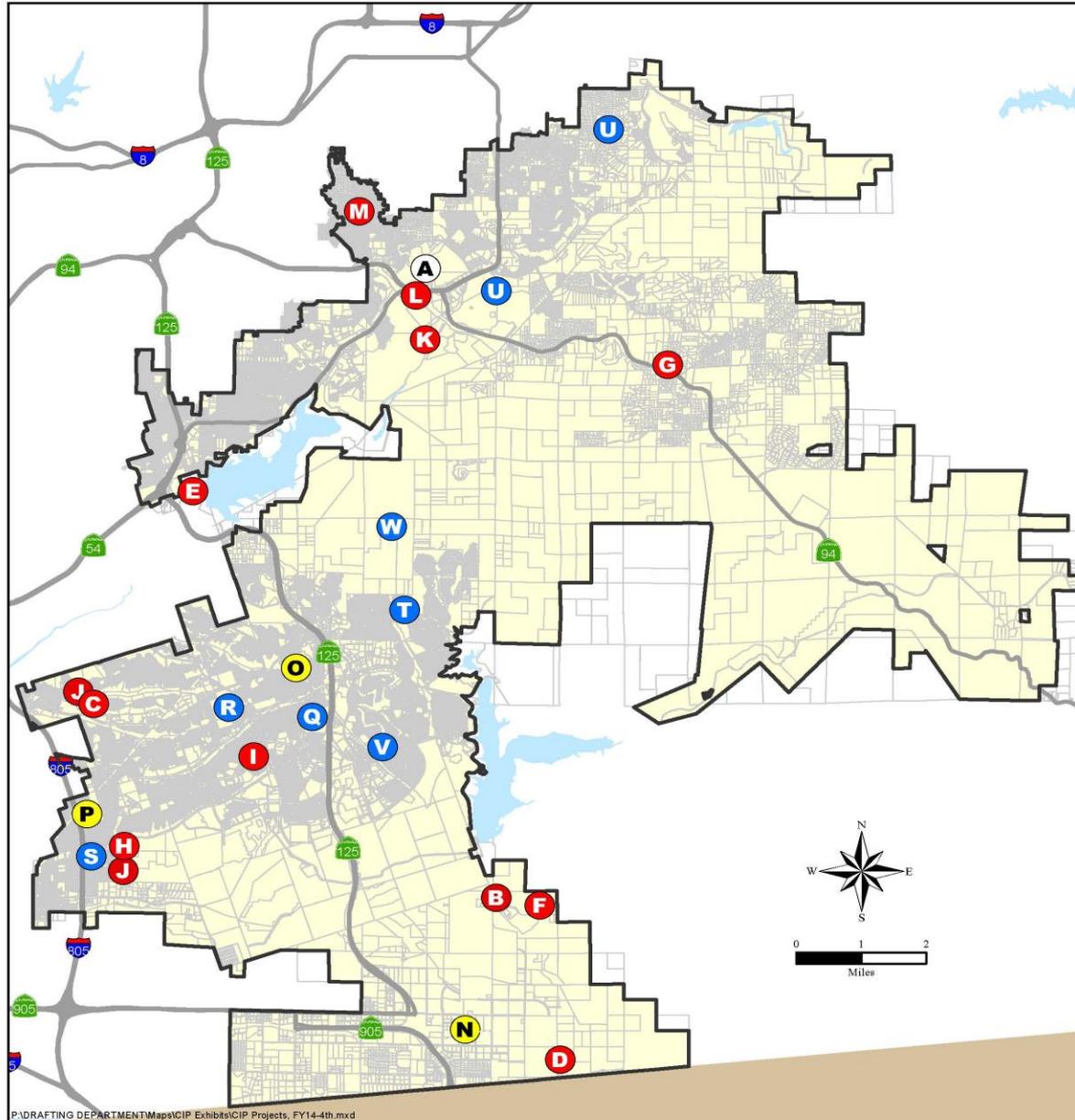
Fiscal Year 2014 Fourth Quarter CIP Budget Forecast vs. Expenditures



Annual CIP Expenditures vs. Budget



District Map of Major CIP Projects



MAJOR CIP PROJECTS

- PLANNING - 1**
- A** P2504 - Regulatory Site Access Road & Pipeline Relocation
- DESIGN - 12**
- B** P2083 - 870-2 Pump Station Replacement
 - C** P2434 - Rancho Del Rey Groundwater Well Development
 - D** P2451 - Otay Mesa Conveyance and Disinfection System
 - E** P2511 - Otay Interconnect Pipeline
 - F** P2515 - 870-1 Reservoir Paving
 - G** P2531/P2532 - 944-1 & 944-2 Reservoir Interior/Exterior Coating
 - H** P2535 - 458-2 Reservoir Interior/Exterior Coating
 - I** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
 - J** P2541 - 624PZ Pressure Reducing Stations
 - K** R2111 - RAS Pump Replacement
 - L** S2024 - Campo Road Sewer Main Replacement
 - M** S2033 - Calavo Basin Sewer System Rehabilitation
- CONSTRUCTION - 3**
- N** P2453 - SR-11 Utility Relocations
 - O** P2493 - 624-2 Reservoir Interior Coating & Upgrades
 - P** P2507 - East Palomar Street Utility Relocation
- COMPLETED - 7**
- Q** P2477 - 624-1 Reservoir Cover and Liner Replacement
 - R** P2496 - Otay Lakes Road Utility Relocations Phase II
 - S** P2513 - East Orange Avenue Bridge Crossing
 - T** P2514 - 30-Inch Potable Water Pipeline in Hunte Parkway
 - U** P2518/P2519 - 803-3 & 832-2 Reservoir Interior/Exterior Coating
 - V** R2091 - 944-1R Recycled Water Pump Station Upgrade
 - W** R2108 - 927-1 Reservoir Cover and Liner Replacement

Fiscal Year 2014 - 4th Quarter

P:\DRAFTING DEPARTMENT\Maps\CIP Exhibits\CIP Projects, FY14-4th.mxd



CIP Projects in Construction

- 624-2 Reservoir
Interior/Exterior Coating & Upgrades (P2493)
- Remove and Replace Deteriorating Reservoir Coating
- Structural Modifications Including Level Indicator Replacement and Anode Replacement
- \$1.95M Budget
- Start: January 2014
- Estimated Completion: July 2014



624-2 Reservoir
Completed Exterior Coating

CIP Projects in Construction

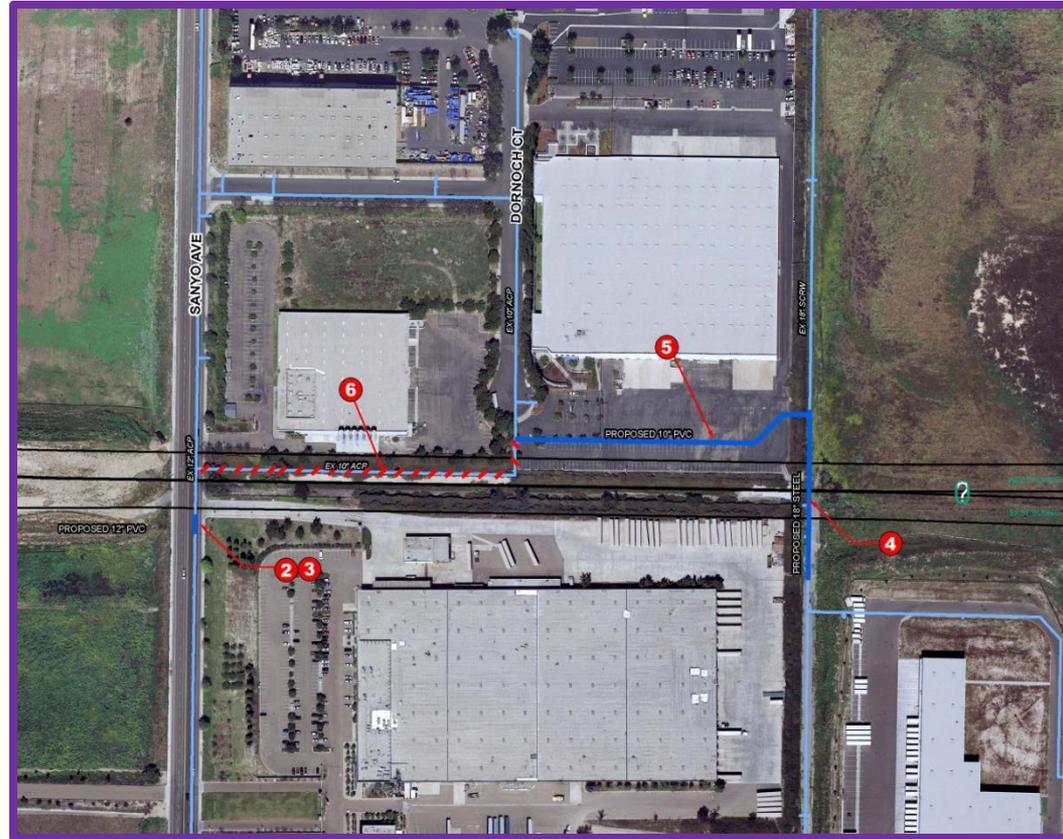
- 927-I Recycled Water Reservoir Cover and Liner Replacement (R2108)
- Removal and Replacement of the reservoir liner and cover
- \$1.40M Budget
- Start: November 2013
- Completion: June 30, 2014



927-I Reservoir
Completed Project

CIP Projects in Construction

- SR-II Utility Relocations Sequence I (P2453)
- Relocate Existing Water Facilities to support SR-II Construction
- \$2.25M Budget
- Start: February 2014
- Estimated Completion: July 2016



Aerial View of Project Location
Future SR-II/Sanyo Avenue

Construction Contract Status

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
R2091	944-1R Recycled Pump Station Upgrade & System Enhancements	Sepulveda	\$1,099,423	\$1,162,423	\$90,505	8.2%	\$1,252,928	\$1,252,928	7.8%	100.0%	Complete February 2014
R2108	927-1 Recycled Water Reservoir Cover and Liner Replacement	Layfield	\$833,400	\$873,400	\$5,558	0.7%	\$878,958	\$878,958	0.6%	100.0%	Complete June 2014
P2453	SR-11 Potable Water Utility Relocations - Sequence 1	Coffman Specialties, Inc.	\$947,380	\$992,380	\$0	0.0%	\$947,380	\$0	-4.5%	0.0%	July 2016
P2493	624-2 Reservoir Coating	Advanced Industrial Services	\$1,169,000	\$1,199,000	\$0	0.0%	\$1,180,770	\$1,180,770	-1.5%	100.0%	July 2014
P2514	Hunte Parkway 30" Potable Water Installation	Sepulveda	\$1,172,257	\$1,212,257	\$126,233	10.8%	\$1,312,508	\$1,312,508	8.3%	100.0%	Complete June 2013
P2513	Orange Avenue/ I-805 12" Potable Water Installation	Basile	\$767,000	\$872,000	\$19,290	2.5%	\$891,290	\$891,290	2.2%	100.0%	Complete August 2013
P2518/ P2519	803-3 & 832-2 Reservoir Coating	Advanced Industrial Services	\$876,900	\$946,900	(\$3,339)	-0.4%	\$873,561	\$873,561	-7.7%	100.0%	Complete December 2013
		TOTALS:	\$6,865,360	\$7,258,360	\$238,247	3.5%	\$7,337,395	\$6,390,014	1.1%		

*NET CHANGE ORDERS DO NOT INCLUDE ALLOWANCE ITEM CREDITS. IT'S A TRUE CHANGE ORDER PERCENTAGE FOR THE PROJECT

**THIS CHANGE ORDER RATE INCLUDES THE CREDIT FOR UNUSED ALLOWANCES



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
PLANNING										
ATKINS	Varies	2015 WATER FACILITIES MASTER PLAN UPDATE	\$ 434,731.00	\$ -	\$ 434,731.00	\$ 46,864.94	0.0%	10.8%	1/28/2014	12/31/2016
ARCADIS U.S., INC.	Varies	WASTEWATER MANAGEMENT PLAN FY12-13	\$ 349,979.36	\$ -	\$ 349,979.36	\$ 349,971.86	0.0%	100.0%	8/3/2011	COMPLETE 12/31/2013
BROWN AND CALDWELL	P1210	IWRP 2013 UPDATE	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 3,001.00	0.0%	60.0%	9/17/2013	COMPLETE 12/31/2013
NARASIMHAN CONSULTING	Varies	HYDRAULIC MODELING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 111,384.70	0.0%	63.6%	5/2/2011	COMPLETE 6/30/2014
DESIGN										
AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$ 136,409.00	\$ 4,046,706.00	\$ 902,796.53	3.5%	22.3%	1/3/2011	6/30/2016
AEGIS ENGINEERING MGMT INC	Varies	AS-NEEDED DESIGN SERVICES FY13-14	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 174,477.78	0.0%	58.2%	11/1/2012	6/30/2015
ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 70,208.73	0.0%	45.7%	1/18/2012	6/30/2016
ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 154,521.56	0.0%	88.3%	10/25/2011	6/30/2015
BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 18,455.73	0.0%	18.5%	6/1/2012	6/30/2015
BUSTAMANTE & ASSOCIATES	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 39,500.00	\$ -	\$ 39,500.00	\$ 7,000.00	0.0%	17.7%	1/1/2013	COMPLETE 10/31/2013
CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ 29,000.00	\$ 653,910.00	\$ 157,725.51	4.6%	24.1%	10/11/2013	12/31/2017
DARNELL & ASSOCIATES	Varies	AS-NEEDED TRAFFIC ENGINEERING SERVICES	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 27,920.00	0.0%	22.3%	6/12/2012	6/30/2015
HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ -	\$ 684,750.00	\$ 140,843.69	0.0%	20.6%	11/22/2013	12/31/2015
HECTOR MARES-COSSIO	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 120,000.00	\$ -	\$ 120,000.00	\$ 93,600.00	0.0%	78.0%	4/1/2013	3/31/2015



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$ 1,093,450.93	0.0%	39.5%	11/4/2010	12/31/2015
MICHAEL D.KEAGY REAL ESTATE	Varies	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 31,000.00	0.0%	68.9%	9/5/2012	6/30/2015
RICK ENGINEERING COMPANY	S2024	CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT	\$ 805,705.00	\$ -	\$ 805,705.00	\$ 30,551.66	0.0%	3.8%	5/27/2014	12/31/2017
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 104,000.00	\$ -	\$ 104,000.00	\$ 104,000.00	0.0%	100.0%	5/1/2012	COMPLETE 6/30/2014
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 115,000.00	\$ -	\$ 115,000.00	\$ -	0.0%	0.0%	5/1/2014	6/30/2016
SIMON WONG ENGINEERING	R2109	WOODEN TRESTLE IMPROVEMENT	\$ 26,790.00	\$ -	\$ 26,790.00	\$ 7,467.56	0.0%	27.9%	5/1/2014	12/31/2015
SOUTHERN CALIFORNIA SOIL	Varies	GEOTECHNICAL SERVICES FY13-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 46,628.79	0.0%	26.6%	12/10/2012	6/30/2015
TETRA TECH, INC	P2434	RANCHO DEL REY WELL - PHASE 2	\$ 724,493.50	\$ 23,749.00	\$ 748,242.50	\$ 404,445.17	3.3%	54.1%	4/21/2011	12/31/2014
V & A CONSULTING	Varies	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 392,729.00	\$ -	\$ 392,729.00	\$ 298,601.09	0.0%	76.0%	6/23/2011	COMPLETE 9/30/2013
CONSTRUCTION SERVICES										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 52,369.00	0.0%	29.9%	9/18/2013	6/30/2015
ALTA LAND SURVEYING, INC.	Varies	AS-NEEDED SURVEYING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 171,198.75	0.0%	97.8%	8/15/2011	COMPLETE 6/30/2014
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 197,065.00	0.0%	56.3%	10/24/2012	6/30/2015
CLARKSON LAB & SUPPLY	Varies	AS-NEEDED BACTERIOLOGICAL TESTING FY 14	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 15,000.00	0.0%	100.0%	7/1/2013	COMPLETE 6/30/2014
HARPER & ASSOCIATES	P2493	COATING INSPECTION SERVICES ON THE 624-2 & 458-2 RESERVOIR	\$ 75,160.00	\$ -	\$ 75,160.00	\$ 75,155.00	0.0%	100.0%	8/27/2013	COMPLETE 7/3/2014
ENVIRONMENTAL										
ICF INTERNATIONAL (aka JONES & STOKES ASSOCIATES)	Varies	AS-NEEDED ENVIRONMENTAL CONSULTING SERVICES	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 341,762.43	0.0%	91.1%	9/9/2010	COMPLETE 6/30/2014



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
MERKEL & ASSOCIATES	Varies	SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP-ASSOCIATED MITIGATION PROJECTS	\$ 359,079.00	\$ 26,750.00	\$ 385,829.00	\$ 359,634.92	7.4%	93.2%	12/14/2011	12/31/2014
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 193,262.61	0.0%	71.4%	3/28/2008	6/30/2015
WATER RESOURCES										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 39,960.00	0.0%	99.9%	3/25/2009	COMPLETE 6/30/2015
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 1,800.00	0.0%	1.8%	3/31/2014	6/30/2019
PUBLIC SERVICES										
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 296,020.96	0.0%	98.7%	1/20/2010	COMPLETE 12/30/2013
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ 35,000.00	\$ 335,000.00	\$ 309,105.24	11.7%	92.3%	11/24/2010	COMPLETE 12/30/2013
AEGIS ENGINEERING MANAGEMENT	Varies	AS-NEEDED DEVELOPER PROJECTS FY 14-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 151,022.56	0.0%	43.1%	8/20/2013	6/30/2015
TOTALS:			\$ 15,240,723.86	\$ 250,908.00	\$ 15,491,631.86	\$ 6,478,273.70	1.6%			

QUESTIONS?

AGENDA ITEM 13b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 3, 2014
		PROJECT:	DIV. NO.: ALL
SUBMITTED BY:	Michael Kerr, Information Technology Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Assistant Chief Admin/IT Services		
	<input checked="" type="checkbox"/> Geoff Stevens, Chief Information Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	REDESIGN OF DISTRICT'S WEBSITE		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To inform the Board of the District's intent to redesign the current public facing website.

ANALYSIS:

Continuing our effort to keep the District's web presence and technology current, IT staff commenced the redesign task of the District's public facing website. The new website will provide a customer-centric layout that facilitates user-friendly navigation and social media benefits. The new website will continue to address the increasing technological expectations of Otay's customer base. In addition, the new website will enhance Otay's ability to provide extensive information and services without requiring physical interaction with customers.

The redesign effort is being conducted by internal staff and through a small professional as-needed services agreement of \$24,000, which is also used for the District's Microsoft server support. Cost to host the District's website externally will remain at \$125 per month. The monthly hosting fee includes a server platform, operating system, database, and backup support. No additional cost will be incurred.

The new site will provide additional mobile functionality, improved social media interactivity, enhanced visual elements, standardized content, optimized performance, and improved security.

Staff continues to hold group meetings with internal stakeholders to obtain feedback on appearance, functionality and presentation. Prior to launch, specific staff will be trained on content administration. Staff expects to launch the new website by the beginning of September 2014.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None. This is an informational item only.

STRATEGIC GOAL:

N/A.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action Report



ATTACHMENT A

SUBJECT/PROJECT:	REDESIGN OF DISTRICT'S WEBSITE
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COMMITTEE ACTION:

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

- Staff has redesigned the district's public facing website and it is anticipated that the new site will be launched in the early part of September 2014.
- The new website was developed in tandem with the current website and features a new responsive design that will adapt the page layout and content to the size of the user's display or mobile device, which will improve the accessibility of content on the site for mobile devices, tablets, and traditional desktop computers.
- The homepage was redesigned, the content has been standardized, the informational architecture was improved, and the over interactivity has been increased.
- The project to redesign the District's website was started about three (3) months ago with input and assistance from different departments. Staff also benchmarked both commercial companies and government agencies in identifying and establishing website governance.
- The District's new website will provide a customer centric layout that facilitates navigation to key services that will help address the increasing technological expectations of Otay's technically savvy customer base.
- Features of the new site include:
 - Increased responsiveness
 - New Layout Redesign
 - In-Place Video
 - Simple color schemes

- High definition and transitional imagery
- Heavier focus on Mobile technology

- It was noted that updating or changing content on the website is also easier which will make it easier to maintain.

- Staff shared that they found that if video is placed on the homepage versus the YouTube page, the public will view it. Video that was posted on the homepage received 11,000 views versus a few views from the YouTube page. Staff feels the more information that is placed on the homepage, the more information will be received by the public.

- It was also discussed that there was an intent to have an automated language translator icon (English to Spanish, etc.) provided on the website, however, there is concern that google and other automated translation services don't do a very good job with the translations. Instead, the District will have the articles translated which will provide more control over the translations. It was indicated that the customer web pages have been translated into Spanish and there is a limited number of articles available in Spanish. Staff will add to this as the District has more resource options (in-house, an outside vendor and its current Public Relations firm) for translating information to Spanish.

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



AGENDA ITEM 14

STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	September 3, 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:

- Small, Minority and Disadvantaged Business Outreach - As part of its continued commitment to vendor development, the District, through its partnership with the San Diego Contracting Opportunities Center, is holding a "Doing Business with Otay Water District" seminar September 16th for small, minority and disadvantaged businesses seeking opportunities in government contracting.
- Purchase Orders - There were 130 purchase orders processed in July with an adjusted total value of \$434,350. Thirty-four percent of the value was on blanket orders, exceeding Purchasing's 15% strategic plan objective.

Human Resources:

- Employee Recognition Luncheon - Mark your calendars to attend the District's Recognition Luncheon and BBQ on Wednesday, September 24th, at 12:00 p.m. at the Operations Center. Nominations for "Outstanding Performance" Awards are under review and recipients of the awards will be presented at the Recognition Luncheon.
- Recruitments - HR is currently recruiting for Systems Operations Manager and preparing to recruit for a Pump Mechanic.
- New Hires/Promotions - There were three new hires in the month of August: Utility Worker II, Reclamation Plant Operator and Senior Civil Engineer. Also, one Customer Service Representative transferred to the IT department as a Data Systems Technician. In addition, the District continues to participate in the San

Diego County Water Authority Intern Program and an Intern started in August.

Safety & Security:

- Security Alarm Testing - District-wide security alarm testing and inspection has been completed for 28 of the District's facilities. Some of the security enhancements made include:
 1. Implemented access and gate control at key District facilities.
 2. Upgraded/reprogrammed burglar and fire alarm systems and components.
 3. Implemented alarm wireless radio communication.
 4. Upgraded solar alarm power to AC.
 5. Electrical gate safety upgrades.
 6. Remote video capability at Treatment Plant.
- Safety Programs - Focused on high hazard work areas and reviewed/updated key safety programs. Programs reviewed include: Confined Spaces, Fall Protection, Heat Illness Prevention, Hazard Communications, and Chemical Safety Data Sheets. This process supports the District's Illness and Injury Prevention Program, which provides the foundation for the District's safety & health program.
- Emergency Response Plan - This plan is undergoing a refinement/streamlining process. The goal is to make the complexity and scope more user friendly and easy to use. In support of these programs and as part of the District's Emergency Response Plan training program, staff completed Incident Command System (ICS) 200 and 800 courses.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- Waste Water Reporting via District's Website - In conjunction with Customer Service, IT has enabled a Waste Water Reporting function within the District's website. Customers will be able to electronically submit wastewater concerns. Information will be automatically collected throughout the day and be delivered electronically to customer service staff for appropriate action.

FINANCE:

- Compliance with State Water Resources Control Board Reporting Requirement - Beginning August 15th, each public water system is required to submit monthly water use data to the Drinking Water Information Clearing House. This data is being collected to assist the state in the adoption of emergency drought regulations and will be made available to the public. Staff has submitted the District's data for the months of June and July 2013 and 2014.

- Standard & Poor's Rating Review - On August 1, 2014, Standard & Poor's (S&P) affirmed the District's AA rating and revised its outlook to stable from negative. The outlook revision was based on S&P's view of the District's improved financial performance during the past two fiscal years, which boosted debt service coverage to a level that they consider strong from a level that they consider good. S&P also noted the economy, stable and diverse customer base, rate increases that pass-through rising wholesale water costs, and strong liquidity as strengths of the District. Those strengths were partly offset by S&P's view of the District's reliance on expensive imported water supply.
- Special Assessment Process - As part of an annual process, approximately \$1.2 million in availability charges has been placed on customers' tax bills which will be collected through San Diego County's annual property taxes. The District has been collecting water availability charges since 1963 and sewer availability charges since 1969.
- Water Waste Tracking - The District has reinstated its efforts to reach out to customers and property owners who violate the Level 2 Drought Alert. With this process in place, the District notifies customers via letters, e-mail, or site visits, based on the severity of the water waste. The District concentrates its efforts on repeated violations and those areas with the most waste. To date the District has contacted 29 customers (residential) and the main reason for the contact is for over watering their landscapes.
- Financial Reporting:
 - o For the twelve months ended July 31, 2014, there are total revenues of \$8,068,741 and total expenses of \$9,034,855. The expenses exceeded revenues by \$ \$966,114. It was anticipated in the budget that July would have a variance of \$1,143,293. The actual variance came in at \$966,114, which is better than budget. The main causes of the year-to-date variance are higher water sales in July offset by the timing of the receipt of tax revenues and having three pay periods in July.
 - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of July 31, 2014 total \$82,541,148.60 with an average yield to maturity of 0.59%. The total earnings year-to-date are \$ \$42,240.67.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **SR-11 Potable Water Utility Relocations:** This project consists of two (2) groups of potable water relocations to accommodate

the construction of the future SR-11 right-of-way and connector ramps. The first group includes relocation of existing pipelines in Sanyo Avenue and utility easements and is currently in the construction phase. The contractor, Coffman Specialties Inc., has completed work in Sanyo Avenue to isolate and remove a portion of the existing 12-inch main. The first group is on schedule and within budget and is anticipated to complete in August 2016. The second group of relocations is currently in the design phase. A new utility agreement for relocation of an existing 6-inch potable water blow off will be presented to the September Committee/October Board Meetings. The second group is on schedule and within budget. (P2453)

- **870-1 Reservoir Access Road Paving:** This project consists of paving the existing perimeter dirt road around the 870-1 Reservoir. The project was advertised on July 18, 2014, and bids were opened on August 19, 2014. This item will be presented at the October 2014 Board Meeting to award a construction contract. The project is on schedule and within budget. (P2515)
- **944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 944-1 0.3 MG Reservoir, the 944-2 3.0 MG Reservoir, and the 458-2 1.8 MG Reservoir along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as American Water Works Association and County Health Department standards. The project was advertised on July 23, 2014, and bids were opened on August 20, 2014. This item will be presented at the October 2014 Board Meeting to award a construction contract. The project is on schedule and within budget. (P2531, P2532, P2535)
- **Calavo Basin Sewer System Rehabilitation:** This project consists of removing and replacing approximately 1,200 linear feet of 8-inch PVC sewer pipeline and construction of 220 feet of new 8-inch PVC sewer pipeline in the residential streets of the Calavo Gardens area near Avocado Boulevard. The design of the project is completed. On August 5, 2014, the County of San Diego issued an excavation permit for the project identifying the County's requirements for paving and traffic control procedures. The project was advertised on July 31, 2014. The bid opening is scheduled for September 11, 2014. This item will be presented at the November 2014 Board Meeting to award a construction contract. The project is on schedule and within budget. (S2033)
- **Rosarito Desal:** Staff, together with District's consultants and representatives from NSC Agua, held two telephone conference

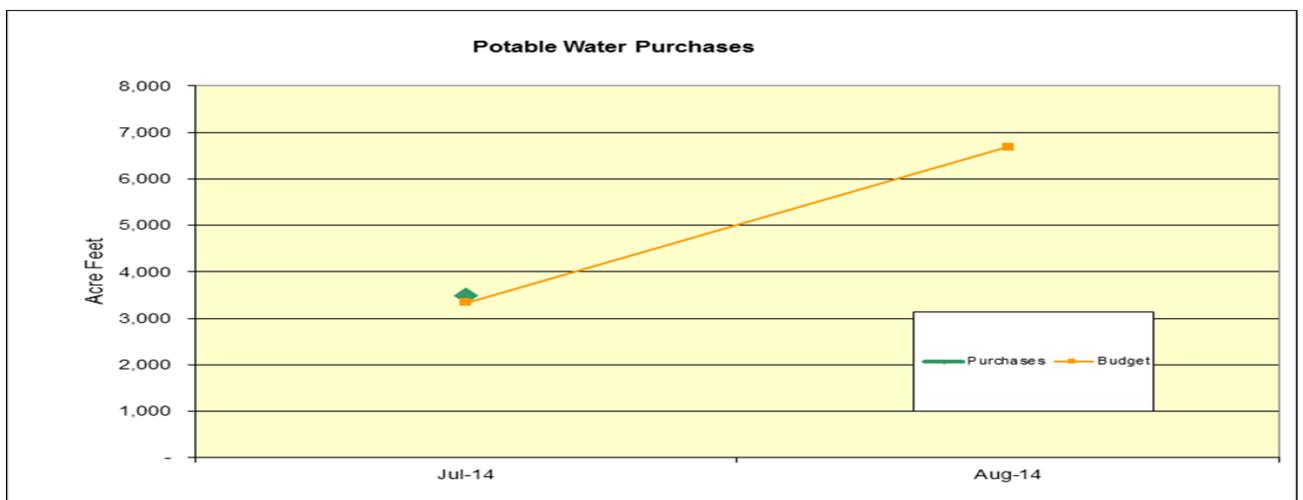
calls on July 2, 2014 and July 16, 2014 to discuss the project and coordinate on complying with the California Water Resources Control Board Drinking Water Program regulatory requirements. On July 8, 9, and 10, 2014, the NEPA Coordinator for the US Department of State attended meetings with staff, District Consultants, NSC Agua, and Federal and State regulatory agencies. The NEPA Coordinator also visited the proposed conveyance alignments in the United States, and the Desalination Plant site and the power plant intake and outlet structures in Rosarito, Mexico. (P2451)

- **870-2 Pump Station Replacement:** This project consists of a new pump station to replace the existing Low Head 571-1 and High Head 870-1 Pump Stations. The project is currently transitioning from the preliminary design phase to the 30% design level. The design consultant's (Carollo) 30% design deliverable will be reviewed by staff and Value Engineering at a Constructability Review, and by the Construction Management Consultant (RBF). A Value Engineering Workshop with Carollo, RBF, and District staff will be held August 25, 2014. The project is on schedule and within budget. (P2083)
- **Temporary Moratorium on the Installation of New Recycled Water Facilities on Otay Mesa:** In accordance with the July 2, 2014 Board approved temporary moratorium on the installation of new recycled water facilities on Otay Mesa, staff is working with Developers to close out or suspend development of new recycled water facilities on Otay Mesa. Notification of the temporary moratorium has been posted to the District's Public Services website. Additionally, project specific correspondence has been sent for all active recycled water Developer projects on Otay Mesa. Staff will provide an update report to the Board on the various impacts and/or observations at the November board meeting.
- **Water Facilities Master Plan Update:** This project will update the District's existing Water Resources Master Plan that was previously updated in October 2008 and revised in May 2013. The consultant (Atkins) is currently analyzing recent San Diego County Water Authority supply data and District meter billing data to build future demand projections and supply scenarios coordinated with the separate Rosarito Desalination project. The project is on schedule and within budget. (P1210)
- Approximately 887 linear feet of both CIP and developer pipeline was installed in July 2014. The Construction Division performed quality assurance and quality control for these pipelines.
- For the month of July 2014, the District sold 4 meters (33.5 EDUs) generating \$265,621 in revenue. Two of the meters sold

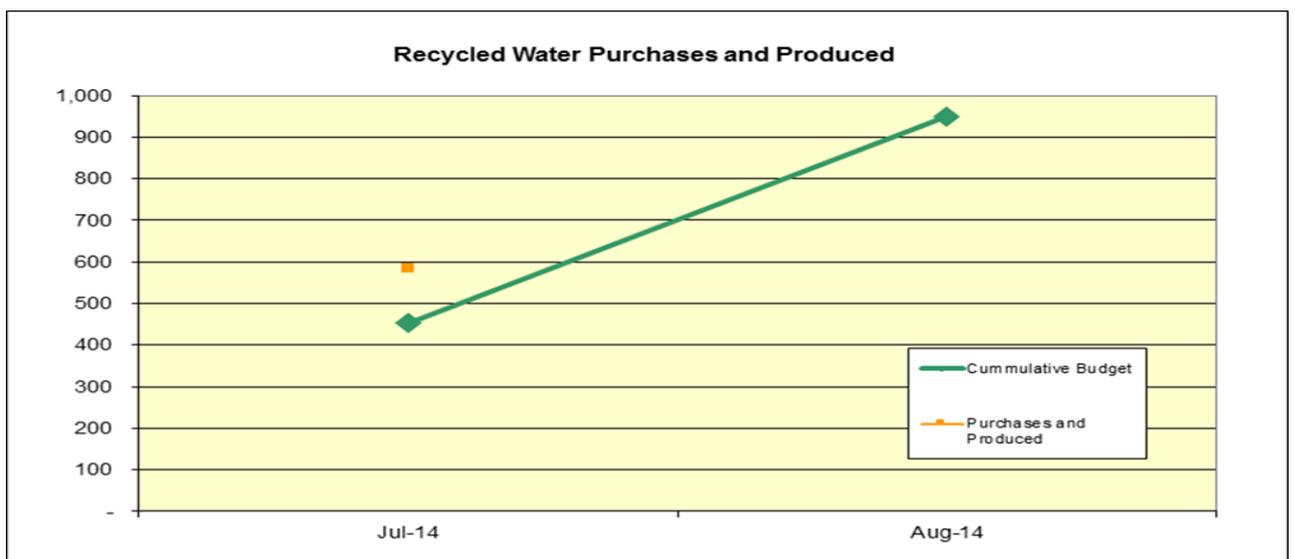
were 3-inch master meters for the Lake Point Project located on Olympic Parkway and will supply water to this 220 unit multi-family development. Projection for this period was 12.8 meters (15.3 EDUs) with budgeted revenue of \$140,758. Total revenue for Fiscal Year 2015 is \$265,261 against the annual budget of \$1,689,093.

Water Operations:

- Total number of potable water meters is 49,283.
- The July potable water purchases were 3,491.9 acre-feet which is 12.1% above the budget of 3,114.6 acre-feet. The cumulative purchases through July is also 3,491.9 acre-feet which is 12.1% above the cumulative budget of 3,114.6 acre-feet.



- The July recycled water purchases and production was 584.5 acre-feet which is 29.3% above the budget of 452.2 acre-feet. The cumulative production and purchases through July is also 584.5 acre-feet which is 29.3% above the cumulative budget of 452.2 acre-feet.



- Recycled water consumption for the month of July is as follows:
 - Total consumption was 541.1 acre-feet or 176,263,208 gallons and the average daily consumption was 5,685,910 gallons per day.
 - Total recycled water consumption as of July for FY 2015 is 541.1 acre-feet.
 - Total number of recycled water meters is 707.

- Wastewater flows for the month of July were as follows:
 - Total basin flow, gallons per day: 1,591,816.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 527,036.
 - Total Otay flow, gallons per day: 1,064,738.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,026,935.
 - Flow to Metro from Otay Water District, not including solids, was 37,845 gallons per day.

- By the end of June there were 6,089 wastewater EDUs.

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR ONE MONTH ENDED JULY 31, 2014

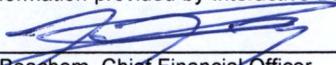
	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUES:					
Potable Water Sales	\$ 45,669,500	\$ 4,303,450	\$ 4,004,900	\$ 298,550	7.5%
Recycled Water Sales	8,826,600	1,033,480	1,007,900	25,580	2.5%
Potable Energy Charges	2,145,600	230,235	201,000	29,235	14.5%
Potable System Charges	12,337,500	937,699	935,000	2,699	0.3%
Potable MWD & CWA Fixed Charges	10,936,200	926,988	926,500	488	0.1%
Potable Penalties	870,300	88,823	86,900	1,923	2.2%
Total Water Sales	<u>80,785,700</u>	<u>7,520,675</u>	<u>7,162,200</u>	<u>358,475</u>	<u>5.0%</u>
Sewer Charges	3,007,700	231,684	233,000	(1,316)	(0.6%)
Meter Fees	51,500	5,840	4,300	1,540	35.8%
Capacity Fee Revenues	1,150,600	94,000	95,900	(1,900)	(2.0%)
Betterment Fees for Maintenance	301,800	24,000	25,200	(1,200)	(4.8%)
Non-Operating Revenues	1,947,800	119,620	140,200	(20,580)	(14.7%)
Tax Revenues	3,763,700	21,221	18,900	2,321	12.3%
Interest	77,400	5,500	6,500	(1,000)	(15.4%)
Transfer from Potable General Fund	553,800	46,200	46,200	-	0.0%
Total Revenues	<u>\$ 91,640,000</u>	<u>\$ 8,068,741</u>	<u>\$ 7,732,400</u>	<u>\$ 336,341</u>	<u>4.3%</u>
EXPENSES:					
Potable Water Purchases	\$ 34,521,500	\$ 3,851,566	\$ 3,636,800	\$ (214,766)	(5.9%)
Recycled Water Purchases	1,601,500	172,034	167,150	(4,884)	(2.9%)
CWA-Infrastructure Access Charge	1,901,400	156,046	156,100	54	0.0%
CWA-Customer Service Charge	1,792,200	148,658	148,700	42	0.0%
CWA-Emergency Storage Charge	4,741,200	390,176	390,200	24	0.0%
MWD-Capacity Res Charge	701,400	49,833	49,800	(33)	(0.1%)
MWD-Readiness to Serve Charge	1,800,000	151,445	151,400	(45)	(0.0%)
Subtotal Water Purchases	<u>47,059,200</u>	<u>4,919,757</u>	<u>4,700,150</u>	<u>(219,607)</u>	<u>(4.7%)</u>
Power Charges	2,838,400	314,428	312,200	(2,228)	(0.7%)
Payroll & Related Costs	19,747,600	1,968,910	2,076,400	107,490	5.2%
Material & Maintenance	3,619,800	422,200	459,675	37,475	8.2%
Administrative Expenses	5,009,200	299,760	318,669	18,909	5.9%
Legal Fees	410,000	30,000	34,200	4,200	12.3%
Expansion Reserve	2,538,900	211,600	211,600	-	0.0%
Betterment Reserve	3,530,000	294,200	294,200	-	0.0%
Replacement Reserve	3,270,200	272,500	272,500	-	0.0%
New Supply Fee	705,000	58,800	58,800	-	0.0%
Transfer to Sewer General Fund	553,800	46,200	46,200	-	0.0%
OPEB Trust	647,100	53,900	53,900	-	0.0%
Potable General Fund	1,583,800	132,000	132,000	-	0.0%
Sewer Replacement	127,000	10,600	10,600	-	0.0%
Total Expenses	<u>\$ 91,640,000</u>	<u>\$ 9,034,855</u>	<u>\$ 8,981,093</u>	<u>\$ (53,761)</u>	<u>(0.6%)</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ (966,114)</u>	<u>\$ (1,248,693)</u>	<u>\$ 282,580</u>	

OTAY
Portfolio Management
Portfolio Summary
July 31, 2014

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	53,735,000.00	53,639,233.30	53,737,256.28	66.29	1,007	834	0.722	0.732
Federal Agency Issues - Coupon	2,000,000.00	1,999,000.00	2,002,411.56	2.47	878	756	0.558	0.566
Certificates of Deposit - Bank	81,784.78	81,784.78	81,784.76	0.10	730	539	0.030	0.030
Local Agency Investment Fund (LAIF)	9,972,020.57	9,974,999.71	9,972,020.57	12.30	1	1	0.241	0.244
San Diego County Pool	15,270,913.59	15,192,000.00	15,270,913.59	18.84	1	1	0.448	0.454
Investments	81,059,718.92	80,887,017.77	81,064,388.74	100.00%	690	572	0.607	0.615
Cash								
Passbook/Checking (not included in yield calculations)	1,654,130.83	1,654,130.83	1,654,130.83		1	1	0.216	0.219
Total Cash and Investments	82,713,849.75	82,541,148.60	82,718,519.57		690	572	0.607	0.615

Total Earnings	July 31 Month Ending	Fiscal Year To Date
Current Year	42,240.67	42,240.67
Average Daily Balance	83,721,988.58	83,721,988.58
Effective Rate of Return	0.59%	0.59%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on May 7, 2014. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.



 Joseph Beachem, Chief Financial Officer

8-21-14

Reporting period 07/01/2014-07/31/2014

Run Date: 08/20/2014 - 11:01

Portfolio OTAY
 AP
 PM (PRF_PM1) 7.3.0
 Report Ver. 7.3.3b

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
July 31, 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 July 30, 2014. They went on to say: *"In determining how long to maintain the current 0 to 1/4 percent target range for the federal funds rate, the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. The Committee continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Committee's 2 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored."*

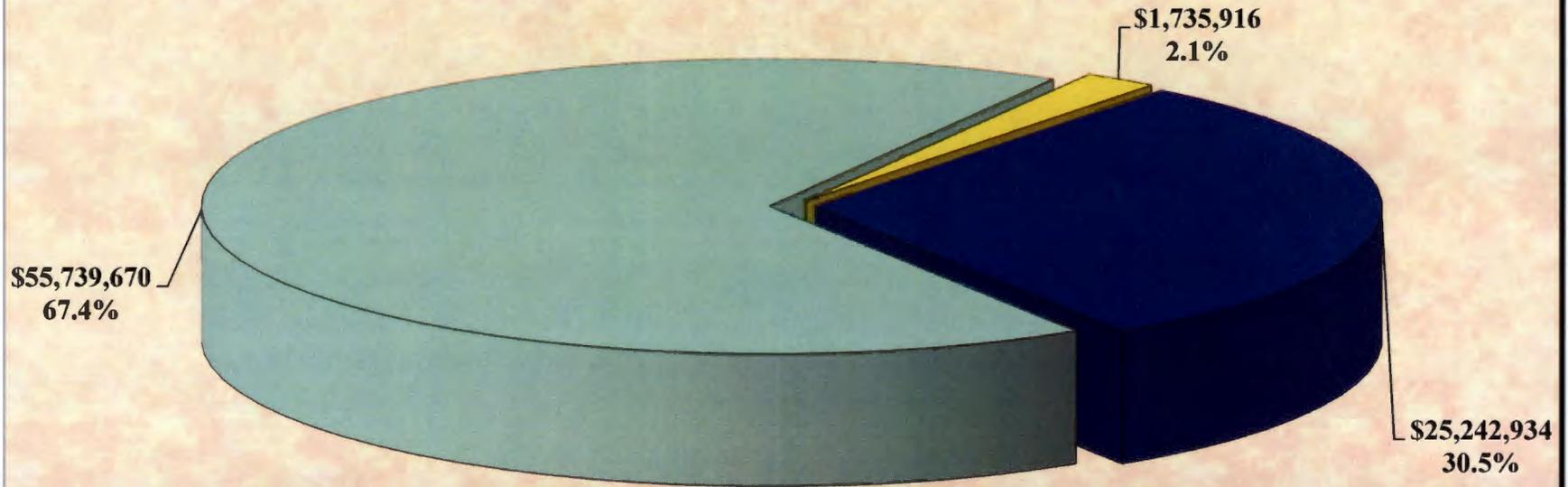
Despite the large drop in available interest rates, the District's overall effective rate of return at July 31, 2014 was 0.59%, which was 2 basis points above the previous month. At the same time the LAIF return on deposits has improved over the previous month, reaching an average effective yield of 0.244% for the month of July 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: July 31, 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	\$9.97 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	0
8.03: Federal Agency Issues	100%	100%	67.38%
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%	18.46%
12.0: Maximum Single Financial Institution	100%	50%	2.00%

Otay Water District Investment Portfolio: 07/31/2014



Total Cash and Investments: \$82,718,520

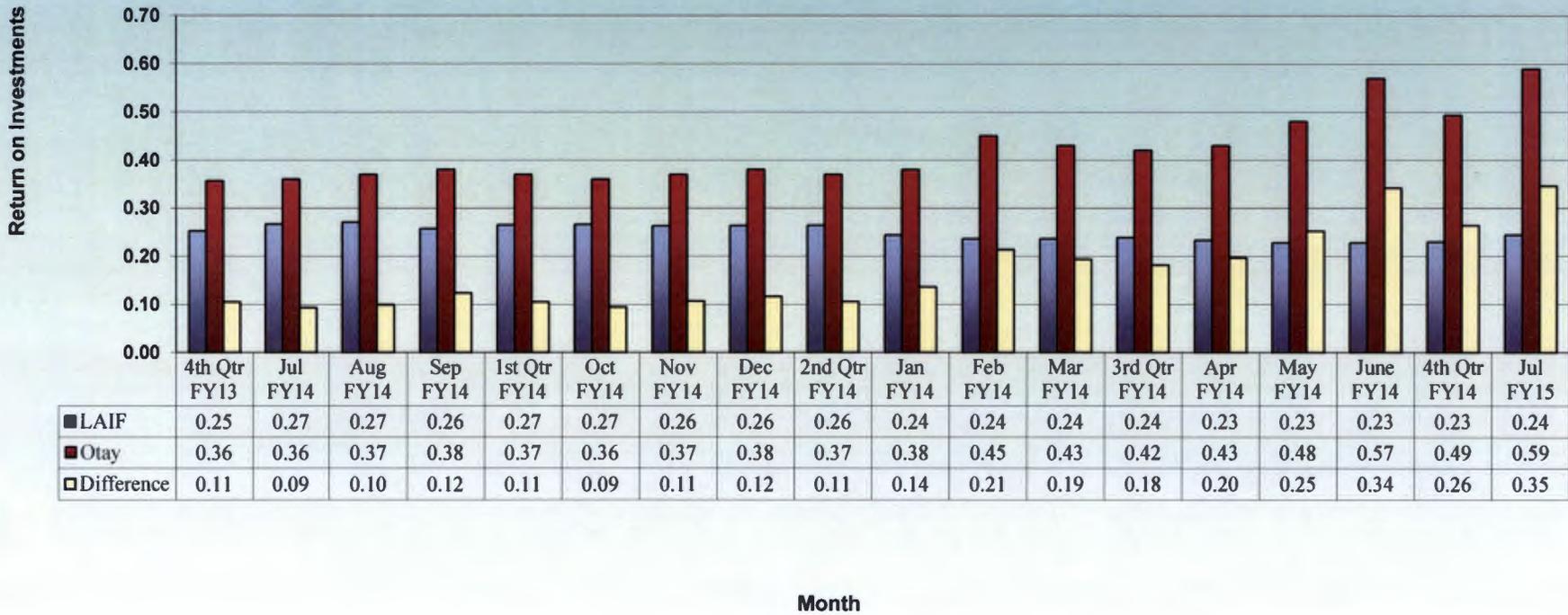
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

Performance Measure FY-15 Return on Investment

Target: Meet or Exceed 100% of LAIF



OTAY
Portfolio Management
Portfolio Details - Investments
July 31, 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												
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,995,120.00	2,000,000.00	0.550	AA	0.542	767	09/06/2016
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,005,220.00	3,000,000.00	0.350	AA	0.345	304	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,005,130.00	3,000,000.00	0.340		0.335	381	08/17/2015
3133EDKF8	2291	Federal Farm Credit Bank		04/29/2014	2,000,000.00	1,996,140.00	2,000,000.00	0.550		0.542	728	07/29/2016
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,995,240.00	2,000,000.00	0.350	AA	0.345	570	02/22/2016
3130A0VG2	2261	Federal Home Loan Bank		02/25/2014	2,000,000.00	1,998,960.00	2,000,000.00	0.700		0.690	847	11/25/2016
3130A1SE9	2288	Federal Home Loan Bank		05/19/2014	2,000,000.00	1,994,720.00	2,000,000.00	1.000		0.986	1,022	05/19/2017
3130A1RB6	2289	Federal Home Loan Bank		05/15/2014	1,030,000.00	1,028,743.40	1,030,000.00	1.020		1.006	1,018	05/15/2017
3130A1RB6	2290	Federal Home Loan Bank		05/15/2014	2,705,000.00	2,701,699.90	2,705,000.00	1.020		1.006	1,018	05/15/2017
3130A1Q64	2292	Federal Home Loan Bank		05/06/2014	2,000,000.00	1,995,240.00	2,000,000.00	1.010		0.996	1,011	05/08/2017
3130A1XA1	2294	Federal Home Loan Bank		05/30/2014	2,000,000.00	1,994,600.00	2,000,000.00	0.650		0.641	756	08/26/2016
3130A1ZX9	2296	Federal Home Loan Bank		05/22/2014	2,000,000.00	1,989,860.00	2,000,000.00	1.050		1.036	1,117	08/22/2017
3130A25S1	2299	Federal Home Loan Bank		06/19/2014	2,000,000.00	1,994,200.00	2,000,000.00	0.700		0.690	871	12/19/2016
3130A2HW9	2303	Federal Home Loan Bank		07/07/2014	2,000,000.00	1,995,400.00	2,000,000.00	0.660		0.651	798	10/07/2016
3134G4PX0	2277	Federal Home Loan Mortgage		12/27/2013	2,000,000.00	1,998,340.00	2,000,000.00	0.500		0.493	696	06/27/2016
3134G4WJ3	2284	Federal Home Loan Mortgage		03/19/2014	2,000,000.00	1,998,580.00	2,000,000.00	0.625		0.616	780	09/19/2016
3134G4WH7	2285	Federal Home Loan Mortgage		03/20/2014	2,000,000.00	1,993,760.00	2,000,000.00	0.900		0.888	962	03/20/2017
3134G54N2	2293	Federal Home Loan Mortgage		05/28/2014	2,000,000.00	1,999,720.00	2,000,000.00	0.750		0.740	850	11/28/2016
3134G55T6	2295	Federal Home Loan Mortgage		06/12/2014	2,000,000.00	1,996,320.00	2,000,000.00	0.700	AA	0.690	864	12/12/2016
3134G56A8	2297	Federal Home Loan Mortgage		06/16/2014	2,000,000.00	1,996,220.00	2,000,000.00	1.000		0.986	1,050	06/16/2017
3134G55X9	2298	Federal Home Loan Mortgage		06/10/2014	2,000,000.00	1,993,920.00	2,000,000.00	0.810		0.799	952	03/10/2017
3134G56N0	2300	Federal Home Loan Mortgage		06/26/2014	2,000,000.00	1,994,280.00	2,000,000.00	1.000		0.986	1,060	06/26/2017
3134G5A47	2301	Federal Home Loan Mortgage		06/30/2014	2,000,000.00	1,994,500.00	2,000,000.00	0.650		0.641	882	12/30/2016
3134G5BL8	2302	Federal Home Loan Mortgage		07/17/2014	2,000,000.00	1,995,180.00	2,000,000.00	1.220		1.203	1,173	10/17/2017
3136G1XZ7	2274	Federal National Mortgage Assoc		12/19/2013	2,000,000.00	1,990,800.00	2,000,000.00	0.670		0.661	871	12/19/2016
3135G0YW7	2276	Federal National Mortgage Assoc		12/04/2013	2,000,000.00	1,997,340.00	2,002,258.26	0.750		0.685	847	11/25/2016
Subtotal and Average			53,737,296.26		53,735,000.00	53,639,233.30	53,737,258.26			0.722	834	
Federal Agency Issues - Coupon												
3135G0YE7	2286	Federal National Mortgage Assoc		04/01/2014	2,000,000.00	1,999,000.00	2,002,411.56	0.625		0.558	756	08/26/2016
Subtotal and Average			2,002,456.98		2,000,000.00	1,999,000.00	2,002,411.56			0.558	756	
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	539	01/22/2016
Subtotal and Average			81,784.76		81,784.76	81,784.76	81,784.76			0.030	539	

OTAY
Portfolio Management
Portfolio Details - Investments
July 31, 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
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA			9,972,020.57	9,974,999.71	9,972,020.57	0.244		0.241	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		07/01/2014	0.00	0.00	0.00	0.228		0.225	1	
Subtotal and Average			9,197,732.45		9,972,020.57	9,974,999.71	9,972,020.57			0.241	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County			15,270,913.59	15,192,000.00	15,270,913.59	0.454		0.448	1	
Subtotal and Average			16,228,975.80		15,270,913.59	15,192,000.00	15,270,913.59			0.448	1	
Total and Average			83,721,988.58		81,059,718.92	80,887,017.77	81,064,388.74			0.607	572	

OTAY
Portfolio Management
Portfolio Details - Cash
July 31, 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			10,003.40	10,003.40	10,003.40	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA			2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA			1,443,972.46	1,443,972.46	1,443,972.46	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2014	27,891.35	27,891.35	27,891.35			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			31,968.96	31,968.96	31,968.96	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			84,618.98	84,618.98	84,618.98	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		07/01/2014	51.89	51.89	51.89			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		07/01/2014	52,673.79	52,673.79	52,673.79			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			83,721,988.58		82,713,849.75	82,541,148.60	82,718,519.57			0.607	572

OTAY
Interest Earnings
Sorted by Security Type - Fund
July 1, 2014 - July 31, 2014
Period Yield on Beginning Book Value

CUSIP	Investment #	Fund	Issuer	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
Security Type: Federal Agency Issues- Callable												
3134G4WJ3	2284	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.625	0.052	1,041.66	0.00	1,041.66
3134G4WH7	2285	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	03/20/2017	0.900	0.075	1,500.00	0.00	1,500.00
3134G4PX0	2277	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	06/27/2016	0.500	0.042	833.33	0.00	833.33
3134G54N2	2293	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	11/28/2016	0.750	0.063	1,250.00	0.00	1,250.00
3134G55T8	2295	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	12/12/2016	0.700	0.058	1,166.67	0.00	1,166.67
3134G5A47	2301	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	12/30/2016	0.650	0.054	1,083.33	0.00	1,083.33
3134G5BL8	2302	99	FHLMC	2,000,000.00	0.00	2,000,000.00	10/17/2017	1.220	0.098	948.89	0.00	948.89
3134G56N0	2300	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	06/26/2017	1.000	0.083	1,666.66	0.00	1,666.66
3134G56A8	2297	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	06/16/2017	1.000	0.083	1,666.67	0.00	1,666.67
3134G55X9	2298	99	FHLMC	2,000,000.00	2,000,000.00	2,000,000.00	03/10/2017	0.810	0.068	1,350.00	0.00	1,350.00
3136G1XZ7	2274	99	FNMA	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.670	0.056	1,116.66	0.00	1,116.66
3135G0YW7	2276	99	FNMA	2,000,000.00	2,002,339.50	2,002,258.26	11/25/2016	0.750	0.058	1,250.00	-81.24	1,168.76
3130A1Q84	2292	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	05/08/2017	1.010	0.084	1,683.33	0.00	1,683.33
3130A1SE9	2288	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	05/19/2017	1.000	0.083	1,666.67	0.00	1,666.67
3130A1RB6	2290	99	FHLB	2,705,000.00	2,705,000.00	2,705,000.00	05/15/2017	1.020	0.085	2,299.25	0.00	2,299.25
3130A1XA1	2294	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	08/26/2016	0.650	0.054	1,083.34	0.00	1,083.34
3130A2HW9	2303	99	FHLB	2,000,000.00	0.00	2,000,000.00	10/07/2016	0.860	0.055	880.00	0.00	880.00
3130A1ZX9	2296	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	08/22/2017	1.050	0.088	1,750.00	0.00	1,750.00
3130A25S1	2299	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.700	0.058	1,166.66	0.00	1,166.66
3130A1HX9	2287	99	FHLB	0.00	2,000,000.00	0.00	01/23/2017	1.000	0.086	1,222.22	0.00	1,222.22
3130A1RB6	2289	99	FHLB	1,030,000.00	1,030,000.00	1,030,000.00	05/15/2017	1.020	0.085	875.50	0.00	875.50
313382YY3	2268	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	02/22/2016	0.350	0.029	583.34	0.00	583.34
3130A0VG2	2281	99	FHLB	2,000,000.00	2,000,000.00	2,000,000.00	11/25/2016	0.700	0.058	1,166.67	0.00	1,166.67
3133EC7H1	2260	99	FFCB	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
3133EDKF8	2291	99	FFCB	2,000,000.00	2,000,000.00	2,000,000.00	07/29/2016	0.550	0.046	916.67	0.00	916.67
3133EC6F6	2258	99	FFCB	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
3135GOXR9	2269	99	FANM	2,000,000.00	2,000,000.00	2,000,000.00	09/06/2016	0.550	0.046	916.67	0.00	916.67
Subtotal				53,735,000.00	51,737,339.50	53,737,258.26			0.061	32,809.19	-81.24	32,727.95

OTAY
Interest Earnings
July 1, 2014 - July 31, 2014

CUSIP	Investment #	Fund	Issuer	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
Security Type: Federal Agency Issues - Coupon												
3135G0YE7	2286	99	FNMA	2,000,000.00	2,002,508.67	2,002,411.56	08/26/2016	0.625	0.047	1,041.67	-97.11	944.56
			Subtotal	2,000,000.00	2,002,508.67	2,002,411.56			0.047	1,041.67	-97.11	944.56
Security Type: Certificates of Deposit - Bank												
2050003183-6	2283	99	CB&T	81,784.76	81,784.76	81,784.76	01/22/2016	0.030	0.003	2.12	0.00	2.12
			Subtotal	81,784.76	81,784.76	81,784.76			0.003	2.12	0.00	2.12
Security Type: Union Bank												
UNION OPERATING	9004	99	CA	1,443,972.46	1,879,942.09	1,443,972.46		0.250	0.021	397.89	0.00	397.89
UNION MONEY	9002	99	CA	10,003.40	10,007.14	10,003.40		0.010	0.034	3.37	0.00	3.37
RESERVE-10 COPS	9010	99	CA	31,968.96	31,968.66	31,968.96		0.010	0.001	0.27	0.00	0.27
RESERVE-10 BABS	9011	99	CA	84,618.98	84,618.38	84,618.98		0.010	0.001	0.72	0.00	0.72
			Subtotal	1,570,563.80	2,006,536.27	1,570,563.80			0.020	402.25	0.00	402.25
Security Type: Local Agency Investment Fund (LAIF)												
LAIF	9001	99	CA	9,972,020.57	11,364,668.30	9,972,020.57		0.244	0.017	1,906.07	0.00	1,906.07
			Subtotal	9,972,020.57	11,364,668.30	9,972,020.57			0.017	1,906.07	0.00	1,906.07
Security Type: San Diego County Pool												
SD COUNTY POOL	9007	99	SDC	15,270,913.59	17,250,908.83	15,270,913.59		0.454	0.036	6,257.72	0.00	6,257.72
			Subtotal	15,270,913.59	17,250,908.83	15,270,913.59			0.036	6,257.72	0.00	6,257.72
			Total	82,630,282.72	84,443,746.33	82,634,952.54			0.049	42,419.02	-178.35	42,240.67

OTAY
Activity Report
Sorted By Issuer
July 1, 2014 - July 31, 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		6,007,753.40	6,007,757.14	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		749,509.00	1,185,478.63	
PAYROLL	9005	STATE OF CALIFORNIA					27,891.35	0.00	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		0.30	0.00	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		0.60	0.00	
UBNA-2010 BOND	9013	STATE OF CALIFORNIA					51.89	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					57,125.12	4,451.33	
		Subtotal and Balance		2,009,486.27			6,842,331.66	7,197,687.10	1,654,130.83
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.244		4,607,352.27	6,000,000.00	
		Subtotal and Balance		11,364,668.30			4,607,352.27	6,000,000.00	9,972,020.57
		Issuer Subtotal	14.056%	13,374,154.57			11,449,683.93	13,197,687.10	11,626,151.40
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
		Subtotal and Balance		81,784.76					81,784.76
		Issuer Subtotal	0.099%	81,784.76			0.00	0.00	81,784.76
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
		Subtotal and Balance		2,000,000.00					2,000,000.00
		Issuer Subtotal	2.418%	2,000,000.00			0.00	0.00	2,000,000.00
Issuer: Federal Farm Credit Bank									

OTAY
Activity Report
July 1, 2014 - July 31, 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									
Subtotal and Balance				8,000,000.00					8,000,000.00
Issuer Subtotal			9.672%	8,000,000.00			0.00	0.00	8,000,000.00
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
3130A1HX9	2287	Federal Home Loan Bank			1.000	07/23/2014	0.00	2,000,000.00	
3130A2HW9	2303	Federal Home Loan Bank			0.660	07/07/2014	2,000,000.00	0.00	
Subtotal and Balance				19,735,000.00			2,000,000.00	2,000,000.00	19,735,000.00
Issuer Subtotal			23.859%	19,735,000.00			2,000,000.00	2,000,000.00	19,735,000.00
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3134G5BL8	2302	Federal Home Loan Mortgage			1.220	07/17/2014	2,000,000.00	0.00	
Subtotal and Balance				18,000,000.00			2,000,000.00	0.00	20,000,000.00
Issuer Subtotal			24.180%	18,000,000.00			2,000,000.00	0.00	20,000,000.00
Issuer: Federal National Mortgage Assoc									
Federal Agency Issues- Callable									
Subtotal and Balance				4,000,000.00					4,000,000.00
Federal Agency Issues - Coupon									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal			7.254%	6,000,000.00			0.00	0.00	6,000,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			0.454		20,004.76	2,000,000.00	

OTAY
Activity Report
July 1, 2014 - July 31, 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
	Subtotal and Balance			17,250,908.83			20,004.76	2,000,000.00	15,270,913.59
	Issuer Subtotal		18.462%	17,250,908.83			20,004.76	2,000,000.00	15,270,913.59
	Total		100.000%	84,441,848.16			15,469,688.69	17,197,687.10	82,713,849.75

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2014 - July 31, 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											
3134G4WJ3	2284	99	Fair Value	09/19/2016	2,001,300.00	0.00	0.00	0.00	0.00	-2,720.00	1,998,580.00
3134G4WH7	2285	99	Fair Value	03/20/2017	1,997,200.00	0.00	0.00	0.00	0.00	-3,440.00	1,993,760.00
3134G4PX0	2277	99	Fair Value	06/27/2016	2,000,120.00	0.00	0.00	0.00	0.00	-1,780.00	1,998,340.00
3134G54N2	2293	99	Fair Value	11/28/2016	2,002,100.00	0.00	0.00	0.00	0.00	-2,380.00	1,999,720.00
3134G55T8	2295	99	Fair Value	12/12/2016	1,998,800.00	0.00	0.00	0.00	0.00	-2,480.00	1,996,320.00
3134G5A47	2301	99	Fair Value	12/30/2016	1,997,180.00	0.00	0.00	0.00	0.00	-2,680.00	1,994,500.00
3134G5BL8	2302	99	Fair Value	10/17/2017	0.00	2,000,000.00	0.00	0.00	0.00	-4,820.00	1,995,180.00
3134G56N0	2300	99	Fair Value	06/26/2017	2,002,600.00	0.00	0.00	0.00	0.00	-8,320.00	1,994,280.00
3134G56A8	2297	99	Fair Value	06/16/2017	2,001,020.00	0.00	0.00	0.00	0.00	-4,800.00	1,998,220.00
3134G55X9	2298	99	Fair Value	03/10/2017	1,997,320.00	0.00	0.00	0.00	0.00	-3,400.00	1,993,920.00
3136G1XZ7	2274	99	Fair Value	12/19/2016	1,993,540.00	0.00	0.00	0.00	0.00	-2,740.00	1,990,800.00
3135G0YE7	2286	99	Fair Value	08/26/2016	2,001,200.00	0.00	0.00	0.00	0.00	-2,200.00	1,999,000.00
3135G0YW7	2276	99	Fair Value	11/25/2016	1,995,100.00	0.00	0.00	0.00	0.00	2,240.00	1,997,340.00
3130A1Q84	2292	99	Fair Value	05/08/2017	1,999,680.00	0.00	0.00	0.00	0.00	-4,440.00	1,995,240.00
3130A1SE9	2288	99	Fair Value	05/19/2017	1,999,340.00	0.00	0.00	0.00	0.00	-4,620.00	1,994,720.00
3130A1RB6	2290	99	Fair Value	05/15/2017	2,707,921.40	0.00	0.00	0.00	0.00	-6,221.50	2,701,699.90
3130A1XA1	2294	99	Fair Value	08/26/2016	1,995,480.00	0.00	0.00	0.00	0.00	-880.00	1,994,600.00
3130A2HW9	2303	99	Fair Value	10/07/2016	0.00	2,000,000.00	0.00	0.00	0.00	-4,600.00	1,995,400.00
3130A1ZX9	2296	99	Fair Value	08/22/2017	1,995,600.00	0.00	0.00	0.00	0.00	-5,740.00	1,989,860.00
3130A25S1	2299	99	Fair Value	12/19/2016	1,996,800.00	0.00	0.00	0.00	0.00	-2,400.00	1,994,200.00
3130A1HX9	2287	99	Fair Value	01/23/2017	2,000,980.00	0.00	0.00	2,000,000.00	0.00	-980.00	0.00
3130A1RB6	2289	99	Fair Value	05/15/2017	1,031,112.40	0.00	0.00	0.00	0.00	-2,369.00	1,028,743.40
313382YY3	2268	99	Fair Value	02/22/2016	1,995,980.00	0.00	0.00	0.00	0.00	-740.00	1,995,240.00
3130A0VG2	2281	99	Fair Value	11/25/2016	2,001,100.00	0.00	0.00	0.00	0.00	-2,140.00	1,998,960.00
LAIF BABS 2010	9012	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00
UNION OPERATING	9004	99	Amortized		1,879,942.09	0.00	749,509.00	1,185,478.63	0.00	0.00	1,443,972.46
PAYROLL	9005	99	Amortized		0.00	27,891.35	0.00	0.00	0.00	0.00	27,891.35
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION MONEY	9002	99	Amortized		10,007.14	0.00	6,007,753.40	6,007,757.14	0.00	0.00	10,003.40
UBNA-FLEX ACCT	9014	99	Amortized		0.00	57,125.12	0.00	4,451.33	0.00	0.00	52,673.79
UBNA-2010 BOND	9013	99	Amortized		0.00	51.89	0.00	0.00	0.00	0.00	51.89

Portfolio OTAY
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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											
RESERVE-10 COPS	9010	99	Amortized		31,968.66	0.00	0.30	0.00	0.00	0.00	31,968.96
LAIF	9001	99	Fair Value		11,384,668.30	0.00	4,607,352.27	6,000,000.00	0.00	2,979.14	9,974,999.71
RESERVE-10 BABS	9011	99	Amortized		84,616.38	0.00	0.60	0.00	0.00	0.00	84,618.98
3133EC7H1	2260	99	Fair Value	08/17/2015	3,004,950.00	0.00	0.00	0.00	0.00	180.00	3,005,130.00
3133EDKF8	2291	99	Fair Value	07/29/2016	1,997,720.00	0.00	0.00	0.00	0.00	-1,580.00	1,996,140.00
3133EC6F6	2258	99	Fair Value	06/01/2015	3,005,760.00	0.00	0.00	0.00	0.00	-540.00	3,005,220.00
2050003183-6	2283	99	Amortized	01/22/2016	81,784.76	0.00	0.00	0.00	0.00	0.00	81,784.76
3135GOXR9	2269	99	Fair Value	09/06/2016	1,996,440.00	0.00	0.00	0.00	0.00	-1,320.00	1,995,120.00
SD COUNTY POOL	9007	99	Fair Value		17,250,908.83	0.00	20,004.76	2,000,000.00	0.00	-78,913.59	15,192,000.00
Subtotal					84,422,991.96	4,085,068.36	11,384,620.33	17,197,687.10	0.00	-153,844.95	82,541,148.60
Total					84,422,991.96	4,085,068.36	11,384,620.33	17,197,687.10	0.00	-153,844.95	82,541,148.60

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 07/31/2014

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G5A47	2301	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,994,500.00	.6500000	0.641	0.765	12/30/2016	2.388
3134G4PX0	2277	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,998,340.00	.5000000	0.493	0.544	06/27/2016	1.893
3134G56N0	2300	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,994,280.00	1.0000000	0.986	1.100	06/26/2017	2.849
3134G5BL8	2302	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,995,180.00	1.2200000	1.203	1.297	10/17/2017	3.136
3134G55X9	2298	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,993,920.00	.8100000	0.799	0.928	03/10/2017	2.571
3134G56A8	2297	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,996,220.00	1.0000000	0.986	1.067	06/16/2017	2.822
3134G4WH7	2285	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,993,760.00	.9000000	0.888	1.020	03/20/2017	2.589
3134G55T8	2295	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,996,320.00	.7000000	0.690	0.779	12/12/2016	2.337
3134G4WJ3	2284	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,998,580.00	.6250000	0.616	0.659	09/19/2016	2.110
3134G54N2	2293	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,999,720.00	.7500000	0.740	0.756	11/28/2016	2.297
3136G1XZ7	2274	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,990,800.00	.6700000	0.661	0.865	12/19/2016	2.356
3135G0YW7	2276	99	Federal National Mortgage Assoc	Fair	2,002,258.26	2,000,000.00	1,997,340.00	.7500000	0.685	1.017	11/25/2016	2.285
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,240.00	.3500000	0.345	0.504	02/22/2016	1.549
3130A0VG2	2281	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,960.00	.7000000	0.690	0.723	11/25/2016	2.286
3130A1SE9	2288	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,994,720.00	1.0000000	0.986	1.096	05/19/2017	2.747
3130A1XA1	2294	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,994,600.00	.6500000	0.641	0.782	08/26/2016	2.048
3130A1QB4	2292	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,240.00	1.0100000	0.996	1.098	05/08/2017	2.716
3130A1RB6	2290	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,701,699.90	1.0200000	1.006	1.065	05/15/2017	2.736
3130A2HW9	2303	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,400.00	.6600000	0.651	0.766	10/07/2016	2.162
3130A1ZX9	2296	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,989,860.00	1.0500000	1.036	1.219	08/22/2017	2.993
3130A25S1	2299	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,994,200.00	.7000000	0.690	0.823	12/19/2016	2.355
3130A1RB6	2289	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,028,743.40	1.0200000	1.006	1.065	05/15/2017	2.736
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,005,130.00	.3400000	0.335	-0.002	08/17/2015	1.041
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,005,220.00	.3500000	0.345	0.141	06/01/2015	0.831
3133EDKF8	2291	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,996,140.00	.5500000	0.542	0.648	07/29/2016	1.980
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,995,120.00	.5500000	0.542	1.041	09/06/2016	2.072



STAFF REPORT

TYPE MEETING: Regular Board	MEETING DATE: September 3, 2014
SUBMITTED BY: Kevin Koeppen, Finance Manager, Treasury & Acct	W.O./G.F. NO: DIV. NO.
APPROVED BY: Joseph Beachem, Chief Financial Officer (Chief)	
APPROVED BY: German Alvarez, Assistant General Manager (Asst. GM)	
SUBJECT: Accounts Payable Demand List	

PURPOSE:

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

FISCAL IMPACT:

SUMMARY FOR PERIOD 7/24/2014 - 8/20/2014	NET DEMANDS
CHECKS (2040901 - 2041105)	\$ 1,462,263.70
VOID CHECKS (1)	(\$ 16.08)
TOTAL CHECKS	\$ 1,462,247.62
WIRE TO:	
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES (MAY-JUNE 2014)	\$ 3,037,981.18
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (JULY 2014)	\$ 11,161.50
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 672.00
SAN DIEGO COUNTY WATER AUTH - CAPACITY FEES COLLECTED (4/1/14-6/30/14)	\$ 294,720.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (JUNE 2014)	\$ 4,319,342.45
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 208.72
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 208.72
STATE OF CALIFORNIA - CA SALES USE TAX (2ND QTR 2014)	\$ 2,506.00
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 136,927.75
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 151,821.16
UNION BANK NA - COPS 1996 (MONTHLY)	\$ 551.07
TOTAL CASH DISBURSEMENTS	\$ 9,421,172.01

RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

CHECK REGISTER

Otay Water District

Date Range: 7/24/2014 - 8/20/2014

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2041043	08/20/14	15645	(W)RIGHT ON COMMUNICATIONS INC	12202169	07/31/14	COMMUNITY OUTREACH (A)	4,842.91	8,353.33
				12202170	07/31/14	COMMUNITY OUTREACH (DESALINATION)	3,510.42	
2040948	08/06/14	01910	ABCANA INDUSTRIES	947154	07/14/14	SODIUM HYPOCHLORITE	1,590.99	12,250.21
				947747	07/21/14	SODIUM HYPOCHLORITE	1,533.12	
				947369	07/16/14	SODIUM HYPOCHLORITE	1,487.99	
				947649	07/18/14	SODIUM HYPOCHLORITE	1,427.18	
				946741	07/09/14	SODIUM HYPOCHLORITE	1,195.69	
				947057	07/11/14	SODIUM HYPOCHLORITE	841.60	
				947748	07/21/14	SODIUM HYPOCHLORITE	819.03	
				947428	07/17/14	SODIUM HYPOCHLORITE	687.60	
				947155	07/14/14	SODIUM HYPOCHLORITE	623.84	
				946874	07/10/14	SODIUM HYPOCHLORITE	588.53	
				947429	07/17/14	SODIUM HYPOCHLORITE	550.27	
				946878	07/10/14	SODIUM HYPOCHLORITE	509.08	
				946879	07/10/14	SODIUM HYPOCHLORITE	395.29	
				2041044	08/20/14	01910	ABCANA INDUSTRIES	
948822	08/01/14	SODIUM HYPOCHLORITE	1,512.52					
948306	07/28/14	SODIUM HYPOCHLORITE	1,061.31					
948645	07/31/14	SODIUM HYPOCHLORITE	880.83					
948625	07/31/14	SODIUM HYPOCHLORITE	863.17					
948940	08/04/14	SODIUM HYPOCHLORITE	761.16					
948307	07/28/14	SODIUM HYPOCHLORITE	741.55					
948015	07/24/14	SODIUM HYPOCHLORITE	665.04					
948623	07/31/14	SODIUM HYPOCHLORITE	568.91					
948002	07/24/14	SODIUM HYPOCHLORITE	458.07					
2040949	08/06/14	12174	AECOM TECHNICAL SERVICES INC	19	07/17/14	DISINFECTION SYSTEM (ENDING 6/27/14)	40,162.50	40,162.50
2040901	07/30/14	11803	AEROTEK ENVIRONMENTAL	OE01054971	07/17/14	TEMPORARY EMPLOYMENT (6/30/14-7/3/14)	1,320.00	1,320.00
2041045	08/20/14	11803	AEROTEK ENVIRONMENTAL	OE01061687	08/07/14	TEMPORARY EMPLOYMENT (7/21/14-7/25/14)	1,650.00	3,300.00
				OE01064007	08/14/14	TEMPORARY EMPLOYMENT (7/28/14-8/1/14)	1,650.00	
2040950	08/06/14	11803	AEROTEK ENVIRONMENTAL	OE01057115	07/24/14	TEMPORARY EMPLOYMENT (7/7/14-7/11/14)	1,650.00	3,300.00
				OE01059417	07/31/14	TEMPORARY EMPLOYMENT (7/14/14-7/18/14)	1,650.00	
2041046	08/20/14	07732	AIRGAS SPECIALTY PRODUCTS INC	131345389	07/30/14	AQUA AMMONIA	3,529.20	5,526.00
				131345388	07/30/14	AQUA AMMONIA	1,996.80	

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Otay Water District

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Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2040902	07/30/14	15735	ALAN GROBMEIER	Ref00243526	07/28/14	UB Refund Cst #0000048756	327.30	327.30
2040903	07/30/14	14811	ALARMS UNLIMITED INC	164047		CREDIT MEMO	-250.00	
				163985	07/15/14	RE-PROGRAMMING OF FACILITY ALARMS	6,500.00	6,250.00
2041012	08/13/14	14811	ALARMS UNLIMITED INC	164843	08/01/14	MONTHLY MONITORING (AUG 2014)	1,153.00	1,153.00
2040904	07/30/14	15750	ALDINE CORP	Ref00243528	07/28/14	UB Refund Cst #0000208522	185.95	185.95
2040951	08/06/14	13203	ALLIANCE FOR WATER EFFICIENCY	3554	07/07/14	MEMBERSHIP RENEWAL	722.31	722.31
2041047	08/20/14	01463	ALLIED ELECTRONICS INC	9003330090	07/22/14	POWER SUPPLIES	678.84	678.84
2040952	08/06/14	02362	ALLIED WASTE SERVICES # 509	05090056911	07/25/14	TRASH SERVICES (AUG 2014)	530.33	530.33
2041048	08/20/14	06166	AMERICAN MESSAGING	L11095700H	08/01/14	PAGERS (JULY 2014)	206.95	206.95
2041049	08/20/14	02730	AMERICAN PAYROLL ASSOCIATION	212022	07/17/14	MEMBERSHIP DUES (ANNUAL)	219.00	219.00
2040953	08/06/14	06973	ANDER, DIANE	080114	08/01/14	REIMBURSEMENT	240.00	240.00
2040905	07/30/14	15733	ANGELENE LOMAX	Ref00243526	07/28/14	UB Refund Cst #0000020463	53.32	53.32
2041013	08/13/14	15763	ANNETTE & JEFF MECHLING	081114	08/11/14	CLAIM SETTLEMENT	47.50	47.50
2040954	08/06/14	00002	ANSWER INC	10257	07/22/14	ANSWERING SERVICES (MONTHLY)	1,110.00	1,110.00
2040955	08/06/14	08967	ANTHEM BLUE CROSS EAP	41239	07/25/14	EMPLOYEE ASSISTANCE PROGRAM (AUG 2014)	312.20	312.20
2041050	08/20/14	07785	AT&T	00000562278	08/02/14	TELEPHONE SERVICES (7/2/14-8/1/14)	5,762.22	
				00000562166	08/01/14	TELEPHONE SERVICES (7/1/14-7/31/14)	1,229.08	6,991.30
2040956	08/06/14	12810	ATKINS	1198217	07/14/14	2015 WFMP UPDATE (6/2/14-6/30/14)	15,033.98	15,033.98
2041051	08/20/14	03509	BELL, RITA	3509081814	08/18/14	COMPUTER LOAN	990.00	990.00
2040906	07/30/14	10970	BRENNTAG PACIFIC INC	BPI1430412	06/30/14	SODIUM HYPOCHLORITE	3,769.24	3,769.24
2040957	08/06/14	08156	BROWNSTEIN HYATT FARBER	572527	07/28/14	LEGISLATIVE ADVOCACY (THRU 6/30/14)	4,446.00	4,446.00
2040958	08/06/14	14365	CA ENVIRONMENTAL SOLUTIONS INC	8024	07/08/14	APCD RETROFIT	16,188.53	16,188.53
2041052	08/20/14	15767	CAH 2014-1 BORROWER LLC	UB30786115	08/14/14	CUSTOMER REFUND	152.77	152.77
2040959	08/06/14	01004	CALOLYMPIC SAFETY	330708	07/21/14	CAL-GAS, REG, HOSE	444.50	444.50
2041053	08/20/14	02758	CARMEL BUSINESS SYSTEMS INC	7808	07/28/14	DESTRUCTION SERVICES (7/22/14)	38.50	38.50
2040960	08/06/14	15177	CAROLLO ENGINEERS INC	135670	07/09/14	DESIGN/CONSTRUCTION 870-2 PS (6/1/14-6/30/14)	15,067.50	15,067.50

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Otay Water District

Date Range: 7/24/2014 - 8/20/2014

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2040907	07/30/14	15256	CIGNA GROUP INSURANCE / LINA	09520492670	07/28/14	AD&D & SUPP LIFE INS (JULY 2014)	4,437.25	4,437.25
2040961	08/06/14	15365	CITY OF CHULA VISTA HARBORFEST	CV119	07/16/14	SPONSORSHIP	1,000.00	1,000.00
2041054	08/20/14	08895	CITY OF LA MESA	16545	07/24/14	FINGERPRINTING SERVICES	20.00	20.00
2041055	08/20/14	04119	CLARKSON LAB & SUPPLY INC	74413	07/31/14	BACTERIOLOGICAL TESTING SERVICES	1,068.00	
				74409	07/31/14	BACTERIOLOGICAL TESTING SERVICES	774.00	
				74411	07/31/14	BACTERIOLOGICAL TESTING SERVICES	762.00	
				74414	07/31/14	BACTERIOLOGICAL TESTING SERVICES	694.00	
				74412	07/31/14	BACTERIOLOGICAL TESTING SERVICES	594.00	
				74406	07/31/14	BACTERIOLOGICAL TESTING SERVICES	490.00	
				74408	07/31/14	BACTERIOLOGICAL TESTING SERVICES	449.00	
				74416	07/31/14	BACTERIOLOGICAL TESTING SERVICES	396.00	
				74405	07/31/14	BACTERIOLOGICAL TESTING SERVICES	384.00	
				74410	07/31/14	BACTERIOLOGICAL TESTING SERVICES	178.00	
				74415	07/31/14	BACTERIOLOGICAL TESTING SERVICES	178.00	
				74407	07/31/14	BACTERIOLOGICAL TESTING SERVICES	161.00	
				74417	07/31/14	BACTERIOLOGICAL TESTING SERVICES	154.00	
				74419	07/31/14	BACTERIOLOGICAL TESTING SERVICES	90.00	6,372.00
2040962	08/06/14	03288	COMPUTER PROTECTION	18897PMA	07/09/14	EQUIPMENT MAINTENANCE (7/1/14-6/30/15)	4,503.00	4,503.00
2040908	07/30/14	11056	CONCHAS, FREDERICK	a000105	07/25/14	TUITION REIMBURSEMENT	172.00	172.00
2041014	08/13/14	11056	CONCHAS, FREDERICK	A000109	08/11/14	TUITION REIMBURSEMENT	73.12	73.12
2040963	08/06/14	03624	COPY LINK INC	AR170766	07/21/14	SHARP COPIER MAINTENANCE (7/1/14-6/30/15)	371.80	
				AR170767	07/21/14	SHARP COPIER MAINTENANCE (7/1/14-6/30/15)	371.80	743.60
2040964	08/06/14	00099	COUNTY OF SAN DIEGO	DPWAROTA	07/10/14	EXCAVATION PERMITS (JUNE 2014)	1,394.90	1,394.90
2041056	08/20/14	00184	COUNTY OF SAN DIEGO	DEH140480C	08/11/14	INDUSTRIAL HYGIENE (6/16/14-6/30/14)	229.27	229.27
2040909	07/30/14	00184	COUNTY OF SAN DIEGO	DEH140466D	07/14/14	SHUT DOWN TEST (6/3/14)	142.00	142.00
2041015	08/13/14	00184	COUNTY OF SAN DIEGO	DEH2004HUF	08/08/14	PERMIT RENEWAL	1,247.00	
				DEH2002HUF	08/08/14	PERMIT RENEWAL	487.00	
				2003193E60E	08/08/14	SHUTDOWN TEST FEE (7/9/2014)	142.00	1,876.00
2041016	08/13/14	00184	COUNTY OF SAN DIEGO	2003193E60Z	08/08/14	SHUT DOWN TEST (7/31/14)	355.00	
				2003193E60Z	08/08/14	SHUT DOWN TEST (7/9/14)	284.00	
				2003193E60Z	08/08/14	SHUT DOWN TEST (7/9/14)	142.00	

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Otay Water District

Date Range: 7/24/2014 - 8/20/2014

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
				2003193E602	08/08/14	SHUT DOWN TEST (7/9/14)	142.00	
				2003193E602	08/08/14	SHUT DOWN TEST (7/9/14)	142.00	1,065.00
2041057	08/20/14	02122	COUNTY OF SAN DIEGO	20140624057	06/24/14	PERMIT FEES # 05714 (SEPT 2014-SEPT 2015)	413.00	
				20140624057	06/24/14	PERMIT FEES # 05774 (SEPT 2014-SEPT 2015)	358.00	771.00
2040910	07/30/14	11745	COUNTY OF SAN DIEGO	E000079	07/28/14	INSPECTION DEPOSIT	5,652.75	5,652.75
2041017	08/13/14	02756	COX COMMUNICATIONS SAN DIEGO	96010714	07/29/14	INTERNET SERVICES (7/29/14-8/28/14)	1,500.00	
				67010714	07/29/14	INTERNET SERVICES (7/29/14-8/28/14)	1,500.00	3,000.00
2040911	07/30/14	15732	DEBRA TANGUMA	Ref00243526	07/28/14	UB Refund Cst #000008509	26.71	26.71
2040965	08/06/14	14008	DELL AWARDS	195375	07/31/14	PLAQUE AWARD	135.00	135.00
2040966	08/06/14	15084	DLT SOLUTIONS LLC	SI260638	07/18/14	LICENSE AGREEMENT (7/9/14-7/8/15)	16,697.82	16,697.82
2041018	08/13/14	14411	EASTLAKE VILLAGE MARKETPLACE	Ref00242455	10/09/12	UB Refund Cst #0000188040	1,805.74	1,805.74
2041058	08/20/14	02447	EDCO DISPOSAL CORPORATION	5458073114	07/31/14	RECYCLING SERVICES (JULY 2014)	95.00	95.00
2040912	07/30/14	13825	ENRIQUEZ, LUIS	O0000000114	07/28/14	SAFETY BOOT REIMBURSEMENT	150.00	150.00
2041059	08/20/14	03227	ENVIROMATRIX ANALYTICAL INC	4080366	08/04/14	LAB ANALYSIS (7/17/14-7/24/14)	490.00	
				4070833	07/28/14	LAB ANALYSIS (7/11/14-7/16/14)	400.00	890.00
2040967	08/06/14	03227	ENVIROMATRIX ANALYTICAL INC	4070690	07/21/14	LAB ANALYSIS (7/4/14-7/10/14)	505.00	
				4070420	07/14/14	LAB ANALYSIS (7/1/14-7/3/14)	135.00	
				4070419	07/14/14	RECYCLED WATER ANALYSIS (6/30/14)	45.00	685.00
2040968	08/06/14	12134	ENVIRONMENTAL LAB ACCR PROG BR	10141658	07/11/14	ANNUAL FEE	2,359.00	2,359.00
2041060	08/20/14	03725	ENVIRONMENTAL SYSTEMS RESEARCH	92848379	07/29/14	ENTERPRISE LICENSE/SUPPORT (7/26/14-7/25/15)	53,989.24	53,989.24
2040969	08/06/14	15711	EPIC FIRE PROTECTION INC	2992	07/15/14	MIC TREATMENT SYSTEM	20,300.00	20,300.00
2041061	08/20/14	14320	EUROFINS EATON ANALYTICAL INC	L0176364	07/23/14	OUTSIDE LAB SERVICES (7/8/14)	255.00	255.00
2041062	08/20/14	15396	EVOQUA WATER TECHNOLOGIES LLC	901795141	07/23/14	DI TANK EXCHANGES	394.26	394.26
2040970	08/06/14	03546	FERGUSON WATERWORKS # 1083	0480744	07/14/14	INVENTORY	4,492.80	
				0480753	07/14/14	INVENTORY	3,801.60	
				0480760	07/14/14	INVENTORY	929.15	9,223.55
2041063	08/20/14	04066	FIRST CHOICE SERVICES - SD	023672	07/23/14	COFFEE SUPPLIES	87.90	87.90
2040913	07/30/14	15737	FLORA ESPINO	Ref00243527	07/28/14	UB Refund Cst #0000168333	15.26	15.26

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Otay Water District

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2041064	08/20/14	03703	FORCE FLOW	26518	07/28/14	WIZARD MOTHERBOARD	545.40	545.40
2040914	07/30/14	01612	FRANCHISE TAX BOARD	Ben2435335	07/31/14	BI-WEEKLY PAYROLL DEDUCTION	50.00	50.00
2040915	07/30/14	02344	FRANCHISE TAX BOARD	Ben2435339	07/31/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2041019	08/13/14	02344	FRANCHISE TAX BOARD	Ben2435524	08/14/14	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2040916	07/30/14	15728	FUNBOUNCE.COM	072814	07/28/14	OTAY PICNIC	219.00	219.00
2041065	08/20/14	10817	GEXPRO	S1082032690	07/22/14	RX3I COMMUNICATION MODULE	744.21	744.21
2040971	08/06/14	10817	GEXPRO	S1082033730	07/17/14	LICENSES SUPPORT (7/14/14-7/13/15)	1,979.10	1,979.10
2040917	07/30/14	15748	GRANITE RANCH OPPORTUNITIES LL	Ref00243528	07/28/14	UB Refund Cst #0000207092	102.52	102.52
2041066	08/20/14	12907	GREENRIDGE LANDSCAPE INC	12202	07/24/14	LANDSCAPING SERVICES (JULY 2014)	8,909.50	8,909.50
2041067	08/20/14	00174	HACH COMPANY	8946043	07/24/14	HACH PARTS	3,029.43	
				8953230	07/29/14	HACH PARTS	1,134.54	
				8951081	07/28/14	HACH PARTS	436.95	
				8922850	07/14/14	DISTRIBUTION SUPPLIES	250.29	4,851.21
2040918	07/30/14	02795	HARTFORD INSURANCE CO, THE	Ben2435323	07/31/14	MONTHLY CONTRIBUTION TO LTD	5,243.48	5,243.48
2041020	08/13/14	15265	HAZARD CONSTRUCTION CO	Ref00243147	12/03/13	UB Refund Cst #0000176658	1,875.48	1,875.48
2041068	08/20/14	06640	HD SUPPLY WATERWORKS LTD	C622221	07/29/14	3G REGISTERS	4,848.77	4,848.77
2040972	08/06/14	10973	HDR ENGINEERING INC	6	07/10/14	CORROSION SERVICES (6/1/14-6/30/14)	21,821.94	21,821.94
2040919	07/30/14	15731	HECTOR HIDALGO	Ref00243526	07/28/14	UB Refund Cst #0000004925	21.28	21.28
2040973	08/06/14	04472	HECTOR I MARES-COSSIO	112	07/01/14	BI-NATIONAL CONSULTANT SERVICES (JUNE 2014)	3,600.00	
				111	06/01/14	BI-NATIONAL CONSULTANT SERVICES (MAY 2014)	3,600.00	7,200.00
2041069	08/20/14	15725	INDIAN SPRINGS MFG CO INC	8108	07/23/14	CL2 B KIT GASKETS	942.00	942.00
2041070	08/20/14	08969	INFOSEND INC	82558	07/31/14	BILL PRINTING SERVICES (JULY 2014)	13,149.04	
				82557	07/31/14	BILL PRINTING SERVICES (JULY 2014)	3,651.15	
				82844	08/04/14	BILL PRINTING SERVICES (JULY 2014)	1,912.59	18,712.78
2041071	08/20/14	03380	INSIGHT PUBLIC SECTOR INC	1100379648	08/04/14	HARDWARE SUPPORT	31,532.62	31,532.62
2041072	08/20/14	02372	INTERIOR PLANT SERVICE INC	8859	07/18/14	PLANT SERVICES (JULY 2014)	205.00	205.00
2040974	08/06/14	13899	INTERMEDIA.NET INC	1407001536	07/01/14	EMAIL SERVICES (6/2/14-7/2/14)	3,904.12	3,904.12
2041021	08/13/14	13899	INTERMEDIA.NET INC	1408001833	08/01/14	EMAIL SERVICES (7/2/14-8/2/14)	3,699.30	3,699.30

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2041073	08/20/14	03368	INVENSYS SYSTEMS INC	93133551	07/30/14	PRESSURE TRANSMITTERS	2,204.76	2,204.76
2040920	07/30/14	15734	JAMES BLAKE	Ref00243526	07/28/14	UB Refund Cst #0000040490	38.28	38.28
2041074	08/20/14	03077	JANI-KING OF CALIFORNIA INC	SDO0714014	07/01/14	JANITORIAL SERVICES (JULY 2014)	1,159.35	1,159.35
2040975	08/06/14	10563	JCI JONES CHEMICALS INC	624513		CREDIT MEMO	-3,000.00	
				624451	07/08/14	CHLORINE TP	4,684.65	1,684.65
2041075	08/20/14	10563	JCI JONES CHEMICALS INC	625944		CREDIT MEMO	-3,000.00	
				625903	07/22/14	CHLORINE TP	4,684.65	1,684.65
2040921	07/30/14	15744	JEFF STEVENSON	Ref00243527	07/28/14	UB Refund Cst #0000197806	86.21	86.21
2041076	08/20/14	02269	JENAL ENGINEERING CORP	141533	08/01/14	DUSTO INSPECTIONS (JULY 2014)	100.00	100.00
2040922	07/30/14	15740	JESSE GARCIA	Ref00243527	07/28/14	UB Refund Cst #0000188361	9.84	9.84
2041022	08/13/14	15756	JOCELYN DELROSARIO	Ref00243544	08/11/14	UB Refund Cst #0000027710	74.60	74.60
2040923	07/30/14	15715	JOSE SEGURA	Ref00243526	07/28/14	UB Refund Cst #0000059612	30.00	30.00
2041023	08/13/14	15715	JOSE SEGURA	Ref00243544	08/11/14	UB Refund Cst #0000059612	30.00	30.00
2040924	07/30/14	15743	JUAN MERCADO	Ref00243527	07/28/14	UB Refund Cst #0000196451	75.00	75.00
2041077	08/20/14	15713	KAPISH NORTH AMERICA SVCS INC	3083	06/03/14	ANNUAL MAINTENANCE (7/1/14-6/30/15)	1,880.00	1,880.00
2041024	08/13/14	15759	KATHY PAGE	Ref00243544	08/11/14	UB Refund Cst #0000187518	45.20	45.20
2041078	08/20/14	05840	KIRK PAVING INC	5610	07/25/14	AS NEEDED PAVING SERVICES FY15	18,882.38	18,882.38
2040976	08/06/14	05840	KIRK PAVING INC	5603	07/09/14	AS NEEDED PAVING SERVICES FY15	10,044.12	10,044.12
2040977	08/06/14	12276	KONECRANES INC	SDG0091695	07/09/14	HOIST CERTIFICATION	800.00	800.00
2040925	07/30/14	09880	LEIGH, ROBERT	o0000000113	07/24/14	SAFETY BOOT REIMBURSEMENT	116.62	116.62
2040926	07/30/14	15739	LJ NEPTUNE PROPERTIES LLC	Ref00243527	07/28/14	UB Refund Cst #0000187679	93.52	93.52
2040978	08/06/14	03019	LOPEZ, JOSE	06011406301	08/05/14	MILEAGE REIMBURSEMENT (JUNE 2014)	128.80	128.80
2040927	07/30/14	15745	MACKENZIE SHARP	Ref00243527	07/28/14	UB Refund Cst #0000204196	17.65	17.65
2040928	07/30/14	15741	MAGHEES NAFSO	Ref00243527	07/28/14	UB Refund Cst #0000195341	98.88	98.88
2041025	08/13/14	15761	MARIA DOMINGUEZ	Ref00243544	08/11/14	UB Refund Cst #0000207667	48.37	48.37
2040929	07/30/14	15736	MARK SHIVELY	Ref00243526	07/28/14	UB Refund Cst #0000159874	48.93	48.93

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2041079	08/20/14	14364	MARTIN, DAN	49389	08/18/14	LICENSE RENEWAL	115.00	115.00
2041080	08/20/14	12004	MASTER METER SYSTEMS INC	0066137IN	08/01/14	SUPPORT & MAINTENANCE (AUG 2014-AUG 2015)	1,500.00	1,500.00
2040979	08/06/14	02882	MAYER REPROGRAPHICS INC	0087913IN	07/25/14	REPROGRAPHICS SERVICES	2,740.13	
				0087811IN	07/21/14	REPROGRAPHICS SERVICES	1,840.94	4,581.07
2041026	08/13/14	02882	MAYER REPROGRAPHICS INC	0088040IN	08/04/14	REPROGRAPHICS SERVICES	1,329.38	1,329.38
2040980	08/06/14	01183	MCMaster-CARR SUPPLY CO	94631083	07/21/14	SCADA MATERIALS	466.43	466.43
2040981	08/06/14	01824	MERKEL & ASSOCIATES INC	14071401	07/14/14	ENVIRONMENTAL SERVICES (6/1/14-6/30/14)	8,364.91	8,364.91
2041027	08/13/14	15755	MICHAEL HAMMACK	Ref00243544	08/11/14	UB Refund Cst #0000017662	18.55	18.55
2040982	08/06/14	00237	MISSION JANITORIAL & ABRASIVE	41928200	07/10/14	JANITORIAL SUPPLIES	1,408.40	1,408.40
2040983	08/06/14	15136	MISSION UNIFORM SERVICE	340293245	07/08/14	UNIFORM SERVICES	405.42	
				340294304	07/15/14	UNIFORM SERVICES	405.42	
				340293244	07/08/14	UNIFORM SERVICES	114.17	
				340294303	07/15/14	UNIFORM SERVICES	114.17	
				340294307	07/15/14	UNIFORM SERVICES	89.75	
				340293249	07/08/14	UNIFORM SERVICES	89.75	1,218.68
2041081	08/20/14	15136	MISSION UNIFORM SERVICE	340295360	07/22/14	UNIFORM SERVICES	405.42	
				340296436	07/29/14	UNIFORM SERVICES	405.42	
				340295359	07/22/14	UNIFORM SERVICES	114.17	
				340296435	07/29/14	UNIFORM SERVICES	114.17	
				340295364	07/22/14	UNIFORM SERVICES	89.75	
				340296439	07/29/14	UNIFORM SERVICES	89.75	1,218.68
2040930	07/30/14	15136	MISSION UNIFORM SERVICE	340292143	07/01/14	UNIFORM SERVICES	89.75	89.75
2041028	08/13/14	15757	MONICA HERNANDEZ	Ref00243544	08/11/14	UB Refund Cst #0000072462	78.55	78.55
2040931	07/30/14	15620	MY LITTLE PONY RIDES	62125 A	07/21/14	OTAY PICNIC	450.00	450.00
2040932	07/30/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2435329	07/31/14	BI-WEEKLY DEFERRED COMP PLAN	7,558.27	7,558.27
2041029	08/13/14	03523	NATIONAL DEFERRED COMPENSATION	Ben2435516	08/14/14	BI-WEEKLY DEFERRED COMP PLAN	7,058.27	7,058.27
2040984	08/06/14	00459	NATIONAL NOTARY ASSOCIATION	550869	07/14/14	NNA E&O RENEWAL 3 YRS	78.00	78.00
2040985	08/06/14	08531	NEWEST CONSTRUCTION	201405	07/09/14	CONVEYOR INSTALL	8,173.44	8,173.44
2040933	07/30/14	14856	NEXUS IS INC	JC642303	06/06/14	PROFESSIONAL SERVICES	2,498.18	2,498.18

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2041082	08/20/14	14856	NEXUS IS INC	JC643962	07/22/14	SMARTNET (7/7/14-7/6/15)	12,070.25	12,070.25
2040986	08/06/14	14856	NEXUS IS INC	SVC0075325	07/21/14	PROFESSIONAL SERVICES (7/1/14-6/30/15)	36,000.00	36,000.00
2040987	08/06/14	00510	OFFICE DEPOT INC	72069120500	07/16/14	OFFICE SUPPLIES	148.59	
				71870444900	07/09/14	OFFICE SUPPLIES	139.70	
				72087961600	07/18/14	OFFICE SUPPLIES	79.13	
				71986343800	07/11/14	OFFICE SUPPLIES	48.87	
				71986383600	07/11/14	OFFICE SUPPLIES	11.92	
				72069140500	07/16/14	OFFICE SUPPLIES	11.92	440.13
2041083	08/20/14	00510	OFFICE DEPOT INC	72205320400	07/31/14	OFFICE SUPPLIES	53.01	53.01
2041084	08/20/14	03149	ON SITE LASER LLC	48589	08/06/14	PRINTER SERVICE (8/5/14)	104.92	104.92
2041085	08/20/14	01002	PACIFIC PIPELINE SUPPLY	300234	07/31/14	INVENTORY	8,161.56	
				300046	07/30/14	HYDRANT CAPS	2,532.60	
				300175	07/25/14	AVK FLOWGUARD	2,042.28	
				300232	07/31/14	BOLTS & GASKETS	497.32	13,233.76
2040988	08/06/14	01002	PACIFIC PIPELINE SUPPLY	167774	07/18/14	INVENTORY	4,693.92	
				300119	07/18/14	AVK FLOWGUARD	2,042.28	6,736.20
2041086	08/20/14	05497	PAYPAL INC	33836700	07/31/14	PHONE PAYMENT SVCS (JULY 2014)	54.10	54.10
2040989	08/06/14	00137	PETTY CASH CUSTODIAN	080514	08/05/14	PETTY CASH REIMBURSEMENT	701.97	701.97
2041030	08/13/14	15758	PHYLLIS GRITTS	Ref00243544	08/11/14	UB Refund Cst #0000155031	38.12	38.12
2041087	08/20/14	15081	PINOMAKI DESIGN	4561	08/01/14	GRAPHIC DESIGN	275.00	275.00
2040934	07/30/14	03351	POSADA, ROD	07231407251	07/28/14	TRAVEL EXPENSE REIMB (7/23/14-7/25/14)	1,654.70	1,654.70
2041088	08/20/14	10819	PREDICTIVE MAINTENANCE	141137	07/28/14	VIBRATION TESTING SERVICE	7,240.00	7,240.00
2041089	08/20/14	15642	PRINT BUTTON, THE	6868	07/31/14	BUSINESS CARDS	38.72	38.72
2041090	08/20/14	13059	PRIORITY BUILDING SERVICES	40208	07/01/14	JANITORIAL SERVICES (JULY 2014)	3,924.48	3,924.48
2040990	08/06/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2435325	07/31/14	BI-WEEKLY PERS CONTRIBUTION	173,241.69	173,241.69
2041091	08/20/14	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2435512	08/14/14	BI-WEEKLY PERS CONTRIBUTION	172,005.39	172,005.39
2040991	08/06/14	01342	R J SAFETY SUPPLY CO INC	32628902	07/11/14	SAFETY SUPPLIES	45.37	45.37
2041031	08/13/14	02925	RAHDERS, DOUGLAS	O0000000111	08/08/14	REIMBURSEMENT	86.50	
				O0000000111	08/08/14	REIMBURSEMENT	8.00	94.50

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2040935	07/30/14	13389	RAMOS-KROGMAN, TITA	072114	07/21/14	COMPUTER LOAN	1,320.58	1,320.58
2040992	08/06/14	15754	REBECCA STACY	UB25022089	08/04/14	CUSTOMER REFUND	419.50	419.50
2040993	08/06/14	01890	RECON	49604	07/09/14	PREPARATION - SUBAREA PLAN (5/10/14-6/30/14)	556.25	556.25
2041092	08/20/14	15768	RENATO OPENINAO	250317421	08/15/14	REFUND OF OVERPAYMENT	688.35	688.35
2040994	08/06/14	08972	RICK ENGINEERING COMPANY	0037948	07/10/14	CAMPO ROAD SUPPORT (5/31/14-6/30/14)	30,551.66	30,551.66
2041093	08/20/14	00521	RICK POST WELD & WET TAPPING	9778	08/04/14	WELDING ON 21"CCP	577.50	577.50
2040995	08/06/14	00521	RICK POST WELD & WET TAPPING	9756	07/10/14	WELDING SERVICES (6/24/14 & 6/26/14)	1,102.50	1,102.50
2040936	07/30/14	15742	ROGER APES	Ref00243527	07/28/14	UB Refund Cst #0000196250	82.17	82.17
2040937	07/30/14	15738	ROSE GALIBUT	Ref00243527	07/28/14	UB Refund Cst #0000177205	37.62	37.62
2041032	08/13/14	01700	RUBALCAVA, GILBERT	O000000011	08/08/14	REIMBURSEMENT	145.00	145.00
2040996	08/06/14	15753	RUDENCIO BEJA	UB62310122	08/04/14	CUSTOMER REFUND	1,500.00	1,500.00
2041094	08/20/14	09148	S & J SUPPLY COMPANY INC	S100041218	08/04/14	INVENTORY	4,059.73	4,059.73
2041095	08/20/14	02586	SAN DIEGO COUNTY ASSESSOR	2014053	08/04/14	ASSESSOR DATA	125.00	125.00
2040938	07/30/14	03752	SAN DIEGO COUNTY SHERIFF	Ben2435337	07/31/14	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2041033	08/13/14	03752	SAN DIEGO COUNTY SHERIFF	Ben2435522	08/14/14	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2040997	08/06/14	00003	SAN DIEGO COUNTY WATER AUTH	0000001048	07/15/14	HOME WATER USE EVALUATION	906.50	906.50
2040998	08/06/14	00247	SAN DIEGO DAILY TRANSCRIPT	450777	07/09/14	BID ADVERTISEMENT (R2116)	151.80	
				452336	07/18/14	BID ADVERTISEMENT	108.90	260.70
2041096	08/20/14	00247	SAN DIEGO DAILY TRANSCRIPT	453258	07/23/14	BID ADVERTISEMENT	135.30	
				453328	07/24/14	BID ADVERTISEMENT	105.60	
				455135	08/01/14	BID ADVERTISEMENT	105.60	346.50
2040999	08/06/14	00121	SAN DIEGO GAS & ELECTRIC	072514	07/25/14	UTILITY EXPENSES (MONTHLY)	71,441.91	
				072414a	08/04/14	UTILITY EXPENSES (MONTHLY)	39,319.07	110,760.98
2040939	07/30/14	00121	SAN DIEGO GAS & ELECTRIC	072414	07/24/14	UTILITY EXPENSES (MONTHLY)	43,898.63	
				071814a	07/18/14	UTILITY EXPENSES (MONTHLY)	27,681.70	
				071814	07/18/14	UTILITY EXPENSES (MONTHLY)	8,082.53	
				072314	07/23/14	UTILITY EXPENSES (MONTHLY)	1,033.38	80,696.24

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2041034	08/13/14	00121	SAN DIEGO GAS & ELECTRIC	080414	08/04/14	UTILITY EXPENSES (MONTHLY)	114,739.92	114,739.92
2041035	08/13/14	15760	SCT PROPERTIES	Ref00243544	08/11/14	UB Refund Cst #0000205634	48.24	48.24
2041000	08/06/14	15708	SEISMIC SWITCH INC	9975	07/08/14	SEISMIC SWITCH	485.00	485.00
2041097	08/20/14	14785	SEW-EURODRIVE INC	139196	07/29/14	FILTER GEARDRIVE	4,017.73	4,017.73
2041036	08/13/14	13327	SILVA-SILVA INTERNATIONAL	1408	08/01/14	DESAL PROJ CONSULTANT (JULY 2014)	4,000.00	4,000.00
2041001	08/06/14	03439	SO CAL ALLIANCE OF PUBLICLY	141562	07/01/14	SCAP MEMBERSHIP RENEWAL FY14-15	538.00	538.00
2040940	07/30/14	15747	SOKNIEM DAVIS	Ref00243528	07/28/14	UB Refund Cst #0000205973	7.52	7.52
2041098	08/20/14	11618	SOUTH COAST COPY SYSTEMS	AR156671	07/31/14	COPIER MAINTENANCE (AUG 2014)	1,682.59	1,682.59
2041099	08/20/14	03103	SOUTHCOAST HEATING &	C53990	07/15/14	AC MAINTENANCE (MONTHLY)	1,068.00	
				C54008	07/15/14	AC MAINTENANCE (MONTHLY)	480.00	
				C53999	07/15/14	IT AC MAINTENANCE (MONTHLY)	205.00	1,753.00
2040941	07/30/14	10670	STANDARD & POOR'S FINANCIAL	10348649	07/08/14	ANALYTICAL SERVICES (7/1/14-6/30/15)	3,500.00	3,500.00
2041002	08/06/14	10339	SUPREME OIL COMPANY	399991	07/15/14	UNLEADED	14,849.98	
				399995	07/15/14	DIESEL FUEL	10,187.86	25,037.84
2041100	08/20/14	00408	SWEETWATER AUTHORITY	5113.40-7	07/31/14	OWD SHARE O&M (11/1/13-10/31/14)	28,750.00	28,750.00
2040942	07/30/14	15746	TANIA DELGADO	Ref00243527	07/28/14	UB Refund Cst #0000204668	166.55	166.55
2041003	08/06/14	02376	TECHKNOWSION INC	2520	07/11/14	SCADA UPGRADES	10,750.00	
				2521	07/11/14	SCADA UPGRADES	5,250.00	
				2522	07/11/14	SCADA UPGRADES	1,000.00	17,000.00
2041037	08/13/14	02376	TECHKNOWSION INC	2519	06/30/14	SCADA UPGRADES	25,000.00	25,000.00
2040943	07/30/14	15730	TERESA LINDSEY	Ref00243526	07/28/14	UB Refund Cst #0000000321	36.49	36.49
2040944	07/30/14	15749	THEODORE WILLAMS	Ref00243528	07/28/14	UB Refund Cst #0000207542	53.53	53.53
2041004	08/06/14	14177	THOMPSON, MITCHELL	07011407311	07/30/14	EXPENSE REIMBURSEMENT (JULY 2014)	13.00	13.00
2041005	08/06/14	15398	TIMMONS GROUP INC	161747	07/10/14	CONSULTANT SERVICES (THRU 6/29/14)	28,675.42	28,675.42
2041006	08/06/14	00870	TRANSCAT INC	889014	07/17/14	FLUKE 789 CALIBRATION	215.32	215.32
2041101	08/20/14	00870	TRANSCAT INC	892715	07/29/14	PRESSURE MODULE CALIBRATION	1,395.17	
				890698	07/23/14	PRESSURE MODULE CALIBRATION	287.90	1,683.07
2041102	08/20/14	00427	UNDERGROUND SERVICE ALERT OF	720140483	08/01/14	UNDERGROUND ALERTS (MONTHLY)	378.00	378.00

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2041007	08/06/14	13047	UNION BANK NA	13688	07/17/14	ADM FEES 2010 BOND (7/1/14-6/30/15)	3,105.00	
				13802	08/04/14	ADM FEES 2013 BOND (6/1/14-6/30/15)	3,040.80	
				13579	07/17/14	ADM FEES FOR ID 27 (7/1/14-6/30/15)	600.00	6,745.80
2041008	08/06/14	07674	US BANK	SC0714	07/22/14	CAL CARD EXPENSES (MONTHLY)	457.72	
				E000081	07/22/14	CAL CARD EXPENSES (MONTHLY)	256.95	
				E000080	07/22/14	CAL CARD EXPENSES (MONTHLY)	189.00	903.67
2041038	08/13/14	07674	US BANK	MW0714	07/22/14	CAL CARD EXPENSES (MONTHLY)	691.42	691.42
2041009	08/06/14	08402	US POSTMASTER	OWD8941	07/29/14	POSTAGE	495.76	495.76
2041103	08/20/14	08402	US POSTMASTER	4805	08/13/14	POSTAGE	434.24	434.24
2041010	08/06/14	06829	US SECURITY ASSOCIATES INC	502508	07/29/14	ALARM RESPONSE	570.95	
				660337	07/29/14	ALARM RESPONSE	351.45	
				695230	07/31/14	ALARM RESPONSE	351.45	
				546282	07/29/14	ALARM MONITORING	265.40	1,539.25
2040945	07/30/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2435331	07/31/14	BI-WEEKLY DEFERRED COMP PLAN	12,033.37	12,033.37
2041039	08/13/14	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2435518	08/14/14	BI-WEEKLY DEFERRED COMP PLAN	12,051.02	12,051.02
2040946	07/30/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2435333	07/31/14	BI-WEEKLY 401A PLAN	1,765.85	1,765.85
2041040	08/13/14	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2435520	08/14/14	BI-WEEKLY 401A PLAN	1,720.85	1,720.85
2041041	08/13/14	15762	VSS INTERNATIONAL INC	Ref00243544	08/11/14	UB Refund Cst #0000208070	1,735.12	1,735.12
2040947	07/30/14	15709	WASHINGTON STATE SUPPORT	Ben2435341	07/31/14	BI-WEEKLY PAYROLL DEDUCTION	230.76	230.76
2041042	08/13/14	15709	WASHINGTON STATE SUPPORT	Ben2435526	08/14/14	BI-WEEKLY PAYROLL DEDUCTION	230.76	230.76
2041104	08/20/14	03781	WATTON, MARK	06081407311	08/08/14	EXPENSE REIMBURSEMENT (6/8/14-7/31/14)	244.48	244.48
2041011	08/06/14	01343	WE GOT YA PEST CONTROL	90513	07/09/14	BEE REMOVAL	115.00	115.00
2041105	08/20/14	07780	WEBER SCIENTIFIC	641223	07/25/14	LABORATORY SUPPLIES	30.24	30.24
Amount Pd Total:							1,462,263.70	
Check Grand Total:							1,462,263.70	

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 07/31/2014

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3135G0YE7	2286	99	Federal National Mortgage Assoc	Fair	2,002,411.56	2,000,000.00	1,999,000.00	.6250000	0.558	0.649	08/26/2016	2.048
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	1.473
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.2280000	0.225	0.228		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	9,972,020.57	9,972,020.57	9,974,999.71	.2440000	0.241	0.244		0.000
SD COUNTY	9007	99	San Diego County	Fair	15,270,913.59	15,270,913.59	15,192,000.00	.4540000	0.448	0.454		0.000
Report Total					81,064,388.74	81,059,718.92	80,887,017.77			0.667		1.543