

OTAY WATER DISTRICT
BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
November 7, 2007
3:30 P.M.

AGENDA

Persons Wishing to Address the Board of Directors:

Persons wishing to address the Board of Directors on any agenda item may do so by completing a "Speaker Request Form" and submitting the form to the Board Secretary. Persons may also speak to any item not appearing on the agenda under "PUBLIC PARTICIPATION". The Speaker should indicate on the card whether they wish to speak during Public Comment or when the specific agenda items is considered.

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES OF THE SPECIAL MEETING OF AUGUST 20, 2007 AND REGULAR BOARD MEETINGS OF SEPTEMBER 5, 2007
5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) APPROVE THE REIMBURSEMENT REQUEST WITH MCMILLIN OTAY RANCH, LLC, FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECT, MCMILLIN OTAY RANCH SPA 2, VILLAGE 6 DEVELOPMENT, PL 16-INCH, 711 ZONE, BIRCH ROAD – LA MEDIA/SR 125 (CIP P2435[W101]), FOR THE AMOUNT OF \$215,418

- b) AWARD OF A PROFESSIONAL CORROSION SERVICES CONTRACT TO SCHIFF ASSOCIATES FOR THE CATHODIC PROTECTION PROGRAM AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH SCHIFF ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$250,000 DURING FISCAL YEARS 2007-2008 AND 2008-2009
- c) AWARD OF A PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT TO LEE & RO, INC. AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH LEE & RO FOR AN AMOUNT NOT TO EXCEED \$175,000 DURING FISCAL YEARS 2007-2008 AND 2008-2009
- d) AWARD A CONTRACT TO TECHKNOWSION, INC. FOR MAINTENANCE AND TECHNICAL SUPPORT OF THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM
- e) APPROVE AMENDMENT NO. 1 TO THE AGREEMENT WITH CRICKET COMMUNICATIONS, INC. FOR AN EXISTING COMMUNICATIONS FACILITY AT THE 485-1 RESERVOIR SITE
- f) AWARD A PROFESSIONAL SERVICES CONTRACT TO BOYLE ENGINEERING CORPORATION FOR AS-NEEDED POTABLE AND OFF-SITE RECYCLED WATER PLAN CHECKING SERVICES FOR DEVELOPER PROJECTS IN AN AMOUNT NOT TO EXCEED \$150,000
- g) ADOPT RESOLUTION NO. 4108 ANNEXING THOSE LANDS DESCRIBED AS CALTRANS STATE ROUTE 125 AND STATE ROUTE 54 INTERCHANGE AND ANNEXING SAID PROPERTY TO IMPROVEMENT DISTRICT NO. 1 OF THE OTAY WATER DISTRICT FOR WATER SERVICE
- h) AWARD A PAVING CONTRACT TO KIRK PAVING IN THE AMOUNT OF \$73,068.00 TO REPAIR THE ROAD SURFACE AT THE INTERSECTION OF JAMACHA BLVD. AND SWEETWATER SPRINGS BLVD.
- i) CONSIDERATION TO CAST VOTES TO ELECT FIVE (5) REPRESENTATIVES TO THE NATIONAL WATER RESOURCES ASSOCIATION'S CALIFORNIA CAUCUS BOARD OF DIRECTORS

INFORMATION / ACTION ITEMS

7. FINANCE AND ADMINISTRATIVE SERVICES

- a) ACCEPT THE DISTRICT'S AUDITED FINANCIAL STATEMENTS, INCLUDING THE AUDITORS' UNQUALIFIED OPINION, FOR THE FISCAL YEAR ENDED JUNE 30, 2007 (BEACHEM/CUDLIP)

8. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE PROPOSED PLAN AND SCHEDULE FOR THE DEVELOPMENT OF THE DISTRICT'S SEWER SYSTEM MANAGEMENT PLAN (SSMP) [RIPPERGER/GONZALEZ]
- b) AWARD OF A PROFESSIONAL ENGINEERING PLANNING SERVICES CONTRACT TO PBS&J FOR THE NORTH DISTRICT RECYCLED WATER CONCEPT (NDRWC) STUDY, PHASE I PROJECT IN AN AMOUNT NOT TO EXCEED \$149,595 (RIPPERGER/GONZALEZ)

9. BOARD INFORMATION / ACTION ITEMS

- a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

REPORTS

10. GENERAL MANAGER'S REPORT

- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

11. DIRECTORS' REPORTS / REQUESTS

12. PRESIDENT'S REPORT / REQUESTS

RECESS TO CLOSED SESSION

13. CLOSED SESSION

- a) ANTICIPATED LITIGATION (GOVERNMENT CODE §54956.9)
78 CASES RELATED TO THE FENTON BUSINESS CENTER

RETURN TO OPEN SESSION

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

15. ADJOURNMENT

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

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

Certification of Posting

I certify that on November 2, 2007, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on November 2, 2007.



Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT September 5, 2007

1. The meeting was called to order by President Croucher at 3:30 p.m.

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez (arrived at 3:31 p.m.) and Robak

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

President Croucher indicated that he would like to move agenda item 8b, UPDATE REGARDING RECYCLED MISCONNECTION AT 871 HAROLD PLACE – FENTON BUSINESS CENTER IN CHULA VISTA, to follow agenda item 5, PUBLIC PARTICIPATION.

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

Ayes:	Directors Bonilla, Breitfelder, Croucher and Robak
Noes:	None
Abstain:	None
Absent:	Director Lopez

to approve the agenda.

5. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETINGS OF JUNE 6, 2007 AND SPECIAL BOARD MEETING OF MAY 29, 2007

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

Ayes:	Directors Bonilla, Breitfelder, Croucher and Robak
Noes:	None

Abstain: None
Absent: Director Lopez

to approve the minutes of the regular board meeting of June 6, 2007 and special board meeting of May 29, 2007.

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

No one wished to be heard.

INFORMATION / ACTION ITEM

7. UPDATE REGARDING RECYCLED MISCONNECTION AT 871 HAROLD PLACE - FENTON BUSINESS CENTER IN CHULA VISTA (POSADA/RIPPERGER)

PUBLIC COMMENT:

Ms. Amy Wise indicated that she was representing the tenants of the Fenton Business Center and is co-owner of the Candy Bouquet. She stated that they were concerned because they have not received the water test results for the the Fenton Business Center's water service. She indicated that she wished to know why they have not yet been provided this information.

Ms. Jayne Ballard, a tenant of the Fenton Business Center, indicated that she was basically seconding Ms. Wise's comments. She indicated that they do appreciate that the District immediately came in and repaired the misconnection once it was discovered and happy to see that new processes will be implemented to make sure that this situation does not occur again in the future. However, she indicated that she is concerned that some of these processes were not implemented previously. She also is concerned that the tenants are not being provided the water test information that they have been promised. She stated that she did not understand why the District will not provide the information when it would be helpful to them when seeking medical assistance.

General Manager Watton indicated that the District has provided the historical test results from the reclamation plant. He stated that it takes a little time to run tests and the District has just received the results the day before. He indicated that staff is planning to provide the information in the next couple days.

Ms. Ballard indicated that the reports that the tenants were provided initially listed certain metals found in the water and identified coli form bacteria, specifically e. coli. She stated that some of the blood tests have come back positive for e. coli. However, they believe that there are more pathogens in the water besides e. coli and she was interested in knowing if the reports were the same as the ones they have already received or if it is was more in depth in the specific types of pathogens in the water.

General Manager Watton indicated that it would be similar to the report that they have already received, but this test result is of the water from their building. However, if there are specific things their doctors are looking for, the District would be happy to test for those in the water.

It was discussed that the test results provided was a comparison of recycled water to drinking water. They were historical test results which the District's lab had placed in a tabular form as the actual lab reports are hard to interpret. The table provided an easy to read comparison of the reclaimed water test results and how it compared to drinking water standards. He stated that if there are additional items they wished tested, the District would test for those items as well. Ms. Ballard indicated that they would submit a list to the District.

President Croucher indicated that this situation is a very serious matter to the District. He stated that the district wishes to reestablish the customers' confidence in the District and that by no means is the District taking this matter lightly.

STAFFS' REPORT:

Chief of Engineering Rod Posada indicated that staffs' report will be focusing on system safety and improved processes to prevent future misconnections and cross-connections. He stated, as presented in the submitted staff report, it is apparent that Inspections staff did not follow written guidelines that could have prevented the misconnection. He noted that, additionally, a variety of tasks performed by outside stakeholders also contributed to the misconnection. He indicated that the developer of the project made changes to the project during construction that included the installation of a two-inch irrigation lateral that was not shown on the approved plans. The contractor for the developer installed potable service plumbing to the irrigation lateral which was not shown on District records (approved plans) and had requested that the District install a potable water meter on the irrigation lateral. The District's inspector complied without properly following existing written guidelines, which caused the potable service to be misconnected to the irrigation service (an irrigation service which was not shown on district records).

He stated since the misconnection was found, district Operations staff has completed testing of the potable water meters serving critical facilities, such as hospitals, schools and parks as a precaution. He stated that, thus far, 111 potable meters have been tested and no issues have been found. He indicated that staff will continue over the next 30-days to test all residential meters that are close or adjacent to recycled water systems.

The District held a Board Ad Hoc Committee meeting and staff was directed by the Ad Hoc Committee to enhance existing procedures to prevent misconnections in the future and that emphasis should be in developing a "failsafe" methodology. He stated that the committee also directed staff to evaluate purple coating, tagging and stamping on existing and future curb stops on recycled meters and evaluating a program for increasing the inspection of recycled systems for cross-connections for critical facilities

(such as hospitals, parks, public areas) from yearly to quarterly. Staff will also implement a verification test that will be performed after a meter has been installed and will coordinate with the City of Chula Vista for potable water testing prior to the issuance of a certificate of occupancy. He further reviewed in detail additional steps that will be taken to assure that future misconnects/cross-connections do not occur (see attached copy of presentation). He stated that the goal in implementing the new processes is to improve and implement a failsafe methodology for meter installations.

President Croucher indicated that this report was developed at the direction of the board Ad Hoc Fenton Business Center Committee. He stated that the committee is chaired by Director Bonilla and Director Breifelder also serves on the committee. Director Bonilla indicated that he was perturbed that the tenants have not been provided the results of the tests and requested that the first thing the District does is to assure that the tenants receive the water test results. He stated that cost of the tests should not be an issue and he wished the ratepayers to sense the District's urgency to address their issues. He indicated that he would like to see the District respond more quickly because fast, in this instance, is not fast enough. He also shared that the District is discussing increasing the supervision of recycled service connections from yearly to quarterly or possibly monthly and will continue to work on enhancing its processes.

Director Breifelder wished to make a statement and wanted the Fenton Business Center owner and tenants to have a copy of his remarks. He stated, as such, he would like to read his comments into the record (copy of the comments are attached).

Director Robak indicated that his main concern is getting the water test information to the tenants and he wished the tenants to know that, as Director Bonilla has indicated, the board is very concerned about their situation and they wished to do all they can to make the situation right.

Director Lopez indicated that at this moment, every water, state, etc. agency is looking at the District to observe how this situation is handled and the solutions the District develops. He stated that the District must do everything it can to correct this situation and do it "right."

Director Croucher indicated that the District will leave the Ad Hoc Committee in place to continue to respond to this situation and the District will continue to work with the tenants and their concerns.

PUBLIC COMMENT:

Mr. Joe Padilla of 871 Harold Place indicated that he would like to address the protocols presented today by staff. He stated that he hoped that the protocols include how the District would handle the persons affected by any future misconnects or cross connects. He indicated that communication to the tenants on exactly what staff is doing would be helpful as it is difficult for those affected when they are not aware of what is going on. He gave an example which involved his office where he found his sink dismantled and a note left by District staff stating that he should not use the water as the levels were back up, but did not indicate when the situation would be corrected. Yesterday, his sink was

reassembled, but there was no note indicating if it was okay to utilize the water. He stated that the protocols need to address such situations.

President Croucher indicated that the board also felt that communication was important and they would assure that communication does occur.

General Manager Watton indicated that staff would gather the facts specific to Mr. Padilla's suite and staff should have the information by the end of the day. It was noted that there is follow-up testing occurring which will continue through the end of the month.

President Croucher indicated that to assure that the district responds to all the tenants' concerns, it would be helpful if they put their requests and concerns in writing. Staff could then provide the appropriate information in response to their questions or concerns. The requests should be forwarded to either Chief of Administration Rom Sarno or Communications Officer Armando Buelna. President Croucher indicated that staff would insure that the board members receive copies of their correspondence.

CONSENT CALENDAR

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

A motion was made by Director Breitfelder, seconded by Director Bonilla and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve the following consent calendar items:

- a) ADOPT RESOLUTION NO. 4105 APPROVING THE THIRD AMENDMENT TO THE METRO WASTEWATER JOINT POWERS AUTHORITY AGREEMENT REGARDING THE ADDITION OF THE CITY OF CHULA VISTA AS A PARTICIPATING AGENCY
- b) APPROVE THE MITIGATED NEGATIVE DECLARATION FOR THE 1485-1 PUMP STATION REPLACEMENT PROJECT
- c) APPROVE CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH PACIFIC HYDROTECH CORPORATION FOR CONSTRUCTION OF THE 640-1 AND 640-2 RESERVOIRS PROJECT IN THE AMOUNT OF \$116,562

- d) FISCAL YEAR 2007 STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
- e) ADOPT ORDINANCE NO. 512 AMENDING SECTION 2.01, "AUTHORITY OF THE GENERAL MANAGER" OF THE OTAY WATER DISTRICT CODE OF ORDINANCES TO DELEGATE TO THE GENERAL MANAGER POWER TO TAKE CERTAIN ACTIONS IN CONNECTION WITH A DECLARED EMERGENCY INCLUDING EXECUTING AND AWARDED, WITHOUT BIDDING, CERTAIN CONTRACTS NECESSARY TO RESTORE THE NORMAL DISTRICT SERVICES
- f) PRESENTATION OF BOARD OF DIRECTOR'S EXPENSES FOR THE 4TH QUARTER OF FISCAL YEAR 2007
- g) REVIEW THE DISTRICT'S INVESTMENT POLICY (POLICY NO. 27) AND RE-DELEGATE AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION 35607
- h) ADOPT RESOLUTION NO. 4106 TO ELECT THREE REPRESENTATIVES TO THE SPECIAL DISTRICT RISK MANAGEMENT ASSOCIATION'S (SDRMA) BOARD OF DIRECTORS
- i) CONSIDER CASTING A VOTE TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS, REGION 6, SEAT B
- j) CONSIDER CASTING VOTES TO ELECT A CHAIR, VICE CHAIR AND FIVE (5) BOARD MEMBER REPRESENTATIVES TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD OF DIRECTORS REPRESENTING REGION 10

INFORMATION / ACTION ITEMS

9. FINANCE AND ADMINISTRATION

- a) ADOPT RESOLUTION NO. 4110 APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE DISTRICT AND THE OTAY WATER DISTRICT EMPLOYEE'S ASSOCIATION, APPROVING THE SAME PROVISIONS AS WELL AS OTHER SPECIFIC BENEFITS FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES, APPROVING RECOMMENDATIONS OF THE COMPENSATION STUDY, APPROVING AMENDMENTS TO POLICIES 22 AND 24, AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS (WILLIAMSON)

- b) ADOPT RESOLUTION NO. 4111 FOR THE DISTRICT TO PARTICIPATE IN SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S MEDICAL BENEFITS PROGRAM (WILLIAMSON)
- c) APPROVE THE TRANSFER OF \$408,000 FROM THE RETIREE HEALTH RESERVE TO THE GENERAL FUND (WILLIAMSON)

Human Resources Manager Kelli Williamson indicated that at the beginning of the negotiations process, the board appointed an Ad Hoc Negotiations Committee consisting of President Gary Croucher and Vice President Jose Lopez. The District also contracted Mr. Dan Cassidy of Liebert Cassidy & Whitmore as lead negotiator for the District. She stated that staff and Mr. Cassidy met several times with the Ad Hoc Negotiations Committee throughout the negotiations process. The Ad Hoc Committee reviewed the process for negotiations and discussed parameters and strategies. The committee also reviewed in detail the results of the compensation study conducted by Johnson and Associates, various health care plan options, represented and unrepresented management and confidential employee benefits, retiree healthcare and options for retiree health coverage for tier III employees (employees hired after 1993), proposed policy and language revisions and a communication plan for employees and the Districts retirees as staff would be recommending changes to the District's healthcare plan. She reviewed, in detail, the MOU agreement and language changes, healthcare recommendations, and other benefits and services such as considering a new third party administrator (TPA) [see attached copy of presentation]. Staff is recommending Delta Health or Health Comp as proposed TPA vendors. The dental plan will continue to be self-insured, but managed by the new TPA. The TPA will also handle COBRA/Retiree Billing Administration and the flexible spending accounts. The District also plans to switch its life insurance provider to obtain better rates. It is planned that the new TPA will be in place by January 1, 2008.

Human Resource Manager Williamson indicated that it is not anticipated that the negotiated benefits will affect projected water rates over the next six years. This includes all benefits for all active and retired employees. She requested that the board approve item 9a, b and c as proposed in staffs' report.

Director Robak expressed concern in voting on this item as he felt he did not have enough information to vote. He requested a copy of the class and compensation study and indicated that while he is certain that the District has reached a well thought out agreement and he does not question the validity of the study, he would have liked to see the study and receive more information prior to voting.

Director Bonilla indicated that the purpose of the Ad Hoc Committee is to inform the board and he felt that the board has been informed through this report and feedback he has received over the last few months. He stated that he felt that he had enough information to vote.

Director Croucher indicated that he believes that there is a difference in opinion with regard to the committee process. He indicated that the board had provided the Ad Hoc Committee parameters for negotiations and because they had stayed within those parameters, the committee felt comfortable presenting the negotiations agreement to the full board. He stated that had the committee gone outside the parameters, they would have brought the item back to the board for further discussion prior to requesting the board's approval of the negotiated agreement.

Director Breitfelder indicated that he also had not received much information on this item and he felt that is was more of a communications breakdown than anything else. He indicated that while he is a proponent in assuring directors have the information they need in advanced to making a decision, he asked that the item not be referred back to committee. He stated he felt that the committee handled the negotiations appropriately, though it would be helpful in receiving communications periodically as negotiations progressed. He inquired in the consequences of not voting on this item today.

General Manager Watton indicated that the consequences for management and staff would not be positive as management and the employee association has negotiated in good faith and employees are anticipating an action today.

Director Breitfelder inquired based on this, if Director Robak would agree to move forward with a vote on this item.

Director Robak indicated that he would agree to vote on this item with the understanding that he be provided the information following the vote. He stated that he had full confidence in his fellow board members and staff, but he would prefer to be informed prior to voting on any item.

A motion was made by Director Breitfelder, seconded by Director Bonilla and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve items 9a, b c as recommended by staff.

RECESS TO CLOSED SESSION

10. CLOSED SESSION

President Croucher requested that the closed session discussion be moved up on the agenda and proposed that it be the next item discussed. The board concurred.

The board recessed to closed session at 4:45 p.m. to discuss the following matters:

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (i) HARRON v. OTAY WATER DISTRICT
- b) ANTICIPATED LITIGATION (GOVERNMENT CODE §54956.9)

1 CASE
- c) CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE §54957.6)

AGENCY DESIGNATED NEGOTIATORS:
DAN CASSIDY, LIEBERT, CASSIDY AND WHITMORE
KELLI WILLIAMSON

EMPLOYEE ORGANIZATION:
OTAY WATER DISTRICT EMPLOYEE ASSOCIATION

ALL UNREPRESENTED PERSONNEL INCLUDING
MANAGEMENT
AND CONFIDENTIAL EMPLOYEES

RETURN TO OPEN SESSION

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

The board reconvened from closed session at 5:29 p.m. General Counsel, Yuri Calderon reported there were no reportable actions taken in closed session.

Director Bonilla left at 5:29 p.m.

- 12. ENGINEERING AND WATER OPERATIONS

- a) CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR-END 2007
UPDATE (RIPPERGER)

Sr. Civil Engineer Ken Simmons presented an update on the District's Capital Improvement Program (CIP) for fiscal year-end 2007. He indicated that the District prepared a rolling six-year CIP. He indicated that the FY 2007 program consisted of 91 projects totaling \$37.1 million. He stated that the projects are broken down into the following four categories:

- Capital Facilities \$28.1 million
- Replacement/Renewal \$ 3.9 million
- Capital Purchases \$ 1.7 million
- Developer Reimbursements \$ 3.4 million

He indicated that overall expenditures through the end of FY 2007 totaled approximately \$32.4 million which is 87% of budgeted expenditures for FY 2007. He indicated that the District exceeded the strategic plan target of 75%. He stated that the construction change order at fiscal year end was -0.31%.

Sr. Civil Engineer Simmons presented a map showing the location and status of major District projects (see attached copy of presentation) and reviewed the completed flagship projects which included the 450-1 recycled reservoir, 680-1 recycled pump station and the 30-inch recycled water pipeline. He also reviewed the flagship projects in construction and design phases and the progress made on major projects. He noted slides with details on the consultant contract status and expenditures on individual projects.

13. BOARD INFORMATION / ACTION ITEMS

- a) CONSIDER CASTING VOTES TO ELECT NINE (9) SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBERS AND AN ALTERNATE SPECIAL DISTRICT MEMBER ON THE LOCAL AREA FORMATION COMMISSION (LAFCO)

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

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to reelect Mr. John Ingalls as Alternate LAFCO member and vote for all nine candidates listed on the ballot for the Special District's Advisory Committee.

- b) CONSIDER NOMINATING DISTRICT REPRESENTATIVES TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' (ACWA) COMMITTEES

General Manager Watton indicated that this item was reviewed by the Finance, Administration and Communications Committee at a meeting held on August 22, 2007. The committee did not make a recommendation, but placed the item on the agenda should there be board members interested in serving on any of the ACWA committees. The board referred the item back to the Finance and Administration Committee to make recommendation.

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

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to authorize the Finance, Administration and Communications Committee to make the District's nominations on behalf of the full board.

c) DISCUSSION OF 2007 BOARD MEETING CALENDAR

General Manager Watton noted that a Special Board Meeting/Board Workshop has been scheduled on October 9, 2007.

There were no changes to the Board meeting calendar.

REPORTS

14. GENERAL MANAGER'S REPORT

General Manager Watton indicated Director Bonilla had suggested that the discussion on local investment opportunities be referred to the Finance, Administration and Communications Committee for recommendation to the board. The board concurred.

He noted that the District provided the City of Chula Vista's City Manager Garcia, Councilman Rindone, Chief Ghio of San Miguel Fire Department and Director Lopez a tour of the District. City Manager Garcia was very interested in not only touring the District from the air, but also looking at the maps and learning where our water supply comes from. He indicated that Councilman Rindone was particularly taken by the view and the lay out of the developments within the District. It was a successful tour.

He indicated that the Bay Delta Water system is going to be a continuing news item and something that will shape our future with regard to water supply, revenues, etc. He stated that the issue will be agendized for discussion at the October 9, 2007 board workshop.

He noted that water fluoridation will be delayed until November 2007. He indicated that the delay is due to a technical issue at Metropolitan Water District (MWD). MWD is working on getting the equipment in place in order to begin fluoridation.

He indicated that Strategic Planning workshops are being scheduled with staff to focus on developing the FY09-11 Strategic Plan.

He asked Chief Financial Officer Joe Beachem to present on the awards that were recently received by his department. Chief Financial Officer Beachem indicated that in the past year staff has been focused on updating the District's financial policies and procedures. He stated that staff had submitted both the debt and investment policies for award consideration to the Association of Public Treasurers of the United States and Canada and both policies have received "Certificates of Excellence" awards. General Manager Watton added that a couple of financial policies will be presented to the board in the next few months, which will complete the suite of finance policies.

General Manager Watton noted that the Prop 218 notices have been mailed to customers. He stated that the hearing date for the proposed rate increases has been scheduled during the October 3, 2007 board meeting. He noted that ten (10) letters of protest have been received, thus far.

He shared that the District demonstrated its AMR program and provided a tour to the City of Tijuana's Water Department (CESPT). He stated that the City of Tijuana is interested in utilizing AMR within their city and wished to hear what the District has learned since moving to AMR. He indicated that a representative from Master Meters also attended.

a) SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) UPDATE

General Manager Watton indicated that CWA is focused on the Bay Delta issues. He indicated that they have received presentations from MWD and CWA staff attended the last meeting of the State Department of Water Resources Committee. He noted that this issue will be agendized for presentation at the October 9, 2007 board workshop.

President Croucher indicated that with regard to the MWD delegates report, they are waiting upon the judge's decision with regard to the Bay Delta pumps (shutting them down). He stated that the final decision does not become permanent until October 22, 2007 at which time there will be decisions made as to next steps (litigation, etc.). He indicated that there have been discussions of halting all annexations. He noted that water agencies can decide to halt all annexations, however, cities have the power to move forward with annexations regardless. He stated that this issue will also be discussed at the October 9, 2007 board workshop.

15. DIRECTORS' REPORTS/REQUESTS

Director Breitfelder indicated with regard to the San Diego Taxpayer's Association event on August 21, 2007 that a representative of the agricultural industry spoke of the interrelationship between their industry's continued existence and land fallowing. He stated that it is believed that, at some point, the land would be developed and would equate to many new homes requiring water. He indicated with regard to the model ordinance, that it is geared more toward water efficient landscaping. He stated that the Model Ordinance Committee

discussed the possibility of having the ordinance also apply to individual single family residences as residential landscapes are where a huge percentage of water is consumed. He indicated that if developers install landscapes that are not water efficient, it is ten times harder to convert the landscapes to water conserving than if it were installed from the beginning. He stated that he was happy to see the Building Industry Association become proactive on this issue and it was not surprising to see many governmental agencies arguing against doing so as it tends to be more controversial. He stated he, however, was disappointed to see CWA vote against the issue.

He also noted that he attended the Metro Commission meeting on behalf of Director Robak. He stated that he found it interesting that there was a certain amount of friction between the board members and support staff. He noted that there also seems to be a difference in philosophy between the City of San Diego and the rest of the commission board members. General Manager Watton indicated that the conflict goes back to the 1990's when the commission was being implemented. He indicated that the City of San Diego has been making it very clear who is controlling the sewer system as they pay the majority of the bills. He indicated that by the City of Chula Vista joining the Metro, they will become a large contributor as they will also pay a large portion of the Metro's bills. He indicated that their joining may be a positive force for the dynamics at the Metro Commission meetings.

Director Breitfelder also mentioned that the Water Conservation Garden (WCG) will be losing its board secretary. He indicated that he understands that the agency, from which the WCG board president represents, generally provides the board secretarial support. He suggested that the District provide the support as has been the practice in the past. President Croucher indicated that the District has provided a one time payment to the Garden to cover the cost for the board secretarial support as the District did not have staff to provide the support due to work load. It was suggested that this item be agendaized for discussion by the District's Finance, Administration and Communications Committee. The board concurred.

He lastly thanked the staff who handled the Olympic Parkway situation and Human Resources Manager Kelli Williamson and her staff for their success in negotiating a five-year agreement with the District's employee association.

Director Lopez indicated that the Bay Delta issue is exposing the fact that there is a lot of misunderstanding of where the San Diego region's water is imported from. It seems that many believe our water comes from the Colorado River only. He indicated that the District must educate and encourage other City of Chula Vista council members and other agency members to get active in the water issues. He stated that the board, as ambassadors, must also get active. He noted that he is looking forward to attending the WateReuse conference based on the current water issues and will be attending with a different viewpoint/interest.

Director Robak indicated that Caltrans had originally planned to put in recycled pipe within Highway 94's landscape between the exits of Bancroft and Avocado. However, Caltrans will no longer be installing the recycled pipeline. He noted that the District worked with Caltrans to install the irrigation system so that it would be easy to convert the system to recycled should recycled water become available to the area. He also mentioned with regard to the CIP map, if it can be available on the Director's extranet for viewing by the board. Chief of Information Technology Geoff Stevens indicated that it can be made available as requested.

16. PRESIDENT'S REPORT / REQUESTS

President Croucher indicated that the San Diego Fire Expo Day will be held on September 8, 2007 at the Otay Ranch Shopping Center. He indicated that the District will be participating in the Fire Expo. It is a community event and all are invited to attend.

He noted that the District took a large hit today with regard to the misconnection. He indicated that the District is always looking for innovative ways to diversify its water resources and one of those ways is through recycled water. He stated that the board stands up tall when the District receives awards and it must also stand tall and take the hits as well. He indicated that the board stands by staffs' side and stands strong behind General Manager Watton.

17. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 6:12 p.m.

President

ATTEST:

District Secretary

Director Breitfelder's comments as referenced on page 4 of the minutes of the September 5, 2007 board meeting:

No one will be left behind. We must move very briskly on this matter. This hasn't been an easy or pleasant experience for anyone. We're all embarrassed and I think we feel we let down the people associated with the Fenton Business Center and the community at large. Institutionally, I think that's appropriate.

That's not the whole story though. Sometimes we all get so close to the trees that it's easy to forget the forest. This recycled water system we possess is so vast it's almost unique. How many inspections and hook ups have we had over the last 10 years without incident. I doubt anyone knows off the top of their head because there's just too many.

If an entity does anything enough times, human error on the part of one or a few individuals and unlikely events –even a series of them are going to happen. We call it luck, but it's really just probabilities catching up with us – and they always will.

I think the district demonstrated collective character in taking responsibility with no excuses. Being open and forthcoming with everyone and *working together* wholeheartedly to correct the problem in such a way that it **never** happens again.

I find wisdom in the old saying that, "Anyone can look good while everything is breaking their way. True champions are defined by how they respond to adversity." I've always been very proud to be associated with this institution and the many people who have contributed to making it great.

The next thing I'm going to say is maybe too much of a cliché, but I cannot think of a better way to say it. As I see it, everyone has come together and worked together in a very extraordinary way to make the best out of this very difficult situation. In the sense of coming together and everyone working together to prevail over adversity, certainly for the years that I have been here, these last few weeks have been the District's finest hours. We just have to move forward and not leave the people that were subjected to this situation behind and bring this situation to its proper conclusion.

AGENDA ITEM 4

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OTAY WATER DISTRICT August 20, 2007

1. The meeting was called to order by President Croucher at 4:54 p.m.

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez and Robak

Directors Absent: None

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

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

No one wished to be heard.

INFORMATION / ACTION ITEMS

4. RECYCLED WATER CROSS CONNECTION AT 871 HAROLD PLACE, CHULA VISTA, CALIFORNIA

General Manager Watton indicated that the connection should be termed a "misconnection" as opposed to a "cross connection." He stated that a cross connection would indicate that the recycled water system was "cross connected" to the potable system which can risk contamination of the potable system. This situation is a "misconnection" in which the buildings' potable water services, unfortunately, was misconnected to the recycled system. He indicated that staff is in the process of reviewing how the misconnection occurred and, most importantly, what the District must do in the future to change its protocols and procedures to assure that this situation does not occur again. He stated that the District had thought that it had a procedure in place that would prevent such an incident, but this situation has proven that it requires enhancements.

Engineering Manager Ron Ripperger indicated that the District received a series of phone calls from the tenants and property owners of the Fenton Business Center located at 871 Harold Place, Chula Vista, complaining of poor water quality. Otay staff responded with the standard procedure of flushing the water mains each time.

Following the fourth call concerning water quality from the Fenton Business Center on August 17, staff discovered that the potable service lateral installed by a contractor was connected to a recycled water main. Staff then immediately notified the tenants that they should not drink the water and also posted "Do not Drink the Water" signs on the front doors of each of the office suites. He indicated that the recycled service to which the lateral was connected was misinterpreted as a potable water service meter.

He stated that the District is planning a full investigation and response to this incident. He stated that staff believes that this is the only incident within the District's service area, however, staff is preparing a database with a list of projects for further testing. Staff is also developing a number of new guidelines to strengthen procedures. The new procedures will include reviewing several parameters before signing off on a pipeline installation and releasing a meter for setting to ensure connection to a potable main. The new parameters will also include painting curb stops either blue or purple to clearly identify potable or recycled service laterals, conducting pressure tests to verify the system's pressure zone (either potable or recycled), and perform TDS and chlorine testing to determine if the water is potable or recycled prior to meter installation.

Engineering Manager Ripperger then presented a slide showing the location of the Fenton Business Center. General Manager Watton indicated that the tenants were mainly commercial businesses (a tile shop, electrical sign manufacturer, etc.) and two food related businesses. A candy store that is more commercial (they do not produce candy at their facility) and a business in which clients prepare dinners for their families.

There was more detailed discussion concerning how the potable water service of the Fenton Business Center was mistakenly connected to a recycled service line. From the information that the District had thus far uncovered, it was indicated that the Center was built in two phases and there were some discrepancies in the plans with regard to the water service lines. The discrepancy between the plans was one of the causes for the misconnect.

There was also discussion regarding the four calls received from the Fenton Business Center tenants from July 27, 2007 through August 17, 2007 prior to the misconnection being discovered. The District had never encountered a misconnected service and had responded with the standard procedure when there are water quality issues of flushing the mains. This protocol was followed in response to two different calls and water quality seemed to have improved following the flushing. The tenants made a third call and staff checked the buildings' backflow device and its internal water system. The tenants called a fourth time and indicated that they had sent samples of the water from the building to be tested by a lab. The lab results showed a TDS reading that was higher than potable water. The test suggested that there may be a misconnection or cross connection. To verify, staff reduced the pressure in the recycled water system when the water pressure in the building also dropped, staff realized, unfortunately, there was a misconnection.

There was a discussion of how the buildings water pipes can be disinfected. It was indicated that the lines are pumped with highly chlorinated water and flushed according to the American Water Works Association standards. Samples are then taken and tested to assure that the water is safe. Sample will be taken and tested periodically through Thursday of next week to assure that the water continues to be safe. It was noted that the health department has agreed to this action plan in disinfecting the center's system. It is hoped that the buildings will be released on Thursday.

It was indicated that two of the tenants (candy and food related businesses) have had their businesses interrupted until the tests are completed. The District has provided drinking water and a potable water dog to the tenants. The District also connected the building water system to a highline to allow the tenants to utilize their toilets.

Director Breitfelder inquired how, as water professionals, does staff mistakenly misconnect a buildings potable service to a recycled service line. Chief of Engineering Rod Posada indicated that staff is just as dumbfounded as everyone. He stated that staff regrets that such a situation occurred. It was discussed that staff is still reviewing the District's records and did not wish to speculate on how it exactly occurred. Staff realizes, though it is operating at industry standards, there are areas that need to be reviewed and processes enhanced. As soon as the District completes its investigation, staff will provide a full report to the board. It is expected that the report should be completed by the next meeting of the board.

President Croucher indicated that this special meeting was called to assure that the Directors and public receive the information that the District has been able to determine to this time. He stated that a closed session has also been agendaized should there be any legal matters requiring addressing.

General Manager Watton indicated that staff will be meeting with the Fenton Business Center owners and tenants the following day to answer their questions, provide them the latest updates on when the buildings are expected to be released by the health department, and to share information on how to file a claim with the District.

It was noted that the full business park development was tested to assure there were no other misconnections throughout the development. It was confirmed that there were no other misconnections.

President Croucher requested in preparation for discussion of this matter at the next board meeting that the board provide staff with their questions prior to the board meeting so that staff can prepare responses. President Croucher suggested that staff provide a flow chart of the details of the meter installation process.

Director Robak indicated that he was also interested in knowing how the Fenton Business Center's system was inspected. Director Lopez indicated that he was interested when the thrust blocks were installed. Director Lopez also wished to clarify if it was the tenants that had the lab test the buildings water. General

Manager Watton indicated that they believe that the tenants did have some lab work done and staff is seeking the actual results. Staff is not certain exactly what they have and the tenants indicate that they will supply a copy to the District. General Manager Watton also noted that staff is putting together a press release regarding this situation.

General Counsel Calderon indicated as there were no issues for discussion in closed session.

5. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting in at 5:31 p.m.

President

ATTEST:

District Secretary



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	W.O./G.F. NO:	9481, 9482 DIV. NO. 4
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Reimbursement Request with McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Spa 2, Village 6 Development, PL 16-Inch, 711 Zone,, Birch Road - La Media/SR 125 (CIP P2435(W101)), for the amount of \$215,418		

GENERAL MANAGER'S RECOMMENDATIONS:

That the Otay Water District's (District) Board approve the request to reimburse McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Spa 2, Village 6 Development, PL 16-Inch, 711 Zone, Birch Road - La Media/SR-125 (CIP P2435(W101)), for the amount of \$215,418.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to reimburse McMillin Otay Ranch, LLC, for work completed and associated with McMillin Otay Ranch Village Spa 2 Village 6, PL 16-Inch, 711 Zone,, Birch Road - La Media/SR-125 (CIP P2435(W101)). At the May 1, 2002 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement (Exhibit 1) with McMillin Otay Ranch, LLC, for the various pipeline capital improvements associated with Otay Ranch Spa 2, Village 6 Development.

ANALYSIS:

On May 29, 2002, the District entered into a Reimbursement Agreement with McMillin Otay Ranch, LLC (the "Reimbursement Agreement") for regional water facilities within the Otay Ranch Spa 2, Village 6 Development, PL 16-Inch, 711 Zone,, Birch Road - La Media/SR-125 (CIP P2435(W101)) McMillin Rolling Hills Ranch Development. CIP P2435 (W101) was included within the Sub-Area Master Plan (SAMP) dated September 2001 and subsequently included in the Reimbursement Agreement.

McMillin Otay Ranch, LLC submitted its reimbursement request on July 2, 2007, along with the necessary invoices from the lowest responsive bidder for a total amount of \$215,418. After Staff evaluation, Staff concurred with the \$215,418 reimbursement request. This project was listed in the District's Five-Year CIP Plan, as well as on the approved SAMP.

Staff used the following methodology to evaluate the reimbursement request submitted by McMillin Otay Ranch, LLC:

- (a) prepared a quantity take-off (see Attachment 1);
- (b) price verification comparison (see Attachment 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3).

After reviewing the budget for the CIP projects included in the McMillin Otay Ranch, LLC request dated July 2, 2007, Staff compared the budget for FY08 and found that this project had sufficient funds to be reimbursed.

FISCAL IMPACT:



The total budget for CIP P2435, as approved in the FY2008 budget, is \$280,000. Expenditures to date are \$287.00. Total expenditures, plus outstanding commitments and forecast to date, are \$215,705. The Project Manager anticipates that based on the attached spreadsheet the budget will be sufficient to support this project.

Finance has determined that 100% of the funding is currently available from the Expansion Fund.

STRATEGIC GOAL:

This project supports the District's strategic goal of satisfying current and future recycled water needs. The pipeline will transmit recycled water to central area system market areas.

LEGAL IMPACT: _____

None.

A handwritten signature in black ink, appearing to read "Mr. [unclear]", is written over a horizontal line.

General Manager

P:\Public-s\STAFF REPORTS\BD 11-10-07, Staff Report, McMillin Otay Spa 2 Ranch, Village 6 Dev, Reimbursement Agmt (CIP P2435 (W101)), (DC-RP).doc

DC/RP:jf

- Attachments: Attachment A
 Attachment 1
 Attachment 2
 Attachment 3
 Exhibit 1



ATTACHMENT A

SUBJECT/PROJECT: 9481, 9482	Reimbursement Request with McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Spa 2, Village 6 Development, PL 16-Inch, 711 Zone,, Birch Road - La Media/SR 125 (CIP P2435(W101)), for the amount of \$215,418
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at the meeting held on October 29, 2007. The following comments were made:

- Staff indicated that the Board approved the original reimbursement agreement with McMillin Otay Ranch, LLC on the May 1, 2002 Board meeting for the project known as McMillin Otay Ranch Spa 2, Village 6 Development, PL 16-Inch, 711 Zone at Birch Road and La Media/SR 125.
- McMillin Otay Ranch submitted a reimbursement request on July 2, 2007 under the agreement in the amount of \$215,418. Staff thoroughly reviewed the request and recommends that the District reimburse McMillin Otay Ranch in the amount of \$215,418.
- There was discussion regarding an increase in the number of reimbursement requests. Staff indicated that Developers have recently submitted more requests than in the past.

Upon completion of the discussion, the Committee supports staff's recommendation and forwarding to the Board of Directors on the consent calendar.

**QUANTITY TAKE-OFFS
MCMILLIN REIMBURSEMENT AGREEMENT
CIP P2435 Phase 1-2**

PROJECT: PL 16", 711 ZONE, BIRCH ROAD FROM LA MEDIA TO SR 125
(COSTS ASSOCIATED WITH SEGMENT OF BIRCH ROAD FROM MAGDALENA TO SR 125)

CONTRACTOR: TC CONSTRUCTION

Description	Mcmillin Requests	Otay Quantity	Staff Recommendation
Main PVC CI 165 16" Birch Ph. 1	1,530	1,530	1,530
Main PVC CI 165 16" Birch Ph. 2	2,100	2,100	2,100
Water ARV 04" Birch Ph. 1	1	1	1
Water ARV 04" Birch Ph. 2	2	2	2
Water Blow Off 04" Birch Ph. 1	2	2	2
Water Blow Off 04" Birch Ph. 2	1	1	1
Water Butterfly Valve 16" Birch Ph.1	3	3	3
Water Butterfly Valve 16" Birch Ph.2	2	2	2
Water End Cap 16" Birch Ph. 2	1	1	1

Reviewed By: David T. Charles
David Charles
Public Services Manager

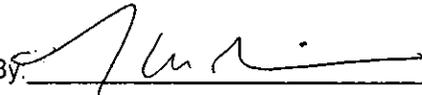
Date: 10/11/07

**PRICE VERIFICATION
MCMILLIN REIMBURSEMENT AGREEMENT
CIP P2435 Phase 1-2**

PROJECT: PL 16", 711 ZONE, BIRCH ROAD FROM LA MEDIA TO SR 125
(COSTS ASSOCIATED WITH SEGMENT OF BIRCH ROAD FROM MAGDALENA TO SR 125)

CONTRACTOR: TC CONSTRUCTION

Description	McMillin Requests	Otay Verification	Comments
Main PVC CI 165 16" Birch Ph. 1	\$42	\$42	As bid-as billed.
Main PVC CI 165 16" Birch Ph. 2	\$43	\$43	As bid-as billed.
Water ARV 04" Birch Ph. 1	\$6,100	\$6,100	As bid-as billed.
Water ARV 04" Birch Ph. 2	\$6,100	\$6,100	As bid-as billed.
Water Blow Off 04" Birch Ph. 1	\$4,400	\$4,400	As bid-as billed.
Water Blow Off 04" Birch Ph. 2	\$4,400	\$4,400	As bid-as billed.
Water Butterfly Valve 16" Birch Ph.1	\$3,500	\$3,500	As bid-as billed.
Water Butterfly Valve 16" Birch Ph.2	\$4,000	\$4,000	As bid-as billed.
Water End Cap 16" Birch Ph. 2	\$600	\$600	As bid-as billed.

Reviewed By: 
Ken Simmons
Senior Civil Engineer

Date: 10/11/07

REIMBURSEMENT AGREEMENT
Between
THE OTAY WATER DISTRICT AND THE MCMILLIN OTAY RANCH, LLC
For
CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES
Associated With
OTAY RANCH SPA 2, VILLAGE 6 DEVELOPMENT

This reimbursement agreement ("Agreement") is entered into as of this 29th day of May, 2002, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter referred to as "the District") and McMillin Otay Ranch, LLC, a Delaware Limited Liability Company (hereinafter referred to as "the Developer"), in view of the following facts and for the following purposes:

R E C I T A L S

A. WHEREAS, the District's Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (CIP) for all regional water facilities throughout the District. There are a number of regional water facilities within and adjacent to the Otay Ranch SPA 2, Village 6 development within the City of Chula Vista; and

B. WHEREAS, the Developer completed a Subarea Master Plan (SAMP) entitled "Subarea Water Master Plan of Potable and Recycled Water for Otay Ranch SPA 2 Village 6," dated October 8, 2001, that requires certain CIP regional water facilities ("facilities") to be constructed to service the development and surrounding areas (see Exhibits A-1 and A-2); and

C. WHEREAS, the Developer intends to develop its property, which will include substantial public improvements, including certain regional water facility projects listed within the District's CIP (see Exhibit B); and

D. WHEREAS, the Developer recognizes that the District constructs regional facilities to support this development, typically in advance of the Developer paying all capacity fees; and

E. WHEREAS, the Developer shall conform to all of the conditions set forth in the District's Policy 26 (see Exhibit C); and

F. WHEREAS, the Developer shall comply with all terms and conditions in the current District Code of Ordinances and in the District's Standard Specifications; and

G. WHEREAS, the Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this Agreement.

NOW THEREFORE, the District and the Developer agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated by reference.

2. Project Cost. The Developer shall design and construct the CIP facilities described in Exhibit B, providing all funds needed for their design and construction.

3. Reimbursement. The Developer shall be entitled to reimbursement consistent with the District's Policy No. 26A. When a project is operationally complete, the Developer may request reimbursement for up to 90% of the facility cost by providing invoices, unconditional lien releases, and other documentation supporting the work completed and actual costs incurred. The remaining 10% may be reimbursed after the District accepts the facilities. The District may elect to provide reimbursement by crediting actual costs towards the District's capacity fees associated with purchasing a meter.

4. Plan Approval. Developer shall be required to adhere to the District's process for submittal of improvement plans, which includes bonding for all facilities to be constructed, construction agreements, deposits for District staff time and project acceptance.

5. Record Keeping. The Developer shall keep an accurate record of the actual cost to construct the CIP facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. The Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation

shall be kept by the Developer for three (3) years after the completion of the facilities and be provided to the District for its review upon its request.

6. Change Orders. All change orders must be approved in writing by the Developer and the District. The Developer shall notify the District of the need for a change order and the District shall either approve or reject said change order in writing and in accordance with the latest District Code of Ordinances, Section 2.01.D. The District's approval shall not be unreasonably withheld.

7. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

8. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by express mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096
Attn: General Manager

If to the Developer: Mr. Robert A. Pletcher
McMillin Otay Ranch, LLC
2727 Hoover Avenue
National City, California 91950
Telephone: 619-477-4117
Facsimile: 619-336-3112

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

9. Indemnity. Each party agrees to defend, indemnify, protect, and hold harmless the other party and its agents, officers, and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers which arise from or are connected with or are caused or claim to be caused by the negligent acts or omissions or willful misconduct of the party's agent, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The District and the Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

10. Arbitration and Attorney's Fees. If there is a dispute concerning this Agreement or arising out of this Agreement, the parties agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three (3) arbitrators.

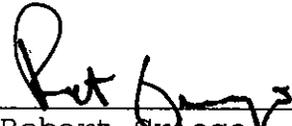
In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

11. Successors in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to

this Agreement shall be vested and binding on their successors in interest.

IN WITNESS WHEREOF, this Agreement is executed by the District and by the Developer as of the date first above written.

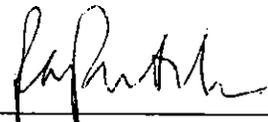
OTAY WATER DISTRICT
A California Municipal Water District

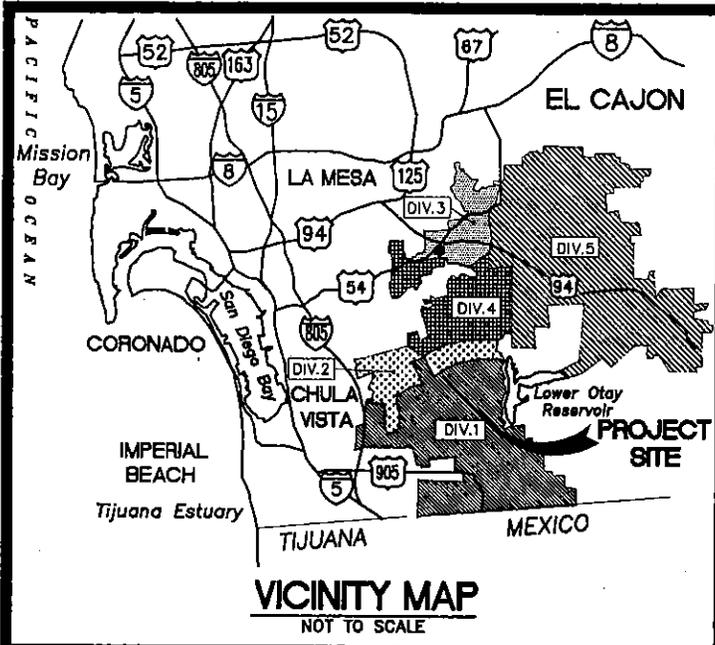
By 
Robert Grego
General Manager

MCMILLIN OTAY RANCH L.L.C.
A Delaware Limited Liability Company

By McMillin Companies, LLC
A Delaware limited liability company
Its: Managing Member

By: 
Its: VICE-PRESIDENT

By: 
Its: Vice President

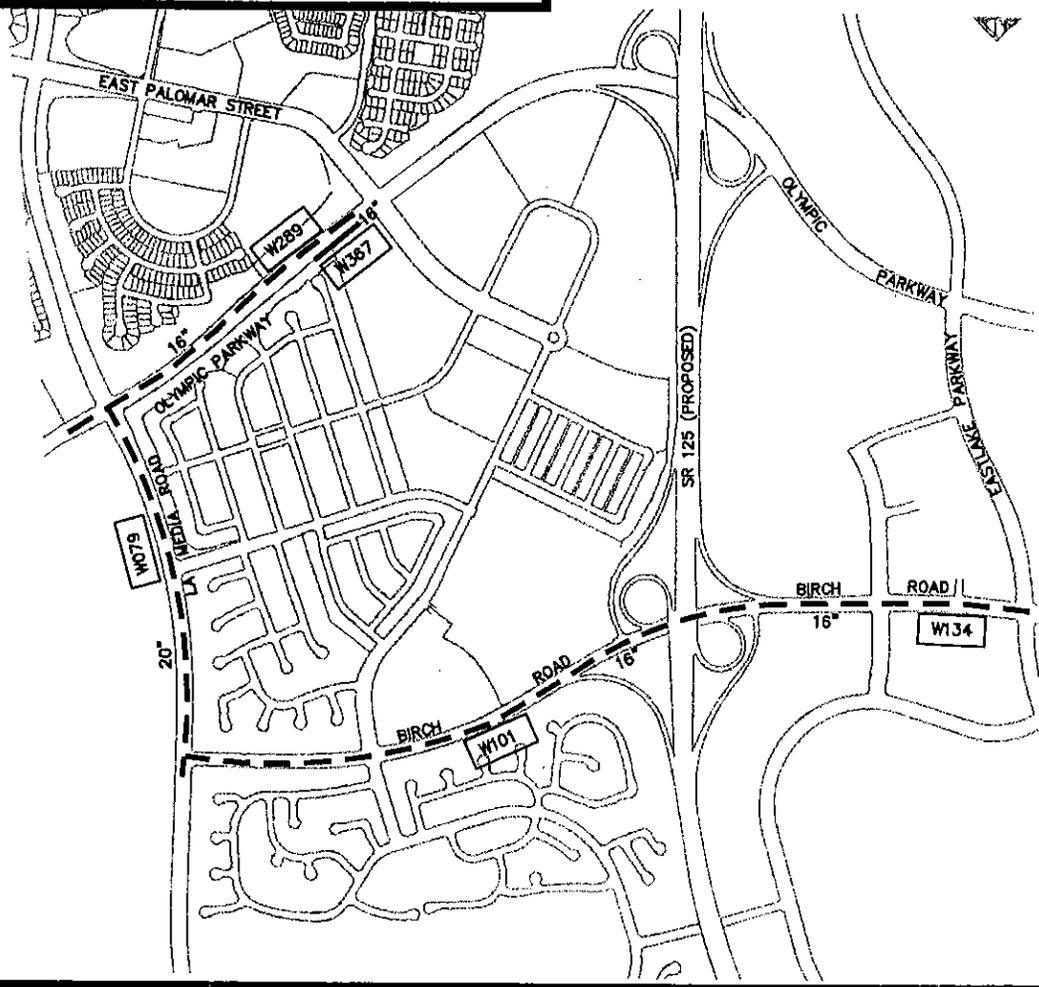


POTABLE WATER



LEGEND

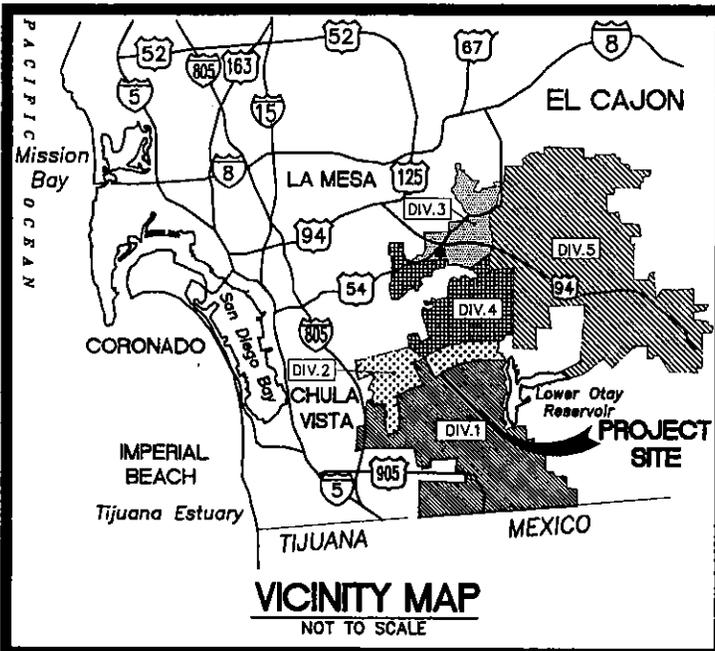
-  PROPOSED 711 ZONE PIPELINE
-  PROPOSED 980 ZONE PIPELINE
-  CIP NUMBER



OTAY WATER DISTRICT
 AGREEMENT WITH McMILLIN OTAY RANCH L.L.C.
 FOR POTABLE WATER CIP FACILITIES
 McMILLIN OTAY RANCH SPA 1, VILLAGES 1 AND 5 DEVELOPMENT
 W.O. 8342 LOCATION MAP CIP# VARIES

EXHIBIT A-1

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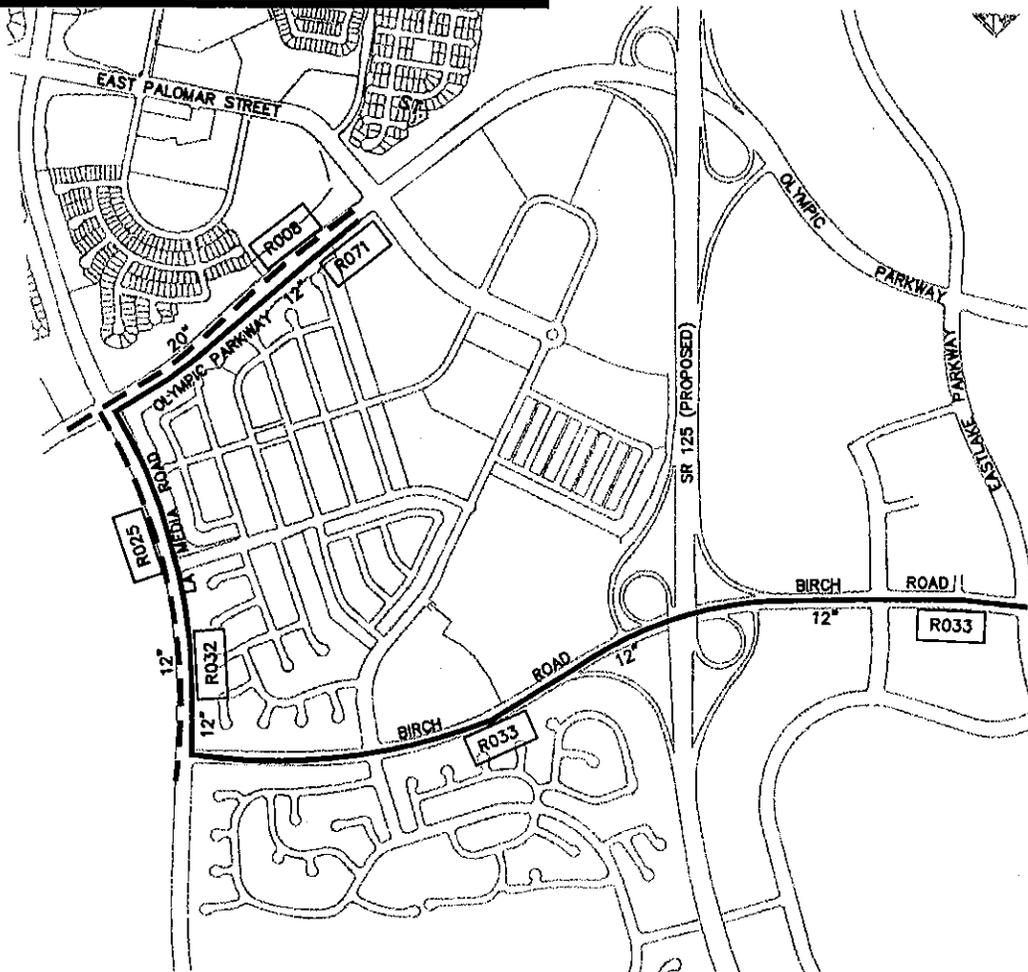


RECYCLED WATER



LEGEND

-  PROPOSED 680 ZONE PIPELINE
-  PROPOSED 944 ZONE PIPELINE
-  CIP NUMBER



OTAY WATER DISTRICT
 AGREEMENT WITH McMILLIN OTAY RANCH L.L.C.
 FOR RECYCLED WATER CIP FACILITIES
 McMILLIN OTAY RANCH SPA 1, VILLAGES 1 AND 5 DEVELOPMENT
 W.O. 8342 LOCATION MAP CIP# VARIES

P:\VDRKING\08342\McMillin\Exhibit A-1 revised.dwg 04/02/02 11:04:49 AM PST

EXHIBIT A-2

REIMBURSEMENT SUMMARY SHEET - McMILLIN Otay Ranch Village 6, PL - 16-Inch, 711 Zone, Birch Road - La Media/SR-125

	OWD QTY.	OWD Unit Price	OWD Cost	Soft Cost @ 5%	OWD Total	McMillin QTY.	McMillin Unit Cost	McMillin Cost	Soft Cost 5%	McMillin Total	OWD Estimated Costs	Reimbursement Amt. Per CIP	Staff's Proposed Reimbursement
CIP P2435(PL - 16-Inch, 711 Zone, Birch Road - La Media/SR-125) WO# 9481, 9482 TC Construction													
Main PVC CI 165 16" Birch Ph.1	1,530	\$42.00	\$64,260.00	\$3,213.00	\$67,473.00	1,530	\$42.00	\$64,260.00	\$3,213.00	\$67,473.00			
Main PVC CI 165 16" Birch Ph.2	2,100	\$43.00	\$90,300.00	\$4,515.00	\$94,815.00	2,100	\$43.00	\$90,300.00	\$4,515.00	\$94,815.00			
Water ARV 04" Birch Ph.1	1	\$6,100.00	\$6,100.00	\$305.00	\$6,405.00	1	\$6,100.00	\$6,100.00	\$305.00	\$6,405.00			
Water ARV 04" Birch Ph.2	2	\$6,100.00	\$12,200.00	\$610.00	\$12,810.00	2	\$6,100.00	\$12,200.00	\$610.00	\$12,810.00			
Water Blow Off 04" Birch Ph.1	2	\$4,400.00	\$8,800.00	\$440.00	\$9,240.00	2	\$4,400.00	\$8,800.00	\$440.00	\$9,240.00			
Water Blow Off 04" Birch Ph.2	1	\$4,400.00	\$4,400.00	\$220.00	\$4,620.00	1	\$4,400.00	\$4,400.00	\$220.00	\$4,620.00			
Water Butterfly Valve 16" Ph.1	3	\$3,500.00	\$10,500.00	\$525.00	\$11,025.00	3	\$3,500.00	\$10,500.00	\$525.00	\$11,025.00			
Water Butterfly Valve 16" Ph.2	2	\$4,000.00	\$8,000.00	\$400.00	\$8,400.00	2	\$4,000.00	\$8,000.00	\$400.00	\$8,400.00			
Water End Cap 16" Birch Ph.2	1	\$600.00	\$600.00	\$30.00	\$630.00	1	\$600.00	\$600.00	\$30.00	\$630.00			
			TOTAL		215,418.00					\$215,418.00	\$215,418.00	\$280,000.00	\$215,418.00

Total OWD Estimated Costs	\$215,418.00
Total Requested by McMillin	\$215,418.00
Recommended Reimbursement	\$215,418.00
McMillin is requesting Reimbursement	
In the amount of:	\$215,418.00
Difference Between Recommended and Requested:	\$0.00

**McMILLIN OTAY RANCH CIP IMPROVEMENTS
SPA 2, VILLAGE 6 - NEW AGREEMENT**

Potable Water Facilities				
CIP No.	Description	Diameter	Estimated Length (Ft)	Estimated Cost
W079	PL - 20-inch, 711 Zone, La Media from Olympic Parkway to Birch Road	20"	2,800	\$350,000
W101	PL - 16-inch, 711 Zone, Birch Road from La Media to SR 125	16"	4,000	\$396,000
W134	PL - 16-inch, 711 Zone, Birch Road from SR 125 to Eastlake Parkway	16"	2000	\$198,000
W289	PL - 16-inch, 711 Zone, Olympic Parkway from La Media to East Palomar Street (Village 5 Pipeline)	16"	2,800	\$277,200
W367	PL - 16-inch, Potable Pipeline, 980 Zone, Olympic Parkway, 900-feet west of East Palomar to East Palomar (Added Pipeline)	16"	900	\$89,100
Subtotal Potable Water Facilities				\$1,310,300

Recycled Water Facilities				
CIP No.	Description	Diameter	Estimated Length (Ft)	Estimated Cost
R008	RECPL - 20-inch, 680 Zone, Olympic Parkway from La Media to East Palomar (Village 5 Pipeline)	20"	2,800	\$350,000
R025	RECPL - 12-inch, 680 Zone, La Media from Olympic Parkway to Birch Road	12"	2,800	\$252,000
R032	RECPL - 12-inch, 944 Zone, La Media from Olympic Parkway to Birch Road	12"	2,800	\$252,000
R033	RECPL - 12-inch, 944 Zone, Birch Road from La Media to Eastlake Parkway	12"	6,300	\$567,000
R071	RECPL - 12-inch, 944 Zone, Olympic Parkway from La Media to Eastlake Parkway (Village 5 Pipeline)	12"	2,500	\$225,000
Subtotal Recycled Water Facilities				\$1,296,000
TOTAL CIP FACILITIES				\$2,606,300

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

PURPOSE

To establish guidelines for how the District will administer reimbursement agreements for facilities, both Master Plan and Non-Master Plan. It also describes when and how the District will participate in the cost of such facilities.

BACKGROUND

Policy 25 requires that development which creates the need for new facilities must bear all costs to construct and finance the on-site and off-site water, wastewater, and recycled water systems.

On-site facilities are defined as those pipelines, pump stations and reservoirs required within the developers project boundaries. Off-site facilities are those facilities located outside a project's boundary, but are required to serve the project. The term "in-tract facilities" is used to identify non-regional facilities that serve only the project being constructed. These are typically 6 inch through 12 inch pipelines. In-tract facilities are the sole responsibility of the developer/property owner and are contributed to the District upon Board acceptance.

The District's Master Plan includes all regional facilities, both onsite and off-site, necessary to provide service throughout the District. The District's capacity fees have been calculated to pay for the cost of all the regional facilities identified in the Master Plan including the developer/property owner portion of such facilities. The District does not subsidize development but it does take responsibility to insure that those regional facilities necessary to serve development are constructed.

POLICY

A. Master Plan Facilities- Reimbursement by the District: For facilities identified in the Master Plan, both onsite and off-site, the District may reimburse the developer for construction and design costs if the project meets the following guidelines:

1. The project must be in the approved five-year Capital Improvement Program (CIP) at the time of the request, and shall not exceed the CIP budget amount without prior Board approval.
2. The developer/property owner shall obtain three (3) bids from qualified contractors and provide copies of the initial bids to the District. The developer/property owner is responsible for selecting the lowest responsive bidder. The developer/property

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

owner will be reimbursed for the CIP portions of the project based on the unit prices submitted with the lowest responsive bid.

3. The cost of addressing environmental issues, such as burying a reservoir, shall not be reimbursable unless they are currently addressed in the District's Master Environmental Impact Report and CIP.
4. All soft costs, such as engineering, inspection, bonds, etc., will be included in the reimbursement cost at five percent of the construction costs.
5. The developer must request reimbursement prior to awarding any contracts for construction.
6. The District will pay 90% of the reimbursement cost when the project is operationally complete and the remaining ten percent after the Board accepts the project.
7. The District may elect to finance the facilities by borrowing if, after analysis by the Finance Department, it is determined that the borrowing fits into the District's financial plan as outlined in Policy 25.
8. If for any reason reimbursement funds are not currently available, the District may elect to defer payments until it is financially appropriate for the District to make payments.
9. Funds for reimbursement shall be carried as a CIP until the reimbursement is made.
10. Each reimbursement agreement requires approval by the Board. A Staff Report will be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.
11. This type of reimbursement agreement contains no end date for collection from the District of the approved reimbursement.

B. Non-Master Plan Facilities- Reimbursement to Developer by Future Users: Occasionally, a developer/property owner requests the District to administer a reimbursement agreement to collect money from future customers who connect to the facility built by the developer/property owner. The District would collect the reimbursement amount from each customer connecting to the facility, plus the any other District connection fees. The reimbursement portion of the customers payment

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

would be forwarded by the District to the developer/property owner to be reimbursed.

The District may administer this type of reimbursement agreement if the developer/property owner's project meets the following criteria and guidelines:

1. The developer/property owner demonstrates the facilities to be constructed have adequate capacity to serve future customers.
2. The developer/property owner shall request and execute a reimbursement agreement in conjunction with the presentation of the Agreement to Construct to the Board for approval.
3. The property owner shall deposit with the District the estimated cost for District staff to prepare a nexus study and obtain Board approval for the reimbursement agreement. District staff will provide a written estimate to the property owner within 15 days of the request.
4. The property owner shall provide three (3) bids from qualified contractors for the purpose of establishing the cost of the facilities and the portion of the reimbursement amount which is to be allocated to future connections.
5. A nexus study shall be performed by District staff to identify those who may benefit from the construction of the proposed facility and the amount they shall reimburse the developer/property owner who constructed the facility.
6. Prior to the public notice being sent to those property owners affected by the reimbursement agreement, an informational staff report will be presented to the Board.
7. The District shall notice all those property owners which will be subject to the reimbursement charge. These property owners will then be responsible to pay their fair share of the cost of the facilities at such time as they connect to the system. The fair share will be based on their Assigned Service Unit/Equivalent Dwelling Unit (ASU/EDU) contribution to the total projected ASU/EDU to use the system. The reimbursement charge will be in addition to any other fees a property owner would pay to the District to obtain service.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

8. Each reimbursement agreement requires approval by the Board. A Staff Report shall be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.
9. This type of reimbursement agreement shall be valid for 10 years from the date of Board approval. After the 10 year period has lapsed the collection of the reimbursement amount by the District shall cease.
10. A set up fee, based on 8 man-hours at a rate of \$50 per hour, shall be collected when the developer/property owner submits the signed reimbursement agreement for Board approval. The property owner shall pay the fee to cover the cost of the District's staff time to update records and maps.
11. An administration fee for each connection by a future user, based on 6 man-hours at a rate of \$50 per hour, shall be deducted from the annual reimbursement payment made to the developer/property owner. The administration fee reimburses the District for staff time to annually collect, record and disburse the amounts collected from future users to the developer/property owner. The amount withheld from the annual payment will be adjusted each year for the increase or decrease in the COLA.
12. The District will not distribute any reimbursement funds to the developer/property owner until the project has been accepted by the Board. The distribution of reimbursement funds will occur as the District collects the funds from new customers who connect to the facility, but not more frequently than once per year.
13. District staff shall collect the reimbursement amount due at the same time the standard District capacity fees for the new service are collected.

C. Non-Master Plan Facilities- Reimbursement to Developer by the District: Normally the District would not participate in the cost of facilities which are not identified in the Master Plan. These facilities are of benefit only to the adjoining property and should ordinarily be financed solely by the developer/property owner proposing the new facility. Nonetheless, there may be circumstances where the General Manager determines that it is appropriate for the District to participate in the cost of a non-Master Plan facility. Typical reasons would be in order to accommodate future growth or betterment of the system. In these instances, the District may establish special fees to recover the reimbursement costs from benefiting property owners as they connect to the system.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

The District may reimburse the developer/property owner for construction costs if the project meets the following criteria and guidelines:

1. The General Manager has determined that it is appropriate for the District's customers to participate in the construction of the project.
2. The developer/property owner shall obtain three (3) bids from qualified contractors and provide copies of the initial bids to the District. The developer/property owner is responsible for selecting the lowest responsive bidder. The developer/property owner will be reimbursed for the CIP portions of the project based on the unit prices submitted with the lowest responsive bid.
3. A nexus study will be performed by the District to identify those property owners who may benefit from the construction of the proposed facility.
4. Prior to the public notice being sent to those property owners affected by the reimbursement agreement, an informational Staff Report shall be presented to the Board.
5. The District shall notice all those property owners which will be subject to the reimbursement charge. These properties will then be responsible to pay their fair share of the cost of the facilities, plus interest, at such time as they connect to the system.
6. The developer/property owner shall request and execute the reimbursement agreement with the District prior to awarding any contracts for construction.
7. Each reimbursement agreement requires approval by the Board. A Staff Report shall be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.
8. The District will pay 90% of the reimbursement cost when the project is operationally complete and the remaining 10% after the Board accepts the project.
9. The District may elect to finance the facilities by borrowing, if it is determined that borrowing is in the best interest of the District's customers.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	5/14/97

10. If for any reason, reimbursement funds are not currently available, the District may elect to defer payments until it is financially appropriate for the District to make payments.
11. Funds for reimbursement shall be carried as a CIP until the reimbursement has been made.
12. This type of reimbursement agreement contains no end date for the collection by the District of its contributed share of the cost, and shall be the responsibility of all current and subsequent property owners.
13. District staff shall collect the reimbursement amount due at the same time the standard District capacity fees for the new service are collected.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Hossein Juybari Senior Civil Engineer	PROJECT/	P1043/ DIV. NO. ALL
	Ron Ripperger Engineering Manager	SUBPROJECT:	005000
APPROVED BY:	Rod Posada (Chief)		
APPROVED BY:	Manny Magaña (Asst. GM):	Assistant General Manager, Engineering and Operations	
SUBJECT:	Award of a Professional Corrosion Services Contract in the Amount of \$250,000 for the Cathodic Protection Program		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board award a professional corrosion services contract to Schiff Associates (Schiff) for the Cathodic Protection Program and authorize the General Manager to execute an agreement with Schiff in the amount not to exceed \$250,000 during Fiscal Years 07-08 and 08-09.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into a professional corrosion services agreement with Schiff for the Cathodic Protection Program. The contract amount is not to exceed \$250,000 for a two-year period commencing upon Board approval.

ANALYSIS:

The District requires the services of a corrosion consulting firm to provide a variety of professional services. The Cathodic Protection Program includes the selection of appropriate corrosion resistant materials, the use of coatings and linings to prevent corrosion, and cathodic protection. The Cathodic Protection Program results in long-term benefits to the District by ensuring that all facilities are consistently designed, specified, constructed, and tested in accordance with the District's corrosion control standards. This continuing practice extends the useful life of the District's steel reservoirs and pipelines and reduces the potential for costly future failures.

The agreement with Schiff will include a variety of tasks that will assist staff in effectively managing the Cathodic Protection Program. Their scope of services is as follows:

- Administration and updating of existing records and manuals.
- New facility design review.
- Conduct a corrosion protection survey of all District steel pipelines (approximately 79 pipelines, 603 test stations, and 1920 individual test reads).
- Steel reservoir corrosion control.
- Training of District staff in inspection and monitoring of facilities.

The project was advertised for soliciting corrosion services on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

On August 9, 2007, the District issued a formal Request for Proposal (RFP) to four consulting firms who specialize in Cathodic Protection Systems. Four firms submitted a letter of interest and a statement of qualifications. On August 22, 2007, three proposals were received from the following firms:

- Corrpro Companies
- V&A
- Schiff & Associates

The one (1) firm that chose not to submit a proposal is R.F. Yeager.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Schiff received the highest rating based on their written proposal. On September 17, 2007,

staff interviewed all three firms. The overall evaluation summary sheet including, the oral interview portion, indicates how each firm was scored (see Attachment B). Schiff received the highest overall score based on their experience, proposed method to accomplish the work, and their ability to complete projects on schedule.

It is anticipated that Schiff's scope of services will take two years to complete. Schiff has worked successfully for the District in the past and is readily available to provide the services required. Staff recommends the award of a Professional Corrosion Services Contract to Schiff for a not to exceed amount of \$250,000.

FISCAL IMPACT:



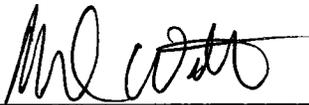
The Cathodic Protection Program is an on-going maintenance effort in the District. As such, this expenditure is funded in the Operating Budget. Based on the Project Manager's evaluation, the portion of the contract anticipated to be expended in the current fiscal year is estimated to be within the FY2008 budget amount of \$125,000. The remaining balance will be budgeted for FY2009 in the budget process.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient, water wise and environmentally responsible manner," as well as the General Manager's vision, "...prepared for the future..." by guaranteeing that the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT:

None.



General Manager

P:\WORKING\CIP P1043\Sub 005000\Cathodic Protection Program FY-08-FY09\Staff Reports\BD 11-07-07, Award of Prof Corrosion Svcs Contract for Cathodic Protection Program, (HJ).doc

HJ/RR:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT: P1043/005000	Award of a Professional Corrosion Services Contract in the Amount of \$250,000 for the Cathodic Protection Program
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that this agreement is for professional corrosion services for the Cathodic Protection Program in the amount not to exceed \$250,000.
- Staff requires the services of a consultant to provide guidelines in the selection of appropriate corrosion resistant materials, the use of coatings and linings to prevent corrosion, and Cathodic protection.
- The consultant will monitor the District's steel reservoirs and pipelines and provide training of District staff in inspection.
- The project was advertised and the District issued an RFP to four consulting firms. Three proposals were received. After staff evaluated all proposals received and conducted interviews, Schiff was selected.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors on the consent calendar.

**ATTACHMENT B
SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS
PROFESSIONAL CORROSION SERVICES**

Name of Consultant	OWD Rating Panel Members	WRITTEN						ORAL						* Proposed Fee	* Consultant's commitment to EBE, DBE, MBE, SBE	TOTAL SCORE	AVERAGE SCORE	References
		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Completeness, addressed requested information	Ability to complete projects on schedule	Additional creativity, insight to issues	Understanding of scope, schedule, resources	Strength of project manager	Presentation, communication skills	Quality of response to questions						
SCORE		15	15	10	10	15	10	10	10	10	10	10	20	5	150		✓	
Corrpu Companies, Inc.	Hossein Juybari	13	13	6	6	12	7	6	7	9	7	7	18	3	114	115.60		
	Rod Posada	12	13	6	6	12	7	5	6	9	7	7			111			
	Ron Ripperger	13	13	8	10	13	8	7	8	7	7	7			122			
	Ken Simmons	13	15	8	8	14	8	5	10	8	8	7			125			
	Jake Vaclavek	13	10	7	5	11	10	4	4	7	7	7			106			
V&A	Hossein Juybari	12	15	7	9	13	9	8	9	10	8	8	18	4	130	128.20		
	Rod Posada	13	13	7	8	13	8	7	8	8	8	7			122			
	Ron Ripperger	13	14	8	8	13	8	8	9	9	8	8			128			
	Ken Simmons	14	15	9	9	14	8	6	8	8	8	7			128			
	Jake Vaclavek	15	15	9	9	14	10	7	10	7	8	7			133			
Schiff Associates	Hossein Juybari	15	15	10	9	15	9	9	9	10	10	9	20	4	144	141.80	✓	
	Rod Posada	15	15	9	10	14	9	10	9	8	9	9			141			
	Ron Ripperger	14	14	8	10	14	8	9	9	9	8	9			136			
	Ken Simmons	15	15	10	10	15	9	10	10	10	9	8			145			
	Jake Vaclavek	13	15	10	10	15	10	10	9	9	9	9			143			

NOTES: * Project Manager scores the "Proposed fee" and "Consultant's Commitment to EBE, DBE, MBE, and SBE" columns.


 Project Manager's Signature

10-12-07
 Date


 Peer Review Signature

10-12-07
 Date



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Hossein Juybari Senior Civil Engineer <i>HJ</i>	PROJECT/ SUBPROJECT:	N/A DIV. NO. ALL
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of As-Needed Engineering Design Services Contract, Fiscal Years 07-08 and 08-09, to Lee & Ro, Inc.		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board award a professional engineering design services contract to Lee & Ro, Inc. (Lee & Ro) and authorize the General Manager to execute an agreement with Lee & Ro, for an amount not to exceed \$175,000 during Fiscal Years 07-08 and 08-09.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into an As-Needed Engineering Design Services Agreement with Lee & Ro, in support of the District's Capital Improvement Program (CIP). The contract amount is not to exceed \$175,000 for a two-year period commencing upon Board approval.

ANALYSIS:

The District will require the professional services of an engineering consultant in support of the District's CIP projects for a period of two years. The As-Needed Engineering Design Services contract will provide the District with the ability to obtain consulting services in a timely and efficient manner and on an as-needed basis.

The District will require the expertise of an engineering consultant to provide civil engineering design for a variety of CIP projects. The District incurs expenses in requesting, reviewing, and ranking proposals, checking references, and preparing staff reports for Committee and Board approval. The engineering design services, individually, are small enough that preparation of formal proposals by consultants becomes expensive and these costs are passed on to the District. For these reasons, the District began using similar contracts for as-needed environmental consulting services in Fiscal Year 05-06 and as-needed geotechnical services in Fiscal Year 06-07.

The District will issue task orders to the Consultant for specific projects during the contract period. The Consultant will then prepare a detailed scope of work, schedule, and cost estimate for each task order assigned under the contract. Upon written task order authorization from the District, the Consultant shall then proceed with the project, as described in the scope of work.

The CIP projects that are estimated to require engineering design services for Fiscal Years 2007 and 2008, at this time, are listed below:

CIP	DESCRIPTION	ESTIMATED COST
R2034	Rec Res - 860-1 Reservoir 4.0 MG	\$35,000
R2077	Rec PL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	\$30,000
R2087	Rec PL - 20-Inch, 944 Zone, Wueste Rd - Olympic/Otay WTP	\$30,000
R2088	Rec PL - 20-Inch, 860 Zone, County Jail - Roll Reservoir 860-1 Reservoir	\$30,000
	TOTAL:	\$125,000

The engineering design scopes for the above projects, including preparing preliminary design reports, are estimated from preliminary information and past projects. Therefore, staff believes that a \$175,000 cap on the As-Needed Engineering Design Services contract is adequate. The additional \$50,000 budget will be used for other design related tasks.

The As-Needed Engineering Design Services contract would have a one-year base period commencing upon Board approval, and a one-year extension based on the District's CIP schedule and the consultant's successful performance. The contract is not to exceed \$175,000 for all task orders. Fees for professional services will be charged to the CIP Projects for which the engineering designs are performed.

This As-Needed Engineering Design Services contract does not commit the District to any expenditure until a task order is approved to perform work on a CIP Project. The District does not guarantee work to the consultant, nor does the District guarantee to the consultant that it will expend all of the funds authorized by the contract on professional services.

The District solicited engineering design services from engineering consultant firms by placing an advertisement on the District's website, in the San Diego Union Tribune on July 28, 2007 and an advertisement in the San Diego Daily Transcript on July 30, 2007. Twenty-one (21) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for As-Needed Engineering Design Services was sent to all twenty-one (21) firms resulting in nine (9) proposals received on August 31, 2007. They are as follows:

- Boyle Engineering Corporation
- DBE Psomas
- Infrastructure Engineering Corporation
- J.C. Heden and Associates
- Kennedy/Jenks Consultants
- Lee & Ro, Inc.
- Richard Brady & Associates
- RBF Consulting
- Stantec

The twelve (12) firms that chose not to propose are Carollo, Harris & Associates, Dudek, PBS&J, SBO Inc., Project Design Consultants, Nolte, Winzler and Kelley, Dahl Taylor, CDM, Parsons, and Nasland.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Lee & Ro received the highest score for their services based on their experience, proposed method to accomplish the work, and their ability to complete projects on schedule. Lee & Ro was the most qualified consultant with the best overall proposal. A summary of the complete evaluation is shown in Attachment B.

The District has worked with Lee & Ro before with the 30-Inch Recycled Water Pipeline from Dairy Mart to the 450-1 Reservoir. Lee & Ro's staff worked well with the District's staff and delivered an accurate and complete design on time to the District. Lee & Ro currently is working with the District on as-needed basis on four

projects (CIP R2086, P2038, P2356, and P2387) and they are very responsive.

FISCAL IMPACT: _____ 

The funds for this contract will be expended from the CIP projects noted previously. The fees for professional services requested herein are available in the authorized CIP project budgets. This contract is for professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's professional services on a specific CIP project.

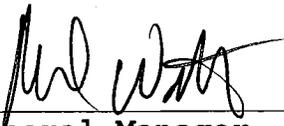
The Project Manager anticipates that the budgets will be sufficient to support the professional services required for specific CIP projects previously noted.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient water wise and environmentally responsible manner," as well as the General Manager's vision, "...prepared for the future..." by guaranteeing that the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\As Needed Svcs Design\Engineering Design\FY 2008\BD 11-7-07, As-Needed Engineering Design Services, Lee & Ro, Inc, (HJ).doc

HJ/RR:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT:	Award of As-Needed Engineering Design Services Contract,
N/A	Fiscal Years 07-08 and 08-09 to Lee & Ro, Inc.

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that this award of a professional engineering design services contract will provide engineering consultant support and services on an as-needed basis.
- In accordance with the District's Policy 21, the services were advertised and 21 firms submitted a letter of interest. Twelve of the firms chose not to submit a proposal.
- After Staff evaluated and scored all written proposals, Lee & Ro was chosen as the most qualified.
- Staff has previously worked with Lee & Ro on three potable pipelines and has been very satisfied with the work performed.

Upon completion of the discussion, the committee supports Staff's recommendation and forwarding to the board of Directors on the consent calendar.

ATTACHMENT B

SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS
As-Needed Engineering Design Services

SCORE	WRITTEN						*Proposed Fee	*Consultant's commitment to EBE, DBE, MBE, SBE	TOTAL SCORE	AVERAGE SCORE	References
	Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Completeness, addressed requested information	Ability to complete projects on schedule					
SCORE	15	15	10	10	15	10	20	5	100 **		✓
Stantec Consulting Inc	Rod Posada	10	9	9	7	11	20	2	76	81	
	Ron Ripperger	11	11	7	7	12			77		
	Hossein Juybari	13	12	9	7	12			83		
	Daniel Kay	14	14	10	5	15			88		
	Jerry Munoz	12	12	7	8	12			81		
RBF Consulting	Rod Posada	12	10	7	8	11	20	4	81	88	
	Ron Ripperger	12	12	8	8	12			84		
	Hossein Juybari	13	12	8	10	12			85		
	Daniel Kay	15	15	9	9	14			95		
	Jerry Munoz	15	15	8	10	13			95		
Richard Brady & Associates	Rod Posada	10	10	7	8	12	20	5	80	84.2	
	Ron Ripperger	11	11	7	7	12			80		
	Hossein Juybari	12	12	5	8	9			79		
	Daniel Kay	14	14	8	8	15			93		
	Jerry Munoz	13	15	9	9	8			89		
Lee & Ro, Inc.	Rod Posada	13	12	8	9	12	20	3	85	89.4	✓
	Ron Ripperger	12	13	8	8	13			85		
	Hossein Juybari	13	12	7	9	13			85		
	Daniel Kay	15	15	8	10	14			94		
	Jerry Munoz	15	15	10	10	15			98		
Kennedy/Jenks Consultants	Rod Posada	12	11	8	8	11	20	4	82	84.2	
	Ron Ripperger	12	12	8	8	13			85		
	Hossein Juybari	12	12	6	8	12			82		
	Daniel Kay	15	15	9	6	14			92		
	Jerry Munoz	11	11	7	8	11			80		
J.C. Heden and Associates, Inc.	Rod Posada	13	13	9	8	13	17	4	86	83.6	
	Ron Ripperger	12	11	7	8	12			79		
	Hossein Juybari	13	14	9	9	11			86		
	Daniel Kay	14	14	10	10	10			89		
	Jerry Munoz	11	12	7	8	11			78		
Infrastructure Engineering Corporation	Rod Posada	12	11	9	9	11	10	3	73	73.4	
	Ron Ripperger	11	11	7	8	12			69		
	Hossein Juybari	12	12	7	9	10			71		
	Daniel Kay	15	14	8	10	11			81		
	Jerry Munoz	13	12	7	8	12			73		
DBE Psomas	Rod Posada	10	11	7	8	10	18	3	75	79.8	
	Ron Ripperger	12	13	8	8	12			82		
	Hossein Juybari	13	12	7	8	9			78		
	Daniel Kay	14	14	8	9	14			88		
	Jerry Munoz	10	10	8	9	11			76		
Boyle Engineering Coporation	Rod Posada	13	12	9	8	12	18	5	86	89.2	
	Ron Ripperger	12	12	7	8	12			81		
	Hossein Juybari	14	13	9	10	15			93		
	Daniel Kay	15	14	9	10	14			93		
	Jerry Munoz	15	15	10	8	12			93		

Notes: * Project Manager scores the "Proposed Fee" and "Consultant's Commitment to EBE, DBE, MBE, and SBE" columns.

Hani Amin
Project Manager's Signature

Oct 12, 07
Date

Ron Ripperger
Peer Review Signature

10-12-07
Date



STAFF REPORT

TYPE MEETING:	Regular Board	BOARD MEETING DATE:	November 7, 2007
SUBMITTED BY:	Gary Stalker, <i>GS</i> System Operations Manager	W.O./G.F. NO:	DIV. NO. 5
APPROVED BY: (Chief)	Pedro Porras, Chief of Water Operation <i>PP</i>		
APPROVED BY: (Asst. GM):	Manny Magaña, Assistant General Manager, Engineering and Water Operations <i>MM</i>		
SUBJECT:	Award of Contract for SCADA System Maintenance and Support		

GENERAL MANAGER'S RECOMMENDATION:

That the Board award a contract to TechKnowsion, Inc. for maintenance and technical support of the Supervisory Control and Data Acquisition (SCADA) System.

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To provide an annual maintenance and technical support contract for SCADA hardware, software, programming, and communications. This contract also provides for training to the recently hired Senior SCADA Technician and SCADA/Instrumentation Technician so that they can perform many functions in-house in the near future.

ANALYSIS:

The SCADA system provides the ability to remotely monitor and control the 28 pump stations and 41 reservoirs in the potable and recycled water distribution systems. A second SCADA system allows for monitoring and control of the 5 sewer lift stations. This second system is being expanded to also monitor and control portions of the R. W. Chapman Reclamation Plant. The SCADA system software that the District uses is FactoryLink. FactoryLink is an "off the shelf" software package, but the software must be programmed to meet the District's needs.

There are two main functions covered by this contract:

1. SCADA System Maintenance: The first function is the maintenance of the software and hardware in the SCADA System for the potable and recycled water distribution systems, and the five sewer lift stations. The maintenance includes installing software upgrades, upgrading the programming to meet District needs, and troubleshooting hardware, software, or communications issues. Over the past three years the maintenance of the potable and recycled water SCADA system has averaged \$36,000 per year, with \$30,600 spent in 2007. This maintenance was performed by TechKnowsion, Inc. during that timeframe.
2. Technical Support and Training: In the last year, the Senior SCADA Technician that was most familiar with the SCADA system retired from the District. There was also a vacancy for a SCADA/Instrumentation Technician position. The District hired a new Senior SCADA Technician and a SCADA/Instrumentation Technician. Operations added additional money in the Fiscal Year 2008 budget for technical support, primarily phone support and training, due to having new staff that are learning the system. Telephone support for the last fiscal year was \$15,000, for the previous (retired) Senior SCADA Technician. Operations staff budgeted twice that amount, \$30,000, plus an additional \$11,000 for training on the SCADA software configuration and programming in Fiscal Year 2008. The total amount budgeted for support and training is \$41,000.

On August 20, 2007, Request for Bids was sent to three companies that provide the desired services outlined above. The companies were TechKnowsion, Inc. (Pleasant Hill, CA), Cybernet Consulting, Inc. (Carlsbad, CA), and DLT&V Systems Engineering (Oceanside, CA). Prior to sending the Request for Bids, Operations staff met with Cybernet Consulting, Inc. and DLT&V Systems Engineering to explain the District's needs and to determine their capabilities and resources. Both companies appeared capable and interested.

Bids closed on September 21, 2007. TechKnowsion, Inc. was the only company that sent in a bid. The bid was for a maximum of \$44,000 for maintenance support and \$26,800 for technical support and training, for a total of \$70,800 for a 12 month contract. \$71,000 was budgeted for SCADA system maintenance and technical support in the FY08 Water Operations Department budget for Outside Services. This amount is very close to TechKnowsion's bid price, because the District obtained an estimate from TechKnowsion as a guideline for the budgeting process.

Staff believes that neither Cybernet Consulting, Inc., nor DLT&V Systems Engineering submitted a bid because they mainly wanted to sell the District a new SCADA System. Both companies brought this

up at the meeting with Operations staff and both wanted to submit a proposal to the District for a new SCADA System. When the companies received the Scope of Work for maintenance and support, staff believes they were not interested in providing only maintenance and support services.

Staff is recommending the award of this contract to TechKnowsion Inc. in the amount not to exceed \$70,800. TechKnowsion, Inc. was the only bidder. They have always provided excellent support and customer service to the District during the installation, maintenance, and support of the existing system since FY 2000. They are a certified California Small Business Enterprise.

FISCAL IMPACT:



\$71,000 was budgeted for SCADA system maintenance and technical support in the FY08 Water Operations Department budget for Outside Services.

STRATEGIC GOAL:

This contract supports the Strategic Goals to Meet Current and Future Potable Water Demands, Be Stewards of Public Infrastructure and to Train and Develop at all Organizational Levels.

LEGAL IMPACT:

None



General Manager

Attachment A: Committee Action Form

Attachment B: Bid Proposal from TechKnowsion, Inc.



ATTACHMENT A

SUBJECT/PROJECT:	Award of Contract for SCADA System Maintenance and Support
-------------------------	--

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on October 29, 2007. The following comments were made:

- Staff indicated that an agreement with TechKnowsion, Inc. is needed to provide maintenance and technical support of the District's Supervisory Control and Data Acquisition (SCADA) System.
- The SCADA system was originally installed and has been maintained by TechKnowsion. The District's senior SCADA technician retired recently and staff feels TechKnowsion's services are needed to provide on-going training and support to the two new technicians.
- The project was advertised and bid in accordance with the District's Policy 21.
- TechKnowsion, Inc. was the only company that sent in a bid.

Upon completion of the discussion, the Committee supported Staff's recommendation and forwarding to the Board of Directors on the consent calendar.



TechKnowsion, Inc.

3305 Vincent Road
Pleasant Hill, CA 94523
925.939.8324 Voice
925.280.8324 Fax
www.techknowsion.com

September 20th, 2007

Mr. Don Anderson
Pump / Electrical & SCADA Supervisor
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2096

Subject: Annual SCADA Technical & Maintenance Support
TechKnowsion Proposal No. 2322

Thank you for the opportunity to provide a proposal for Annual SCADA Maintenance and Technical Support with the Otay Water District. TechKnowsion has been performing on-going SCADA system maintenance and technical support for over 10 years and we appreciate doing business with the district. We will continue to strive to provide excellent services at a reasonable cost.

The general scope of work for this proposal is to cover maintenance costs associated with the Potable Water and Lift Station SCADA systems for the period July 1st, 2007 through June 30th, 2008. The estimated cost for this 12 month period is based on your requirements as stated in your letter dated 08/20/07 and our assumptions included in Appendix A of this proposal.

Scope of Work

Included in this proposal is support for the following notable systems and subsystems:

- FactoryLink SCADA System Software
 - o ClientBuilder Graphics
 - o Alarming, redundancy, data logging, data browsing, etc.
- OPC Servers
- Win911 Autodialer Software
- The following Microsoft software and applications
 - o Windows 2000 Server, 2003 Server, and Windows XP Pro operating systems
 - o SQL Server 2000 database
 - o Terminal Services, Routing and remote access, Remote Desktop
 - o Workgroup networking
- PLC Programming, communications, and applications
- The following hardware and components
 - o Dell server and PC hardware
 - o Spread spectrum radios
 - o Dialogic telephonic cards



TechKnowsion, Inc.

- Multi-port serial cards
- Various networking components (hubs, switches, etc.)
- Report Printers
- Analog modems (dial-up to non-radio stations)
- Automatic communication switches
- Communication cabling
- RAID 1, 5 hardware redundancy

Estimated Cost

<u>Item No.</u>	<u>Item Description</u>	<u>Estimated Cost</u>	
		<u>Minimum¹</u>	<u>Maximum²</u>
1	Technical Support for 12 month period July 1st, 2007 though June 30th, 2008 (230 Hours)	\$18,000	\$26,800
2	Maintenance Support for 12 month period July 1st, 2007 though June 30th, 2008 (400 Hours)	\$28,800	\$44,000
	Total	\$46,800	\$70,800

¹ Estimated cost based on 'Engineer 1' Hourly Labor Rate of \$72/Hour.

² Estimated cost based on 'Project Engineer' Hourly Labor Rate of \$110/Hour.

TechKnowsion is a certified California SMALL BUSINESS ENTERPRISE

If you have any questions or if I have misinterpreted your requirements, please let me know so we can revise the scope of work and associated costs accordingly.

Regards,

Ted Bunnell
Project Manager



Appendix A - Assumptions

1. Technical Support:
 - a. Telephone Support (190 Hours)
 - i. Support will be performed during normal business hours from TechKnowsion's office.
 - b. Training (40 Hours)
 - i. Training will be held at the Owner's facility in Spring Valley, CA. Travel expenses are included for one engineer for the 40 hour training session. Since the number of personnel attending the training class it is not specified, if formal Manufacturers training manuals and/or materials are needed, TechKnowsion will coordinate ordering the quantities required and supply them at an additional cost without markup.
 - ii. TechKnowsion will receive at least three (3) weeks notice before scheduling training.
2. Maintenance Support (400 Hours)
 - a. Support is performed during normal business hours via remote connection.
3. General:
 - a. The estimated cost is shown as a range. Depending upon the level of expertise required to complete the work and availability of TechKnowsion's engineering staff at the time of service, the work will be invoice at the applicable engineering labor rate. Refer to the 2007 Labor Rate Card for \$/Hour rates.
 - b. TechKnowsion is not purchasing or providing any material, hardware, or packaged software.
 - c. Costs associated with the contract renewal for FactoryLink Annual Customer Support Services and Win911 Extended Support ARE NOT included. These renewal fees are due in January 2008 and paid to the UGS Tier 1 Provider for FactoryLink and Specter Instruments for Win911. TechKnowsion has been coordinating this purchase at Otay's cost. 2007 renewal costs were approximately \$11,500 plus tax.
 - d. Owner is responsible for providing remote access capabilities. If special software programs and / or hardware are required for remote access, Owner will provide these to TechKnowsion at Owner's cost.
 - e. This proposal is valid for 30 days.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	W.O./G.F. NO:	aa000 DIV. NO. 1 1d1000
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>MM</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Request Approval of Amendment No. 1 Agreement with Cricket Communications, Inc., a Delaware Corporation, for an existing Communications Facility at the 485-1 Reservoir Site		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board of Directors authorize the General Manager to execute Amendment No. 1 with Cricket Communications, Inc. (Cricket), a Delaware Corporation, for the vacation of the existing utility/equipment easements, and create new utility/equipment easements to the existing lease agreement for a communications facility (See Attachment 1) at the 485-1 Reservoir Site. (See attached Exhibit A for project location).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

That the Board authorize the General Manager to execute Amendment No. 1 with Cricket to its existing lease agreement for the 485-1 Reservoir site executed September 14, 2006. The description and depiction of the Tenant Facilities, as shown in Attachment 1, does not accurately reflect the actual location of these Facilities. This amendment will correct that inaccuracy.

ANALYSIS:

Cricket will vacate their existing utility easement, 1,512 lineal feet which was routed through mature landscaping and

create 1,672 lineal feet through an unplanted area at no cost to Otay Water District (District). Cricket will also expand their existing equipment easement of 147 square feet to 165 square feet, it was discovered that the original easement did not encompass their antenna support poles. Staff agrees with the content and purpose of this amendment.

Commencement date for this agreement was September 14, 2006, and currently is in the initial five-year term. The tenant has the option to extend the term for three additional five-year periods. Two additional five-year extensions may be granted at the District's discretion; lease expiration date is September 30, 2036.

FISCAL IMPACT:



Authorization of this amendment is for administrative purposes only. The District will not receive a non-refundable administrative fee. There will be no impact on the monthly rent of \$2,333.99, subject to an annual inflation adjustment of 3 percent.

LEGAL IMPACT:

The District's Lease Agreement and proposed Amendment No. 1 have been reviewed by our legal counsel. District Counsel has been an integral part in the negotiations and construction of this amendment. The survey was conducted, and the description and depiction was completed by Cricket's surveyor. The survey was then subsequently reviewed by the District surveyor.

STRATEGIC GOAL:

This item is in line with the District's Strategic Focus Areas: Community and Governance, and Financial Health.



General Manager

P:\WORKING\CELLULAR LEASE FILE\CRICKET\485-1\1st amendment\staff report\BD 11-7-07, Staff Report, Amend #1.doc

DTC/RP:jf

Attachments: Attachment A
Attachment 1
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT:	Approve Amendment No. 1 to Cellular Lease Agreement with Cricket Communications, Inc., a Delaware Corporation, for an existing facility at the 485-1 Reservoir Site
-------------------------	---

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that this request is to approve Amendment No. 1 to the agreement with Cricket Communications, Inc. to an existing communications facility at the 485-1 reservoir site.
- Staff indicated that the agreement executed on September 14, 2006 does not accurately reflect the actual location of these facilities. This amendment will correct that inaccuracy.
- There are no financial changes to the existing agreement.
- There was brief discussion regarding renewal of agreements/leases with cellular companies as existing leases expire. Staff indicated that after three to five years, the District has the authority to either renew the lease or to solicit bids from other cellular companies.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors on the consent calendar.

Cell Site No.: SAN-733 H Street/ Otay's 485-1 Reservoir
Market: San Diego
Address: 996 E H Street, Chula Vista, CA

FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT ("Amendment"), is entered into on _____, 2007 to amend certain terms and provisions of that certain Agreement between Cricket Communications, Inc., a Delaware corporation, and Otay Water District to locate a Communications Facility at Otay's 485-1 Reservoir Site, dated as of September 14, 2006 (the "Original Agreement" and together with this Amendment, the "Agreement"), each by and between the OTAY WATER DISTRICT, a Municipal Water District organized and operating pursuant to the municipal water district law, commencing with Section 71000 of the Water Code (hereinafter referred to as "Otay"), and CRICKET COMMUNICATIONS, INC., a Delaware corporation (hereinafter referred to as "Tenant").

WHEREAS, Otay and Tenant entered into the Original Agreement whereby Otay leased to Tenant certain Premises, therein described, that are a portion of the Property located at Otay's 485-1 Reservoir Site/996 E H Street, Chula Vista, CA 91910; and

WHEREAS, Otay and Tenant, desire to amend the Original Agreement to reflect an increase on the size of Premises, from 147 to 165 square feet, and also desire to replace **Exhibit B** to more correctly describe and depict the Reservoir Facilities, the Real Property and the Premises; and

WHEREAS, Otay and Tenant, desire to amend the Original Agreement to replace **Exhibit C**, which depicts and describes an Easement granted to Tenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Otay and Tenant agree as follows:

1. **Premises**. The language contained on Paragraph 1 of the Original Agreement, entitled "Premises" is hereby deleted in its entirety and replaced with the following language:

Otay owns the real property described in Attachment B to Exhibit B (the "Property"). Otay agrees to lease to Tenant, for the installation of antennas and related telecommunications equipment, approximately 165 square feet of real property within the Property, as more particularly described on Attachment C to Exhibit B (the "Premises"). A depiction of the Property and the Premises is attached hereto as Attachment D to Exhibit B.

2. **Exhibit B**. **Exhibit B** to the Original Agreement is hereby deleted in its entirety and replaced with the attached Exhibit B, together with all attachments thereto, which is hereby made

a part of the Agreement. The Exhibit B attached to the Original Agreement shall have no further force or effect.

3. Exhibit C. **Exhibit C** to the Agreement is hereby replaced with the attached Exhibit C, which is hereby made a part of the Agreement. The Exhibit C attached to the Original Agreement is hereby deleted in its entirety and shall have no further force or effect.

4. Other Terms and Conditions. In the event of any inconsistencies between the Agreement and this Amendment, the terms of this Amendment shall control. Except as expressly set forth in this Amendment, the Original Agreement otherwise is unmodified and remains in full force and effect. Each reference in the Agreement to itself shall be deemed also to refer to this Amendment.

5. Capitalized Terms. All capitalized terms used but not defined herein shall have the same meanings as defined in the Agreement.

6. Controlling Provisions. In case of any inconsistencies between the terms and conditions contained in the Lease and the terms and conditions contained in this Amendment, the terms and conditions of this Amendment shall control.

7. Amendment. This Amendment cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the District and an authorized agent of the Tenant. No provision may be waived except in writing signed by both parties.

IN WITNESS WHEREOF, the parties have caused their properly authorized representatives to execute and seal this Amendment on the dates set forth below.

OTAY:

TENANT:

Otay Water District, a Municipal Water District

Cricket Communications, Inc.,
a Delaware corporation

By: _____
Mark Watton, General Manager

By: Anthony G. Benyola
Anthony G. Benyola,
Regional Network Director, Western Region

Date: _____

Date: 9/21/07

Approved as to Form:

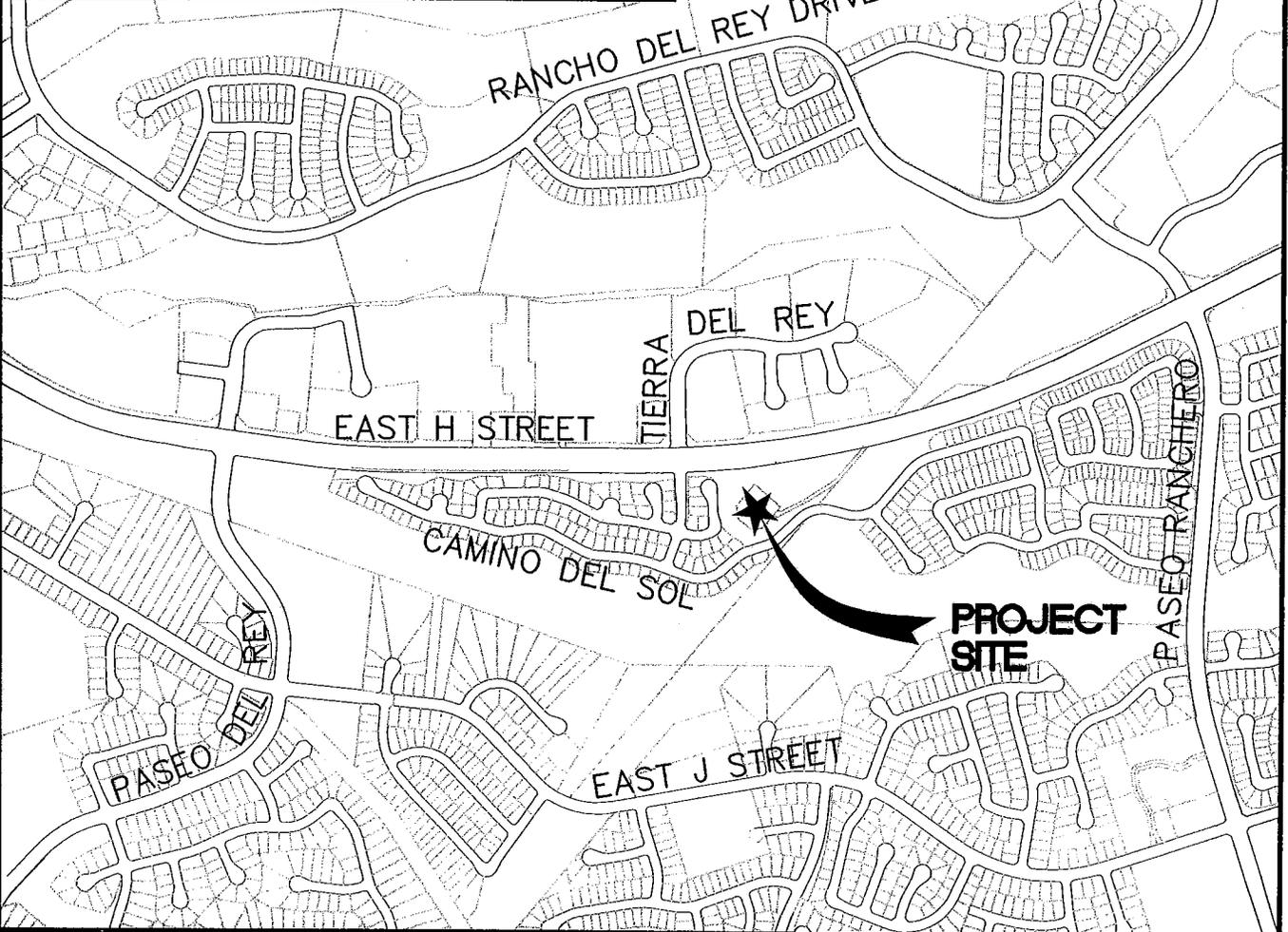
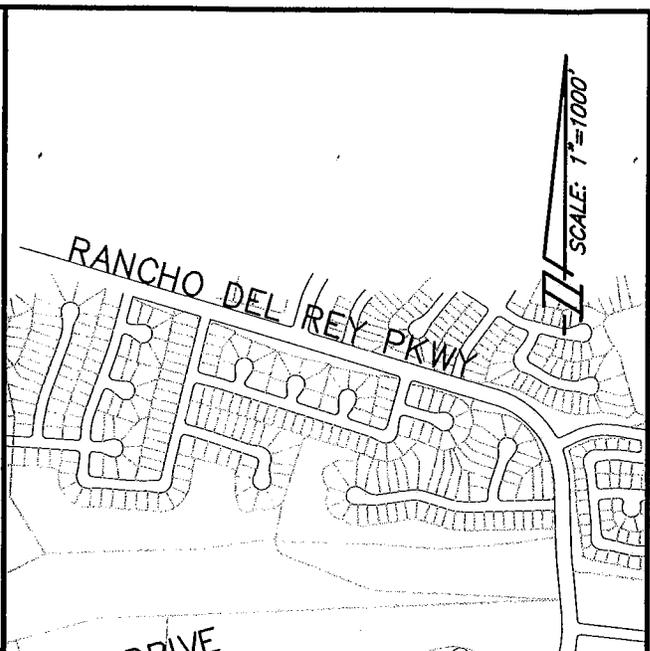
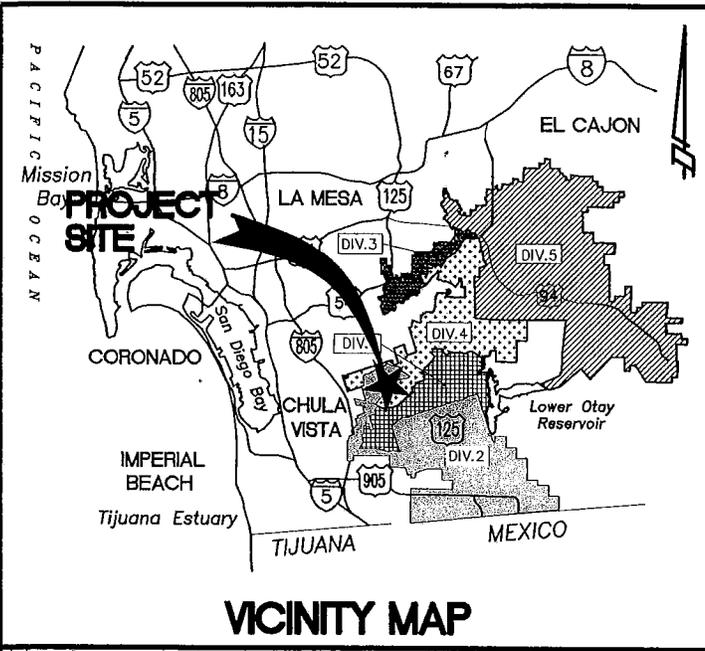
Aerobel Banuelos
Aerobel Banuelos
Assistant General Counsel

EXHIBIT B

**TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC. A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 485-
1 RESERVOIR SITE, DATED _____,
_____ (THE "LEASE")**

List of Attachments to Exhibit B:

- ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES
- ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY
- ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES
- ATTACHMENT D. DEPICTION OF THE PROPERTY AND PREMISES



OTAY WATER DISTRICT
 CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 485-1 RESERVOIR SITE
 LOCATION MAP

ATTACHMENT A

EXHIBIT B
ATTACHMENT B

AMENDMENT #1
SITE LEGAL DESCRIPTION
OTAY WATER DISTRICT #485-1
CRICKET COMMUNICATIONS SAN-733-A
996 EAST "H" STREET
CHULA VISTA, CA 91910

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, DESCRIBED AS FOLLOWS:

LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994.



Charles W. Christensen

Charles W. Christensen, RCE 8195

09/10/07
Date

EXHIBIT B
ATTACHMENT C

AMENDMENT #1
PROPOSED EQUIPMENT/ANTENNA EASEMENT
OTAY WATER DISTRICT #485-1
CRICKET COMMUNICATIONS SAN-733-A
996 EAST "H" STREET
CHULA VISTA, CA 91910

EQUIPMENT EASEMENT

A PROPOSED EQUIPMENT EASEMENT LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 77°28'50" WEST, 228.16 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 11°47'23" EAST, 12.00 FEET; THENCE SOUTH 78°12'37" WEST, 10.00 FEET; THENCE NORTH 11°47'23" WEST, 12.00 FEET; THENCE NORTH 78°12'37" EAST, 10.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 120 SQUARE FEET, MORE ORR LESS.

ANTENNA EASEMENT

PROPOSED ANTENNA EASEMENTS LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PROPOSED ANTENNA EASEMENT A:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE NORTH 85°30'43" WEST, 241.21 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 43°11'24" WEST, 5.00 FEET; THENCE NORTH 46°48'36" WEST, 3.00 FEET; THENCE NORTH 43°11'24" EAST, 5.00 FEET; THENCE SOUTH 46°48'36" EAST, 3.00 FEET TO THE TRUE POINT OF BEGINNING. SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 15 SQUARE FEET, MORE OR LESS.

PROPOSED ANTENNA EASEMENT B:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 42°19'18" WEST, 114.02 FEET TO THE TRUE A POINT OF BEGINNING; THENCE SOUTH 25°23'10" EAST, 5.00 FEET; THENCE SOUTH 64°36'50" WEST, 3.00 FEET; THENCE NORTH 25°23'10" WEST, 5.00 FEET; THENCE NORTH

EXHIBIT B
ATTACHMENT C

AMENDMENT #1

64°36'50" EAST, 3.00 FEET TO THE TRUE POINT OF BEGINNING. SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 15 SQUARE FEET, MORE OR LESS.

PROPOSED ANTENNA EASEMENT C:
BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 70°00'28" WEST, 236.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 03°33'54" EAST, 5.00 FEET; THENCE SOUTH 86°26'06" WEST, 3.00 FEET; THENCE NORTH 03°33'54" WEST, 5.00 FEET; THENCE NORTH 86°26'06" EAST, 3.00 FEET TO THE TRUE POINT OF BEGINNING. SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 15 SQUARE FEET, MORE OR LESS.

Charles W. Christensen

Charles W. Christensen, RCE 8195

09/10/07

Date

JN 2006-76



EXHIBIT B

ATTACHMENT D AMENDMENT #1
 PROPOSED EQUIPMENT/ANTENNA EASEMENT
 OTAY WATER DISTRICT #485-1
 CRICKET COMMUNICATIONS SITE SAN-733-A



SCALE 1"=40'

LOT C
 CHULA VISTA TRACT NO. 96-05
 RANCHO DEL REY SPA III
 PHASE I UNIT I
 MAP NO. 13403

LOT C

LOT 16
 CHULA VISTA
 TRACT NO. 90-02
 RANCHO DEL REY SPA III
 MASTER FINAL MAP
 MAP NO. 13178

N 40°28'22" E 182.48'
 N 40°28'57" W 199.97'
 SITE BOUNDARY (TYPICAL)

POINT OF BEGINNING



DETAIL

PROPOSED ANTENNA
 EASEMENT "A"



TPOB

N 85°30'43" W 241.21'
 TIE LINE ONLY

PROPOSED EQUIPMENT
 EASEMENT

TRUE POINT
 OF BEGINNING
 (TPOB)

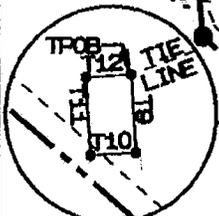
S 77°28'50" W 228.16'
 TIE LINE ONLY

S 70°00'28" W 238.20'
 TIE LINE ONLY

LOT C

LOT C

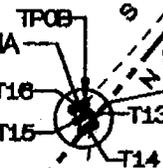
N 04°30'18" W 70.72'



DETAIL

PROPOSED ANTENNA
 EASEMENT "B"

PROPOSED ANTENNA
 EASEMENT "C"



DETAIL

DATA TABLE

T NO.	DIRECTION	DISTANCE
1	S 11°47'23" E	12.00'
2	S 78°12'37" W	10.00'
3	N 11°47'23" W	12.00'
4	N 78°12'37" E	10.00'
5	N 43°11'24" E	5.00'
6	N 46°48'36" W	3.00'
7	N 43°11'24" E	5.00'
8	N 46°48'36" W	3.00'

DATA TABLE

T NO.	DIRECTION	DISTANCE
9	S 03°33'54" E	5.00'
10	S 86°28'06" W	3.00'
11	N 03°33'54" W	5.00'
12	N 86°28'06" E	3.00'
13	S 25°23'10" E	5.00'
14	S 64°36'50" W	3.00'
15	N 25°23'10" W	5.00'
16	N 64°36'50" E	3.00'

LOT C

N 85°29'54" E 70.71'

REVISED 09-10-07
 REVISED 07-20-07
 REVISED 07-07-07
 08-18-06

Charles W. Christensen

CHARLES W. CHRISTENSEN, R.C.E. 8195

Date



CHRISTENSEN ENGINEERING & SURVEYING

CIVIL ENGINEERS

LAND SURVEYORS

PLANNERS

7888 SILVERTON AVENUE, SUITE "J", SAN DIEGO, CALIFORNIA 92126

TELEPHONE: (858)271-9901

FAX: (858)271-8912



EXHIBIT C

TO AGREEMENT BETWEEN CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION AND OTAY TO LOCATE COMMUNICATION FACILITIES AT OTAY'S 485-1 RESERVOIR SITE, DATED _____, _____ (THE "LEASE")

DEPICTION AND LEGAL DESCRIPTION OF TEMPORARY TRENCH EASEMENT

Easement Requested? Yes No
Easement Granted? Yes No

If Easement granted, complete the following information:

For good and valuable consideration, receipt of which is hereby acknowledged, the Otay Water District, as Grantor, hereby grants to Cricket Communications, Inc., a Delaware corporation, as Tenant, a temporary Easement to excavate, remove dirt and do any act necessary to install, operate and maintain power lines and connection lines as required in connection with the communications facilities and the antenna to be located on the Premises. The legal description of the land subject to the Easement is as follows:

A drawing depicting the Easement is attached hereto. Tenant may not sell, transfer or assign the Easement herein granted to Tenant. Tenant's rights under the Easement are specifically limited to the installation of such power lines, transmission lines and other communications lines and accessories as required to efficiently operate Tenant's communication facilities on the Premises.

The Easement shall **automatically terminate** on the day that is thirty (30) years from the date of the Lease. However, if the Lease is terminated earlier for any reason, the Easement will become unenforceable and, for all purposes, terminate on the date the Lease is terminated.

Grantor reserves the right to use the lands that are subject to the Easement in a manner such that it will not interfere with Tenant's use thereof.

Grantor retains the right to remove, at Tenant's expense, from the surface of the Easement any item, structure improvement or portion thereof that interferes or conflicts with Otay's use of the Property.

Tenant agrees to indemnify, defend and hold harmless the Grantor for any damage to property or person (including death) and any, claim, suit, action, cost or expense arising in connection with the Easement or Tenant's use or installation of any item, line, facility or other thing in connection therewith.

Tenant agrees to maintain the portion of the Property subject to the Easement in substantially the condition it is on the date the Lease is executed, excepting only such changes as are accepted by Otay in writing.

EXHIBIT C

AMENDMENT #1
PROPOSED UTILITY/COAXIAL CABLE EASEMENT
OTAY WATER DISTRICT #485-1
CRICKET COMMUNICATIONS SAN-733-A
996 EAST "H" STREET
CHULA VISTA, CA 91910

PROPOSED UTILITY EASEMENT

A PROPOSED 5.00' FOOT UTILITY EASEMENT LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994. THE CENTERLINE OF SAID 5.00 FOOT EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 75°54'50" WEST, 238.34 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 85°42'04" WEST, 21.46 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 16. THE SIDELINES OF SAID 5.00 FOOT EASEMENT TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE AT THE BEGINNING OF SAID EASEMENT ON A LINE WHICH BEARS NORTH 11°47'23" WEST, AND AT THE END OF SAID EASEMENT ON THE WESTERLY LINE OF SAID LOT 16.

PROPOSED COAXIAL EASEMENT

A PROPOSED 5.00 FOOT COAXIAL CABLE EASEMENT LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994, AND WITHIN A PORTION OF LOT "C" OF CHULA VISTA TRACT NO. 96-05 RANCHO DEL REY SPA III, PHASE 1, UNIT 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13403, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 28, 1997 AS FILE NO. 1997-0091156, THE CENTERLINE OF SAID 5.00 FOOT EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 75°54'50" WEST, 238.34 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 69°34'58" WEST, 15.21 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; SAID POINT ALSO BEING THE BEGINNING OF A TANGENT 3.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 86°32'43", 4.53 FEET; THENCE NORTH 23°52'19" WEST, 8.01 FEET; THENCE NORTH 03°18'14" WEST, 43.26 FEET TO THE BEGINNING OF A TANGENT 37.00 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE NORTHERLY ALONG

EXHIBIT C

AMENDMENT #1

SAID CURVE THROUGH A CENTRAL ANGLE OF 46°29'39", 30.02 FEET. THE SIDELINES OF SAID 5.00 FOOT EASEMENT TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE AT THE BEGINNING OF SAID EASEMENT ON A LINE WHICH BEARS NORTH 11°47'23" WEST AND AT THE END OF SAID EASEMENT ON A LINE WHICH BEARS NORTH 46°48'36" WEST.

BEGINNING AT AFOREMENTIONED POINT "A"; SAID POINT BEING THE BEGINNING OF A TANGENT 2.00 FOOT RADIUS CURVE CONCAVE EASTERLY, A RADIAL TO SAID POINT BEARS NORTH 20°25'02" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 118°39'59", 4.14 FEET; THENCE SOUTH 49°05'01" EAST, 74.21 FEET TO THE BEGINNING OF A TANGENT 57.00 FOOT RADIUS CURVE CONCEVE NORTHERLY, THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 62°28'34", 62.15 FEET; THENCE NORTH 68°26'25" EAST, 50.10 FEET TO THE BEGINNING OF A TANGENT 15.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 81°35'28", 21.36 FEET. THE SIDELINES OF SAID 5.00 EASEMENT TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE AT THE BEGINNING OF SAID EASEMENT ON A LINE WHICH BEARS NORTH 20°25'02" WEST AND AT THE END OF SAID EASEMENT ON A LINE WHICH BEARS SOUTH 64°36'50" WEST. .



Charles W. Christensen

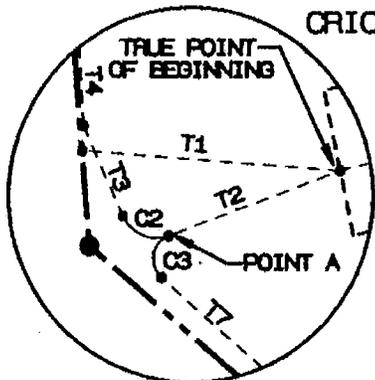
Charles W. Christensen, RCE 8195

09/10/07

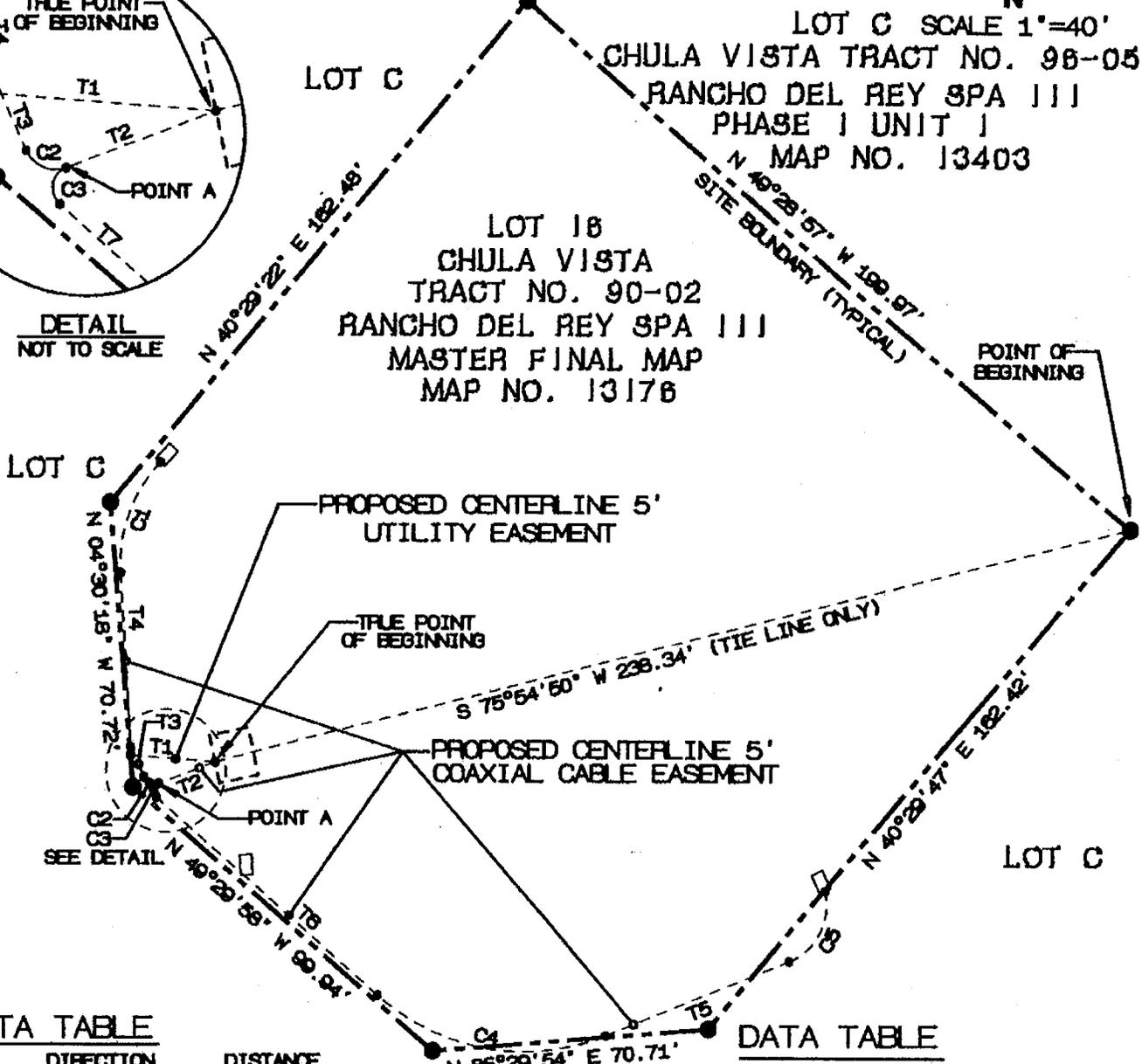
Date

EXHIBIT C

AMENDMENT #1
 PROPOSED UTILITY/COAXIAL CABLE EASEMENT
 OTAY WATER DISTRICT #485-1
 CRICKET COMMUNICATIONS SITE SAN-733-A



DETAIL
 NOT TO SCALE



DATA TABLE

T NO.	DIRECTION	DISTANCE
1	N 85°42'04" W	21.48'
2	S 69°34'58" W	15.21'
3	N 23°52'19" W	8.01'
4	N 03°18'14" W	43.28'
5	N 68°28'25" E	50.10'
6	S 49°05'01" E	74.21'

DATA TABLE

C NO.	RADIUS	DELTA	LENGTH
1	37.00'	48°29'39"	30.02'
2	3.00'	86°32'43"	4.53'
3	2.00'	118°39'59"	4.14'
4	57.00'	62°28'34"	62.15'
5	15.00'	81°36'28"	21.36'

REVISED 09-10-07
 REVISED 07-20-07
 REVISED 07-07-07
 REVISED 03-17-07
 08-18-06

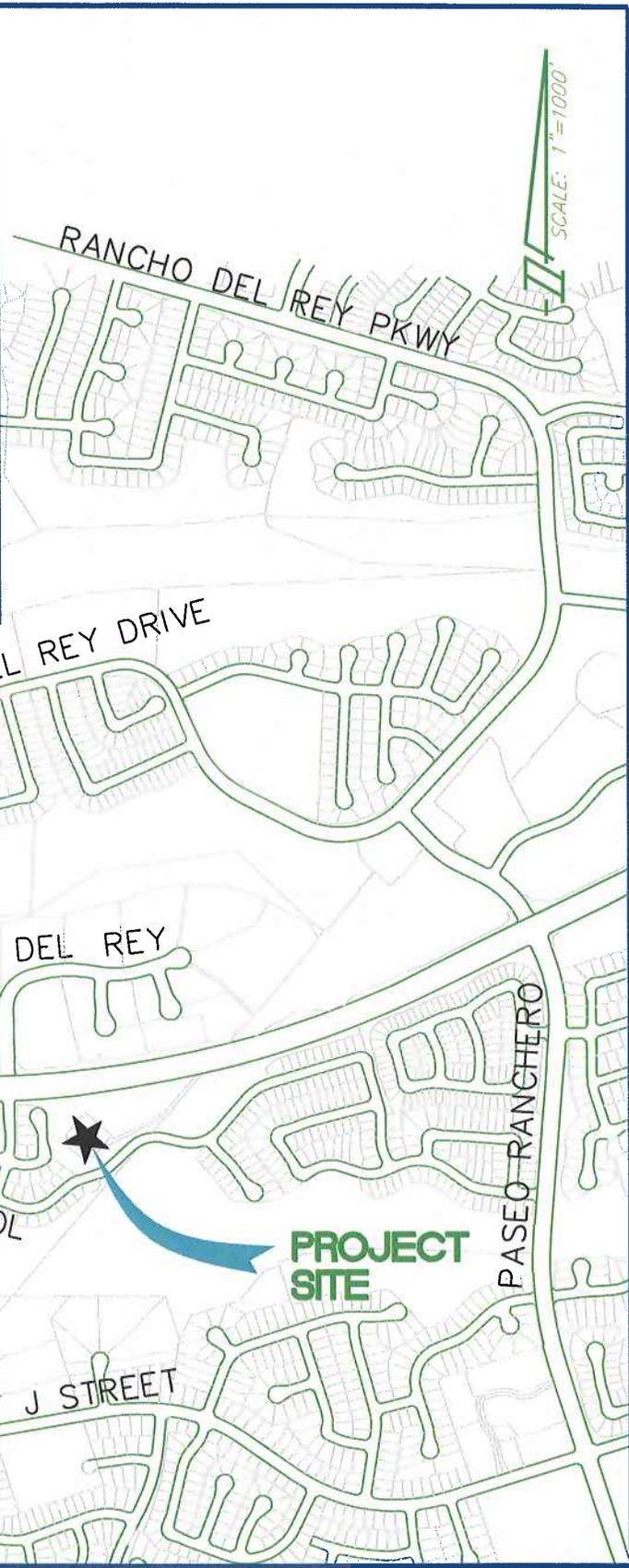
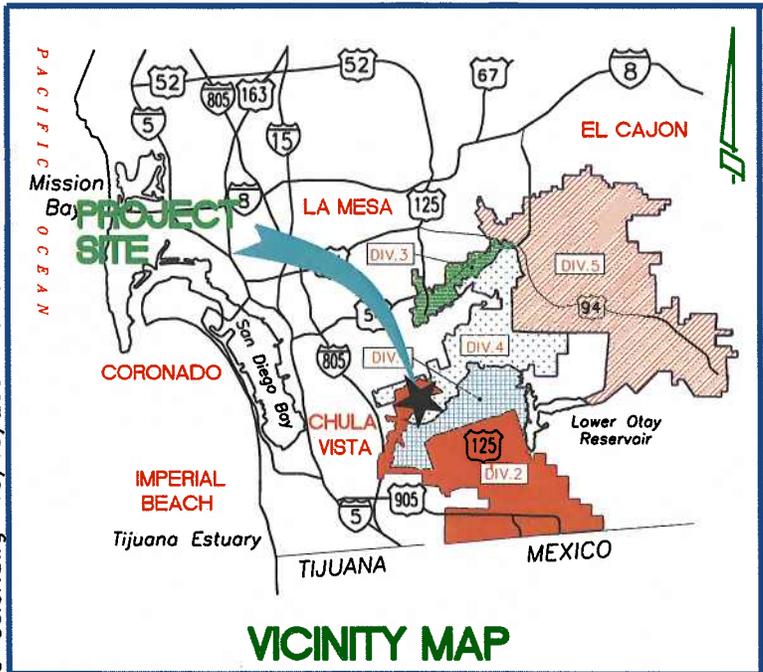
Charles W. Christensen

CHARLES W. CHRISTENSEN, R.C.E. 8195 Date



CHRISTENSEN ENGINEERING & SURVEYING
 CIVIL ENGINEERS LAND SURVEYORS PLANNERS
 7888 SILVERTON AVENUE, SUITE 'J', SAN DIEGO, CALIFORNIA 92126
 TELEPHONE: (858)271-9901 FAX: (858)271-8912





OTAY WATER DISTRICT
 CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 485-1 RESERVOIR SITE
 LOCATION MAP



AGENDA ITEM 6f

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Ken Simmons <i>KS</i> Senior Civil Engineer	PROJECT No./	P1438 DIV. ALL
	Meryll Gonzalez <i>MCG</i> Assistant Civil Engineer	SUBPROJECT:	NO.
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY:	Rod Posada <i>RPosada</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>M Magaña</i> (Asst. GM): Assistant General Manager of Engineering and Operations		
SUBJECT:	Award of a Professional Services Contract to Boyle Engineering Corporation for As-Needed Potable and Off-Site Recycled Water Plan Checking Services for Developer Projects		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board award a professional engineering services contract to Boyle Engineering Corporation (Boyle) for As-Needed Potable and Off-Site Recycled Water Plan Checking Services for Developer Projects and authorize the General Manager to execute an agreement with Boyle in an amount not to exceed \$150,000.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into a professional services agreement with Boyle for As-Needed Potable and Off-Site Recycled Water Plan Checking Services for Developer Projects in an amount not to exceed \$150,000 for a one-year period commencing with Board approval.

ANALYSIS:

The Board recently approved a \$34.5 million Capital Improvement Program (CIP) for fiscal year 2008 to meet the District's projected growth and to improve overall system efficiency. A major component of the fiscal year 2008 budget includes design of several pipelines, reservoirs, and other facilities.

Despite the decline of real estate market sales, Developer's continue to submit development plans at a steady rate. Over the last 12-month period, District design technicians reviewed thirty-one (31) plan checks. The level of effort required to review these plans limits other CIP duties. To allow the Engineering technicians to focus primarily on design and assist Civil Engineers in design and construction of CIP projects, the District requires the services of a consulting firm to provide professional services to assist the Engineering Public Services Department in performing plan check review and approvals for Developer and CIP off-site potable and recycled water projects. "Off-Site" refers to District-maintained facilities (i.e., pipelines and appurtenances) located within public right-of-way and District easements, outside of privately owned development areas.

In accordance with Policy 21, the District solicited Professional Engineering Services from consulting firms by placing an advertisement on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

Twelve (12) firms submitted a Letter of Interest and a Statement of Qualifications. The Request for Proposal (RFP) for Professional Engineering Services was sent to the firms resulting in nine (9) proposals received on August 13, 2007 from the following consulting firms:

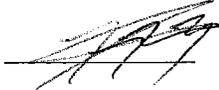
- Boyle Engineering Corporation
- Bureau Veritas
- J.C. Heden & Associates
- Lee & Ro, Inc.
- Overland, Pacific & Cutler Inc.
- PBS&J
- RBF Consulting
- SB&O, Inc.
- Stantec Consulting, Inc.

The three (3) firms that chose not to propose were: DBE Psomas, Environ Strategy Consultant, Inc., and Harris & Associates.

The consultant selection panel comprised of five (5) District staff. Staff evaluated and scored all written proposals. Boyle received the highest score for their services based on their experience, proposed method to accomplish the work, and their ability to complete projects on schedule. References for Boyle were checked and received high ratings. A summary of the complete evaluation is shown in Attachment B.

Staff estimated that an average of \$3,000 dollars will be needed per project to perform the plan check review. The District recuperates these funds by billing directly to the Developer. Staff recommends the award of a one-year professional engineering services contract to Boyle in an overall amount not to exceed \$150,000.

FISCAL IMPACT:



Plan check services are an on-going effort funded by developer deposits and does not affect the operating budget.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient, water wise and environmentally responsible manner," and the District's Strategic Goal, "To satisfy current and future water needs for potable, recycled, wastewater services."

LEGAL IMPACT:

None.



General Manager

P:\WORKING\As-Needed PLP Services\Staff Reports\Staff Report Award AsNeeded Pln Ck Services_10-8-07.doc

KS/MG/RR:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT: P1438	Award of a Professional Services Contract to Boyle Engineering Corporation for As-Needed Potable and Off-Site Recycled Water Plan Checking Services for Developer Projects
--------------------------------------	--

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that despite the decline of the real estate market sales, Developer's continue to submit development plans for approval by the District.
- The Engineering technicians have been very busy assisting the design and construction team with CIP projects. Therefore, a consulting firm is needed to assist the technicians with review and approval of plan checks for Developer and CIP potable and off-site recycled water projects.
- The job was advertised in accordance with the District's Policy 21. Twelve (12) firms submitted a letter of interest. Nine proposals were received.
- After Staff evaluated and scored all written proposals, Boyle Engineering was selected as the most experienced and qualified for the job.

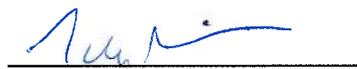
Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors on the consent calendar.

ATTACHMENT B

SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS
As-Needed Potable & Offsite Recycled Water Plan Check Services for Developer Projects
(Project No. 1438-010000)

		WRITTEN						*Proposed Fee	*Consultant's commitment to EBE, DBE, MBE, SBE	TOTAL SCORE (per reviewer)	AVERAGE SCORE	References
SCORE		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Ability to complete projects on schedule	Completeness, address requested information					
SCORE		15	15	10	10	10	15	20	5	100 **		✓
Boyle Engineering	Rick Acuna	13	13	9	10	9	13	20	5	92	93.4	✓
	David Charles	12	12	8	8	8	12			85		
	Meryl Gonzalez	14	15	9	10	10	14			97		
	Hossein Juybari	15	15	9	10	9	14			97		
	Ken Simmons	14	15	10	9	9	14			96		
Bureau Veritas	Rick Acuna	13	14	9	10	9	13	19	5	92	83.4	
	David Charles	11	11	7	7	7	11			78		
	Meryl Gonzalez	12	13	7	8	8	12			84		
	Hossein Juybari	12	12	6	8	7	11			80		
	Ken Simmons	12	13	7	7	8	12			83		
J.C. Heden & Assoc.	Rick Acuna	14	13	8	8	8	13	18	5	87	83.2	
	David Charles	12	11	8	8	7	12			81		
	Meryl Gonzalez	11	11	6	6	8	12			77		
	Hossein Juybari	13	14	9	9	9	14			91		
	Ken Simmons	12	12	7	6	8	12			80		
Lee & Ro	Rick Acuna	14	13	9	9	9	14	20	5	93	84.6	
	David Charles	12	11	8	8	8	11			83		
	Meryl Gonzalez	11	11	6	6	7	11			77		
	Hossein Juybari	13	14	8	10	9	14			93		
	Ken Simmons	11	11	8	8	6	12			77		
Overland, Pacific & Cutler	Rick Acuna	13	13	8	8	8	12	17	5	84	75.8	
	David Charles	10	12	7	7	7	12			77		
	Meryl Gonzalez	10	12	5	7	7	10			73		
	Hossein Juybari	10	10	5	4	6	10			67		
	Ken Simmons	10	13	6	8	8	11			78		
PBS&J	Rick Acuna	13	12	8	8	8	12	20	5	86	88.2	
	David Charles	11	12	7	7	7	11			80		
	Meryl Gonzalez	13	13	8	9	10	12			90		
	Hossein Juybari	13	14	9	10	9	14			94		
	Ken Simmons	13	14	9	8	10	12			91		
RBF	Rick Acuna	13	13	9	9	8	13	19	5	89	90.6	
	David Charles	12	11	8	8	8	11			82		
	Meryl Gonzalez	14	14	9	10	10	15			96		
	Hossein Juybari	14	14	9	10	9	14			94		
	Ken Simmons	14	13	9	9	9	14			92		
SB&O	Rick Acuna	13	13	8	9	9	13	19	5	89	81.4	
	David Charles	10	12	7	7	7	12			77		
	Meryl Gonzalez	13	13	7	8	8	12			83		
	Hossein Juybari	12	12	6	6	8	11			77		
	Ken Simmons	13	12	7	8	8	11			81		
Stantec	Rick Acuna	13	12	8	8	9	12	17	5	84	76.6	
	David Charles	10	11	7	7	7	11			75		
	Meryl Gonzalez	11	11	6	5	7	11			73		
	Hossein Juybari	12	12	6	7	8	11			78		
	Ken Simmons	11	10	6	6	7	11			73		

Notes: * Project Manager scores the "Proposed Fee" and "Consultant's Commitment to EBE, DBE, MBE, and SBE" columns.


 Project Manager's Signature
 Date: 10/15/07


 Peer Review Signature
 Date: 10/15/07



AGENDA ITEM 6g

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	W.O./G.F. NO:	0210- 0.286
		DIV. NO. 1	
APPROVED BY:	Rod Posada <i>R Posada</i> (Chief) Chief Engineering		
APPROVED BY:	Manny Magaña <i>M Magaña</i> (Asst. GM): Assistant General Manager of Engineering & Operations		
SUBJECT:	Department of Transportation Proposed Water Annexation Request to Otay Water District Improvement District No. 1		

GENERAL MANAGER'S RECOMMENDATION:

Adopt Resolution No. 4108, fixing terms and conditions for the annexation of certain real property owned by CalTrans within the boundaries of the Otay Water District (District) to Improvement District No. 1.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

The purpose of the proposed annexation is to make water service available to the California Department of Transportation (CalTrans) for certain real property consisting of 42.90 acres located along State Route 125 and State Route 54 interchange.

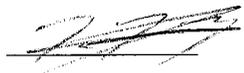
ANALYSIS:

A written request and petition for annexation into Improvement District No. 1 for water service have been submitted by the Department of Transportation to the District Secretary. The total acreage to be annexed is 42.90 acres. The property is within the boundaries of Otay Water District and will be annexed to Improvement District No. 1, if the Board of Directors approves this request. The property is located at the State Route 125 and State Route 54 interchange, County of San Diego.

CalTrans has informed staff that assessor parcel numbers are not assigned because the right-of-way of this property is owned by the State of California. Therefore, the property is exempt from annual assessment charges.

Otay River Constructors (ORC) is the contractor retained by CalTrans to be responsible for the construction of the interchange and is assisting CalTrans to petition Otay Water District with the annexation procedures and approval by our Board of Directors.

General Counsel has reviewed the annexation request and petition. General Counsel has also reviewed the Resolution being presented to the Board of Directors for adoption.

FISCAL IMPACT: 

CalTrans will pay a District's annexation fee of \$1,511 per EDU at the time the water meters are purchased and any additional meter costs and other fees as established in the Resolution. No other fiscal impacts will be incurred.

STRATEGIC GOAL:

Provide water service to meet increasing customer needs.

LEGAL IMPACT: _____

All statutory and Code of Ordinances requirements have been met for annexation into Improvement District No. 1.



General Manager

- Attachment A - Committee Action
- Attachment B - District Map showing proposed annexation area
- Attachment C - Resolution No. 4108 with the following Exhibits:
 - Exhibit A - Legal Description
 - Exhibit B - Plat Map
- Attachment D - Letters dated January 30, 2003 from the Department of Transportation indicating rightful ownership of the property to be annexed



ATTACHMENT A

SUBJECT/PROJECT: W.O./G.F.No 0210-20.286	Department of Transportation Proposed Water Annexation Request to Otay Water District Improvement District No.1
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that Caltrans has submitted a request for annexation to the District of property located along State Route 125 and State Route 54 interchange.
- The property is within District boundaries. However, in order to receive water service from Otay, the property has to be annexed into an Improvement District.
- The water will be used by Caltrans for landscaping purposes only.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors on the consent calendar.

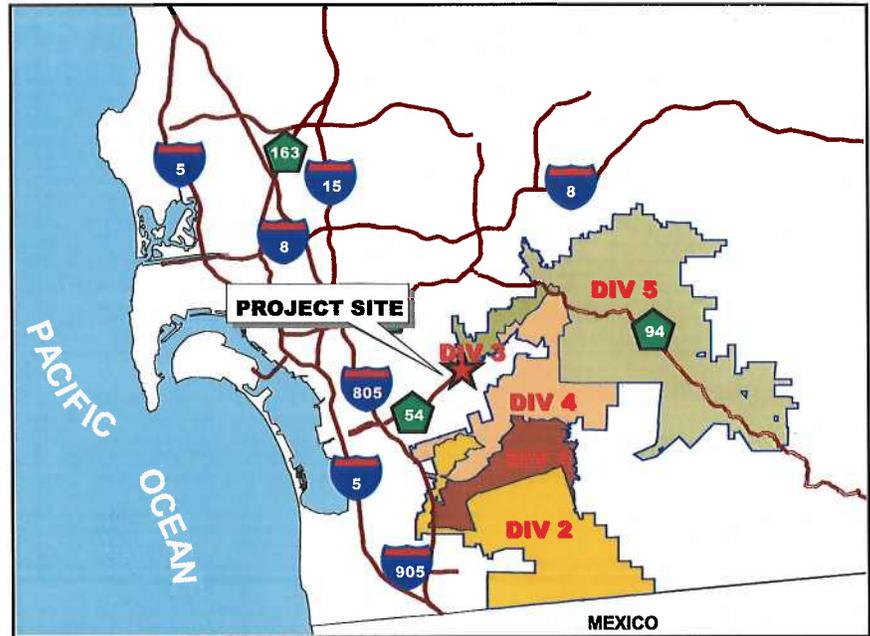


CALTRANS PROPOSED ANNEXATION TO ID 1

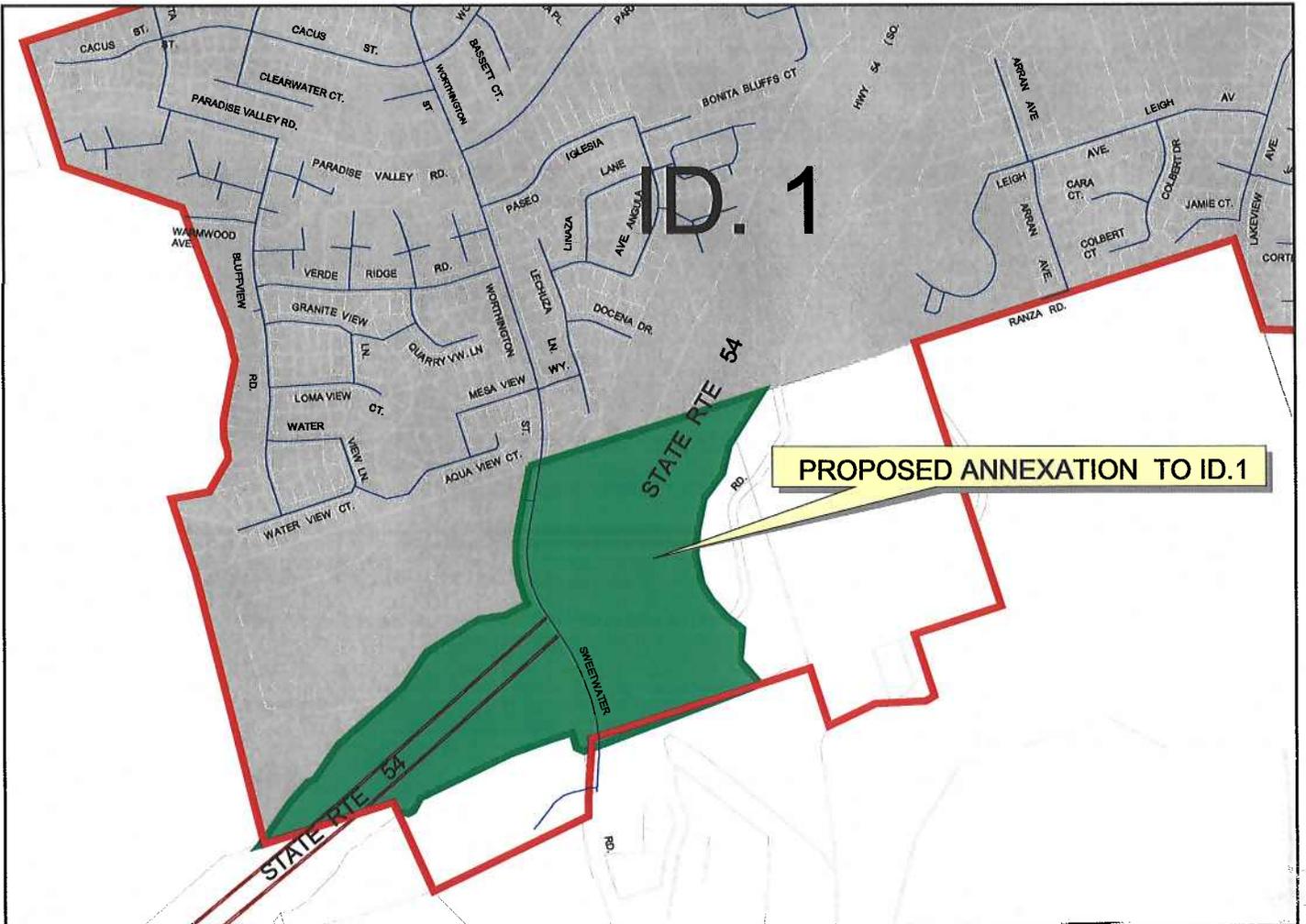
SR 125 & SR 54 INTERCHANGE



VICINITY MAP



LOCATION MAP



RESOLUTION NO. 4108

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CALTRANS SR 125 & SR 54 INTERCHANGE ANNEXATION" AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 1 (WO 00210-20.286/DIVISION 1)

WHEREAS, the District has received a written request/petition from the State of California, Department of Transportation for annexation of certain land that it has an interest in described in Exhibit "A," attached hereto, to Otay Water District Improvement District No. 1 (hereinafter "ID No. 1") pursuant to California Water Code Section 72670 et seq.; and

WHEREAS, the petition is signed by all of the holders of title of land in the area proposed to be annexed;

WHEREAS, pursuant to Section 72680.1 of said Water Code, the Board of Directors may proceed and act thereon without notice and hearing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of ID No. 1 following the annexation, is set forth on a map filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

2. The purpose of the proposed annexation is to make water service available to the area to be annexed, which availability constitutes a benefit to said area.

3. The Board finds and determines that the area proposed to be annexed to ID No. 1 will be benefited by such annexation and that the property currently within ID No. 1 will also be benefited and not injured by such annexation.

4. The Board of Directors hereby declares that the annexation of said property is subject compliance of the following terms and conditions:

(a) The petitioners for said annexation shall pay to Otay Water District the following:

- (1) An annexation fee of \$1,511 per EDU to be collected at the time the meters are purchased;
- (2) Other meter-related costs; and
- (3) All other applicable local or state agency fees, not otherwise waived because this is an agency of the State.

5. The Board of Directors hereby waives the District's standard processing fee in the amount of \$682.00 at the request of the State of California because the request comes from a State agency.

6. The Board declares the property described in Exhibit "A" shall be considered annexed to Improvement District No. 1 upon passage of this resolution.

7. The Board of Directors further finds and determines that there are no exchanges of property tax revenues to be made pursuant to California Revenue and Taxation Code Section 95 et seq., as a result of such annexation.

8. The annexation to the District is hereby designated as the "CALTRANS SR 125 & SR 54 INTERCHANGE ANNEXATION."

9. Pursuant to Section 57202(c) of the Government Code, the effective date of the CALTRANS SR 125 & SR 54 INTERCHANGE ANNEXATION shall be the date this Resolution is received and acknowledged by the San Diego County Recorder.

10. The General Manager of the District and the Secretary of the District, or their respective designees, are hereby ordered to take all actions required to complete this annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 7th day of November, 2007.

AYES:
NOES:
ABSTAIN:
ABSENT:

President

ATTEST:

District Secretary

ANNEXATION NO. 2007-XX
ANNEXATION TO OTAY WATER DISTRICT I.D. I
GEOGRAPHIC DESCRIPTION

All that certain property, situate in portions of Quarter Sections 3 and 24, of the Rancho de la Nacion, in the County of San Diego, State of California according to Map thereof No. 166, filed in the Office of the County Recorder of San Diego County, described as follows:

BEGINNING at the Northwest corner of said Quarter Section 3, also being the existing boundary of Otay Water District – Improvement District 1;

Thence along the North line of said Quarter Section 3 and Improvement District 1 boundary, (1) North 72°14'06" East 203.30 feet;

Thence leaving said North line and Improvement District 1 boundary, (2) South 28°56'23" West 279.48 feet to a point on the West line of Quarter Section 3;

Thence leaving said West line and continuing, (3) South 28°56'23" West 39.07 feet;

Thence, (4) South 12°57'35" West 132.20 feet;

Thence, (5) South 36°08'49" West 157.44 feet;

Thence, (6) South 11°26'24" West 151.24 feet;

Thence, (7) South 04°25'37" West 120.46 feet;

Thence, (8) South 11°52'15" East 146.71 feet;

Thence, (9) South 31°31'40" East 92.29 feet;

Thence, (10) South 42°01'34" East 116.64 feet;

Thence, (11) South 53°52'52" East 84.50 feet;

Thence, (12) South 04°43'02" West 151.98 feet;

Thence, (13) South 41°24'20" East 105.41 feet to a point on the South line of the North ½ of said Quarter Section 24, also being on the Otay Water District boundary;

Thence along said South line and said District boundary, (14) South 72°11'46" West 851.79 feet;

Thence leaving said District boundary and continuing along said South line, (15) South 72°11'46" West 42.88 feet;

Thence leaving said South line, (16) North 66°46'46" West 37.65 feet;

Thence, (17) North 17°35'46" West 75.79 feet;

Thence, (18) South 68°36'47" West 89.79 feet;

Thence, (19) South 67°44'41" West 214.17 feet;

Thence, (20) South 61°42'10" West 473.34 feet;

Thence, (21) South 24°48'01" West 70.40 feet;

Thence, (22) South 64°09'33" West 25.74 feet;

Thence, (23) North 82°43'59" West 33.64 feet;

Thence, (24) South 50°31'48" West 4.04 feet to a point on the Otay Water District boundary;

Thence along said District boundary, (25) North 21°39'49" West 58.33 feet to a point on said South line of the North 1/2 of said Quarter Section 24;

Thence along said South line and said District boundary, (26) South 72°49'23" West 662.19 feet to the West Quarter corner of said Quarter Section 24, said point also being on the existing boundary of Otay Water District – Improvement District 1;

Thence leaving said Quarter corner and said District boundary, along said Improvement District 1 boundary, (27) North 42°58'19" East 73.70 feet;

Thence, (28) North 48°40'01" East 200.04 feet;

Thence, (29) North 22°06'03" East 111.82 feet;

Thence, (30) North 34°37'54" East 206.19 feet;

Thence, (31) North 48°40'04" East 400.07 feet;

Thence, (32) North 34°37'46" East 206.18 feet;

Thence, (33) North 57°35'02" East 290.36 feet;

Thence, (34) North 80°51'27" East 128.53 feet;

Thence, (35) North 63°11'35" East 130.94 feet to the Westerly line of County Road Survey No. 471-B (Worthington Street) and a point on a non-tangent 530.00 foot radius curve, concave Easterly, a radial bearing to said point bears South 63°14'21" West;

Thence, (36) along said Street and Northerly along said curve, through a central angle of 37°28'02", an arc distance of 346.58 feet, having a chord of North 08°01'38" West, 340.44 feet;

Thence, (37) continuing along said Street North 10°42'23" East 295.58 feet to a tangent 970.00 foot radius curve, concave Northwesterly;

Thence, (38) continuing along said Street and Northerly along said curve, through a central angle of 1°15'39", an arc distance of 21.35 feet, having a chord of North 10°04'34" East, 21.34 feet to the Northerly line of said Quarter Section 24;

Thence, (39) along said Quarter Section line North 72°14'12" East 960.19 feet to the **Point of Beginning** and containing **42.90** acres of land more or less.

The bearings and distances used in the above description are on the California Coordinate System of 1983, Zone 6.

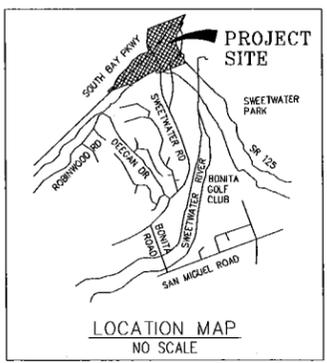
For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as a basis for an offer for sale of land described.

28 25
29 24

COURSES:

- 1 N72°14'06"E 203.30'
- 2 S28°56'23"W 279.48'
- 3 S28°56'23"W 39.07'
- 4 S12°57'35"W 132.20'
- 5 S36°08'49"W 157.44'
- 6 S11°26'24"W 151.24'
- 7 S04°25'37"W 120.46'
- 8 S11°52'15"E 146.71'
- 9 S31°31'40"E 92.29'
- 10 S42°01'34"E 116.64'
- 11 S53°52'52"E 84.50'
- 12 S04°43'02"W 151.98'
- 13 S41°24'20"E 105.41'
- 14 S72°11'46"W 851.79'
- 15 S72°11'46"W 42.88'
- 16 N66°46'46"W 37.65'
- 17 N17°35'46"W 75.79'
- 18 S68°36'47"W 89.79'
- 19 S67°44'41"W 214.17'
- 20 S61°42'10"W 473.34'
- 21 S24°48'01"W 70.40'
- 22 S64°09'33"W 25.74'
- 23 N82°43'59"W 33.64'
- 24 S50°31'48"W 4.04'
- 25 N21°39'49"W 58.33'
- 26 S72°49'23"W 662.19'
- 27 N42°58'19"E 73.70'
- 28 N48°40'01"E 200.04'
- 29 N22°06'03"E 111.82'
- 30 N34°37'54"E 206.19'
- 31 N48°40'04"E 400.07'
- 32 N34°37'46"E 206.18'
- 33 N57°35'02"E 290.36'
- 34 N80°51'27"E 128.53'
- 35 N63°11'35"E 130.94'
- 36 R=530.00' Δ=37°28'02" L=346.58'
CHORD=N08°01'38"W 340.44'
- 37 N10°42'23"E 295.58'
- 38 R=970.00' Δ=11°5'39" L=21.34'
CHORD=N10°04'34"E 21.34'
- 39 N72°14'12"E 960.19'

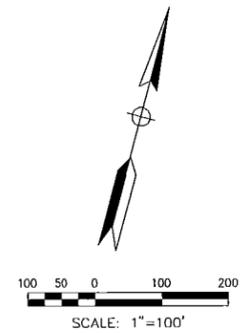
LEGEND:
 OTAY WATER DISTRICT BOUNDARY
 EXISTING IMPROVEMENT DISTRICT BOUNDARY
 PROPOSED ANNEXATION



RANCHO DE LA NACION
QUARTER SEC. 24

STATE HIGHWAY 54

STATE HIGHWAY 125



DISCLAIMER:
 "FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND WAY NOT BE USED AS A BASIS FOR AN OFFER FOR SALE OF LAND DESCRIBED."

ASSESSOR'S PARCEL NUMBERS:	ACREAGE: 42.90	DATE: 04/06/2007	SCALE: 1"=100'
OTAY WATER DISTRICT ANNEXATION BEING A PORTION OF QUARTER SECTIONS 3 AND 24, RANCHO DE LA NACION, SAN DIEGO COUNTY, CALIFORNIA		BERGGREN & ASSOCIATES LAND SURVEYING AND RIGHT OF WAY MAPPING 6046 CORNERSTONE COURT WEST #116 SAN DIEGO, CALIFORNIA 92121 (858) 824-0034 / (858) 824-0036	

RW-C

DEPARTMENT OF TRANSPORTATION

DISTRICT 11

P.O. BOX 85406

SAN DIEGO, CA 92186-5406

FAX (619) 688-2569

Writer's Direct Dial No.: (619) 688-6911

January 30, 2003

11-SD-125

P.M. 17.9

E.A. 003009

R/W 32153-1,2,3

APN# 586-050-34 & 49,

586-060-11

Tax Collector

County of San Diego

1600 Pacific Highway

San Diego, CA 92101

Dear Sir:

The State of California, through the Department of Transportation, has filed a proceeding in eminent domain entitled Peo. vs. County of San Diego Superior Court Case No. GIC 803748 of the County of San Diego, State of California, and a Lis Pendens was recorded with the County Recorder on January 21, 2003, as Document No. 2003-0071744.

Attached for your information is a copy of the Summons and Complaint together with a set of maps. Parcel No. 32153-1,2,3 as set forth in the Complaint, is a partial taking and will require a separate segregation of the assessments on the tax rolls.

In view of the foregoing, it is respectfully requested that you take appropriate action under Section 1252.2 of the Code of Civil Procedure to have the property, sought to be taken by the above referred to action, separately valued on the tax assessment rolls.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Finkbeiner".

BRIAN FINKBEINER
Condemnation Agent

BF:mfb
in dupl.
Attachments

ATTACHMENT D

R/W-C

DEPARTMENT OF TRANSPORTATION

DISTRICT 11
P.O. BOX 85406
SAN DIEGO, CA 92186-5406

FAX (619) 688-2569
Writer's Direct Dial No.: (619) 688-6911



January 30, 2003

11-SD-125
P.M. 17.9
E.A. 003009
R/W 32153-1,2,3
APN# 586-050-34 & 49
586-060-11

Tax Collector
County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Dear Sir:

On January 30, 2003, we transmitted to you a copy of the proceeding in eminent domain entitled People vs. County of San Diego, Superior Court Case No. GIC 803748 of the County of San Diego, State of California. A Lis Pendens was recorded with the County Recorder on January 21, 2003, as Document No. 2003-0071744.

Subsequent thereto, an Order for Possession has been taken on Parcel 32153-1,2,3. A copy of the Order for Possession is attached in order to assist you in making a separate segregation of the assessment on the tax rolls.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian Finkbeiner".

BRIAN FINKBEINER
Condemnation Agent

BF:mfb

in dupl.
Attachments

COPY

extra

F I L E D

Clerk of the Superior Court

JAN 22 2003

By: K SANDOVAL, Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

THE PEOPLE OF THE STATE OF CALIFORNIA, acting by and through the Department of Transportation,
Plaintiff,

CASE NO: GIC 803748
[Parcel No. 32153-1, 2, 3]

v.

THE COUNTY OF SAN DIEGO; and DOES ONE through FIFTY, Inclusive,
Defendants.

ORDER FOR IMMEDIATE POSSESSION

AND ALL RELATED CASES

JUDGE: HON. RONALD S. PRAGER
DEPT: 69

IT APPEARING and the court determining that plaintiff is entitled to acquire Parcel 32153-1, -2, AND -3, by eminent domain and to take possession thereof;

AND IT FURTHER APPEARING, and the court determining that plaintiff has deposited in the State Treasury pursuant to Code of Civil Procedure section 1255.070 an amount which satisfies the requirements of Code of Civil Procedure section 1255.010;

AND IT FURTHER APPEARING, and the court determining that plaintiff has demonstrated an urgent need for possession of said parcel, and that possession will not displace or unreasonably

1 affect any person in actual and lawful possession of the property to be taken or the larger parcel of
2 which it is a part;

3 IT IS ORDERED that plaintiff is authorized and empowered to take possession and use of
4 said property, more particularly described in Exhibit "A" attached and incorporated herein, and to
5 remove therefrom and all persons, obstacles, improvements, or structures of every kind or nature
6 there on situated as of the indicated date set forth below or on the third day following the date of
7 service of this order, whichever is later.

8 PARCEL NUMBER

DATE POSSESSION TO BE TAKEN

9 32153-1, -2, -3

JANUARY 25, 2003

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11 Dated: JAN 22 2003

11 RONALD S. PRAGER
12 JUDGE OF THE SUPERIOR COURT

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EXHIBIT A

1 PARCEL 32153-1

2 For State highway purposes, that portion of the Southeasterly and Northeasterly
3 Quarters of Quarter Section 24 and the Northwesterly Quarter of Quarter Section 3 of the
4 RANCHO DE LA NACION, in the County of San Diego, State of California according to
5 Map thereof No. 166, filed in the Office of the County Recorder of San Diego County,
6 lying Westerly of the following described Line 1:

7 Line 1- **COMMENCING** at a brass disk stamped "OTTO NAT CITY 08 1953" according
8 to Record of Survey Map No. 15374, which bears North 62°14'28" West, 1648.670
9 meters from a brass disk stamped "CV GPS 5057" according to said Record of Survey
10 map; thence North 83°20'45" West, 334.762 meters to the **POINT OF BEGINNING**;
11 thence (1) North 41°24'20" West, 295.352 meters; thence (2) North 04°43'02" East,
12 46.324 meters; thence (3) North 53°52'52" West, 25.757 meters; thence (4) North
13 42°01'34" West, 35.551 meters; thence (5) North 31°31'40" West, 28.129 meters;
14 thence (6) North 11°52'15" West, 44.716 meters; thence (7) North 4°25'37" East,
15 36.715 meters; thence (8) North 11°26'24" East, 46.099 meters; thence (9) North
16 36°08'49" East, 47.988 meters; thence (10) North 12°57'35" East, 40.296 meters;
17 thence (11) North 28°56'23" East, 97.096 meters to the Northerly line of said
18 Northwesterly Quarter of Quarter Section 3 and the **POINT OF TERMINUS**, said **POINT**
19 **OF TERMINUS** bears North 36°54'52" West 826.225 meters from said brass disk
20 stamped "OTTO NAT CITY 08 1953".

21 **EXCEPTING** those portions lying Westerly of the following described Line 2:

22 Line 2- **COMMENCING** at a brass disk stamped "OTTO NAT CITY 08 1953" according
23 to Record of Survey Map No. 15374, which bears North 62°14'28" West, 1648.670
24 meters from a brass disk stamped "CV GPS 5057" according to said Record of Survey
25 map; thence South 72°25'06" West, 338.110 meters to the **POINT OF BEGINNING**;
26 thence (1) North 26°53'48" West, 105.524 meters to a point on a non-tangent curve
27 concave Southwesterly having a radius of 1842.639 meters, a radial line to said point
28 bears North 44°24'18" East; thence (2) Northwesterly along said curve through a central

1 angle of $3^{\circ}14'43''$ a distance of 104.373 meters; thence (3) tangent to said curve North
2 $48^{\circ}50'25''$ West, 119.273 meters to a tangent curve concave Southwesterly having a
3 radius of 245.633 meters; thence (4) Northwesterly along said curve through a central
4 angle of $14^{\circ}04'27''$ a distance of 60.337 meters to a point on a non-tangent curve
5 concave Northerly having a radius of 41.296 meters, a radial line to said points bears
6 South $51^{\circ}23'17''$ East; thence (5) Westerly along said curve through a central angle of
7 $79^{\circ}47'13''$ a distance of 57.507 meters; thence (6) tangent to said curve North $61^{\circ}36'05''$
8 West 38.511 meters; thence (7) South $72^{\circ}11'46''$ West 19.064 meters to the POINT OF
9 TERMINUS, said POINT OF TERMINUS bears North $77^{\circ}37'15''$ West 755.432 meters
10 from said brass disk stamped "OTTO NAT CITY 08 1953".

11 Also, EXCEPTING those portions lying Westerly of the Easterly line of the County
12 Highway (RS 471-B), recorded July 27, 1962 as File No. 127902 of Official Records.

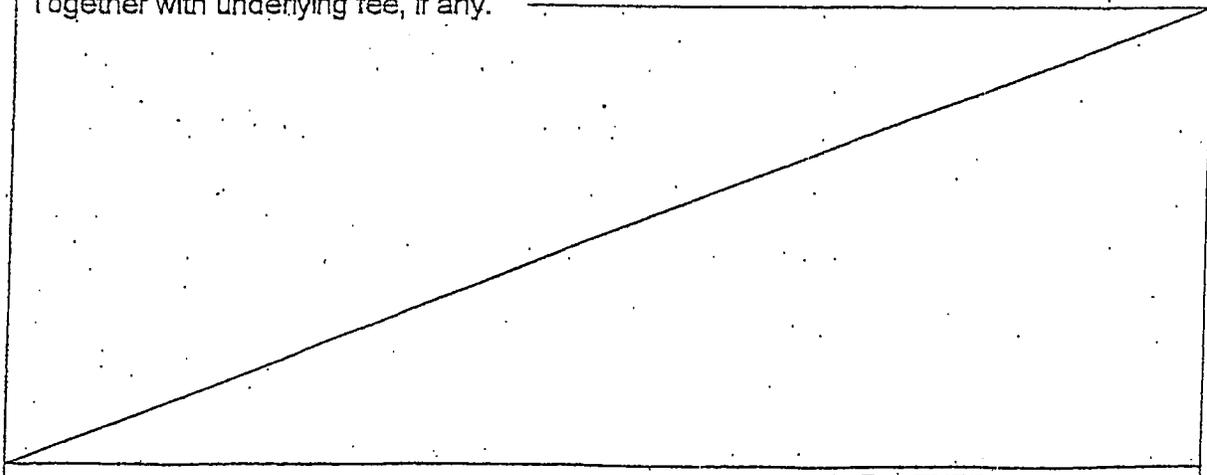
13 Also, EXCEPTING those portions lying Northerly of the Southerly line of South Bay
14 Freeway as described in deed to the County of San Diego recorded July 27, 1962 as
15 File No. 127903 of Official Records.

16 Lands abutting said state highway shall have no right or easement of access thereto.

17 The bearings and distances used in the above descriptions are on the California
18 Coordinate System of 1983, Zone 6. Multiply all distances in the above description by
19 0.9999975 to obtain ground level distances.

20 Together with underlying fee, if any. _____

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1 PARCEL 32153-2

2 For State highway purposes, a road easement to the State of California, its
3 successors or assigns, being a portion of the Southeasterly Quarter of Quarter Section 24
4 of the RANCHO DE LA NACION, in the County of San Diego, State of California
5 according to Map thereof No. 166, filed in the Office of the County Recorder of San Diego
6 County, lying Northerly of the following described line:

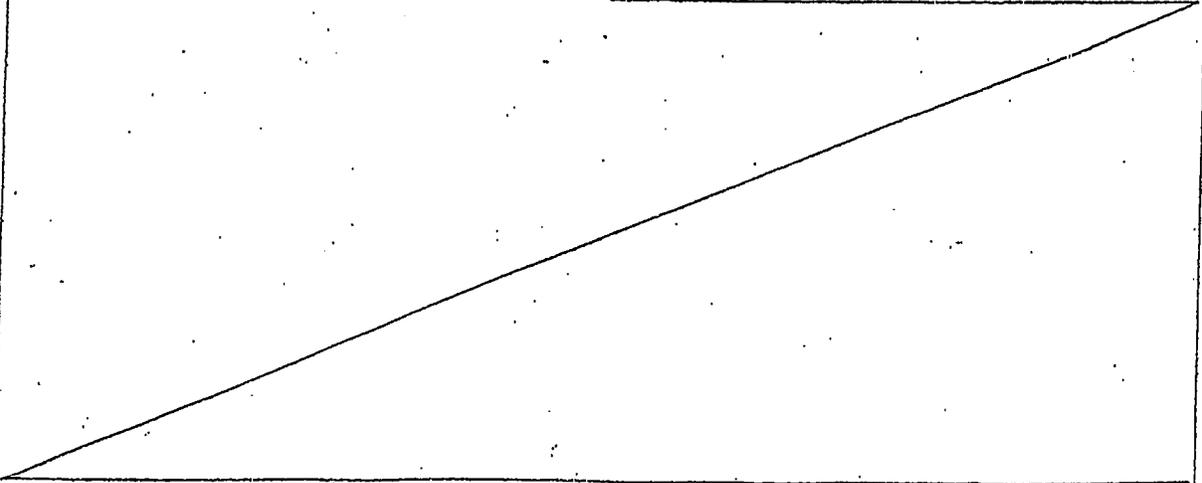
7 **COMMENCING** at the Northerly terminus of course 4 of Line 2 of Parcel 32153-1, a
8 radial line to said point of terminus of said course 4 bears North 27°05'28" East; thence
9 Southeasterly along said course 4 having a radius of 245.633 meters through a central
10 angle of 00°47'57" a distance of 3.426 meters to a point on a non-tangent 15.000 meter
11 radius curve concave Northwesterly, a radial to said point bears South 85°20'26" East,
12 said point being the **POINT OF BEGINNING**; thence (1) Southwesterly along said curve

13 through a central angle of 51°31'36" a distance of 13.490 meters; thence (2) tangent to
14 said curve South 56°11'10" West, 2.600 meters to the Southeasterly line of Quarry
15 Road described in deed for County Highways recorded October 6, 1966 as File No.
16 161677 of Official Records, said point being the **POINT OF TERMINUS**.

17 **EXCEPTING** those portions lying Northerly of Line 2 in Parcel 32153-1 above.

18 The bearings and distances used in the above descriptions are on the California
19 Coordinate System of 1983, Zone 6. Multiply all distances in the above description by
20 0.9999975 to obtain ground level distances.

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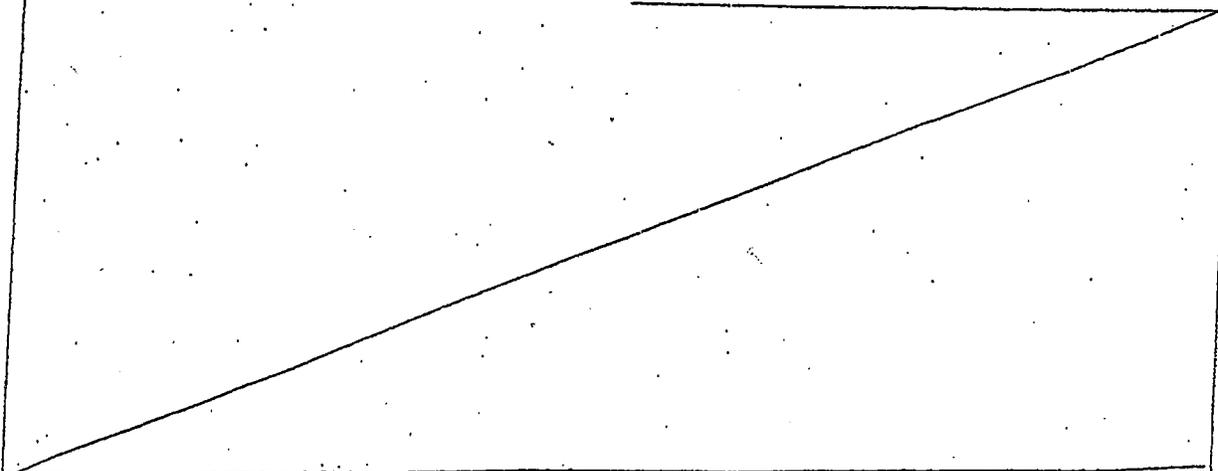
1 PARCEL 32153-3

2 For State highway purposes, a slope easement to the State of California, its
 3 successors or assigns, being a portion of the Southeasterly Quarter of Quarter Section 24
 4 of the RANCHO DE LA NACION, in the County of San Diego, State of California
 5 according to Map thereof No. 166, filed in the Office of the County Recorder of San Diego
 6 County, lying Northerly of the following described line:

7 **COMMENCING** at the Northerly terminus of course 4 of Line 2 of Parcel 32153-1, a
 8 radial line to said point of terminus of said course 4 bears North 27°05'28" East; thence
 9 Southeasterly along said course 4 having a radius of 245.633 meters through a central
 10 angle of 02°46'40" a distance of 11.908 meters to a point on a non-tangent 23.000
 11 meter radius curve concave Northwestery, a radial to said point bears South 76°38'28"
 12 East, said point being the **POINT OF BEGINNING**; thence (1) Southwesterly along said
 13 curve through a central angle of 42°49'38" a distance of 17.192 meters; thence (2)
 14 tangent to said curve South 56°11'10" West, 4.570 meters to the Southeasterly line of
 15 Quarry Road described in deed for County Highways recorded October 6, 1966 as File
 16 No. 161677 of Official Records, said point being the **POINT OF TERMINUS**.

17 **EXCEPTING** those portion described in Parcel 32153-1 and Parcel 32153-2.

18 The bearings and distances used in the above descriptions are on the California
 19 Coordinate System of 1983, Zone 6. Multiply all distances in the above description by
 20 0.9999975 to obtain ground level distances.





AGENDA ITEM 6h

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Don Henderson, Construction Maintenance Manager	W.O./G.F. NO:	DIV. NO. All
	Steve Dobra, <i>[Signature]</i> Purchasing and Facilities Manager		
APPROVED BY: (Chief):	Pedro Porras, Chief of Water Operations <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	Manny Magana, Asst. General Manager, Engineering & Operations <i>[Signature]</i>		
SUBJECT:	AWARD OF PAVING CONTRACT TO KIRK PAVING IN THE AMOUNT OF \$73,068.00 TO REPAIR ROAD SURFACE AT THE INTERSECTION OF JAMACHA BLVD. AND SWEETWATER SPRINGS BLVD.		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute a contract with Kirk Paving in the amount of \$73,068.00 for the repair of approximately 3,300 square feet of asphalt roadway at the intersection of Sweetwater Springs Blvd. and Jamacha Blvd., Spring Valley, CA.

COMMITTEE ACTION: _____

See "Attachment A"

PURPOSE:

To present bid results and request authorization to execute a contract with Kirk Paving for the removal and replacement of approximately 3,300 square feet of road in the amount of \$73,068.00.

ANALYSIS:

On Tuesday, January 23, 2007 a severely corroded 4" steel 90° bend on an abandoned blow-off ruptured, causing major pavement damage at the intersection of Jamacha Blvd. and Sweetwater Springs Blvd., Spring Valley. This rupture released in excess

of one-million gallons of water resulting in damage to approximately 3,300 square feet of asphalt paving.

Repairs to the road require the removal and re-installation of asphalt paving and potentially, road base material, striping, and re-installation of traffic signal loops.

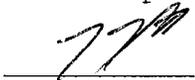
In accordance with public purchasing requirements, a notice was published and bids were solicited for this work. Six contractors attended a mandatory pre-bid meeting held on September 6, 2007. On September 17, 2007 a public bid opening was held and two bids were submitted as follows:

Kirk Paving, Lakeside, CA	Frank & Son Paving, Chula Vista, CA
\$73,068.00	\$83,500.00

Included in the bid is all labor, materials, traffic control, traffic loop replacement, striping, sealing, scarification, soils testing, and permitting required to remove and replace the specified asphalt.

Kirk paving has performed two major paving projects for the District related to recent water main breaks, and is the current "as needed" paving service provider. The District's experience with Kirk Paving has been positive and the District is confident that they will be able to perform the required work.

FISCAL IMPACT:



Based on the bids submitted, the cost of repair to the pavement is \$73,068.00. Anticipated return from insurance is 100% of the paving cost less the District's \$2,000.00 deductible.

The FY 08 Operating Budget for miscellaneous insurance expenses is \$4,500. To date, no expenditures have been charged to this budget and there will be sufficient funds to cover the expected \$2,000.00 insurance deductible.

STRATEGIC GOAL:

Strategy: Stewards of Public Infrastructure

LEGAL IMPACT: _____

None.



General Manager

Attachment A

ATTACHMENT A

SUBJECT/PROJECT:	AWARD OF CONTRACT FOR PAVING THE INTERSECTION OF JAMACHA BLVD. AND SWEETWATER SPRINGS BLVD.
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COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on October 29, 2007. The following comments were made:

- Staff indicated that paving of the roadway at the intersection of Sweetwater Springs Boulevard and Jamacha Boulevard, Spring Valley is needed.
- A pipe below the pavement was capped when the road was widened several years ago.
- A corroded 4" steel 90° bend on an abandoned blow-off ruptured in January 2007 causing major pavement damage at the intersection.
- The project was advertised and bids were solicited for the work.
- Six contractors attended the pre-bid meeting.
- Two bids were submitted.
- Kirk Paving has satisfactorily completed two previous large paving projects for the District and is our current on-call paving contractor.
- Unit costs are specified in the contract if more work is needed. The contract calls for 12 inches of asphalt.
- The District will be reimbursed by its insurance carrier for the costs.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors on the consent calendar.



AGENDA ITEM 6i

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO. A11
APPROVED BY:			
SUBJECT:	Elect Representatives to the National Water Resources Association's (NWRA) California Caucus Board of Directors		

GENERAL MANAGER'S RECOMMENDATION:

That the Board consider casting votes to elect five (5) representatives to the National Water Resources Association's (NWRA) California Caucus Board of Directors.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To elect five (5) representatives to the NWRA's California Caucus Board of Directors.

ANALYSIS:

ACWA is holding an election to fill three (3) board member seats and two (2) alternate board member seats on NWRA's California Caucus Board of Directors. Each member agency is asked to vote for five nominees. The three (3) nominees with the highest number of votes will serve on the Board of Directors and the two (2) receiving the fourth and fifth highest votes will serve as alternates.

A copy of the mail-in ballot is attached along with a summary of each of the nominees' background information. The ballot must be received by ACWA no later than Monday, December 3, 2007.

FISCAL IMPACT: _____

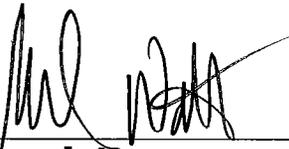
None.

STRATEGIC GOAL:

Participating would support the strategic goal of maintaining effective communications with other cities, special districts, State and Federal governments, community organizations and Mexico.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

Attachment A: Committee Action
ACWA Correspondence, NWRA Ballot and Nominee Background
Information



ATTACHMENT A

SUBJECT/PROJECT:	Elect Representatives to the National Water Resources Association's (NWRA) California Caucus Board of Directors
-------------------------	---

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on October 29, 2007. The committee recommended that the District cast its vote for the following individuals:

Wayne A. Clark, MWD of Orange County
John P. Fraser, El Dorado Irrigation District
Charles W. Muse, Helix Water District

and presentation to the full board on the consent calendar.



Association of California Water Agencies

Leadership Advocacy Information Since 1910

CC: Susan

MEMORANDUM

OCT 10 2007

October 2, 2007

TO: ACWA MEMBER AGENCY PRESIDENTS AND GENERAL MANAGERS

FROM: JAN JENNINGS, DIRECTOR OF ADMINISTRATION

**SUBJECT: NWRA CALIFORNIA CAUCUS BALLOTS:
DUE DECEMBER 3, 2007**

The nominations for the National Water Resources Association (NWRA) California Caucus positions have been submitted and now it is time for your agency to vote. Attached you will find a ballot and brief summary of each nominee's NWRA participation and background information. Please take a moment to read the information about each nominee and indicate on the ballot who your agency would like to have serve as representatives and alternates on the California Caucus. The three (3) individuals receiving the highest number of votes will serve on the Board of Directors. The two (2) individuals receiving the fourth and fifth highest votes will serve as alternates. **Each member agencies is allowed one (1) vote.**

Return the completed ballot to the ACWA office no later than Monday, December 3, 2007. The results of the election will be announced on the ACWA Web site and published in a future issue of ACWA News.

Please call me at the ACWA office at (916) 441-4545 if you have questions or would like additional information. Thank you for your careful consideration and participation in this election. Your voice will help ensure the enactment of sound water policy decisions and regulatory measures.

JJ

Attachments

NWRA CALIFORNIA CAUCUS BALLOT

Corrected Ballot 10-10-07

Please vote for five (5) of the candidates listed below. The top three finishers will be full board members and the fourth and fifth will be alternates.

(Per Board policy, the sixth position will be filled by the Federal Affairs Committee Chair)

_____ Wilmar "Will" L. Boschman <i>Semitropic Water Storage District</i>	_____ Adrienne (Ann) Mathews <i>Kern County Water Agency</i>
_____ David A. Breninger <i>Placer County Water Agency</i>	_____ Larry L. Russell, Ph.D., P.E. <i>Marin Municipal Water District</i>
_____ Wayne A. Clark <i>MWD of Orange County</i>	_____ Terrance "Terry" M. King <i>Chino Basin Water Conservation District</i>
_____ Katy Foulkes <i>East Bay MUD</i>	_____ Joseph L. Kuebler <i>Eastern MWD</i>
_____ John P. Fraser <i>El Dorado Irrigation District</i>	_____ Charles W. Muse <i>Helix Water District</i>
_____ Lawrence Libeu <i>Rancho California Water District</i>	_____ Adeline M. L. Yoong <i>Water Replenishment District of So. CA</i>

Incumbent: David A. Breninger, NWRA Board of Directors, 2001-'07
John Fraser, NWRA Board of Directors, 2003-'07
Lawrence M. Libeu, NWRA Board of Directors, 2001-'07, Current NWRA Vice Pres.

Alternate: Wayne Clark, NWRA Board of Directors 2006 - '07
Adrienne (Ann) Mathews, NWRA Board of Directors 2006 - '07

ONE BALLOT PER AGENCY

Signature Title District

Please return this ballot by Monday, December 3, 2007 to:

ACWA

Attn: Kelly Smith

910 K Street, Suite 100

Sacramento, CA 95814-3577

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
Wilmar "Will" L. Boschman <i>General Manager</i> Semitropic Water Storage District	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ 43 years experience in water development as consultant ◆ 22 years as GM of Semitropic Water Storage District ◆ Vice Chair of both ACWA Energy & Groundwater Committee ◆ Leadership in Kern County Water Resources Association ◆ Involved in affecting changes in Federal legislation related to water issues, including ESA ◆ District a member of NWRA
David Breninger <i>General Manager</i> Placer County Water Agency (NWRA Incumbent)	<ul style="list-style-type: none"> ◆ Actively involved with NWRA since 2001 ◆ Currently ACWA Representative ◆ Serves on NWRA Budget Committee ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ General Manager Placer County Water Agency 1992-Present ◆ ACWA Board Member ◆ Chair ACWA Local Government Committee ◆ Board Member, California Municipal Utilities Association ◆ Board member, Regional Water Authority ◆ Executive Director, American River Authority ◆ Member, River Management Society ◆ Chair of Recreational Boaters of California's CALFED Bay-Delta Committee ◆ Sacramento Regional Water Authority recognized him as 2003 "Water Statesperson of the Year"
Wayne A. Clark <i>Vice President</i> Municipal Water District of Orange County (NWRA Incumbent - Alternate)	<ul style="list-style-type: none"> ◆ NWRA Municipal Caucus ◆ NWRA subcommittee on climate changes ◆ Currently ACWA Alternate Representative ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ Former Board President, Irvine Ranch Water District ◆ Member of the Colorado River Water Users Association ◆ 1992 co-founded Urban Water Institute, served Executive Director until retiring in 2006 ◆ Part of team supporting 1982 ballot measure designed to build Peripheral Canal as part of the State Water Project ◆ A leader in the statewide Water 2000 effort, precursor of the CALFED Bay-Delta Program ◆ Served term as Chair of the Federal Affairs Committee of the California Marine Affairs & Navigation Council ◆ Founding chairman of the City of Irvine's Planning Commission

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
Katy Foulkes <i>Director, Board of Directors</i> East Bay Municipal Utility District	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Vice Chair of ACWA Region 5 ◆ ACWA Board member ◆ EBMUD board member since 1994; board president 2000-2002 ◆ Co-Chair of the Water-Land Use Committee of the Bay Area Water Forum ◆ Serves on the Alameda County Local Agency Formation Commission ◆ Represents EBMUD on joint powers agencies with the Sacramento area and the counties of Amador, Calaveras & Alpine ◆ Served 2 terms on the Piedmont City Council, including one as Mayor
John P. Fraser <i>Director, Board of Directors</i> El Dorado Irrigation District (NWRA Incumbent)	<ul style="list-style-type: none"> ◆ Currently ACWA Representative ◆ Attendance at NWRA annual conferences and seminars ◆ NWRA, Distinguished Service Award ◆ NWRA, Life Member ◆ NWRA, Two Presidents Commendations ◆ NWRA, Water Leader Award ◆ Served as Chair of the NWRA State Association Committee 	<ul style="list-style-type: none"> ◆ Director, El Dorado Irrigation District ◆ Alternate Board member, American River Authority ◆ Former Executive Director of ACWA ◆ Former Consultant, Price Waterhouse ◆ Member, California State Bar Association ◆ Member, American Bar Association ◆ Member, Interstate Council on Water Policy ◆ Member, Alliance for Radon Reduction ◆ Member, Taxpayers' Association of El Dorado County ◆ Member, El Dorado Citizens for Water

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
Terence "Terry" M. King <i>Director of Division 1</i> Chino Basin Water Conservation District	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Served as Director of Chino Basin WCD since 2001 ◆ ACWA Region 9 board representative ◆ Responsible for construction management of the Seven Oaks Dam Project – 300 million dollar project. ◆ 20 years experience as Resident & Area Engineer for Corp of Engineers
Joseph J. Kuebler <i>Director, Board of Directors</i> Eastern Municipal Water District	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Eastern MWD Board Treasurer since 1996 ◆ Currently ACWA Region 9 Chair ◆ ACWA Board member ◆ Received Certificate of Completion in Special District Board Management 1998
Lawrence Libeu <i>Director Elect</i> Rancho California Water District (NWRA Incumbent –Vice President)	<ul style="list-style-type: none"> ◆ Actively involved with NWRA since 1994 ◆ Currently NWRA Vice President ◆ Slated to become NWRA President for the – 2009-2011 ◆ NWRA Treasurer 2004-2006 ◆ California State Director ◆ Served as California's Director on NWRA's Board of Directors for 1998-1999 term ◆ Served two years as California's Alternate to the NWRA Board of Directors ◆ Member of NWRA's Board Executive Committee ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ Served ACWA Federal Affairs Committee since 1994 ◆ Served as President and is one of the founders of Western Coalition of Arid States (WESTCAS) ◆ Served Eastern MWD for 23 years as Director of Legislative & Governmental Affairs ◆ General Manager for 4 years for the San Bernardino Valley Water Conservation District ◆ Planned, organized, and coordinated Eastern MWD's \$50 million Small Reclamation Projects Act (PL984) ◆ 15 years in Municipal Government

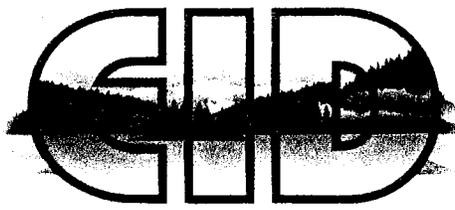
NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

NAME/TITLE/AGENCY	NWRA PARTICIPATION	BACKGROUND SUMMARY
<p>Adrienne "Ann" Mathews <i>Director of Division 5</i> Kern County Water Agency</p> <p>(NWRA Incumbent - Alternate)</p>	<ul style="list-style-type: none"> ◆ Attendance at NWRA annual conferences and seminars 	<ul style="list-style-type: none"> ◆ Served as director for Kern County Water Agency for 21 years, served as President of Board for 2 of those years ◆ ACWA Region 7 Board member ◆ Member, Water Association of Kern County & the California Elected Women's Association for Education and Research ◆ Serves on the Local Agency Formation Commission of Kern County as an alternate commissioner ◆ Serves on the Southern California Water Committee Board of Trustees ◆ Appointed 2005 to the California Special Districts Association Board of Directors
<p>Charles W. Muse <i>Director, Board of Directors</i> Helix Water District</p>	<ul style="list-style-type: none"> ◆ NWRA Municipal Caucus 	<ul style="list-style-type: none"> ◆ Was President and CEO of GAF Financial and Insurance Services, a subsidiary of Great American Bank ◆ Served as adjunct faculty at San Diego University Department of Finance for 18 years ◆ Board member of Lemon Grove Chamber of Commerce ◆ 14 years as Planning Commissioner for City of La Mesa ◆ Serves as the District's representative on the Water Conservation Garden Joint Power Authority Board ◆ District member of NWRA since its inception

NWRA CALIFORNIA CAUCUS NOMINEE BACKGROUND SUMMARY

<p>Larry L. Russell, Ph.D., P.E. <i>Director, Board of Directors</i> Marin Municipal Water District</p>	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ Involved in water supply issues for 30+ years ◆ Doctorate in Civil/Environmental from Berkeley. ◆ Worked for Montgomery Watson as water engineer ◆ Served on MMWD board since 2004 ◆ Worked extensively in applied hydrology and hydrogeology ◆ Former President of Russell Environmental Engineering and Development (REED) Corporation ◆ Former Chairman of Aqua Resources, Inc. ◆ Former Vice President of James M. Montgomery Consulting Engineers
<p>Adeline M.L. Yoong <i>Government Affairs Manager</i> Water Replenishment District of Southern California</p>	<ul style="list-style-type: none"> ◆ No current participation 	<ul style="list-style-type: none"> ◆ WRD of Southern California's Government Affairs Manager 1998 to present ◆ Served as Senior Congressional policy advisor on Capitol Hill ◆ 15 years water policy experience ◆ Manage local, state and federal government relations programs for district ◆ MBA Marketing from University of San Francisco

Bill George - President
Division 3
George W. Osborne
Vice President
Division 1



El Dorado Irrigation District

CC: Board
Susan

Deister
Manager
Poston
Counsel

In reply refer to: M0907-058 / SMC0907-009

October 4, 2007

Mr. Mark W. Watton
Otay WD
2554 Sweetwater Springs Blvd
Spring Valley, CA 91978-2096

OCT 10 2007

Subject: John P. Fraser, Nominee to NWRA Board of Directors

Dear Mr. Mark W. Watton:

El Dorado Irrigation District (EID) has nominated Board member John Fraser to continue to serve on the National Water Resources Association (NWRA) Board of Directors. Many water professionals and board members across California have known John for a long time, beginning when he served for 20 years as the Executive Director and General Counsel for ACWA. His considerable skills and experience have earned him many honors and awards, including the NWRA Water Leader of the Year, NWRA Distinguished Service, NWRA President's Commendations, and the U.S. Bureau of Reclamation's Distinguished Service.

Director Fraser was elected to the EID Board in 2001, has served as Vice President and President, chairs the Legislative and Legal Affairs Standing Committee, and is the Vice Chair of the Finance, Rates and Charges Standing Committee.

Western water issues today are more challenging than ever. It is vitally important that California has knowledgeable and experienced representation on the NWRA Board. Director John Fraser has demonstrated his ability, dedication, and commitment to serve the water users of the state.

We ask for your vote to re-elect John Fraser to the NWRA Board of Directors, representing ACWA and the citizens of California.

Sincerely,

Bill George
Board President

Ane D. Deister
General Manager

ADD/dk:krc



AGENDA ITEM 7a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F.NO:	DIV.NO. All
APPROVED BY:	Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM):		
SUBJECT:	Accept the District's Audited Financial Statements for the Fiscal Year Ended June 30, 2007		

GENERAL MANAGER'S RECOMMENDATION:

That the Board accepts the District's Audited Financial Statements (Attachment B), including the Independent Auditors' unqualified opinion, for the Fiscal Year ended June 30, 2007.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To inform the Board of the significant financial events which occurred during the Fiscal Year ended June 30, 2007 as reflected in the audited financial statements.

ANALYSIS:

Teaman, Ramirez and Smith, Inc., performed the audit and found that, in all material respects, the financial statements correctly represent the financial position of the District. They found no material errors or weaknesses; therefore, there are no findings to present in their "Management Letter." See Attachment C.

Total Assets:

Total assets increased by \$63.0 million or 13.03% during Fiscal Year 2007. The vast majority of this increase can be attributed to the following:

- An increase in capital assets of \$27.3 million, net of related accumulated depreciation. This reflects the large amount of construction projects during the year, to include

completion of the recycled water connection with the City of San Diego (pipeline, reservoir, and pump station), and the start of construction on the 20 MGD Reservoir at the District's Regulatory site.

- An increase in cash and investments of \$31.8 million, due to the funds received from the issuance of \$42 million in new Certificates of Participation (COPS-2007).

Total Liabilities & Net Assets:

Total liabilities increased by approximately \$38.1 million or 62.15% from the previous fiscal year. Underlying this change were the following:

- An increase in long-term debt outstanding of \$40.3 million, due to the issuance of \$42 million in new Certificates of Participation (COPS-2007).
- A decrease in accounts payable and related liabilities of approximately \$2.2 million. Fluctuations of this magnitude are expected given the nature of accounts payable, and result from the timing of large payments to contractors and other third parties.

The increase in total assets and total liabilities yielded an increase in net assets (equity) of approximately \$24.9 million or 5.90%.

Capital Contributions:

Capital contributions totaled \$26.5 million during Fiscal Year 2007, an increase of \$11.1 million or 72.08% over Fiscal Year 2006 contributions. This increase is mostly due to the timing of completion and acceptance of development projects in the early part of the fiscal year, resulting in an increase in the amount of physical infrastructure assets contributed to the District.

Results of Operations:

- Operating revenues increased \$5.4 million or 11.27%, mainly as a result of an increase in water sales of \$4.8 million from the prior fiscal year, due to the reduced rainfall during the current year as well as an additional 548 new water meter sales.

Operating expenses increased by approximately \$5.1 million due to the increase in water purchases, as well as increases in salaries, outside services, pension, and health & life insurance costs.

Non-Operating Revenues & Expenses:

Non-operating revenues increased approximately \$2.5 million due to increases in Investment Income and Taxes & Assessments. Non-operating expenses remained virtually unchanged from the prior fiscal year, as fluctuations within the accounts making up this category of expenses were within plus-or-minus \$10,000.

Additional Audit Correspondence:

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

- Management Letter: No matters were noted involving the internal controls and their operations that were considered to be internal weaknesses. See Attachment C.
- Finance Committee Report: There were no noted transactions entered into by the District during the year that were both significant and unusual, or transactions for which there was a lack of authoritative guidance or consensus. No audit adjustments were proposed to correct the financial statements. There were no disagreements with management concerning financial accounting, reporting, or auditing matters, and there were no significant difficulties in dealing with management in performing the audit. See Attachment D.
- Single Audit Report on Federal Award Programs: Results of audit tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. See Attachment E.
- Report on Applying Agreed-Upon Procedures: A review of the District's investment portfolio at year end, and a sample of specific investment transactions completed throughout the fiscal year, disclosed no exceptions to compliance with the District's Investment Policy. See Attachment F.

FISCAL IMPACT:



None.

STRATEGIC OUTLOOK:

The District is responsible for providing a diverse range of high quality public utility services to a customer base that continues to expand, although at a slower rate than in prior years. The District ensures its continued financial health through long-term financial planning, formalized financial policies, enhanced budget controls, fair pricing, debt planning, and improved financial reporting.

LEGAL IMPACT:

None.



General Manager

Attachments:

- A) Committee Action Form
- B) Audited Annual Financial Statements
- C) Management Letter
- D) Finance Committee Report
- E) Single Audit Report on Federal Award Programs
- F) Report on Applying Agreed-Upon Procedures



ATTACHMENT A

SUBJECT/PROJECT:	Accept the District's Audited Financial Statements for the Fiscal Year Ended June 30, 2007
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- An Audit includes an examination of the financial internal controls, as well as a determination of the accuracy of the financial statements.
- It was indicated that the District had a clean audit and received an "unqualified opinion" which is the highest opinion that can be given on an audit.
- It was noted that the process for dating the audit report has changed. In previous audits, the report date was the last day of the auditors field work. The current process set by the Accounting Standards Board requires that the audit opinion be dated subsequent to the auditors receiving material confirmations and the management letter. Because of this dating process change, it may seem that the audit was completed approximately a month later than in the past.
- Additional changes from last year include:
 - Footnote No. 5:
 - o Added information concerning the 2007 Certificates of Participation issued in early 2007
 - o Deleted the reference to the capital leases as they have been paid off.
 - Single Audit Report:
 - o This audit report is provided when an organization has received federal grants in excess of \$500,000. The audit of the grant monies was clean with no instances of non-compliance.
 - o It was indicated that the Single Audit Report is filed with the Federal Clearing House and as long as the findings are clean, nothing occurs beyond the filing.
 - Review of Investment Portfolio:

- o The audit included a review the investment portfolio to assure that the District is in compliance with its Investment Policy. There were no findings in the audit.
 - o It was noted that this review will be part of the audit each year.
- It was discussed that the fraud training issue had been addressed. The audit for Fiscal Year 2007 occurred prior to the District's employees receiving the anti-fraud training. The training has since occurred and the auditors have received a copy of the training documentation. Next year's audit will include a review to assure that the employees understand the training. The training will be provided yearly to all employees and will also be provided as part of the new employee orientation training.
- The committee inquired if customer service personnel were now able to open and close customer accounts. Staff indicated that they would verify and provide an update. [In most audits the auditors identify control weaknesses and either address them with the management team if they are minor concerns or address them with both management and the Committee if they are material concerns. For a number of years now no material concerns have been identified. One of the minor issues that was brought to management this year was that staff is able to open and close accounts and that there was not a strong enough control over this necessary business practice. The risk of an inappropriate action by a staff member could, however, be addressed by implementing an additional internal control suggested by the auditor. This control has been implemented and has identified no anomalies. This control will be performed on at least an annual basis. At the time of the committee meeting, management did not recall how this issue had been resolved. This issue is considered to be a closed item.]
- There was discussion as to what types of items would rise to a "material" level. It was noted that if account balances are outside of the norm (ie., the Accounts Receivable account is generally at a certain level and during the audit it is outside its normal levels) it could rise to a material weakness within the Management Letter.

The committee accepted the District's Audited Financial Statements, including the Independent Auditors' unqualified opinion, for Fiscal Year ended June 30, 2007 and supports presentation to the full board as an action item.

OTAY WATER DISTRICT

**ANNUAL
FINANCIAL REPORT**

JUNE 30, 2007 and 2006

Spring Valley, California
Prepared by the Finance Department

INDEPENDENT AUDITORS' REPORT

Board of Directors
Otay Water District
Spring Valley, California

We have audited the accompanying financial statements of the business-type activities of the Otay Water District, as of and for the years ended June 30, 2007 and 2006, which collectively comprise the District's basic financial statements, as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Otay Water District, as of June 30, 2007 and 2006, and the cash flows where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2007 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The information identified in the accompanying table of contents as *Management's Discussion and Analysis* and *Required Supplementary Information* is not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Teaman Ramirez & Smith

September 21, 2007



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Otay Water District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ending June 30, 2007. Please read it in conjunction with the District's financial statements that follow Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$447.0 million (*net assets*). Of this amount, \$76.3 million (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$24.9 million. Approximately two-thirds of this increase is attributable to a \$5.4 million increase in operating revenues and an \$11.1 million increase in capital contributions over the prior fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by \$447.0 million at the close of the most recent fiscal year.

By far the largest portion of the District's net assets, \$368.6 million (82%), reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Assets (In Millions of Dollars)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assets			
Current and Other Assets	\$ 122.1	\$ 86.4	\$ 107.8
Capital Assets	<u>424.3</u>	<u>397.0</u>	<u>362.5</u>
Total Assets	<u>546.4</u>	<u>483.4</u>	<u>470.3</u>
Liabilities			
Long-term Debt Outstanding	74.2	33.9	35.4
Other Liabilities	<u>25.2</u>	<u>27.4</u>	<u>23.8</u>
Total Liabilities	<u>99.4</u>	<u>61.3</u>	<u>59.2</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	368.6	361.6	325.7
Restricted	2.1	2.4	16.2
Unrestricted	<u>76.3</u>	<u>58.1</u>	<u>69.2</u>
Total Net Assets	<u>\$ 447.0</u>	<u>\$ 422.1</u>	<u>\$ 411.1</u>

At the end of the fiscal year, the District is able to report positive balances in all categories of net assets. This situation also held true for the prior fiscal year. Total Net Assets increased to \$447 million, approximately \$24.9 million more than the prior year. The increase in Current and Other Assets of \$35.7 million is off-set by the increase in Long-term Debt of \$40.3 million, due to the issuance of \$42 million in new Certificates of Participation (COPS-2007). (See Note 5 in the Notes to Financial Statements). Capital Assets increased by \$27.3 million, to \$424.3 million (net of related accumulated depreciation), due predominantly to the District's aggressive Capital Improvement Program (CIP). (See Note 3 in the Notes to Financial Statements for additional information. Other less significant changes included an increase in accounts receivable of \$1.9 million and a decrease in accounts payable of \$3.8 million.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Water Sales	\$ 48.6	\$ 43.8	\$ 39.3
Wastewater Revenue	2.6	2.3	2.0
Connection and Other Fees	2.1	1.8	2.0
Non-operating Revenues	<u>11.1</u>	<u>8.5</u>	<u>8.3</u>
Total Revenues	<u>64.4</u>	<u>56.4</u>	<u>51.6</u>
Depreciation Expense	10.8	10.1	10.5
Other Operating Expense	53.9	49.5	46.0
Non-operating Expense	<u>1.3</u>	<u>1.2</u>	<u>1.9</u>
Total Expenses	<u>66.0</u>	<u>60.8</u>	<u>58.4</u>
Loss Before Capital Contributions	(1.6)	(4.4)	(6.8)
Capital Contributions	<u>26.5</u>	<u>15.4</u>	<u>34.9</u>
Change in Net Assets	24.9	11.0	28.1
Beginning Net Assets	<u>422.1</u>	<u>411.1</u>	<u>383.0</u>
Ending Net Assets	<u>\$ 447.0</u>	<u>\$ 422.1</u>	<u>\$ 411.1</u>

Water sales increased by \$4.8 million from the prior year mainly due to reduced rainfall during the current year, as well as an additional 548 new water meter sales (47,483 to 48,031). There was a significant decrease in rainfall of 2.21 inches (6.06 to 3.85), and total water sales increased by 1,420 acre-feet.

Wastewater revenue increased by \$0.3 million due to a rate increase from \$30.90 to \$32.70 per assigned service unit. This increase was implemented in January of 2007 and was predominantly a pass-through of cost increases from the City of San Diego and the County of San Diego, as discussed in the Budget 2007-2008 section of this document.

Other operating expenses increased by approximately \$4.4 million, predominately as a result of increases in outside services and higher pension costs.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets. The District's capital assets as of June 30, 2007, totaled \$424.3 million (net of accumulated depreciation). Included in this amount is land. The total increase in the District's capital assets for the current fiscal year was 6.9%.

Capital Assets (In Millions of Dollars)

	2007	2006	2005
Land	\$ 13.0	\$ 12.5	\$ 12.2
Construction in Progress	40.3	58.9	45.1
Water System	356.6	333.0	313.9
Reclaimed Water System	73.5	49.1	39.8
Sewer System	37.7	37.7	37.2
Buildings	17.6	17.5	16.7
Transportation Equipment	3.1	2.9	2.8
Engineering Equipment	5.6	5.7	5.7
Power Operated Equipment	1.6	1.6	1.6
Other Equipment	18.5	10.9	10.3
	567.5	529.8	485.3
Less Accumulated Depreciation	(143.2)	(132.8)	(122.8)
Net Capital Assets	\$ 424.3	\$ 397.0	\$ 362.5

As indicated by figures in the table above, the majority of capital assets added during the current fiscal year were related to the potable and reclaimed water systems. In addition, the majority of the cost of construction in progress is also related to these water systems.

Additional information on the District's capital assets can be found in Note 3 of the Notes to Financial Statements.

Long-term Debt. At June 30, 2007, the District had \$74.2 million in outstanding debt which consisted of the following:

General Obligation Bonds	\$ 8.1
Certificates of Participation	65.1
Notes Payable	1.0
Total Long-term Debt	\$ 74.2

As mentioned earlier, this increase in long-term debt is due to District's issuance of \$42 million in Certificates of Participation (COPS) during the current fiscal year. Additional information on the District's long-term debt can be found in Note 5 of the Notes to Financial Statements.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2007-2008 Budget

Economic Factors

Growth in the San Diego area has slowed over the last year, and demand for housing is reflected in a similarly reduced pace. The District currently provides water service to about 69% of its total projected population, serving approximately 190,000 people. This percentage should continue to increase as the District's service area continues to develop and grow. The District is projected to deliver approximately 43,327 acre-feet of water to 48,645 customers during Fiscal Year 2007-2008. Ultimately, the District is projected to serve approximately 277,000 people, creating an average daily demand of 56.3 million gallons per day (MGD).

Financial

The District has implemented a six-year rate study projection that forecasts minimum essential rate increases in order to fund required growth and improvements in infrastructure, as well as to pass along cost increases from the City of San Diego, the County of San Diego, and the San Diego County Water Authority. The expanding demand for water service over the past few years continues to support the incremental costs associated with meeting this increase in demand. As a result, the District has been able to implement strategic changes that will provide long-term benefits to the District, while only increasing rates at modest levels.

Conversely, decreased levels of rainfall over the last two years have caused historic dry conditions and depleted water reserves throughout the entire state. Water agencies throughout the San Diego County Water Authority area have implemented voluntary water conservation programs, along with several incentive programs, to encourage customers to make a variety of water-saving improvements with their appliances and landscape irrigation. If these drought conditions continue through the upcoming fiscal year, there is a potential for both legal constraints on California's water supply and regulatory constraints upon all customer water usage, which would ultimately have a corresponding negative effect on the District's total water sales revenue. Mitigating the impact of this revenue decrease would be corresponding reductions in expenses, to include the cost of water and the associated electricity required for pumping.

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

Contacting the District's Financial Management

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



STATEMENT OF NET ASSETS

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 2)	\$ 17,168,539	\$ 11,347,434
Restricted Cash and Cash Equivalents (Note 2)	2,071,307	2,408,473
Investments (Note 2)	88,888,402	62,596,513
Accounts Receivable	8,675,458	6,808,999
Accrued Interest Receivable	1,559,081	818,798
Restricted Taxes and Availability Charges Receivable	443,854	318,090
Inventory	633,697	592,426
Prepaid Expenses and Other Current Assets	1,164,300	664,133
Total Current Assets	<u>120,604,638</u>	<u>85,554,866</u>
Non-current Assets:		
Capital Assets, Net of Depreciation (Note 3)	424,260,968	396,987,584
Other Non-current Assets (Note 4)	1,490,515	838,990
Total Non-current Assets	<u>425,751,483</u>	<u>397,826,574</u>
Total Assets	<u>546,356,121</u>	<u>483,381,440</u>
LIABILITIES		
Current Liabilities:		
Current Maturities of Long-term Debt (Note 5)	1,519,048	1,529,848
Accounts Payable	10,930,658	11,617,499
Accrued Payroll Liabilities	2,270,958	2,348,853
Other Accrued Liabilities	1,597,012	683,350
Customer Deposits	2,622,646	2,489,101
Liabilities Payable From Restricted Assets:		
Accounts Payable	4,492,364	7,633,220
Accrued Interest	882,888	413,442
Total Current Liabilities	<u>24,315,574</u>	<u>26,715,313</u>
Non-current Liabilities:		
Liabilities Payable From Restricted Assets:		
Prepaid Capacity Fees	890,473	733,915
Long-term Debt (Note 5)		
General Obligation Bonds	8,045,029	8,396,755
Certificates of Participation	65,051,790	24,119,352
Notes Payable	1,031,730	1,350,778
Total Non-current Liabilities	<u>75,019,022</u>	<u>34,600,800</u>
Total Liabilities	<u>99,334,596</u>	<u>61,316,113</u>
NET ASSETS (NOTE 7)		
Invested in Capital Assets, Net of Related Debt	368,613,371	361,590,845
Restricted	2,071,307	2,408,473
Unrestricted	76,336,847	58,066,009
Total Net Assets	<u>\$ 447,021,525</u>	<u>\$ 422,065,327</u>

The accompanying notes are an integral part of this statement.



**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Water Sales	\$ 48,605,606	\$ 43,755,610
Wastewater Revenue	2,604,431	2,331,094
Connection and Other Fees	2,040,444	1,774,384
	<u>53,250,481</u>	<u>47,861,088</u>
OPERATING EXPENSES		
Cost of Water Sales	33,994,841	32,043,395
Wastewater	1,508,672	1,899,957
Administrative and General	18,418,441	15,477,287
Depreciation	10,729,096	10,107,455
	<u>64,651,050</u>	<u>59,528,094</u>
Total Operating Revenues	<u>53,250,481</u>	<u>47,861,088</u>
Total Operating Expenses	<u>64,651,050</u>	<u>59,528,094</u>
Operating Income (Loss)	<u>(11,400,569)</u>	<u>(11,667,006)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	4,416,342	3,188,645
Taxes and Assessments	4,151,956	2,779,635
Availability Charges	715,664	609,099
Gain on Sale of Capital Assets	1,817	142,922
Miscellaneous Revenues	1,809,802	1,835,710
Donations	(80,000)	(75,000)
Interest Expense	(950,479)	(959,225)
Miscellaneous Expenses	(271,410)	(279,506)
	<u>9,793,692</u>	<u>7,242,280</u>
Total Non-operating Revenues (Expenses)	<u>9,793,692</u>	<u>7,242,280</u>
Income (Loss) Before Contributions	(1,606,877)	(4,424,726)
Capital Contributions	<u>26,563,075</u>	<u>15,401,580</u>
Change in Net Assets	24,956,198	10,976,854
Total Net Assets, Beginning	<u>422,065,327</u>	<u>411,088,473</u>
Total Net Assets, Ending	<u>\$ 447,021,525</u>	<u>\$ 422,065,327</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 49,477,123	\$ 46,628,097
Cash from Other Operating Activities	2,040,444	1,774,384
Other Receipts	894,234	920,142
Cash Payments to Suppliers	(41,462,779)	(30,885,263)
Cash Payments to Employees	(15,835,985)	(15,530,526)
Other Payments	(167,472)	(186,793)
	<u>(5,054,435)</u>	<u>2,720,041</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from Taxes and Assessments	4,026,192	2,783,983
Receipts from Property Rents and Leases	951,020	927,628
Net Amounts Paid for Acquisition and Maintenance of Demonstration Garden	<u>(80,000)</u>	<u>(75,000)</u>
	<u>4,897,212</u>	<u>3,636,611</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Contributions	17,476,332	9,467,925
Proceeds from Sale of Capital Assets	1,817	142,922
Proceeds from Debt Related Taxes and Assessments	715,664	609,099
Proceeds from Long-Term Debt (Note 5)	40,989,797	0
Principal Payments on Long-Term Debt (Note 5)	(1,529,848)	(1,456,911)
Acquisition and Construction of Capital Assets	(28,915,737)	(38,680,673)
Interest Paid	<u>(481,033)</u>	<u>(949,622)</u>
	<u>28,256,992</u>	<u>(30,867,260)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	3,676,059	2,959,008
Proceeds from Sale and Maturities of Investments	44,708,111	52,780,016
Purchase of Investments	<u>(71,000,000)</u>	<u>(42,000,000)</u>
	<u>(22,615,830)</u>	<u>13,739,024</u>
	<u>5,483,939</u>	<u>(10,771,584)</u>
Cash and Cash Equivalents - Beginning of Year	<u>13,755,907</u>	<u>24,527,491</u>
Cash and Cash Equivalents - End of Year	<u>\$ 19,239,846</u>	<u>\$ 13,755,907</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Net Operating Income (Loss)	\$ (11,400,569)	\$ (11,667,006)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	10,729,096	10,107,455
Miscellaneous Revenues	894,234	920,142
Miscellaneous Expenses	(167,472)	(186,793)
(Increase) Decrease in Accounts Receivable	(1,866,459)	296,485
(Increase) Decrease in Inventory	(41,271)	27,693
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(500,167)	(322,447)
Increase (Decrease) in Accounts Payable	(3,827,697)	2,883,852
Increase (Decrease) in Accrued Payroll and Related Expenses	(77,895)	335,998
Increase (Decrease) in Other Accrued Liabilities	913,662	79,693
Increase (Decrease) in Customer Deposits	133,545	244,908
Increase (Decrease) in Prepaid Capacity Fees	156,558	61
	<u>\$ (5,054,435)</u>	<u>\$ 2,720,041</u>
SUPPLEMENTAL DISCLOSURES		
Non-cash Investing and Financing Activities Consisted of the Following:		
Contributed Capital for Water and Sewer System	\$ 8,812,611	\$ 24,494,557
Change in Fair Value of Investments and Recognized Gains/Losses	223,829	354,270
Capital Contribution Resulting from Prepaid Capacity Fees	156,558	61
Amortization Related to Long-term Debt	103,938	92,713
Cash Paid for Interest Expense	\$ 1,478,461	\$ 1,410,957

The accompanying notes are an integral part of this statement.



NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2007 AND 2006

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

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

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

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

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

Fund equity is displayed as three components: (1) Invested in capital assets, net of related debt, which reflects the cost of capital assets less accumulated depreciation and less the outstanding principal of related debt not associated with unspent bond proceeds; (2) Restricted, which reflects the carrying value of assets less related liabilities that are restricted by outside covenants or by law; and (3) Unrestricted, which represents the remaining fund equity balance.

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

The District recognizes revenues from water sales, wastewater revenues and meter fees as they are earned. Taxes and assessments are recognized as revenues based upon amounts reported to the District by the County of San Diego, net of allowance for delinquencies of \$49,317 and \$35,343 at June 30, 2007 and 2006, respectively.

Additionally, capacity fee contributions received in an amount corresponding to expansion specific operating expenses are offset against these expenses and included in Cost of Water Sales in the Statement of Revenues and Expenses and Changes in Net Assets.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governmental enterprise funds. In accordance with GASB Statement 20, the District has elected to follow all GASB Pronouncements and apply all Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, with the exception of those that conflict with or contradict GASB Pronouncements.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

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

C) Statement of Cash Flows

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

D) Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value, which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Investments in government obligations are valued on over-the-counter bid quotations available at year-end. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported on the fair value per share, of the pool's underlying portfolio.

E) Inventory and Prepaids

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

F) Capital Assets

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

The District capitalizes interest on construction projects up to the point in time that the project is substantially completed. Capitalized interest is included in the cost of water system assets and is depreciated on the straight-line basis over the estimated useful lives of such assets.

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

Water System	15-70 Years
Engineering Equipment	2-50 Years
Buildings	30-50 Years
Power Operated Equipment	5-10 Years
Transportation Equipment	2-4 Years
Other Equipment	2-10 Years
Reclaimed Water System	50-75 Years
Sewer System	25-50 Years



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

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

G) Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and sick leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time-off or payment upon termination or retirement.

H) Restricted Assets and Liabilities

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

I) Allowance for Doubtful Accounts

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

J) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management.

K) Property Taxes

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

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

L) Reclassifications

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

2) CASH AND INVESTMENTS

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

The District's Investment Policy and State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, prime commercial paper, repurchase agreements, and negotiable certificates of deposit. Funds may also be invested in the State Treasurer's Local Agency Investment Fund (LAIF) and the San Diego County Treasurer's Pooled Money Fund.



NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2007 AND 2006

2) CASH AND INVESTMENTS - Continued

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

Statement of Net Assets:	
Cash and Cash Equivalents	\$ 17,168,539
Investments	88,888,402
Restricted:	
Cash and Cash Equivalents	<u>2,071,307</u>
Total Cash and Investments	<u>\$ 108,128,248</u>

Cash and investments consist of the following:

Cash on Hand	\$ 2,800
Deposits with Financial Institutions	1,125,589
Investments	<u>106,999,859</u>
Total Cash and Investments	<u>\$108,128,248</u>

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio ⁽¹⁾	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years ⁽²⁾	None	None
Certificates of Deposit	1 year	15%	None
Bankers Acceptances	180 Days	15%	None
Medium-Term Notes	5 years	15%	None
Commercial Paper	270 days	15%	10%
Money Market Mutual Funds	N/A	15%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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

⁽²⁾ No more than 30% of the portfolio shall exceed two years to maturity.



**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2007 AND 2006**

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Investment Type	Remaining Maturity (in Months)			
	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Agency Securities	\$ 88,888,402	\$ 42,957,962	\$ 42,935,888	\$ 2,994,552
Local Agency Investment Fund (LAIF)	18,005,611	18,005,611		
San Diego County Pool	<u>105,846</u>	<u>105,846</u>		
Total	<u>\$106,999,859</u>	<u>\$ 61,069,419</u>	<u>\$ 42,935,888</u>	<u>\$ 2,994,552</u>
				<u>\$ 0</u>

Disclosures Relating to Credit Risk

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

Investment Type	Minimum Legal Rating	Rating as of Year End		
		AAA	Aa	Not Rated
Federal Agency Securities	\$ 88,888,402	N/A	\$ 88,888,402	\$
Local Agency Investment Fund (LAIF)	18,005,611	N/A		18,005,611
San Diego County Pool	<u>105,846</u>	N/A		<u>105,846</u>
Total	<u>\$106,999,859</u>		<u>\$ 88,888,402</u>	<u>\$ 18,111,457</u>
			<u>\$ 0</u>	



**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2007 AND 2006**

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, Sections 53600 through 53692. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 51,942,188
Federal Home Loan Mortgage Corp	Federal Agency Securities	\$ 30,952,777

Custodial Credit Risk

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

As of June 30, 2007, \$823,206 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts. As of June 30, 2007, District investments in the following investment types were held by the same broker-dealer (counter party) that was used by the District to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Federal Agency Securities	88,888,402

Local Agency Investment Fund (LAIF)

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

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The District may invest up to \$40,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2007 was 5.23%. The carrying value and estimated market value of the LAIF Pool at June 30, 2007 was \$65,786,597,418 and \$65,756,665,933, respectively. The District's share of the Pool at June 30, 2007 was approximately 0.027 percent. Included in LAIF's investment portfolio are structured notes and asset-backed securities totaling \$774,000,000 and \$1,501,103,000, respectively. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available. The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by statute.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

2) CASH AND INVESTMENTS - Continued

San Diego County Pooled Fund

As permitted by its Investment Policy, the District has placed funds with the San Diego County Pooled Fund. The pool may invest some of their portfolios in derivatives. Detailed information on derivative investments held by this pool is not readily available.

Collateral for Deposits

All cash and certificates of deposits are entirely insured or collateralized.

Under the provisions of the California Government Code, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The District may waive the 110% collateral requirement for deposits which are insured up to \$100,000 by the FDIC.

3) CAPITAL ASSETS

The following is a summary of changes in Capital Assets for the year ended June 30, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Depreciated				
Land	\$ 12,494,062	\$ 477,417	\$	\$ 12,971,479
Construction in Progress	<u>58,869,241</u>	<u>31,629,969</u>	<u>(50,199,155)</u>	<u>40,300,055</u>
Total Capital Assets Not Depreciated	<u>71,363,303</u>	<u>32,107,386</u>	<u>(50,199,155)</u>	<u>53,271,534</u>
Capital Assets, Being Depreciated				
Infrastructure	419,795,999	48,055,106	(48,084)	467,803,021
Field Equipment	9,202,543	164,906	(8,587)	9,358,862
Buildings	17,469,999	137,656		17,607,655
Transportation Equipment	2,934,069	254,844	(132,205)	3,056,708
Communication Equipment	520,540	78,912		599,452
Office Equipment	<u>8,464,962</u>	<u>7,415,384</u>	<u>(93,033)</u>	<u>15,787,313</u>
Total Capital Assets Being Depreciated	<u>458,388,112</u>	<u>56,106,808</u>	<u>(281,909)</u>	<u>514,213,011</u>
Less Accumulated Depreciation:				
Infrastructure	110,157,652	9,210,199	(40,384)	119,327,467
Field Equipment	8,368,755	216,424	(8,004)	8,577,175
Buildings	4,493,308	571,127		5,064,435
Transportation Equipment	2,557,207	187,812	(130,135)	2,614,884
Communication Equipment	195,470	69,649		265,119
Office Equipment	<u>6,991,439</u>	<u>473,885</u>	<u>(90,827)</u>	<u>7,374,497</u>
Total Accumulated Depreciation	<u>132,763,831</u>	<u>10,729,096</u>	<u>(269,350)</u>	<u>143,223,577</u>
Total Capital Assets Being Depreciated, Net	<u>325,624,281</u>	<u>45,377,712</u>	<u>(12,559)</u>	<u>370,989,434</u>
Total Capital Assets, Net	<u>\$ 396,987,584</u>	<u>\$ 77,485,098</u>	<u>\$ (50,211,714)</u>	<u>\$ 424,260,968</u>

Depreciation expense for the year ended June 30, 2007 and 2006 was \$10,729,096 and \$10,107,455, respectively.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

4) OTHER NON-CURRENT ASSETS

Contracts receivable totaled \$55,759 and \$92,375, net of no allowance as of June 30, 2007 and 2006, respectively.

Deferred bond issue costs totaled \$1,254,821 and \$555,550, net of accumulated amortization of \$357,952 and \$326,552 as of June 30, 2007 and 2006, respectively. The 1993 COPS had refunding transactions net of accumulated amortization of \$179,935 for June 30, 2007 and \$191,065 for June 30, 2006. The costs are amortized on the straight-line method based on the estimated term of the related bond debt. Amortization expense of \$31,400 for the years ended June 30, 2007 and 2006 is included with miscellaneous expense.

5) LONG-TERM DEBT

Long-term liabilities for the year ended June 30, 2007 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Improvement District No. 27	\$ 9,590,000	\$	\$ 380,000	\$ 9,210,000	\$ 400,000
Unamortized Bond Discount	(118,351)		(7,398)	(110,953)	
Deferred Amount of Funding	(694,894)		(40,876)	(654,018)	
Net General Obligation Bonds	<u>8,776,755</u>		<u>331,726</u>	<u>8,445,029</u>	<u>400,000</u>
Certificates of Participation:					
1996 Certificates of Participation	13,100,000		300,000	12,800,000	300,000
2004 Certificates of Participation	11,825,000		490,000	11,335,000	500,000
2007 Certificates of Participation		42,000,000		42,000,000	
Unamortized Discount	(15,648)		(745)	(14,903)	
2007 COPS Unamortized Discount		(271,322)	(3,015)	(268,307)	
Net Certificates of Participation	<u>24,909,352</u>	<u>41,728,678</u>	<u>786,240</u>	<u>65,851,790</u>	<u>800,000</u>
Notes Payable					
State Water Resource Control Board	1,659,037		308,259	1,350,778	319,048
Capital Leases					
Vactor	51,589		51,589	0	
Total Long-Term Liabilities	<u>\$ 35,396,733</u>	<u>\$ 41,728,678</u>	<u>\$ 1,477,814</u>	<u>\$ 75,647,597</u>	<u>\$ 1,519,048</u>

General Obligation Bonds

In June 1998, the District issued \$11,835,000 of General Obligation Refunding Bonds. The proceeds of this issue, together with other lawfully available monies, were to be used to establish an irrevocable escrow to advance refund and defease in their entirety the District's previous outstanding General Obligation Bond issue. These bonds are general obligations of Improvement District No. 27 (ID 27) of the District. The Board of Directors has the power and is obligated to levy annual ad valorem taxes without limitation as to rate or amount for payment of the bonds and the interest upon all property which is within ID 27 and subject to taxation. The General Obligation Bonds are payable from District-wide tax revenues. The Board may utilize other sources for servicing the bond debt and interest.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

5) LONG-TERM DEBT - Continued

The refunding resulted in a deferred amount of \$1,021,903, which is being amortized over the remaining life of the refunded debt. Amortization for the years ended June 30, 2007 and 2006 was \$40,876 for each year and is included in miscellaneous non-operating expenses. As of June 30, 2007 and 2006, the amortized deferred amount of refunding is \$654,018, and \$694,894, respectively.

The 1998 General Obligation Bonds have interest rates from 4.5% to 5% with maturities through the Fiscal Year 2023.

Future debt service requirements for the bonds are as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 400,000	\$ 440,385
2009	415,000	422,047
2010	435,000	402,705
2011	455,000	382,235
2012	475,000	360,607
2013-2017	2,735,000	1,426,238
2018-2022	3,490,000	654,750
2023	<u>805,000</u>	<u>20,125</u>
	<u>\$ 9,210,000</u>	<u>\$ 4,109,092</u>

The following General Obligation Bonds have been authorized by the Board of Directors, but were unissued as of June 30, 2007:

<u>Date Authorized</u>	<u>Improvement District (ID)</u>	<u>Construction Purpose</u>	<u>Bond Amount</u>
December 30, 1960	5	Water System	\$ 605,000
December 20, 1960	6	Sewer System	705,000
August 23, 1960	1 - 3	Sewer System	405,000
August 23, 1960	1 - 4	Water System	75,000
March 18, 1970	U - 18	Sewer System	2,700,000
April 19, 1971	U - 19	Water System	1,000,000
May 17, 1971	U - 20	Water System	13,000,000
June 5, 1972	U - 22	Water System	6,000,000
May 1, 1978	U - 25	Water System	5,050,000
November 1, 1989	U - 27	Water System	88,500,000

Certificates of Participation (COPS)

In June 1996, COPS with face value of \$15,400,000 were also sold by the Otay Service Corporation to finance the cost of design, acquisition, and construction of certain capital improvements. An installment purchase agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principal and interest associated with the COPS. The installment payments are to be paid from taxes and "net revenues," as described in the installment agreement. The certificates bear interest at a variable weekly rate not to exceed 12%. The interest rate at June 30, 2007 was 3.75%. The installment payments are to be paid annually at \$350,000 to \$900,000 from September 1, 1996 through September 1, 2026.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

5) LONG-TERM DEBT - Continued

Certificates of Participation (COPS) - Continued

In July 2004, Refunding Certificates of Participation (COPS) with a face value of \$12,270,000 were sold by the Otay Service Corporation to advance refund \$11,680,000 of outstanding 1993 COPS. An installment agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principle and interest associated with the COPS. The installment payments are to be paid from taxes and "net revenues," as described in the installment agreement. The certificates are due in annual installments of \$445,000 to \$895,000 from September 1, 2005 through September 1, 2023; bearing interest at 3% to 4.625%.

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

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

For the Year Ended June 30,	1996 COPS		2004 COPS		2007 COPS	
	Principal	Interest*	Principal	Interest	Principal	Interest
2008	\$ 300,000	\$ 468,750	\$ 500,000	\$ 433,534	\$	\$ 836,424
2009	400,000	453,750	515,000	418,309	785,000	1,730,532
2010	400,000	438,750	530,000	402,634	815,000	1,701,487
2011	400,000	423,750	545,000	386,236	850,000	1,671,333
2012	400,000	408,750	565,000	368,607	885,000	1,639,458
2013-2017	2,700,000	1,751,250	3,130,000	1,522,672	4,980,000	7,672,475
2018-2022	3,500,000	1,158,750	3,795,000	828,394	6,020,000	6,647,564
2023-2027	4,700,000	378,750	1,755,000	81,441	7,360,000	5,334,096
2028-2032					9,070,000	3,646,594
2033-2037					11,235,000	1,517,031
	<u>\$ 12,800,000</u>	<u>\$ 5,482,500</u>	<u>\$ 11,335,000</u>	<u>\$ 4,441,827</u>	<u>\$ 42,000,000</u>	<u>\$ 32,396,994</u>

* Variable Rate - Interest reflected at June 30, 2007 at a rate of 3.75%.

Note Payable

At December 1990, the District entered into a 3.5% note payable to the State Water Resources Control Board. This note is unsecured and payable in annual installments of \$366,325 including principal and interest from 1994 through 2010. The total amount outstanding at June 30, 2007 and aggregate maturities of the note for the fiscal years subsequent to June 30, 2007, are as follows:

For the Year Ended June 30,	Principal	Interest
	2008	\$ 319,048
2009	330,214	36,111
2010	341,772	24,553
2011	359,744	12,591
	<u>\$ 1,350,778</u>	<u>\$ 120,532</u>



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

6) SEGMENT INFORMATION

The District issued Certificates of Participation to finance certain capital improvements. Both the water and sewer departments are accounted for in a single fund. The sewer department operates the District's sewage treatment plant, sewage pumping stations, and collection systems, while the water department accounts for all other services. However, investors in the Certificates of Participation rely solely on the revenues generated by the individual activities for repayment.

Summary financial information for the water and sewer departments is presented below.

Condensed Statement of Net Assets

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets:			
Current Assets	\$ 117,995,148	\$ 94,329	\$ 118,089,477
Current Restricted Assets	2,515,161		2,515,161
Capital Assets	423,343,737	917,231	424,260,968
Other Non-current Assets	<u>1,490,515</u>		<u>1,490,515</u>
Total Assets	<u>545,344,561</u>	<u>1,011,560</u>	<u>546,356,121</u>
Liabilities:			
Current Liabilities	18,689,465	250,857	18,940,322
Current Liabilities Payable from Restricted Assets	5,323,479	51,773	5,375,252
Non-current Liabilities Payable from Restricted Assets	882,973	7,500	890,473
Non-current Liabilities	<u>74,128,549</u>		<u>74,128,549</u>
Total Liabilities	<u>99,024,466</u>	<u>310,130</u>	<u>99,334,596</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	367,696,140	917,231	368,613,371
Restricted	2,071,307		2,071,307
Unrestricted	<u>76,552,648</u>	<u>(215,801)</u>	<u>76,336,847</u>
Total Net Assets	<u>\$ 446,320,095</u>	<u>\$ 701,430</u>	<u>\$ 447,021,525</u>



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

6) SEGMENT INFORMATION - Continued

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$ 50,646,050	\$ 2,604,431	\$ 53,250,481
Depreciation	(10,729,096)		(10,729,096)
Other Operating Expenses	<u>(52,413,282)</u>	<u>(1,508,672)</u>	<u>(53,921,954)</u>
Operating Income	<u>(12,496,328)</u>	<u>1,095,759</u>	<u>(11,400,569)</u>
Non-operating Revenues (Expenses):			
Investment Income	4,349,134	67,208	4,416,342
Taxes and Assessments	3,794,489	357,467	4,151,956
Availability Charges	662,674	52,990	715,664
Gain on Sale of Capital Assets	1,817		1,817
Other Non-operating Revenues	1,809,802		1,809,802
Donations	(80,000)		(80,000)
Interest Expense	(898,706)	(51,773)	(950,479)
Other Non-operating Expenses	(271,410)		(271,410)
Transfers	1,358,441	(1,358,441)	0
Capital Contributions	<u>26,563,075</u>		<u>26,563,075</u>
Total Non-operating Revenues (Expenses)	<u>37,289,316</u>	<u>(932,549)</u>	<u>36,356,767</u>
Change in Net Assets	24,792,988	163,210	24,956,198
Total Net Assets, Beginning	<u>421,527,107</u>	<u>538,220</u>	<u>422,065,327</u>
Total Net Assets, Ending	<u>\$ 446,320,095</u>	<u>\$ 701,430</u>	<u>\$ 447,021,525</u>

Condensed Statement of Cash Flows

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Net Cash Provided (Used) by:			
Operating Activities	(6,155,309)	1,100,874	(5,054,435)
Noncapital Financing Activities	5,949,935	(1,052,723)	4,897,212
Capital and Related Financing Activities	28,372,351	(115,359)	28,256,992
Investing Activities	<u>(22,683,038)</u>	<u>67,208</u>	<u>(22,615,830)</u>
Net Increase (Decrease)	5,483,939	0	5,483,939
Beginning Cash and Cash Equivalents	<u>13,755,907</u>	<u>0</u>	<u>13,755,907</u>
Ending Cash and Cash Equivalents	<u>\$ 19,239,846</u>	<u>\$ 0</u>	<u>\$ 19,239,846</u>



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

7) NET ASSETS

A summary of changes in net assets for the year ended June 30, 2007 is as follows:

Description	Investment in Capital Assets (Net of Related Debt)	Restricted Net Assets	Unrestricted Net Assets	Total
Beginning of Year	\$ 361,590,845	\$ 2,408,473	\$ 58,066,009	\$ 422,065,327
Income (Loss) Before Contributions	(10,729,096)	3,917,141	5,205,078	(1,606,877)
Capital Contributions				
Construction of Water and Sewer Systems	9,086,743			9,086,743
Capacity Fees and Capital Contributions		15,356,446		15,356,446
Betterment Fees				
Annexation Fees			2,119,886	2,119,886
Decrease in Related Capital Debt/(Transfers)	1,416,225		(1,416,225)	0
Acquisition and Construction/(Transfers)	7,248,654	(19,610,753)	12,362,099	0
End of Year	<u>\$ 368,613,371</u>	<u>\$ 2,071,307</u>	<u>\$ 76,336,847</u>	<u>\$ 447,021,525</u>

Designated Net Assets

In addition to the restricted net assets, unrestricted net assets have been designated by the Board of Directors for the following purposes as of June 30, 2007 and 2006:

	2007	2006
Replacement Reserve	\$ 31,779,960	\$ 22,876,118
Insurance Reserve	16,893,128	16,428,945
Expansion Reserve	17,809,405	5,772,470
2007 COPS Reserve	<u>26,054,220</u>	
Total	<u>\$ 92,536,713</u>	<u>\$ 45,077,533</u>

8) DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined plan, (the "Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

8) DEFINED BENEFIT PENSION PLAN - Continued

Funding Policy

Active members in the Plan are required to contribute 8% of their annual covered salary. The District has elected to contribute 7% on behalf of its employees. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2007 was 18.864%. The contribution requirements of the Plan members are established by State statute and the employer contribution rate is established and may be amended by the CalPERS.

Annual Pension Costs

For the fiscal year ended June 30, 2007, the District's annual pension cost and actual contribution was \$1,925,758. The required contribution for the fiscal year ended June 30, 2007, was determined as part of the June 30, 2004 actuarial valuation.

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

Valuation Date	June 30, 2004
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	22 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.75% (Net of Administrative Expenses)
Projected Salary Increase	3.25% to 14.45% Depending on Age, Service, and Type of Employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%.

Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of the plan assets, then the amortization payment of the total unfunded liability may be lower than the payment calculated over a 30-year amortization period.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/05	1,684,657	100%	0
6/30/06	2,120,529	100%	0
6/30/07	1,925,758	100%	0



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

9) POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, it is the District's practice and policy to provide certain life insurance and health care benefits for eligible retired employees, directors and eligible dependents. These benefits vary based on the hire date of the employee. All retired employees receive life insurance benefits provided by the District (\$3,000 to age 70 for employees and \$1,000 to age 70 for spouse).

For retiring employees hired prior to January 1, 1981, and who are age 55 or over with five years of continuous service at retirement, the District provides dental and health care benefits and prescription drug coverage.

For retiring employees hired on or after January 1, 1981 and before July 1, 1993, the District provides health care benefits and prescription drug coverage if, at retirement, the employees have neither:

Attained age 60 with age plus years of credited service equal to or greater than 70 (with dental benefits provided) or,

Attained age 55 but not age 60 with age plus years of credited service equal to or greater than 75 (without dental benefits provided).

For retired directors who commenced office prior to January 1, 1995, and have attained age 60 with at least twelve years service as a director, the District provides dental and health care benefits and prescription drug coverage.

Expenses for these post retirement benefits are recognized as insurance premiums and are paid as retirees report claims under the health insurance program described in Note 12. Post retirement benefits expense of \$1,080,334 and \$641,464, were recognized for 65 and 59 eligible retirees, for the years ended June 30, 2007 and 2006, respectively.

10) WATER CONSERVATION AUTHORITY

In 1999 the District formed the Water Conservation Authority (the "Authority"), a Joint Powers Authority, with other local entities to construct, maintain and operate a xeriscape demonstration garden in the furtherance of water conservation. The authority is a non-profit public charity organization and is exempt from income taxes. During the years ended June 30, 2007 and 2006, the District contributed \$80,000 and \$75,000, respectively, for the development, construction and operation costs of the xeriscape demonstration garden.

A summary of the Authority's June 30, 2006 audited financial statement is as follows (latest report available):

Assets	\$ 2,525,619
Liabilities	78,812
Revenues, Gains and Other Support	649,142
Changes in Net Assets	(184,414)



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

11) COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District had committed to capital projects under construction with an estimated cost to complete of \$3,171,073 at June 30, 2007.

Litigation

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

Refundable Terminal Storage Fees

The District has entered into an agreement with several developers whereby the developers prepaid the terminal storage fee in order to provide the District with the funds necessary to build additional storage capacity. The agreement further allows the developers to relinquish all or a portion of such water storage capacity. If the District grants to another property owner the relinquished storage capacity, the District shall refund to the applicable developer \$746 per equivalent dwelling unit (EDU). There were 17,867 EDUs that were subject to this agreement. At June 30, 2006, 1,750 EDUs had been relinquished and refunded, 13,412 EDUs had been connected, and 2,705 EDUs have neither been relinquished nor connected. At June 30, 2007, 1,750 EDUs had been relinquished and refunded, 13,424 EDUs had been connected, and 2,693 EDUs have neither been relinquished nor connected.

Developer Agreements

The District has entered into various Developer Agreements with developers towards the expansion of District facilities. The developers agree to make certain improvements and after the completion of the projects the District agrees to reimburse such improvements with a maximum reimbursement amount for each developer. Contractually, the District does not incur a liability for the work until the work is accepted by the District. As of June 30, 2007, none of the 18 outstanding developer agreements had been accepted, however it is anticipated that the District will be liable for an amount not to exceed \$1,987,941 at the point of acceptance. Accordingly, the District did not accrue a liability as of year end.

12) RISK MANAGEMENT

General Liability

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. The District pays an annual premium for commercial insurance covering general liability, excess liability, property, automobile, public employee dishonesty, and various other claims. Coverage limits range up to \$100 million. Accordingly, the District retains no risk of loss.



NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2007 AND 2006

12) RISK MANAGEMENT - Continued

Workers' Compensation

The District is a member of the Association of California Water Agencies Joint Powers Insurance District (Joint Powers). The Joint Powers is a risk-pooling self-insurance district, created under the provision of California Government Code Sections 6500 et. Seq. The Joint Powers is governed by a board composed of members from participating agencies. The purpose of the Joint Powers is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District is insured up to \$25,000,000 for worker's compensation with no deductible. Separate financial statements of the Joint Powers may be obtained at ACWA Joint Powers Insurance Authority, 5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610-7632.

Health Insurance

The District maintains a self-insurance program covering all of its employees, retirees, and other dependents. Health claims are processed and administered through a health insurance administrator and paid by the District upon presentation. The District has obtained a stop-loss insurance policy to cover individuals with claims exceeding \$45,000. The District has estimated accrued claims to be \$474,413 and \$422,327 at June 30, 2007 and 2006, respectively. Accrued health costs are included in other accrued liabilities.

Adequacy of Protection

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

13) INTEREST EXPENSE

Interest expense for the years ended June 30, 2007 and 2006, is as follows:

	<u>2007</u>	<u>2006</u>
Amount Expensed	\$ 950,479	\$ 959,225
Amount Capitalized as a Cost of Construction Projects	<u>997,428</u>	<u>460,535</u>
Interest Paid	<u>\$ 1,947,907</u>	<u>\$ 1,419,760</u>



REQUIRED SUPPLEMENTARY INFORMATION YEARS ENDED JUNE 30, 2007 AND 2006

Schedule of Funding Progress for PERS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
6/30/03 Miscellaneous	\$ 29,042,368	\$ 41,428,694	\$ 12,386,326	70.1%	\$ 9,058,232	136.7%
6/30/04 Miscellaneous	\$ 31,591,156	\$ 45,156,690	\$ 13,565,534	70.0%	\$ 9,764,596	138.9%
6/30/05 Miscellaneous	\$ 36,029,595	\$ 50,249,943	\$ 14,220,348	71.7%	\$ 10,005,158	142.1%



September 21, 2007

Joe Beachem, Chief Financial Officer
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2096

Dear Mr. Beachem:

We have audited the financial statements of the Otay Water District (the "District") as of and for the year ended June 30, 2007, and have issued our report thereon dated September 21, 2007. In planning and performing our audit of the financial statements of the District, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. We noted no matters involving the internal control and its operation that we considered to be material weaknesses under standards established by the American Institute of Certified Public Accountants.

We would like to take this opportunity to express our appreciation for the assistance extended to us during the course of the audit. If we can be of further assistance or if you have any questions regarding our recommendations, please call our office.

This report is intended solely for the information and use of the Board of Directors and management. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,
TEAMAN, RAMIREZ & SMITH, INC.

A handwritten signature in cursive script that reads "Richard A. Teaman".

Richard A. Teaman
Certified Public Accountant



September 21, 2007

Finance Committee
Otay Water District

We have audited the financial statements of the Otay Water District for the year ended June 30, 2007, and have issued our report thereon dated September 21, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Otay Water District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Otay Water District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were management's estimate of the useful lives for capital assets.

During our audit of the basic financial statements, we performed procedures to determine the reasonableness of the estimates used by management. Based on the procedures performed, we were able to conclude that the estimates used by management were reasonable.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Otay Water District's financial reporting process (that is, cause future financial statements to be materially misstated). For the 2006-2007 fiscal year, there were no such adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Otay Water District's Finance Committee and management of the Otay Water District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Seaman Ramsey & Smith

OTAY WATER DISTRICT
SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS
Year Ended June 30, 2007

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Board of Directors
Otay Water District
Spring Valley, California

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

We have audited the financial statements of the business-type activities, of the Otay Water District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Otay Water District internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Otay Water District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Jeannan Ramsey & Smith

September 21, 2007

Board of Directors
Otay Water District
Spring Valley, California

**Report on Compliance with Requirements Applicable to Each
Major Program, Internal Control Over Compliance and on the Schedule
of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

Compliance

We have audited the compliance of the Otay Water District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Otay Water District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Otay Water District's management. Our responsibility is to express an opinion on the Otay Water District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Otay Water District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Otay Water District's compliance with those requirements.

In our opinion, the Otay Water District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Otay Water District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Otay Water District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Otay Water District's internal control over compliance.

A control deficiency in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that

adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of the Otay Water District as of and for the year ended June 30, 2007, and have issued our report thereon dated September 21, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Otay Water District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jeanne Ramirez E. Smith

September 21, 2007

OTAY WATER DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
MAJOR PROGRAMS			
<u>United States Department of the Interior:</u>			
<i>Passed-through the City of San Diego</i> Water Reclamation and Refuse Program	15.504	06-FC-35-0182	\$ <u>2,430,000</u>

OTAY WATER DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the Otay Water District that are reimbursable under programs of federal agencies providing financial assistance. For the purpose of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Otay Water District from a non-federal agency or other organization. Only the portion of the program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized in the period incurred. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

c) Major Programs

The District had one major program for the year ended June 30, 2007, consisting of expenditures from a cooperative agreement with the City of San Diego and the United States Department of Interior. The major program had disbursements of \$2,430,000. This amount calculates to 100% of the total disbursements from federal awards.

d) Relationship to Basic Financial Statements

Federal award expenditures agree or can be reconciled with the amounts reported in the District's financial statements.

OTAY WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Reportable Condition(s) Identified not Considered to be Material Weaknesses?	None reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	No
Reportable Condition(s) Identified not Considered to be Material Weaknesses?	No
Type of Auditors' Report Issued on Compliance for Major Programs:	Unqualified
Any Audit Findings Disclosed that are Required to be Reported in Accordance With Circular A-133, Section .510(a)?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
15.504	Water Reclamation and Refuse Program

Dollar Threshold used to Distinguish Between Type A and Type B Programs:	\$ <u>300,000</u>
--	-------------------

Auditee Qualified as Low-Risk Auditee?	No
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OTAY WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no auditors' findings required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditors' findings to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

OTAY WATER DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2007

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reportable Conditions:

None Reported



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Joe Beachem
Chief Financial Officer
Otay Water District
Spring Valley, CA

We have applied the procedures enumerated below, which were agreed to by the Otay Water District (the "District") to assist the District's senior management in evaluating the investments of the District for the fiscal year ending June 30, 2007.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report, the District's senior management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. Obtain a copy of the District's investment policy in effect for the time period under review.

Findings: No exceptions were noted as a result of our procedures.

2. Select four (4) investments held at year end (Sample A) and determine if they are an allowable investment under the District's policy.

Findings: No exceptions were noted as a result of our procedures.

3. Determine if the investments in Sample A are held in the District's name or as otherwise required by the District's policy.

Findings: No exceptions were noted as a result of our procedures.

4. Confirm the par or original investment amount and market value for the investments in Sample A with the custodian or issuer of the investments.

Findings: No exceptions were noted as a result of our procedures.

5. Select two (2) investment earnings transactions that took place during the year (Sample B) and recompute the earnings calculation to determine if the proper amount was received.

Findings: No exceptions were noted as a result of our procedures.

6. Confirm the amounts received in Sample B with the custodian or issuer of the investments.

Findings: No exceptions were noted as a result of our procedures.

7. Select five (5) investment transactions (buy, sell, trade or maturity) occurring during the year under review (Sample C) and determine that the transactions are permissible under the District's investment policy.

Findings: No exceptions were noted as a result of our procedures.

8. Review the supporting documents for Sample C and determine if the transactions were appropriately recorded in the District's general ledger.

Findings: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the investments of the District for the fiscal year ending June 30, 2007. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the senior management of the Otay Water District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Jeannine Ramirez & Smith

September 21, 2007



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007		
SUBMITTED BY:	Meryll Gonzalez <i>MCG</i>	PROJECT No./	P1210/	DIV.	3,4,5
	Assistant Civil Engineer	SUBPROJECTS	25000	NO.	
	Ken Simmons <i>KS</i>				
	Senior Civil Engineer				
	Ron Ripperger <i>RR</i>				
	Engineering Manager				
APPROVED BY:	Rod Posada <i>R. Posada</i>				
(Chief)	Chief, Engineering				
APPROVED BY:	Manny Magaña <i>M. Magaña</i>				
(Asst. GM):	Assistant General Manager, Engineering and Operations				
SUBJECT:	Statewide General Waste Discharge Requirements for Sanitary Sewer Systems - Approval of Otay Water District Plan and Schedule for the Development of a Sewer System Management Plan				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board of Directors approve the proposed Plan and Schedule for the development of the District's Sewer System Management Plan (SSMP).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

The California State Water Resources Control Board Order No. 2006-003, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems requires District Board approval of the Plan and Schedule for the development of the District's SSMP.

ANALYSIS:

On May 2, 2006, the State Water Resources Control Board (SWRCB) issued Order No. 2006-003, the Statewide General Waste Discharge Requirements (WDRs) for sanitary sewer systems. These WDRs are the regulatory mechanism for all agencies that own or operate sanitary sewer collection systems greater than one-mile in

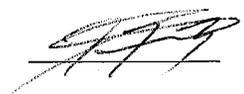
length that collect and/or convey untreated or partially treated wastewater to a publicly owned treatment facility. The ultimate goal of the WDRs is to reduce the frequency and volume of sanitary sewer overflows (SSO's) by requiring Districts, sewer agencies, cities, and other entities to properly operate, maintain, and manage their wastewater collection system.

According to the WDRs, each agency must develop and implement a system-specific SSMP. To implement the elements of the SSMP, both the proposed plan to prepare an SSMP and the related schedule must be certified by the agency to be in compliance with the WDRs. The list of the WDRs requirements and the schedule must be presented to the agency's governing board for approval at a public meeting in order to be in compliance.

To meet the WDRs No. 2006-0003, staff has developed the proposed SSMP Development Plan and Schedule for Board approval (Attachment B).

Staff recommends that the Board approve the Development Plan and Schedule for preparation of the District SSMP.

FISCAL IMPACT:



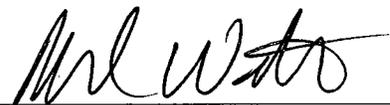
This effort will be performed in-house and is covered by the operating budget.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water and wastewater services to our community in an innovative, cost efficient, water wise and environmentally responsible manner," and the District's Strategic Goals, "To satisfy current and future water needs for potable, recycled, and wastewater services."

LEGAL IMPACT:

None.



General Manager

P:\WORKING\SSMP\Staff Reports\Staff Report SSMP Plan and Schedule_10-4-07.doc

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Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT:	Statewide General Waste Discharge Requirements for Sanitary Sewer Systems - Approval of Otay Water District Plan and Schedule for the Development of a Sewer System Management Plan
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that in May 2006, the State Water Resources Control Board issued an order that all agencies which own or operate a sanitary sewer collection system comply with the Statewide General Waste Discharge Requirements.
- According to the requirements, each agency must develop and implement a system-specific Sewer System Management Plan (SSMP). To be able to implement the elements of the SSMP, the development plan and related schedule must be presented and approved by the agency's governing board to be certified under the State Water Resources Control Board.
- Staff is requesting that the Board approve the proposed SSMP Development Plan and Schedule.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors for discussion and approval.

ATTACHMENT B

SSMP DEVELOPMENT PLAN AND SCHEDULE for the OTAY WATER DISTRICT		
SSMP Component	Due Date	Work Element
	1/2/2007	Implement the Electronic Spill Reporting Program - COMPLETED.
	11/2/2007	Develop & Approve SSMP Development Plan and Schedule - 11/7/07 BOARD ACTION
(i) Goal	11/2/2007	Define Goals of SSMP
(ii) Organization	11/2/2007	(a) Authorized Representative
		(b) Management and Organization Chart
		(c) SSO Reporting Chain of Communication
(iii) Legal Authority	5/2/2009	(a) To Prevent Illicit Discharges into the System
		(b) To Require Proper Design and Construction of Sewers
		(c) To Ensure Access to Publicly Owned Portion of Lateral
		(d) To Limit the Discharge of FOG and other Debris
		(e) To Enforce Violations of Sewer Ordinances
(iv) Operation and Maintenance Program	5/2/2009	(a) Up-to-Date Map of Sanitary Sewer System
		(b) Preventative Maintenance Program
		(c) Rehabilitation and Replacement Plan
		(d) Training for Sanitary Sewer System Staff and Contractors
		(e) Equipment and Replacement Part Inventory
(v) Design and Performance Provisions	8/2/2009	(a) Design and Construction Standards and Specifications
		(b) Procedures and Standards for Installation, Rehabilitation, and Repair Projects
(vi) Overflow Emergency Response Program	5/2/2009	(a) Proper Notification Procedures for SSOs
		(b) Appropriate Response Program for SSOs
		(c) Prompt Notification to Regulatory Agencies
		(d) Emergency Response Plan and Appropriate Staff Training
		(e) Emergency Operation Procedures such as Traffic and Crowd Control
		(f) Containment and Prevention Program for SSO Discharge into U.S. waters
(vii) FOG Control Program	5/2/2009	(a) Implementation Plan and Schedule for Public Outreach
		(b) Plan and Schedule for Disposal of FOG within the Service Area
		(c) Legal authority to prohibit FOG discharges and prevent related SSOs and blockages
		(d) Requirement to install grease removal devices, and provision of design standards and requirements for such devices
		(e) Authority to inspect grease producing facilities, enforcement authorities, and evidence of sufficient enforcement staff for FOG ordinance
		(f) Identification and maintenance scheduling of sewer sections prone to FOG blockages
		(g) Development and Implementation of source control measures for FOG sources in above identified sections
(viii) System Evaluation and Capacity Assurance Plan	8/2/2009	(a) Sanitary Sewer System Evaluation
		(b) Design Criteria
		(c) Capacity Enhancement Measures
		(d) Completion Schedule
(ix) Monitoring, Measurement, and Plan Modifications	8/2/2009	(a) Maintenance of information to prioritize SSMP activities
		(b) Monitoring of implementation and effectiveness of SSMP elements
		(c) Assessment of Preventative Maintenance Program
		(d) Update of program elements based on evaluation
		(e) Identification and illustration of SSO trends
(x) Program Audits	8/2/2009	(a) Identify key result areas and performance measures within SSMP
		(b) Develop criteria and procedures for measuring system performance and Plan compliance
		(c) Develop criteria and procedure for measuring the effectiveness of the Plan
		(d) Develop procedures for periodic Plan updates to address deficiencies and needed improvements
		(e) Develop procedures for preparing and filing bi-annual Audit Reports
(xi) Communication Program	8/2/2009	Community Outreach / Feedback
		Communication with Satellite Agencies



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Ken Simmons <i>KS</i> Senior Civil Engineer	PROJECT No. /	R2089
	Meryll Gonzalez <i>MEG</i> Assistant Civil Engineer	SUBPROJECT:	DIV. ALL NO.
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY:	Rod Posada <i>RPosada</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>M. Magaña</i> (Asst. GM): Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Professional Engineering Planning Services Contract to PBS&J for the North District Recycled Water Concept (NDRWC) Study, Phase I Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board award a professional engineering planning services contract to PBS&J for the North District Recycled Water Concept (NDRWC) Study, Phase I Project, and to authorize the General Manager to execute an agreement with PBS&J in an amount not to exceed \$149,595. (See Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into a professional engineering planning services agreement with PBS&J in the amount not to exceed \$149,595 for the preparation of the NDRWC Study, Phase I Project.

ANALYSIS:

The District recently completed an Integrated Water Resources Plan (IRP) to examine potential water supply options to enhance

reliability and diversification of the District's water resources supply portfolio. One of the outcomes of the IRP effort included development of the North District Recycled Water System as an option to maximize recycled water use while decreasing imported supply needs and operating costs of the District's existing recycled water system. However, regulatory and institutional requirements for recycled water use within the Jamacha Basin (Middle Sweetwater River Basin) must be addressed to allow for future recycled water infrastructure within the North District.

The purpose of the NDRWC Study, Phase I Project is to identify, assess, and investigate the regulatory, institutional, health, safety, welfare, political, and legal opportunities and challenges associated with the potential use of recycled water within the Jamacha Basin and to determine which means and measures, if any, could be employed to overcome the challenges. The outcome of the Study will develop various strategies and an implementation plan to meet Regional Water Quality Control Board and California Department of Public Health requirements, as well as develop inter-agency and stakeholder awareness and coordination for Project acceptance. Phases II and III are envisioned to implement Phase I recommendations, and to design and construct the necessary capital improvement program project facilities, respectively.

Staff has determined that it is in the District's best interest to contract with a professional engineering services consulting firm (Consultant) to perform the NDRWC Study. It is the intent of Staff to develop and formulate the NDRWC Study, Phase I Project in collaboration with Sweetwater Authority (SWA) and all interested stakeholders. Through this process, the final report will capture the consensus of all agencies and stakeholders.

The scope of work for the NDRWC Study, Phase I Project consists of the following tasks: 1) Project Management, Administration, and Liaison; 2) Research and Data Gathering; 3) Preliminary Project Definition; 4) Stakeholder Outreach, Involvement, and Coordination; 5) Identification and Assessment Evaluation of Regulatory, Institutional, Environmental, and Key Permitting Issues; 6) Opportunities and Constraints Assessment; 7) Mitigation and Monitoring Plan; 8) Implementation Plan; 9) Feasibility Level Cost and Timeline Estimates; and 10) Report Preparation.

In accordance with Policy 21, the District solicited Professional Engineering Planning Services from consulting firms by placing an advertisement on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

Nine (9) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for Professional

Engineering Planning Services was sent to all nine firms resulting in two (2) proposals received on September 17, 2007 from the following consulting firms:

Consulting Firms	Proposed Fee
PBS&J	\$149,595
RMC Water and Environment	\$232,555

The Engineer's Estimate was \$160,000.

The seven (7) firms that chose not to propose were: Adams Engineering, Inc.; Boyle Engineering Corporation; CDM; Malcolm Pirnie; MWH; Stetson Engineers, Inc.; and Water 3 Engineering.

The consultant selection panel was comprised of six District staff members, and one SWA staff member. Staff evaluated and scored both written proposals. PBS&J received the highest score for their services based on their experience, proposed method to accomplish the work, and their ability to complete projects on schedule. References for PBS&J were checked and received high ratings. A summary of the complete evaluation is shown in Attachment C.

Staff recommends the award of a professional engineering planning services contract to PBS&J for a not to exceed amount of \$149,595 and to authorize the General Manager to execute the agreement.

FISCAL IMPACT:



The total budget for CIP R2089, as approved for the Fiscal Year 2008 budget, is \$200,000. The actual costs paid on this project as of September 24, 2007 are \$9,276. See Attachment B for budget detail. Total expenditures and commitments to date, including this contract, are approximately \$158,871. Based on the financial analysis attached, the project manager has determined that the budget is sufficient to complete the project.

Finance has determined that 100% of funding is available from the Expansion Fund.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient, water wise and environmentally responsible manner," and the District's Strategic Goals, "To develop and improve infrastructure for increased recycled water use", and "To satisfy current and future water needs for potable, recycled, and wastewater services."

LEGAL IMPACT: _____

None.



General Manager

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Attachments: Attachment A
Attachment B
Attachment C
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT:	Award of a Professional Engineering Planning Services Contract to PBS&J for the North District Recycled Water Concept (NDRWC) Study, Phase I Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on October 29, 2007. The following comments were made:

- Staff indicated that the District recently completed an Integrated Water Resources Plan (IRP) to examine potential water supply options.
- The IRP included development of the North District Recycled Water System as an option to maximize recycled water use. However, regulatory and institutional requirements in the Jamacha Basin must be addressed to allow for future recycled water infrastructure within the North District.
- Staff suggest that a professional engineering services consulting firm be contracted to perform a study of the North District Recycled Water System (NDRWS).
- The job was advertised and nine firms submitted a letter of interest. However, only two consulting firms chose to submit a proposal.
- After evaluation and scoring, Staff recommends the award of a professional engineering planning services contract go to PBS&J for a not to exceed amount of \$149,595.
- Staff estimates the study will take nine months.
- There was discussion regarding collaboration with Sweetwater authority and other interested stakeholders. The study will take into account the opinions of the stakeholders.

Upon completion of the discussion, the Committee supports Staff's recommendation and forwarding to the Board of Directors for discussion and approval.

ATTACHMENT C

SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS North District Recycled Water Concept Study - Phase I (CIP No. R2089-001101)

		← WRITTEN →						*Proposed Fee	*Consultant's commitment to EBE, DBE, MBE, SBE	TOTAL SCORE (per reviewer)	AVERAGE SCORE	References
		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Ability to complete projects on schedule	Completeness, addressed requested information					
SCORE		15	15	10	10	10	15	20	5	100 **		✓
PBS&J	<i>Lisa Coburn-Boyd</i>	13	13	7	8	8	14	17	5	85	88.71	✓
	<i>Meryll Gonzalez</i>	13	13	9	10	10	14			91		
	<i>Jim Peasley</i>	10	12	8	8	10	15			85		
	<i>Rod Posada</i>	14	15	10	10	10	15			96		
	<i>Ron Ripperger</i>	12	13	8	9	8	13			85		
	<i>Ken Simmons</i>	13	12	9	10	10	14			90		
	<i>Jim Smyth</i>	13	13	9	8	10	14			89		
RMC Water & Environment	<i>Lisa Coburn-Boyd</i>	14	14	8	9	8	13	15	5	86	86.71	
	<i>Meryll Gonzalez</i>	13	13	9	10	9	12			86		
	<i>Jim Peasley</i>	15	15	10	10	10	15			95		
	<i>Rod Posada</i>	14	15	8	10	8	13			88		
	<i>Ron Ripperger</i>	13	13	8	9	8	13			84		
	<i>Ken Simmons</i>	13	13	9	10	10	12			87		
	<i>Jim Smyth</i>	12	12	6	8	9	14			81		

Notes: * Project Manager scores the "Proposed Fee" and "Consultant's Commitment to EBE, DBE, MBE, and SBE" columns.



Project Manager's Signature

10/15/07

Date



Peer Review Signature

10/15/07

Date



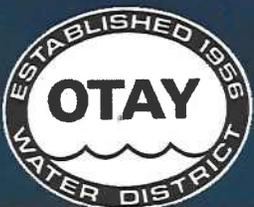
OTAYWATERDISTRICT

Board of Directors Meeting

November 7, 2007

North District Recycled Water Concept Study, Phase I

ENGINEERING DEPARTMENT



Meryll C. Gonzalez
Assistant Civil Engineer

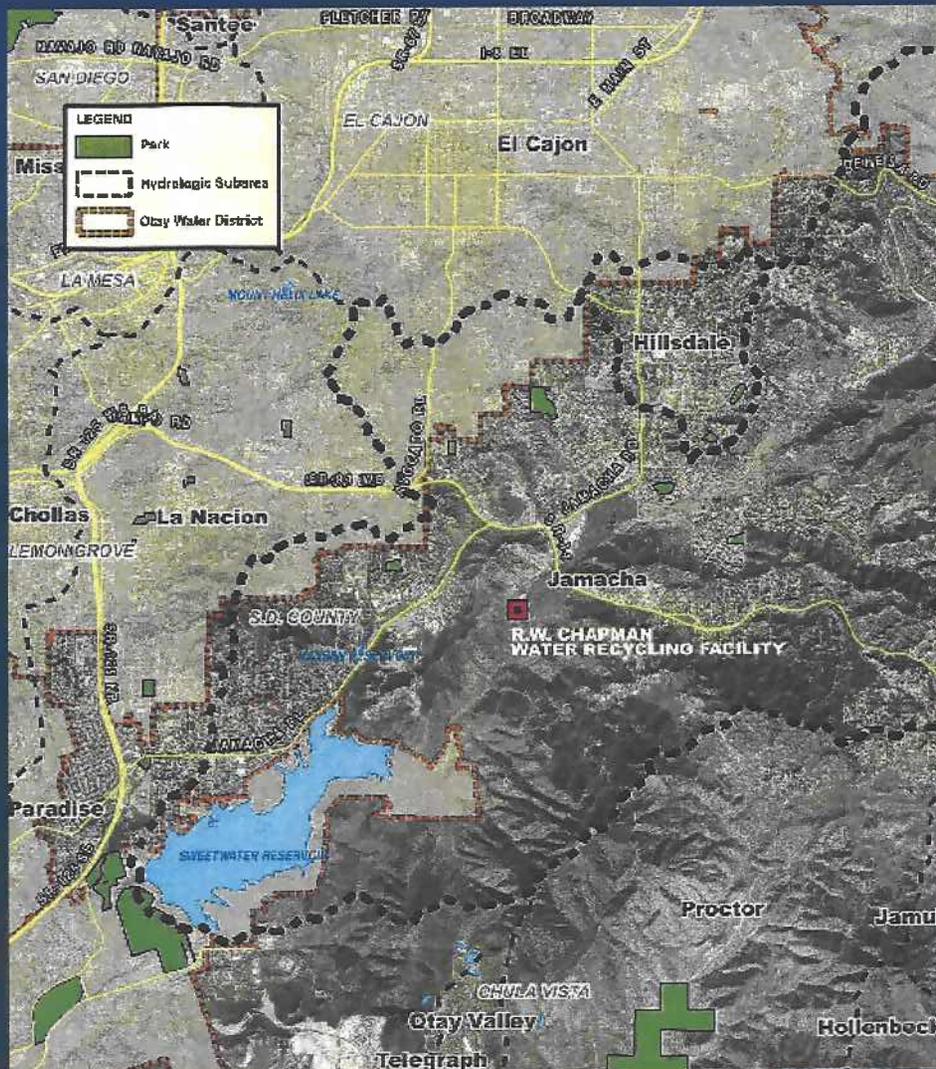
- Project Background
- Objectives
- Approach
- Project Scope
- Consultant Selection
- Q & A

- **2007 Integrated Water Resources Plan (IRP)**
 - Examined options to enhance supply reliability and diversification
- **IRP option included development of North District Recycled Water System**
 - ↑'s recycled water use
 - ↓'s imported supply needs
 - ↓'s operation costs
- **Need to address regulatory and institutional requirements for recycled water use in Jamacha Basin to allow future infrastructure**



OTAYWATERDISTRICT

BACKGROUND



North District Study Area Map, Jamacha Basin

- **North District Recycled Water Concept (NDRWC) Study, Phase I:**
 - I. Identify and investigate all opportunities and challenges associated with recycled water use in Jamacha Basin
 - II. Develop implementation plan that presents various strategies to meet regulatory requirements and inter-agency coordination and stakeholder support

- District Staff will collaborate with other agencies to capture overall consensus in final report
 - Sweetwater Authority (SWA)
 - RWQCB, California DPH, County of SD, City of SD
 - Development communities & planning groups
 - + All other interested stakeholders
- Potential customers

Recycled Water

	Demand	
	(AFY)	(MGD)
Caltrans	74.10	0.066
County of San Diego	4.40	0.004
Escondido Canyon High School	81.50	0.073
Escondido Canyon Golf Course	149.80	0.134
YMCA	93.00	0.083
Total:	1,555.60	1.388

- Policy 21, Selection of Professional Consultants
- (9) Interested Consulting Firms
- (2) Proposals Received
 - RMC Water and Environment
 - PBS&J
- Consultant selection panel
 - (6) District Staff
 - (1) SWA Staff member
- PBS&J selected based on District's criteria
- Staff recommends contract award to PBS&J for not-to-exceed amount of \$149,595



AGENDA ITEM 9a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	November 7, 2007
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2007 and 2008 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2007 and 2008 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2007 and 2008 Board of Director's meeting calendars and amend the schedules 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.



General Manager

Attachments: Calendar of Meetings for 2007 and 2008

**Board of Directors, Workshops
and Committee Meetings
2007**

Regular Board Meetings:

January 3, 2007
February 7, 2007
March 7, 2007
April 4, 2007
May 2, 2007
June 6, 2007
July 10, 2007
August 1, 2007
September 5, 2007
October 3, 2007
November 7, 2007
December 5, 2007

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

January 17, 2007
February 21, 2007
March 21, 2007
April 18, 2007
May 16, 2007
June 20, 2007
July 18, 2007
August 15, 2007
September 19, 2007
October 17, 2007
November 21, 2007
December 19, 2007

Board Workshops:

Budget Workshop, Tuesday, May 29, 2007
Board Retreat Workshop, Tuesday, October 9, 2007
Board Retreat Follow-up Workshop, November 19, 2007

**Board of Directors, Workshops
and Committee Meetings
2008**

Regular Board Meetings:

January 2, 2008
February 6, 2008
March 5, 2008
April 2, 2008
May 7, 2008
June 4, 2008
July 2, 2008
August 6, 2008
September 3, 2008
October 1, 2008
November 5, 2008
December 3, 2008

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

January 16, 2008
February 20, 2008
March 19, 2008
April 16, 2008
May 21, 2008
June 18, 2008
July 16, 2008
August 20, 2008
September 17, 2008
October 15, 2008
November 19, 2008
December 17, 2008

Board Workshops:

Budget Workshop, TBD
Board Retreat Workshop, TBD

AGENDA ITEM 10



STAFF REPORT

TYPE	Regular Board Meeting	MEETING	November 7, 2007		
MEETING:		DATE:			
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	N/A	DIV. NO.	N/A
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

Update on the design of the 36-Inch Potable Water Pipeline from FCF #14 to Regulatory Site for the month of September 2007:

- The Value Engineering workshop was held on September 19, 20 and 21, 2007. The preliminary report was received on October 5, 2007. The design consultant is evaluating the recommendations before implementation.

Update on the 640-1 and 640-2 Reservoirs Project for the month of September 2007:

- Half of the roof has been poured on the 640-1 Reservoir.
- Completed construction of the walls and columns on the 640-2 Reservoir.

Finished installation of the 42" CMLC pipeline.

ADMINISTRATIVE SERVICES AND FINANCE:

Administrative Services:

- Two new hires started employment in the month of October; Water Conservation Intern and Customer Service Representative I.

- The District held two training sessions related to the updated policies and MOU provisions, and our bi-annual Sexual Harassment training on October 30 2007. Additional sessions were rescheduled to early November due to the fires.
- Information for Open Enrollment was mailed out in mid-October. Open enrollment will be held from October 29th - November 16th. Representatives will be on-site on November 1st for informational meetings and our Health Fair will be held on November 8th.
- Because of fires threatening the District's service areas of Chula Vista, Jamul, Spring Valley and Rancho San Diego, the District's Emergency Operations Center (EOC) was opened at 2pm, on Monday, October 22, 2006 and remained open until 8am, on Wednesday, October 24, 2007. Based on feedback from those that participated in the EOC, there was good communication between Otay staff and other agencies. Efforts were well coordinated with the San Miguel Fire Department, City of Chula Vista, Cal Fire and other fire agencies. The EOC ran smoothly overall and was able to monitor all District facilities and make critical decisions with information from the District employees in the field. A debriefing was conducted on Wednesday, October 24, after the EOC was closed. A report will be forthcoming with recommendations within the next two weeks.
- The District had two abstracts accepted for presentation at the upcoming AWWA Sustainable Water Sources Conference in February 2008. The first presentation is titled, "Using AMR and Other new technologies to communicate Water Loss." The second presentation is titled "Smart Ways to Promote Smart Controllers" and will discuss efforts to promote the pilot \$350 rebate for residential smart irrigation controllers.
- Outreach Events: The District staffed one outreach event this month in Chula Vista's "Go Green and Go Clean" event on October 6th at the Otay Ranch Town Center. Staff was continuously busy and talked to several hundred people about our conservation programs.
- The California Friendly Gardening Festival was moved from October 27th to November 10th because of air quality concerns due to the recent fires. The upcoming festival will now include 1) Collection for the Red Cross for fire

victims; 2) Donation of 10% of the proceeds of the Garden's net to the fire victims; 3) Tribute to firefighters at the irrigation opening; 4) \$100 gift certificate for fire resistant plants, and 5) Tours of the fire-wise exhibit

- Staff attended the Department of Water Resources' Urban Drought Workshop held at the Water Authority on October 11th.
- School Education: In October, staff completed three Garden tours for Avocado Elementary, Jamul Primary, and Vista Grande Elementary, and one more is scheduled in late October for Jamul Primary; 2 tours were postponed due to the fire. A number of Kits were loaned this month: KinderCare Spring Valley (Preschool basic water conservation); grade 3 Water cycle to Thurgood Marshall Elementary & Tiffany Elementary. No Splash Labs or mini-grants are scheduled to date.
- In the month of October there were 147 purchase orders issued for a total of \$363,182.45.

Information Technology and Strategic Planning:

- The FY09-FY11 Strategic Plan review process is underway. IT completed an initial strategy session and a review of the existing plan with most management team members and leads. We have completed most of the one-on-one interviews with the exception of some Board members. We will be starting the group meeting and validation process in early November. Our goal is to have a completely revised and updated plan with revised objectives and measures to the Board in March 2008. A contract was awarded in September to Westin Engineering for \$40,000 for facilitation assistance.
- IT is proud to have received the Excellence in Technology Practices Award from the Municipal Information Systems Association of California (MISAC).
- IT has provided data assistance to the Water Resources Master Plan effort currently underway in Engineering. GIS has updated facilities maps and databases and provided that information to the consulting firm of PBS&J. This is an essential step in completing the new

water modeling efforts that are being developed for the District by the Consultant.

- The recent fire in San Diego County gave IT the opportunity to test its capabilities to work remotely. A secondary EOC was set up at Southwestern College within 60 minutes of arrival. We also made good use of our remote GPS application, Blackberry phones, and the wide-screen monitors in the EOC Center streaming emergency information from local cable and broadcast channels.
- We are working closely with the inspection group to add their business processes to the automated IMS Work Order System. This gives us the opportunity to review and analyze critical function.

Finance:

- Out-Dialer - The "Out-Dialer" is an automated system that calls customers leaving them a prerecorded phone message tailored specifically for them.

This past week was the first time the out-dialer was put into production with excellent results. Up until now, the District Customer Service staff would have spent up to 4 hours each day calling 200 to 250 past due customers achieving only a 30% contact rate. This low-level of contact would then result in an additional 4 hours of field staff time to notify the customers with a tag at their homes. With the automated out-dialer the contact rate has been as high as 91% and is expected to improve. Not only does this innovation save significant amounts of staff time, it also reduces the penalties charged to customers as many of them will not require tagging.

An additional automation, auto creating service orders, will also greatly improve efficiency. This change that is about to be implemented, will automatically send the list of customers that have not been contacted to field tablets, allowing field staff to complete field work with a significant reduction in travel time. This is a great success story for innovation and process change at the District.

- PERS OPEB Trust - With the signing of AB554, the District is now able to establish the OPEB trust with PERS. This is a significant benefit to the District as this will reduce the level of funding of the OPEB trust due to the higher rate of return available from a PERS trust and

consistent with the financial plan developed for these benefits. Staff is currently working with PERS and with an actuary to complete all the paperwork necessary for a PERS trust. Staff anticipates bringing this forward to the Board in January.

- Certificates of Deposit - Staff has been consulting with the Finance, Administration, and Communications Committee with regard to the new Certificates of Deposit (CDs) program that reduces the administrative cost of investing in CDs. Staff and the committee also considered potential changes to the Investment Policy. With the change in the market and some aggressive marketing of this program, the return is currently able to match a LAIF rate. The lower administrative cost, along with the FDIC insurance covering the entire investment, makes CDs a favorable investment option at this time. Staff anticipates investing in CD's while this scenario remains favorable. Staff determined, after considering the above information, no changes were required to the Investment Policy.

The financial reporting for September 2007 is as follows:

- For the three months ended September 30, 2007, there are total revenues of \$18,086,035 and total expenses of \$17,953,020. The revenues exceeded expenses by \$133,015.

The financial reporting for investments for September 2007 is as follows:

- The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of September 30, 2007 total \$97,561,220.15 with an average yield to maturity of 5.26%. The total earnings year-to-date is \$1,359,248.76.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- Since the Fenton Business Center misconnection in Chula Vista, Inspection staff has improved existing business processes which include:
 - o Updated five guidelines which are in final draft and review.

- o Created two new guidelines; drafts are being reviewed.
 - o Started painting all new curb-stops with blue or purple paint.
 - o Started stamping new concrete face of curbs with "W" or "RW".
 - o Updated permit requests for meter sets to include all pertinent information regarding location, type, and size of meter to be set.
 - o Started taking TDS, pressure tests, and chlorine tests as part of new meter permit process.
 - o Started checking service lateral prior to City of Chula Vista issuing certificate of occupancy.
 - o Started scanning all documents for any project that is being constructed.
- For the month of September 2007, Staff received five improvement plans from developers which included: 1 recycled plan check, 2 potable plan checks, and 2 fire service plan checks.
 - For the month of September 2007, the District sold 12 meters generating \$72,551 in revenue (\$620,633.33 was the revenue budgeted for this period).
 - The Construction Division received one new project to be constructed by developers and performed no pre-construction meetings for CIP projects and two pre-construction meetings for a developer. In addition, seven projects were completed and two projects were released from warranty.
 - Approximately 4,349 linear feet of both CIP and developer project pipelines were installed in September 2007. The Construction Division performed quality control for these pipelines.
 - 374 underground facilities were located, 2 hydrostatic pressure tests, 13 wet taps and tie-ins, 2 meter set inspections, and no project walk-throughs were performed during September 2007.
 - Construction continued on the Olive Vista Pipeline project. The Contractor is installing a temporary potable pipeline and has completed the required pot-holing.

- PBS&J continued to gather information for the Water Resources Master Planning efforts. This includes GIS facilities data, existing hydraulic models, existing land use database, and previous reports/studies.
- The United States Department of Interior Bureau of Reclamation has informed Staff that they will provide an additional \$1,030,000 toward our Title XVI Grant Agreement for their fiscal year ending September 30, 2007.
- A meeting was held with the General Managers of Helix Water District, Padre Dam Municipal Water District, and Sweetwater Authority to discuss the possibility of Otay Water District joining the Joint Water Agencies (JWA) NCCP/HCP effort. The consensus was that this would be acceptable, but that it should only occur after the current JWA NCCP/HCP has received final approval from the Resource agencies (US Fish & Wildlife (USFWS) and CA Dept. of Fish & Game (CDFG)). A letter will be forthcoming from the JWA Partners to the USFWS and CDFG informing them that Otay Water District will be joining the JWA NCCP/HCP. It is anticipated that the JWA NCCP/HCP will have final approval in the first quarter of 2008. The environmental section will be advertising for a consultant to start work on the preparation of the Districts sub-area plan for the JWA NCCP/HCP. Each partner in the JWA NCCP/HCP must have a sub-area plan that is a component of the overall plan.
- Draft MND's are nearing completion for the 36-inch Jamacha Road pipeline (P2009) and the 1296-3 Reservoir (P2143). These draft MND's will be going out for public notice in early October.
- Representatives from U.S. Fish & Wildlife were at the District this month for site visits to the 36-inch Jamacha Road pipeline (P2009) and the Force Main Air/Vac Replacements and Road Improvement Project (R2086). The visit was to determine the level of USFWS consultation that will need to be done for these projects. It was determined that both projects will need to have low-effect Habitat Conservation Plans (HCP) developed. The pipeline requires the low-effect HCP for impacts to Coastal Sage Scrub and the California gnatcatcher and in the case of the Force Main Air/Vac project, it is for impacts to the Quino checkerspot butterfly. A low-effect HCP and the permit authorization can take a year to reach

final approval by USFWS. This illustrates how critical it is to have our sub-area plan in place as part of the JWA NCCP/HCP. These projects would have been covered under our sub-area plan and would not have needed any additional permitting.

- The following table summarizes purchases and change orders issued during the period of September 1, 2007 thru September 30, 2007 that are within Staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
None.				

Water Operations:

- Recycled water misconnection:

On October 15, 2007 staff received a confirmation from the California Department of Public Health (CDPH) that on-going bacteriological testing in the Fenton Business Center is no longer required. The CDPH acknowledged that the District acted diligently and that we did an excellent job in restoring and monitoring the potable service to this facility.

As of September 18, 2007 staff has completed checking all residences, parks, schools, hospitals, and businesses that have both potable and recycled pipelines in the street, 639 services. All connections have been checked and no additional misconnections have been found. Customers were very appreciative that we were checking these connections.

- Water purchased for the month of September was 3690.1 acre-feet. Beginning FY 07/08 to date, July 1, 2007 to September 30, 2007 there has been 12,757.90 acre-feet of water purchased. This is a -1.4 percent decrease from the same period last year, July 1, 2006 to September 30, 2006.
- In the month of September, 2007 there were 13 new Automated Meter Reading (AMR) meters installed and 185 meters were retrofitted to AMR meters.

- As of September 30, 2007 there was a total of 14,632 radio-read meters installed.

Total number of potable water accounts is 47,772; this is an increase of 27 accounts from last month, August, 2007.

- Recycled water consumption for the month of September is as follows:

Total flow was 654.4 acre-feet or 213,156,812 gallons and the average daily flow was 7,105,227 gallons per day.

Total number of recycled water accounts is 584.

- Wastewater flows for the month of August were as follows:

Total basin flow, gallons per day: 2,058,000.
Total Otay flow, gallons per day: 1,375,000.
Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,251,000.
Flow to Metro from Otay Water District, gallons per day: 124,000.

Total number of sewer connections is 6,063.



General Manager

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OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	\$ 32,331,300	\$ 10,175,712	\$ 10,102,200	\$ 73,512	0.7%
Energy Charges	2,018,000	609,155	607,500	1,655	0.3%
System Charges	9,596,300	2,305,323	2,279,100	26,223	1.2%
Penalties	852,100	238,254	246,600	(8,346)	(3.4%)
MWD & CWA Fixed Charges	2,708,800	606,528	603,600	2,928	0.5%
Total Water Sales	<u>47,506,500</u>	<u>13,934,972</u>	<u>13,839,000</u>	<u>95,972</u>	<u>0.7%</u>
Reclamation Sales	6,001,400	2,224,271	2,176,500	47,771	2.2%
Sewer Charges	2,679,100	649,139	673,100	(23,961)	(3.6%)
Meter Fees	318,500	24,207	76,200	(51,993)	(68.2%)
Capacity Fee Revenues	1,414,500	271,373	353,700	(82,327)	(23.3%)
Betterment Fees for Maintenance	73,300	18,300	18,300	-	0.0%
Annexation Fees	1,464,500	176,306	366,000	(189,694)	(51.8%)
Non-Operating Revenues	1,680,200	327,113	387,400	(60,287)	(15.6%)
Tax Revenues	4,003,800	133,422	129,100	4,322	3.3%
Interest	1,038,700	224,232	259,800	(35,568)	(13.7%)
Draw on Designated Funds*	408,400	102,700	102,700	-	0.0%
Total Revenue	<u>\$ 66,588,900</u>	<u>\$ 18,086,035</u>	<u>\$ 18,381,800</u>	<u>\$ (295,765)</u>	<u>(1.6%)</u>
EXPENSES:					
Water Purchases	\$ 25,407,100	\$ 7,657,764	\$ 7,778,600	\$ 120,836	1.6%
CWA-Infrastructure Access Charge	1,090,200	257,778	257,700	(78)	(0.0%)
CWA-Customer Service Charge	950,400	220,062	220,200	138	0.1%
CWA-Emergency Storage Charge	1,507,800	319,821	319,800	(21)	(0.0%)
MWD-Capacity Res Charge	569,400	136,560	136,500	(60)	(0.0%)
MWD-Readiness to Serve Charge	552,600	141,048	128,100	(12,948)	(10.1%)
Subtotal Water Purchases	<u>30,077,500</u>	<u>8,733,033</u>	<u>8,840,900</u>	<u>107,867</u>	<u>1.2%</u>
Power Charges	2,804,800	776,597	778,900	2,303	0.3%
Payroll & Related Costs	16,012,900	3,758,402	3,831,280	72,878	1.9%
Material & Maintenance	4,452,900	1,278,710	1,113,225	(165,485)	(14.9%)
Administrative Expenses	5,773,000	1,197,395	1,302,025	104,630	8.0%
Legal Fees	1,209,300	644,183	502,250	(141,933)	(28.3%)
Expansion Reserve	2,590,200	647,600	647,600	-	0.0%
Betterment Reserve	3,432,900	858,200	858,200	-	0.0%
Replacement Reserve	235,400	58,900	58,900	-	0.0%
Total Expenses	<u>\$ 66,588,900</u>	<u>\$ 17,953,020</u>	<u>\$ 17,933,280</u>	<u>\$ (19,740)</u>	<u>(0.1%)</u>
Excess Revenue (Expense)	<u>\$ -</u>	<u>\$ 133,015</u>	<u>\$ 448,520</u>	<u>\$ (315,506)</u>	

* Board approved Draw on Designated Funds used to fund negotiated benefits.

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
SEPTEMBER 30, 2007**

INVESTMENT OVERVIEW & MARKET STATUS:

On September 18th the Federal Reserve Board's federal funds rate was lowered from 5.25% to 4.75%. Most of the District's callable federal agency issue bonds have monthly or quarterly calls so any redemptions will be spread over at least the next 90 days. All called investments are paid at par so there is no loss on the investment. Only the interest rate changes as the funds are reinvested. With the change in the federal funds rate, we are looking to diversify the portfolio into additional authorized investments so as to extend the average maturity of the portfolio. The District's core investment portfolio of US Agency Issues currently has a weighted average return rate of 5.35%. At the same time the LAIF return on deposits is expected to take several months to fall to the level of the federal funds rate, due to the fund's average maturity of 214 days, making this an excellent short-term alternative for maximum investment of available funds.

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

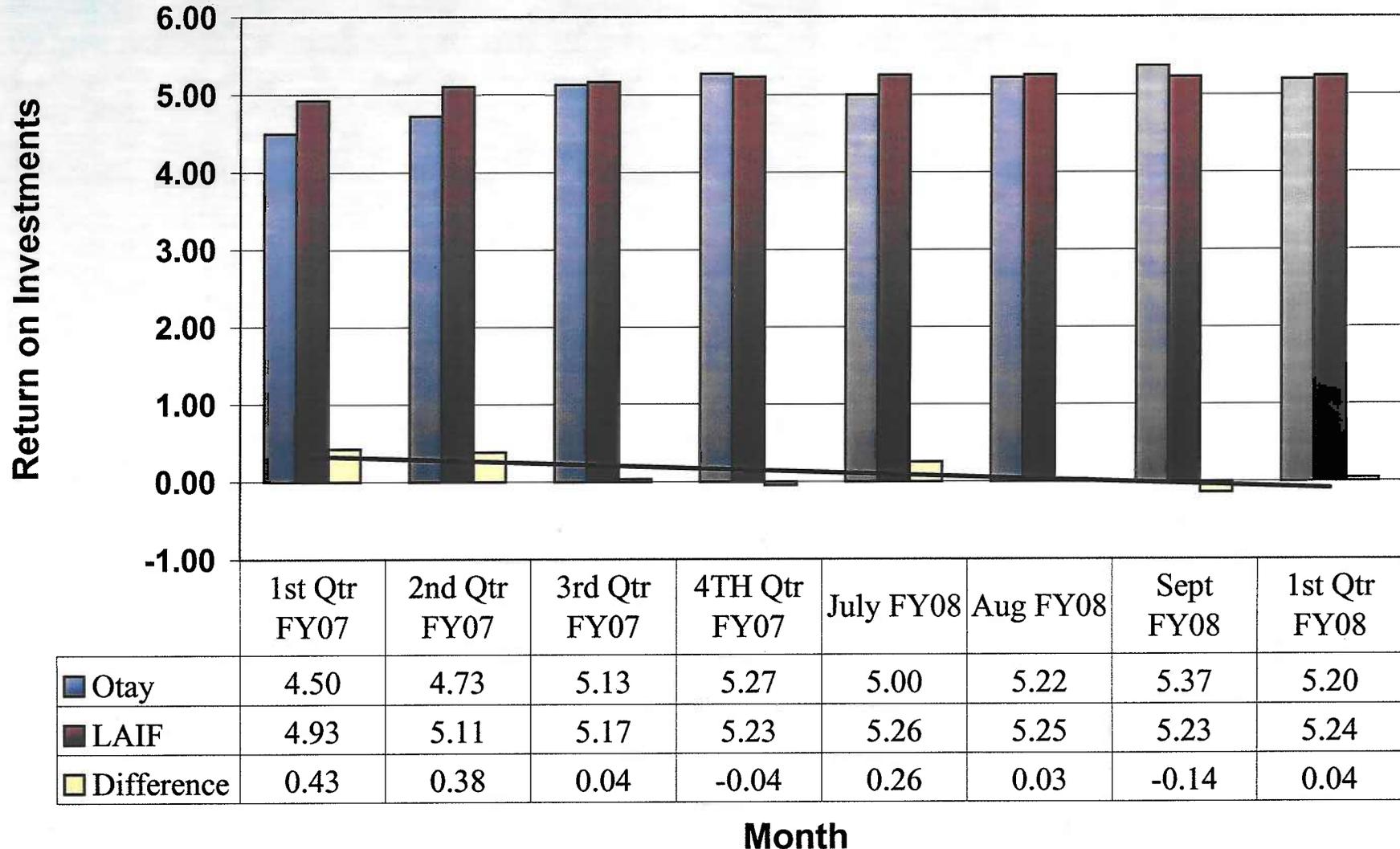
PORTFOLIO COMPLIANCE: September 30, 2007

<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)	\$40 Million	\$40 Million	\$8.89 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	1.39%
8.03: Federal Agency Issues	100%	100%	88.23%
8.04: Certificates of Deposit	30%	15%	0.08%
8.05: Short-Term Commercial Notes	25%	15%	0
8.06: Medium-Term Commercial Debt	30%	15%	0
8.07: Money Market Mutual Funds	20%	15%	0
8.08: San Diego County Pool	100%	100%	0.11%
12.0: Maximum Single Financial Institution	100%	50%	1.06%

Performance Measure F-12

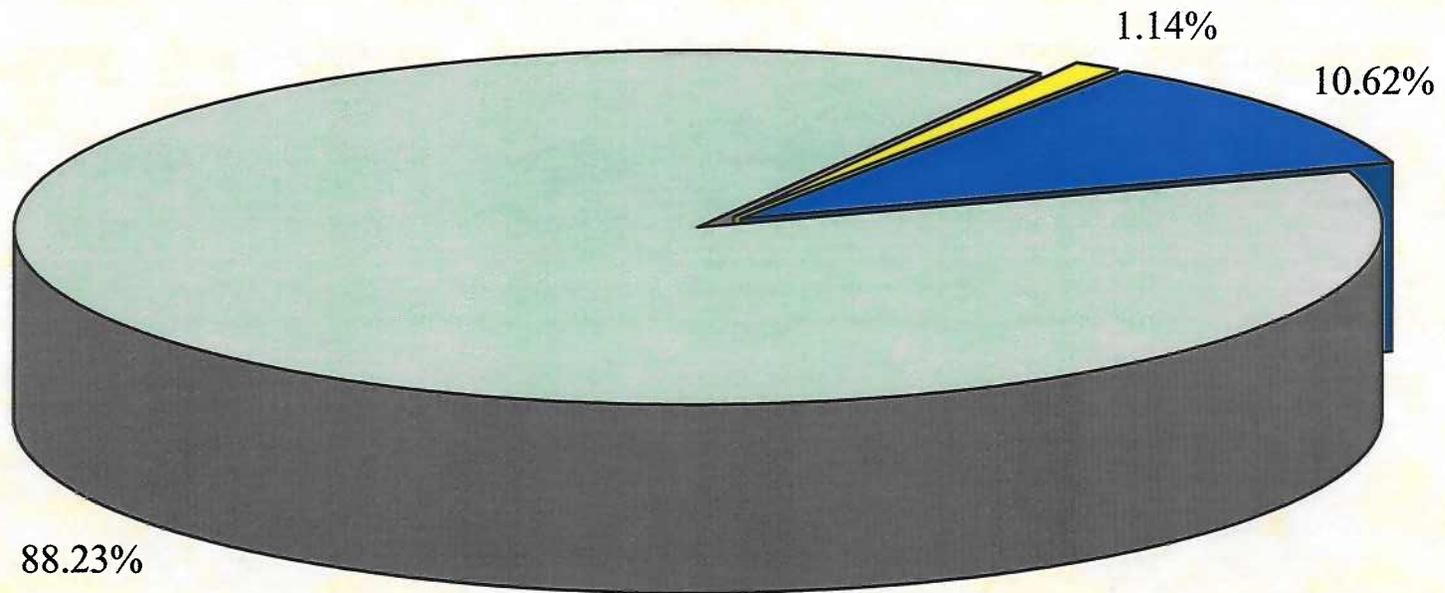
Return on Investment

Target: Meet or Exceed 100% of LAIF



Legend: Otay (blue square), LAIF (dark red square), Difference (yellow square), Linear (Difference) (black line)

Otay Water District Investment Portfolio: 09/30/07



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies

OTAY
Portfolio Management
Portfolio Summary
September 30, 2007

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	86,000,000.00	86,093,236.54	86,000,681.58	89.18	648	439	5.273	5.347
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.08	730	113	3.880	3.934
Local Agency Investment Fund (LAIF)	10,246,417.42	10,246,474.13	10,246,417.42	10.63	1	1	5.159	5.231
San Diego County Pool	107,335.54	107,436.99	107,335.54	0.11	1	1	5.162	5.234
	96,432,860.96	96,526,255.66	96,433,542.54	100.00%	579	392	5.260	5.333
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	1,034,964.49	1,034,964.49	1,034,964.49		1	1	3.998	4.053
Total Cash and Investments	97,467,825.45	97,561,220.15	97,468,507.03		579	392	5.260	5.333

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	445,717.81	1,359,248.76
Average Daily Balance	101,031,650.62	103,987,049.51
Effective Rate of Return	5.37%	5.19%

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 January 19, 2000. 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

10-25-07

OTAY
Portfolio Management
Portfolio Details - Investments
September 30, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
31359M2L6	2012	FANNIE MAE		12/11/2006	3,000,000.00	3,001,875.00	3,000,000.00	5.250		5.178	254	06/11/2008
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.000		4.943	58	11/28/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.250		5.175	2	10/03/2007
3133XJ2P2	2010	Federal Home Loan Bank		12/05/2006	3,000,000.00	3,000,937.50	3,000,000.00	5.200		5.129	65	12/05/2007
3133XJR91	2016	Federal Home Loan Bank		01/30/2007	3,000,000.00	3,001,875.00	3,000,000.00	5.400		5.326	487	01/30/2009
3133XJSD1	2017	Federal Home Loan Bank		01/30/2007	3,000,000.00	3,000,937.50	3,000,000.00	5.250		5.173	93	01/02/2008
3133XJU55	2019	Federal Home Loan Bank		02/23/2007	3,000,000.00	3,000,000.00	3,000,000.00	5.350		5.277	511	02/23/2009
3133XK3C7	2022	Federal Home Loan Bank		03/15/2007	3,000,000.00	3,006,562.50	3,000,681.58	5.500		5.408	529	03/13/2009
3133XK6A8	2024	Federal Home Loan Bank		03/19/2007	3,000,000.00	3,000,937.50	3,000,000.00	5.300		5.227	354	09/19/2008
3133XKLA1	2030	Federal Home Loan Bank		05/01/2007	3,000,000.00	3,001,875.00	3,000,000.00	5.375		5.301	578	05/01/2009
3133XKN50	2031	Federal Home Loan Bank		05/07/2007	5,000,000.00	5,003,125.00	5,000,000.00	5.300		5.227	403	11/07/2008
3133XKSS5	2032	Federal Home Loan Bank		05/09/2007	3,000,000.00	3,001,875.00	3,000,000.00	5.300		5.227	221	05/09/2008
3133XL6E8	2033	Federal Home Loan Bank		06/11/2007	5,000,000.00	5,007,812.50	5,000,000.00	5.400		5.326	437	12/11/2008
3133XLEW9	2034	Federal Home Loan Bank		07/02/2007	3,000,000.00	3,007,500.00	3,000,000.00	5.500		5.425	640	07/02/2009
3133XKVD4	2035	Federal Home Loan Bank		07/10/2007	3,000,000.00	3,001,875.00	3,000,000.00	5.500		5.421	598	05/21/2009
3133XLMZ3	2036	Federal Home Loan Bank		07/23/2007	3,000,000.00	3,008,437.50	3,000,000.00	5.450		5.375	661	07/23/2009
3133XLTL7	2037	Federal Home Loan Bank		07/30/2007	3,000,000.00	3,023,437.50	3,000,000.00	5.550		5.474	1,033	07/30/2010
3133XLYB3	2038	Federal Home Loan Bank		08/20/2007	3,000,000.00	3,002,812.50	3,000,000.00	5.375		5.301	324	08/20/2008
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	3,001,670.84	3,000,000.00	5.250		5.178	158	03/07/2008
3128X5C55	2020	Federal Home Loan Mortgage		03/05/2007	3,000,000.00	3,005,379.18	3,000,000.00	5.500		5.425	886	03/05/2010
3128X5G93	2021	Federal Home Loan Mortgage		03/06/2007	3,000,000.00	3,004,628.91	3,000,000.00	5.320		5.247	522	03/06/2009
3128X5P51	2023	Federal Home Loan Mortgage		03/14/2007	3,000,000.00	3,005,178.22	3,000,000.00	5.300		5.227	714	09/14/2009
3128X5Z35	2026	Federal Home Loan Mortgage		04/09/2007	3,000,000.00	3,000,486.14	3,000,000.00	5.300		5.227	374	10/09/2008
3128X5Z35	2027	Federal Home Loan Mortgage		04/09/2007	5,000,000.00	5,000,810.24	5,000,000.00	5.300		5.227	374	10/09/2008
3128X5Z84	2028	Federal Home Loan Mortgage		04/17/2007	3,000,000.00	3,001,203.00	3,000,000.00	5.400		5.326	564	04/17/2009
3128X5Z84	2029	Federal Home Loan Mortgage		04/17/2007	5,000,000.00	5,002,005.01	5,000,000.00	5.400		5.326	564	04/17/2009
Subtotal and Average			87,300,700.51		86,000,000.00	86,093,236.54	86,000,681.58			5.273	439	
Certificates of Deposit - Bank												
2050003183R	1996	California Bank & Trust		01/22/2006	79,108.00	79,108.00	79,108.00	3.880		3.880	113	01/22/2008
Subtotal and Average			79,108.00		79,108.00	79,108.00	79,108.00			3.880	113	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	8,892,892.71	8,892,941.93	8,892,892.71	5.231		5.159	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	1,353,524.71	1,353,532.20	1,353,524.71	5.231		5.159	1	

Portfolio OTAY

AP

OTAY
Portfolio Management
Portfolio Details - Investments
September 30, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Subtotal and Average			11,649,750.75		10,246,417.42	10,246,474.13	10,246,417.42			5.159	1	
San Diego County Pool												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	107,335.54	107,436.99	107,335.54	5.234		5.162	1	
Subtotal and Average			107,335.54		107,335.54	107,436.99	107,335.54			5.162	1	
Total and Average			101,031,650.62		96,432,860.96	96,526,255.66	96,433,542.54			5.260	392	

OTAY
Portfolio Management
Portfolio Details - Cash
September 30, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,027.17	10,027.17	10,027.17	1.150		1.134	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	997,202.47	997,202.47	997,202.47	4.196		4.139	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	25,135.14	25,135.14	25,135.14			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	-200.29	-200.29	-200.29	4.500		4.438	1
		Average Balance	0.00								1
Total Cash and Investmentss			101,031,650.62		97,467,825.45	97,561,220.15	97,468,507.03			5.260	392

OTAY
Portfolio Management
Interest Earnings Summary
September 30, 2007

	September 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	558,772.64	1,098,630.70
Plus Accrued Interest at End of Period	1,230,494.16	1,230,494.16
Less Accrued Interest at Beginning of Period	(1,400,242.28)	(1,139,969.64)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	389,024.52	1,189,155.22
Adjusted by Premiums and Discounts	-39.17	1,037.53
Adjusted by Capital Gains or Losses	0.00	-16,875.00
Earnings during Periods	388,985.35	1,173,317.75
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	112.03	356,285.60
Plus Accrued Interest at End of Period	533,505.65	533,505.65
Less Accrued Interest at Beginning of Period	(476,885.22)	(703,860.24)
Interest Earned during Period	56,732.46	185,931.01
Total Interest Earned during Period	445,756.98	1,375,086.23
Total Adjustments from Premiums and Discounts	-39.17	1,037.53
Total Capital Gains or Losses	0.00	-16,875.00
Total Earnings during Period	445,717.81	1,359,248.76

Portfolio OTAY
AP

OTAY
Activity Report
Sorted By Issuer
July 1, 2007 - September 30, 2007

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: STATE OF CALIFORNIA										
Union Bank										
UNION MONEY	9002	STATE OF CALIFORNIA			1.150		21,578,630.28	21,653,910.70		
UNION OPERATING	9004	STATE OF CALIFORNIA			4.196		3,766,936.32	3,692,940.07		
UNION IOC	9008	STATE OF CALIFORNIA			4.500		1,240,281.62	1,253,290.86		
		Subtotal and Balance					26,585,848.22	26,600,141.63		1,034,964.49
Local Agency Investment Fund (LAIF)										
LAIF	9001	STATE OF CALIFORNIA			5.231		20,253,142.97	20,250,000.00		
LAIF COPS07	9009	STATE OF CALIFORNIA			5.231		229,467.13	8,000,000.00		
		Subtotal and Balance					20,482,610.10	28,250,000.00		10,246,417.42
San Diego County Pool										
SD COUNTY POOL	9007	STATE OF CALIFORNIA			5.234		1,409.39	0.00		
		Subtotal and Balance					1,409.39	0.00		107,335.54
		Issuer Subtotal	11.685%				47,069,867.71	54,850,141.63		11,388,717.45
Issuer: California Bank & Trust										
Certificates of Deposit - Bank										
		Subtotal and Balance								79,108.00
		Issuer Subtotal	0.081%				0.00	0.00		79,108.00
Issuer: FANNIE MAE										
Federal Agency Issues- Callable										
		Subtotal and Balance								3,000,000.00
		Issuer Subtotal	3.078%				0.00	0.00		3,000,000.00

Portfolio OTAY

AP

DA (PRF_DA) SymRept 6.41.200

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OTAY
Activity Report
July 1, 2007 - September 30, 2007

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133XETX7	2001	Federal Home Loan Bank			5.125	09/14/2007	0.00		3,000,000.00	
3133XJ6Q6	2013	Federal Home Loan Bank			5.125	07/20/2007	0.00		3,000,000.00	
3133XJVV1	2015	Federal Home Loan Bank			5.375	07/10/2007	0.00		3,000,000.00	
3133XJVV7	2018	Federal Home Loan Bank			5.250	08/15/2007	0.00		3,000,000.00	
3133XLEW9	2034	Federal Home Loan Bank			5.500	07/02/2007	3,000,000.00		0.00	
3133XKVD4	2035	Federal Home Loan Bank			5.500	07/10/2007	3,000,000.00		0.00	
3133XLMZ3	2036	Federal Home Loan Bank			5.450	07/23/2007	3,000,000.00		0.00	
3133XLTL7	2037	Federal Home Loan Bank			5.550	07/30/2007	3,000,000.00		0.00	
3133XLYB3	2038	Federal Home Loan Bank			5.375	08/20/2007	3,000,000.00		0.00	
		Subtotal and Balance					15,000,000.00		12,000,000.00	55,000,000.00
		Issuer Subtotal	56.429%				15,000,000.00		12,000,000.00	55,000,000.00
Issuer: Federal Home Loan Mortgage										
Federal Agency Issues- Callable										
3128X4DY4	2004	Federal Home Loan Mortgage			4.000	07/13/2007	0.00		3,000,000.00	
		Subtotal and Balance					0.00		3,000,000.00	28,000,000.00
		Issuer Subtotal	28.727%				0.00		3,000,000.00	28,000,000.00
Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
31359MG31	1997	Federal National Mortgage Assoc			5.000	08/24/2007	0.00		3,000,000.00	
		Subtotal and Balance					0.00		3,000,000.00	0.00
		Issuer Subtotal	0.000%				0.00		3,000,000.00	0.00
		Total	100.000%				62,069,867.71		72,850,141.63	97,467,825.45

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 09/30/2007

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XK6A8	2024	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,937.50	5.300	5.300	5.236c	10/19/2007	0.000
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.250	5.247	5.250	10/03/2007	0.005
3133XLEW9	2034	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,007,500.00	5.500	5.500	4.988c	01/02/2008	0.254
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.000	5.012	5.000	11/28/2007	0.158
3133XL6E8	2033	COPS07	Federal Home Loan Bank	Fair	5,000,000.00	5,000,000.00	5,007,812.50	5.400	5.400	5.270	12/11/2008	1.125
3133XJR91	2016	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,001,875.00	5.400	5.400	5.272c	10/30/2007	0.079
3133XJ2P2	2010	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,937.50	5.200	5.200	5.136	12/05/2007	0.178
3133XJSD1	2017	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,937.50	5.250	5.245	5.186	01/02/2008	0.254
31359M2L6	2012	99	FANNIE MAE	Fair	3,000,000.00	3,000,000.00	3,001,875.00	5.250	5.250	5.122c	12/11/2007	0.194
3133XK3C7	2022	99	Federal Home Loan Bank	Fair	3,000,681.58	3,000,000.00	3,006,562.50	5.500	5.483	5.051c	12/13/2007	0.000
3133XLMZ3	2036	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,008,437.50	5.450	5.450	4.874c	01/23/2008	0.312
3133XJU55	2019	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.350	5.350	5.354	02/23/2009	1.320
3133XKVD4	2035	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,001,875.00	5.500	5.496	5.372c	10/21/2007	0.054
3128X5Z84	2029	COPS07	Federal Home Loan Mortgage	Fair	5,000,000.00	5,000,000.00	5,002,005.01	5.400	5.400	5.318c	10/17/2007	0.043
3128X5Z35	2026	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,486.14	5.300	5.300	5.267c	10/09/2007	0.021
3128X5G93	2021	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,004,628.91	5.320	5.320	5.004c	12/06/2007	0.000
3128X5P51	2023	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,005,178.22	5.300	5.300	4.946c	12/14/2007	0.000
3128X5Z84	2028	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,001,203.00	5.400	5.400	5.318c	10/17/2007	0.043
3128X5C55	2020	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,005,379.18	5.500	5.500	5.422	03/05/2010	2.236
3128X5Z35	2027	COPS07	Federal Home Loan Mortgage	Fair	5,000,000.00	5,000,000.00	5,000,810.24	5.300	5.300	5.267c	10/09/2007	0.021
3133XLYB3	2038	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,002,812.50	5.375	5.375	5.183c	11/20/2007	0.000
3133XKSS5	2032	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,001,875.00	5.300	5.300	5.172c	11/09/2007	0.106
3133XLTL7	2037	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,023,437.50	5.550	5.550	4.589c	07/30/2008	0.799
3133XKLA1	2030	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,001,875.00	5.375	5.375	5.247c	11/01/2007	0.084
3133XKN50	2031	COPS07	Federal Home Loan Bank	Fair	5,000,000.00	5,000,000.00	5,003,125.00	5.300	5.300	5.172c	11/07/2007	0.101
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,001,670.84	5.250	5.250	5.136	03/07/2008	0.432

Portfolio OTAY
AP

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 09/30/2007

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
2050003183R	1996	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.880	3.934	3.880	01/22/2008	0.306 †
Report Total					86,079,789.58	86,079,108.00	86,172,344.54			5.167		0.302 †

† = Duration can not be calculated on these investments due to incomplete Market price data.



STAFF REPORT

TYPE MEETING: Regular Board	MEETING DATE: November 7, 2007
SUBMITTED BY: Sean Prendergast, Finance Supervisor, Payroll & AP	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	NET DEMANDS
CHECKS (2008478-2008971)	\$2,235,073.80
 WIRE TO:	
CARLTON DISANTE & FREUDENBERGER - LEGAL SERVICES	\$151,968.53
CITY TREASURER/SAN DIEGO - JULY RECLAIMED WTR PURCH	\$165,859.12
CITY TREASURER/SAN DIEGO - AUG RECLAIMED WTR PURCH	\$177,122.12
CITY TREASURER/SAN DIEGO - JULY WATER DELIVERIES	\$98,554.54
CITY TREASURER/SAN DIEGO - AUG WATER DELIVERIES	\$61,415.73
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$50,989.06
PLAN HANDLERS - MEDICAL CLAIMS	\$273,834.98
SAN DIEGO COUNTY WATER AUTHORITY - CAP FEES	\$431,248.00
SAN DIEGO COUNTY WATER AUTHORITY - AUG	\$2,547,742.90
THOMAS J. HARRON - LEGAL SETTLEMENT	\$150,000.00
UNION BANK - PAYROLL TAXES	\$279,121.12
WILSON PETTY KOSMO & TURNER - LEGAL SERVICES	\$245,408.77
WOOD & WOOD - LEGAL SETTLEMENT	\$300,000.00
TOTAL CASH DISBURSEMENTS	\$7,168,338.67

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2008478 THROUGH 2008971
RUN DATES 10/3/2007 TO 10/31/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2008561	10/10/07	04469	A COPY WORLD	00018538	09/18/07	COIL BINDINGS	61.85	61.85
2008650	10/17/07	04469	A COPY WORLD	00018667	09/25/07	COIL BINDINGS	145.41	145.41
2008478	10/03/07	01910	ABCANA INDUSTRIES	810498	09/10/07	SODIUM HYPOCHLORITE	1,019.40	
				810732	09/12/07	SODIUM HYPOCHLORITE	850.73	
				810733	09/12/07	SODIUM HYPOCHLORITE	619.27	
				810499	09/10/07	SODIUM HYPOCHLORITE	355.81	2,845.21
2008562	10/10/07	01910	ABCANA INDUSTRIES	811082	09/17/07	SODIUM HYPOCHLORITE	1,274.25	
				811083	09/17/07	SODIUM HYPOCHLORITE	589.73	
				811229	09/17/07	SODIUM HYPOCHLORITE	522.01	2,385.99
2008651	10/17/07	01910	ABCANA INDUSTRIES	811473	09/24/07	SODIUM HYPOCHLORITE	1,144.97	
				811755	09/27/07	SODIUM HYPOCHLORITE	802.71	
				811474	09/24/07	SODIUM HYPOCHLORITE	688.22	2,635.90
2008750	10/24/07	01910	ABCANA INDUSTRIES	811968	10/01/07	SODIUM HYPOCHLORITE	940.61	
				811969	10/01/07	SODIUM HYPOCHLORITE	768.24	
				812154	10/04/07	SODIUM HYPOCHLORITE	727.62	2,436.47
2008892	10/31/07	01910	ABCANA INDUSTRIES	812333	10/08/07	SODIUM HYPOCHLORITE	859.35	
				812517	10/11/07	SODIUM HYPOCHLORITE	700.53	
				812335	10/08/07	SODIUM HYPOCHLORITE	636.51	
				812334	10/08/07	SODIUM HYPOCHLORITE	328.72	2,525.11
2008751	10/24/07	07681	ACT PROPERTIES	Ref002379542	10/18/07	UB Refund Cst #0000121311	29.22	29.22
2008752	10/24/07	07695	ADRIA MCCOLLUM-MARTINEZ	Ref002379556	10/18/07	UB Refund Cst #0000073887	16.43	16.43
2008893	10/31/07	00132	AIRGAS WEST	103112981	09/30/07	BREATHING AIR	22.73	22.73
2008563	10/10/07	06261	ALCANTARA, CYNTHIA	016275	10/08/07	TRAVEL CONFERENCE EXPENSE	613.90	613.90
2008894	10/31/07	02901	ALL AMERICAN SEWER TOOLS	71321	10/10/07	SEWER TOOLS	149.00	149.00
2008652	10/17/07	01463	ALLIED ELECTRONICS INC	47274N11	09/19/07	CABLE	532.76	
				46141A11	09/21/07	PARTS	96.47	629.23
2008895	10/31/07	01463	ALLIED ELECTRONICS INC	49035700	10/08/07	CABLE CONNECTOR	70.84	70.84
2008564	10/10/07	03787	ALLIED TRENCH SHORING SERVICE	804674	09/14/07	STEEL PLATE RENTALS	988.84	988.84
2008753	10/24/07	03787	ALLIED TRENCH SHORING SERVICE	808026	09/28/07	STEEL PLATE RENTALS	195.00	195.00
2008653	10/17/07	02362	ALLIED WASTE SERVICES #509	0509002905638	09/25/07	TRASH REMOVAL SERVICES	634.08	

OTAY WATER DISTRICT
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
				0509002907127	09/25/07	ASBESTOS DISPOSAL CONTAINER RENTAL	174.58	808.66
2008754	10/24/07	02362	ALLIED WASTE SERVICES #509	0509002908111	10/01/07	TRASH REMOVAL SVCS TREATMENT PLANT	105.13	105.13
2008755	10/24/07	07544	ALM CONSULTING ENGINEERS INC	01406	09/30/07	MECHANICAL	3,600.00	3,600.00
2008565	10/10/07	01326	AMERICAN BATTERY SUPPLY	A6526	09/20/07	12 VDC BATTERIES	585.72	585.72
2008566	10/10/07	02966	AMERICAN INDUSTRIAL SUPPLY INC	92096	08/14/07	DEGREASER	410.54	410.54
2008479	10/03/07	04660	AMERICAN INSTITUTE OF	10181809	08/07/07	SUBSCRIPTION RENEWAL	69.00	69.00
2008480	10/03/07	06166	AMERICAN MESSAGING	L1109570HJ	10/01/07	PAGER SERVICES	481.92	481.92
2008481	10/03/07	00453	AMERICAN RIGGING & SUPPLY	8880301	09/12/07	CHAIN TOOLS	858.77	858.77
2008756	10/24/07	07706	ANDREA EATON	Ref002379567	10/18/07	UB Refund Cst #0000091102	49.95	49.95
2008482	10/03/07	02829	APPLIED TECHNOLOGY GROUP INC	1810059	08/31/07	RADIO	131.89	131.89
2008567	10/10/07	02829	APPLIED TECHNOLOGY GROUP INC	181075 181077	09/19/07 09/19/07	RADIOS RADIO ANTENNA	3,693.92 45.75	3,739.67
2008896	10/31/07	06269	AQUA METRIC	0019100IN	10/05/07	AUTO GUN	1,312.39	1,312.39
2008568	10/10/07	03143	ASIAN BUSINESS ASSOCIATION	016277	10/08/07	REGISTRATION FEE	150.00	150.00
2008757	10/24/07	00108	ASSOCIATION OF CALIFORNIA	104287	10/04/07	JOB POSTING	300.00	300.00
2008758	10/24/07	05758	AT&T	016310	10/07/07	PHONE SERVICE (HIGH HEAD PUMP STATION)	32.96	32.96
2008897	10/31/07	06296	AT&T LONG DISTANCE	8093779951007	10/04/07	LONG DISTANCE EXP - DISTRICT PHONES	109.36	109.36
2008654	10/17/07	06272	AT&T/MCI	T7084023	09/17/07	PHONE SERVICE	7,091.47	7,091.47
2008569	10/10/07	03186	BARNSTEAD INTERNATIONAL	819020	09/14/07	RECALIBRATION OF LABORATORY EQUIPMENT	159.93	159.93
2008570	10/10/07	06285	BARTEL ASSOCIATES LLC	07498	09/17/07	PROFESSIONAL ACTUARY SERVICES	150.00	150.00
2008655	10/17/07	06285	BARTEL ASSOCIATES LLC	07329	07/07/07	PROFESSIONAL ACTUARY SERVICES	4,185.00	4,185.00
2008759	10/24/07	06520	BENSKIN, RONALD	016306	10/16/07	SAFETY BOOTS REIMBURSEMENT	87.26	87.26
2008483	10/03/07	02197	BLUE CROSS OF CALIFORNIA	40596	09/17/07	EMPLOYEE ASSISTANCE PROGRAM SERVICES	378.64	378.64
2008898	10/31/07	02197	BLUE CROSS OF CALIFORNIA	40606	10/15/07	EMPLOYEE ASSISTANCE PROGRAM SERVICES	485.52	485.52

OTAY WATER DISTRICT
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2008760	10/24/07	02342	BOOT WORLD INC	1039676IN	09/30/07	SAFETY BOOTS	150.00	150.00
2008656	10/17/07	00559	BOYLE ENGINEERING CORPORATION	047847	09/10/07	RECYCLED WATER PLAN CHECKING SERVICES	5,916.60	5,916.60
2008571	10/10/07	03458	BREITFELDER, LARRY	70130907	09/30/07	MILEAGE REIMBURSEMENT	96.52	96.52
2008484	10/03/07	03679	BRG CONSULTING INC	07081219	08/31/07	CONSULTANT CONTRACT FOR ENV SVCS	9,103.71	9,103.71
2008899	10/31/07	03679	BRG CONSULTING INC	07091314	09/30/07	CONSULTANT CONTRACT FOR ENV SVCS	5,560.00	5,560.00
2008572	10/10/07	01232	BRODING'S BATTERY WAREHOUSE	52100	08/30/07	AUTOMOTIVE BATTERIES	582.60	
				52514	09/13/07	AUTOMOTIVE BATTERIES	248.74	
				51651	08/17/07	AUTOMOTIVE BATTERIES	205.69	
				50348	07/06/07	AUTOMOTIVE BATTERIES	170.14	
				51857	08/24/07	REPAIR PARTS	91.59	
				50765	07/19/07	AUTOMOTIVE BATTERIES	79.80	1,378.56
2008761	10/24/07	01232	BRODING'S BATTERY WAREHOUSE	53026	09/28/07	BATTERY	58.13	58.13
2008900	10/31/07	01232	BRODING'S BATTERY WAREHOUSE	33379	08/02/07	AUTOMOTIVE BATTERIES	249.87	
				53018	09/27/07	AUTOMOTIVE BATTERIES	69.98	319.85
2008573	10/10/07	03721	BULLET LOGISTICS INC	09150703350	09/15/07	COURIER SERVICES FOR TREATMENT PLANT	482.90	482.90
2008762	10/24/07	03721	BULLET LOGISTICS INC	09300703350	09/30/07	COURIER SERVICES	227.70	227.70
2008485	10/03/07	00223	C W MCGRATH INC	26784	09/11/07	CRUSHED ROCK	544.96	
				26802	09/12/07	CRUSHED ROCK	98.70	643.66
2008574	10/10/07	00223	C W MCGRATH INC	26836	09/14/07	CRUSHED ROCK	1,144.17	
				26684	09/04/07	CRUSHED ROCK	107.75	1,251.92
2008657	10/17/07	00223	C W MCGRATH INC	27028	09/27/07	CRUSHED ROCK	418.42	418.42
2008763	10/24/07	00223	C W MCGRATH INC	27070	10/01/07	CRUSHED ROCK	207.91	207.91
2008658	10/17/07	02920	CALIFORNIA COMMERCIAL	72872	09/24/07	ASPHALT	242.44	242.44
2008764	10/24/07	02920	CALIFORNIA COMMERCIAL	73242	10/04/07	ASPHALT	3,910.52	3,910.52
2008575	10/10/07	02989	CALIFORNIA MUNICIPAL	07091705	09/17/07	DEBT STATEMENT AS OF 06/30/07	475.00	475.00
2008659	10/17/07	02202	CALIFORNIA MUNICIPAL	016302	10/16/07	REGISTRATION FEE	1,050.00	1,050.00
2008660	10/17/07	01243	CALIFORNIA-NEVADA SECTION	016291	10/10/07	CA WATER TREATMENT REVIEW WORKSHOP	200.00	200.00

OTAY WATER DISTRICT
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2008765	10/24/07	01004	CALOLYMPIC SAFETY	028069	10/01/07	SAFETY EQUIPMENT	660.51	660.51
2008901	10/31/07	01004	CALOLYMPIC SAFETY	028232	10/10/07	AIR SUPPLY CONNECTORS	79.54	79.54
2008766	10/24/07	03684	CANON BUSINESS SOLUTIONS-WEST	3841926	10/01/07	CANON COPIERS SERVICE	2,814.84	2,814.84
2008486	10/03/07	03572	CARLTON DISANTE &	46389	09/28/07	LEGAL SERVICES AUGUST 2007	64,782.22	64,782.22
2008767	10/24/07	02758	CARMEL BUSINESS SYSTEMS INC	6607 6606 6605	10/01/07 09/28/07 10/01/07	TEMPORARY SERVICES - IT DEPT STORAGE & DESTRUCTION OF DOCUMENTS STORAGE & DESTRUCTION OF DOCUMENTS	1,122.90 415.68 114.54	1,653.12
2008576	10/10/07	04653	CARO, PATTY	16111007	10/02/07	MILEAGE REIMBURSEMENT	173.63	173.63
2008487	10/03/07	03491	CASA DE ORO CAR WASH	350 346	09/01/07 08/01/07	VEHICLE WASHING VEHICLE WASHING	1,368.99 1,323.99	2,692.98
2008902	10/31/07	03491	CASA DE ORO CAR WASH	356	10/02/07	VEHICLE WASHING	1,738.99	1,738.99
2008488	10/03/07	00848	CASS CONSTRUCTION INC	T070800003	08/17/07	EMERGENCY WATER MAIN REPAIR	163,007.77	163,007.77
2008768	10/24/07	07715	CATRINA HERNANDEZ	Ref002379576	10/18/07	UB Refund Cst #0000094471	12.14	12.14
2008661	10/17/07	07547	CET FIRE PUMPS MFG	8257	08/31/07	FIRE PUMP CART PARTS	158.80	158.80
2008662	10/17/07	04349	CHAMBERS, JONATHAN	016289	10/12/07	EDUCATION/TUITION REIMBURSEMENT	298.00	298.00
2008577	10/10/07	06519	CHULA VISTA POLICE DEPT	0721645	10/01/07	TRAFFIC COLLISION REPORT	10.00	10.00
2008663	10/17/07	03811	CITY OF EL CAJON	016299	10/16/07	PLAN CHECK FEES	3,830.00	3,830.00
2008769	10/24/07	04119	CLARKSON LAB & SUPPLY INC	36564 36726 36651 36504 36821 36769 36652 36563	09/30/07 09/30/07 09/30/07 09/30/07 09/30/07 09/30/07 09/30/07 09/30/07	BACTERIOLOGICAL TESTING & LAB SVCS BACTERIOLOGICAL TESTING & LAB SVCS	916.00 560.00 422.00 376.00 374.00 358.00 284.00 190.00	3,480.00
2008578	10/10/07	01666	COMMERCIAL PRINTING CENTRE	45283	09/19/07	DOOR HANGERS	181.86	181.86
2008664	10/17/07	01666	COMMERCIAL PRINTING CENTRE	45213	09/12/07	DOOR HANGERS	258.72	258.72
2008489	10/03/07	03307	CONSTRUCTION MANAGEMENT	016264	09/27/07	SEMINAR REGISTRATION	55.00	55.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2008478 THROUGH 2008971
RUN DATES 10/3/2007 TO 10/31/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2008490	10/03/07	04398	CONSTRUCTION MANAGEMENT	016258	10/02/07	SEMINAR REGISTRATION	55.00	55.00
2008770	10/24/07	07696	CONSUELO OROZCO	Ref002379557	10/18/07	UB Refund Cst #0000074726	15.31	15.31
2008491	10/03/07	03706	CONSUMERS PIPE & SUPPLY CO	S1042433001 S1042433002	09/10/07 09/13/07	PIPE PARTS PIPE PARTS	1,910.77 86.67	1,997.44
2008579	10/10/07	03706	CONSUMERS PIPE & SUPPLY CO	S1033732001 S1042433003	09/20/07 09/20/07	AIR VACUUM VALVES PIPE PARTS	11,416.11 262.00	11,678.11
2008903	10/31/07	03706	CONSUMERS PIPE & SUPPLY CO	S1044993001	10/02/07	PIPES	795.26	795.26
2008771	10/24/07	07718	CORONADO FINANCIAL	Ref002379579	10/18/07	UB Refund Cst #0000119239	133.03	133.03
2008665	10/17/07	02612	COUNCIL OF WATER UTILITIES	016287	10/08/07	REGISTRATION FEE	75.00	75.00
2008904	10/31/07	00184	COUNTY OF SAN DIEGO	DEH080101D11 DEH080071D11 DEH080080D11	10/19/07 09/19/07 09/19/07	RECLAIMED WATER SHUTDOWN TEST RECLAIMED WATER SHUTDOWN TEST RECLAIMED WATER SHUTDOWN TEST	805.00 740.00 452.50	1,997.50
2008905	10/31/07	00433	COUNTY OF SAN DIEGO	97100157 97099368	09/13/07 09/11/07	PERMIT FEES PERMIT FEES	305.00 286.00	591.00
2008580	10/10/07	00099	COUNTY OF SAN DIEGO - DPW	67314	09/07/07	EXCAVATION PERMITS	6,661.32	6,661.32
2008772	10/24/07	07721	CTI TELECOM	Ref002379582	10/18/07	UB Refund Cst #0000119853	499.29	499.29
2008906	10/31/07	05125	CUDLIP, JAMES	016336	10/30/07	EDUCATION REIMBURSEMENT	138.00	138.00
2008773	10/24/07	07687	CUYAMACA COLLEGE	Ref002379548	10/18/07	UB Refund Cst #0000031050	5,082.30	5,082.30
2008774	10/24/07	07710	D&D WILDLIFE HABITAT	Ref002379571	10/18/07	UB Refund Cst #0000092671	729.91	729.91
2008775	10/24/07	07727	DAILY TRANSCRIPT, THE	016314	10/19/07	SUBSCRIPTION RENEWAL	215.50	215.50
2008581	10/10/07	03354	DATAPROSE INC	44201 44200	09/18/07 09/18/07	BILLING PRINT SERVICES BILLING PRINT SERVICES	15,736.17 9,204.56	24,940.73
2008907	10/31/07	03354	DATAPROSE INC	44779	10/11/07	BILLING PRINT SERVICES	8,216.72	8,216.72
2008776	10/24/07	04550	DATATREE	90034097	09/30/07	MAP PURCHASING SERVICE	99.00	99.00
2008582	10/10/07	03606	DCSE INC	108754626	05/18/07	GIS SOFTWARE LICENSES & INTEG SVCS	29,168.10	29,168.10
2008666	10/17/07	02603	DELL MARKETING LP	XC6DRR3F5	09/21/07	TONER	96.96	96.96

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2008777	10/24/07	07680	DELTA HEALTH SYSTEMS	IVC01585	10/01/07	NEW CLIENT IMPLEMENTATION FEE	3,500.00	3,500.00
2008778	10/24/07	02733	DEPARTMENT OF CONSUMER AFFAIRS	016312	10/19/07	LICENSE RENEWAL	200.00	200.00
2008492	10/03/07	03744	DEPARTMENT OF JUSTICE	643518	09/11/07	FINGERPRINT ANALYSIS SERVICES	128.00	128.00
2008908	10/31/07	03744	DEPARTMENT OF JUSTICE	648316	10/10/07	FINGERPRINT ANALYSIS SERVICES	32.00	32.00
2008667	10/17/07	00319	DEPARTMENT OF PUBLIC HEALTH	0720514	10/28/07	WATER SYSTEMS FEE #3710034	19,335.45	19,335.45
2008493	10/03/07	00550	DIETERICH-POST COMPANY	663633	09/11/07	PLOTTER PAPER	235.61	235.61
2008909	10/31/07	00550	DIETERICH-POST COMPANY	893852	10/08/07	SERVICE ON ENGINEERING HP PLOTTER	536.30	536.30
2008494	10/03/07	03417	DIRECTV	640484129	09/19/07	SATELLITE TV SERVICE	9.98	9.98
2008668	10/17/07	03417	DIRECTV	650024280	10/05/07	SATELLITE TV SERVICE	96.27	96.27
2008910	10/31/07	03417	DIRECTV	658967985	10/19/07	SATELLITE TV SERVICE	4.99	4.99
2008911	10/31/07	00028	DIXIELINE LUMBER COMPANY	1595129		CREDIT MEMO	(1,238.05)	
				1588503	06/27/07	CONCRETE	1,238.05	
				1595029	08/30/07	CONCRETE	619.02	619.02
2008779	10/24/07	02869	DOBRAWA, STEPHEN L	13371007	10/22/07	REIMB EMPLOYEE MEETING EXPENSES	178.46	178.46
2008780	10/24/07	07704	DOMINIC DEL CASTILLO	Ref002379565	10/18/07	UB Refund Cst #0000090347	51.44	51.44
2008669	10/17/07	01926	EAST COUNTY URGENT CARE	016259	09/27/07	HEALTH EXAMS	43.00	43.00
2008781	10/24/07	07709	EASTLAKE VILLAGE LIMITED EDITN	Ref002379570	10/18/07	UB Refund Cst #0000092655	597.65	597.65
2008495	10/03/07	02447	EDCO DISPOSAL CORPORATION	016255	09/13/07	RECYCLING SERVICES	85.00	85.00
2008583	10/10/07	03261	EDEN SYSTEMS INC	INV0114940	09/18/07	PROFESSIONAL CONSULTING SERVICES	187.50	187.50
2008670	10/17/07	03261	EDEN SYSTEMS INC	INV0115278	09/25/07	PROFESSIONAL CONSULTING SERVICES	187.50	187.50
2008782	10/24/07	03261	EDEN SYSTEMS INC	INV0115702	10/02/07	PROFESSIONAL CONSULTING SERVICES	30,600.00	
				INV0115703	10/02/07	PROFESSIONAL CONSULTING SERVICES	250.00	
				INV0115701	10/02/07	PROFESSIONAL CONSULTING SERVICES	62.50	30,912.50
2008912	10/31/07	03261	EDEN SYSTEMS INC	INV0116046	10/09/07	PROFESSIONAL CONSULTING SERVICES	150.00	150.00
2008671	10/17/07	00230	EDP PRODUCTS INC	805326	09/26/07	CARTRIDGE STORAGE/RETRIEVAL	177.80	177.80

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2008913	10/31/07	07729	EDS CORPORATION	U2215035	10/25/07	REFUND OF OVERPAYMENT	114.37	114.37
2008672	10/17/07	06525	ELECTRIC MOTOR SPECIALISTS INC	2028	09/21/07	MOTOR	1,965.20	1,965.20
2008584	10/10/07	00331	EMPLOYMENT DEVELOPMENT DEPT	21760898807	09/17/07	UNEMPLOYMENT INSURANCE	2,256.00	2,256.00
2008496	10/03/07	04467	ENGINEERING & GENERAL	016263 016262	09/26/07 09/26/07	OWNER/AGENCY SHOWCASE REGISTRATION MEMBERSHIP MEETING	135.00 90.00	225.00
2008585	10/10/07	04467	ENGINEERING & GENERAL	016281	10/08/07	REGISTRATION	15.00	15.00
2008783	10/24/07	05760	ENHANCED COMMUNICATIONS	449	09/28/07	PHONE TRANSFER SERVICES	180.00	180.00
2008673	10/17/07	03227	ENVIROMATRIX ANALYTICAL INC	7090250	09/19/07	MICRO SAMPLING	1,500.00	1,500.00
2008784	10/24/07	03227	ENVIROMATRIX ANALYTICAL INC	7100113	10/04/07	LABORATORY MICRO TESTING	130.00	130.00
2008674	10/17/07	07596	ENVIRONMENTAL EXPRESS, INC.	1000141361	09/25/07	FILTERS	639.03	639.03
2008785	10/24/07	07296	ENVIRONMENTAL FABRICS INC	32 33	09/28/07 09/28/07	RESERVOIR FLOATING COVER MAINTENANCE RESERVOIR FLOATING COVER MAINTENANCE	48,220.00 4,950.50	53,170.50
2008786	10/24/07	07688	ERRECAS INC	Ref002379549	10/18/07	UB Refund Cst #0000032054	677.98	677.98
2008787	10/24/07	07714	ERROL REX MCNEIL	Ref002379575	10/18/07	UB Refund Cst #0000093711	21.50	21.50
2008914	10/31/07	02939	ESCARCEGA, LUIS B	016334	10/30/07	EDUCATION REIMBURSEMENT	182.55	182.55
2008586	10/10/07	02639	EW TRUCK & EQUIPMENT	196400	09/07/07	FILTER	73.12	73.12
2008788	10/24/07	03683	F & L INDUSTRIAL SOLUTIONS INC	5906 5907	10/03/07 10/03/07	SOLENOID VALVES SOLENOID VALVES	936.89 908.43	1,845.32
2008497	10/03/07	03757	FANDEL ENTERPRISES	1263	09/10/07	TELECOMMUNICATION CONSULTING SERVICES	3,690.00	3,690.00
2008915	10/31/07	03757	FANDEL ENTERPRISES	1267	10/10/07	TELECOMMUNICATION CONSULTING SERVICES	3,090.00	3,090.00
2008498	10/03/07	00645	FEDEX	227368802	09/21/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	25.71	25.71
2008675	10/17/07	00645	FEDEX	229984767	10/05/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	4.96	4.96
2008789	10/24/07	00645	FEDEX	231262304	10/12/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	8.13	8.13
2008499	10/03/07	03546	FERGUSON WATERWORKS	0227592	08/24/07	INVENTORY	545.95	545.95

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2008587	10/10/07	03546	FERGUSON WATERWORKS	CM017903		CREDIT MEMO	(73.44)	
				0232001	09/14/07	COUPLING	1,780.54	
				0231573	09/19/07	FIRE HYD REPAIR PARTS	1,585.40	
				0231992	09/14/07	HYDRANT ADAPTOR	494.31	3,786.81
2008676	10/17/07	03546	FERGUSON WATERWORKS	0233242	09/21/07	AIR VAC	4,471.63	4,471.63
2008790	10/24/07	03546	FERGUSON WATERWORKS	0233243	09/28/07	PURPLE AIR VAC ENC WITH DOOR	3,491.10	3,491.10
2008916	10/31/07	03546	FERGUSON WATERWORKS	0236433	10/09/07	AIR VAC CANS	8,943.25	
				0237471	10/11/07	INVENTORY	5,118.13	
				0237472	10/11/07	INVENTORY	1,602.24	15,663.62
2008588	10/10/07	07675	FILIPINO AMERICAN DEVELOPMENT	016282	10/08/07	REGISTRATION FEE	100.00	100.00
2008500	10/03/07	07592	FINEST CITY WINDOW CLEANING	3446	09/10/07	WINDOW CLEANING	265.00	265.00
2008677	10/17/07	02470	FIRST BANKCARD	016305	10/17/07	DISTRICT EXPENSES	69.45	69.45
2008501	10/03/07	04066	FIRST CHOICE SERVICES - SD	285781	09/11/07	COFFEE SUPPLIES	102.45	102.45
2008678	10/17/07	04066	FIRST CHOICE SERVICES - SD	286278	09/25/07	COFFEE SUPPLIES	231.13	231.13
2008917	10/31/07	04066	FIRST CHOICE SERVICES - SD	286900	10/09/07	COFFEE SUPPLIES	266.79	266.79
2008589	10/10/07	00035	FISHER SCIENTIFIC	9924603	09/14/07	CALCIUM CHLORIDE SOLUTION	498.73	
				1919901	07/17/07	LABORATORY SUPPLIES	311.66	
				1026267	09/17/07	CALCIUM CHLORIDE SOLUTION	56.89	867.28
2008679	10/17/07	00035	FISHER SCIENTIFIC	1855477	07/13/07	LABORATORY SUPPLIES	1,622.49	
				2838607	09/25/07	LABORATORY SUPPLIES	137.81	1,760.30
2008918	10/31/07	00035	FISHER SCIENTIFIC	3306331	10/10/07	LABORATORY SUPPLIES	2,778.77	
				3004590	09/28/07	LABORATORY SUPPLIES	173.25	2,952.02
2008791	10/24/07	02591	FITNESS TECH INC	4397	10/01/07	FITNESS EQUIPMENT MAINT	100.00	100.00
2008792	10/24/07	07707	FRANK SANCHEZ	Ref002379568	10/18/07	UB Refund Cst #0000091184	46.88	46.88
2008590	10/10/07	07224	FRAZEE INDUSTRIES INC	489767	09/20/07	PAINT	171.05	171.05
2008919	10/31/07	07224	FRAZEE INDUSTRIES INC	542051		CREDIT MEMO	(37.87)	
				495917	09/24/07	PAINT	644.18	606.31
2008680	10/17/07	02254	FRY'S ELECTRONICS INC	016300	10/15/07	COMPUTER LOAN PROGRAM	3,000.00	3,000.00

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2008793	10/24/07	02028	FT INTERACTIVE DATA CORP	05413097	09/30/07	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2008681	10/17/07	03094	FULLCOURT PRESS	17221	10/09/07	PIPELINE NEWSLETTER	4,636.88	4,636.88
2008502	10/03/07	05626	GAME 7 CONSULTING	1608	10/03/07	CONSULTING SERVICES - IS DEPT	3,000.00	3,000.00
2008682	10/17/07	05626	GAME 7 CONSULTING	1610	10/09/07	CONSULTING SERVICES - IS DEPT	1,800.00	1,800.00
2008920	10/31/07	05626	GAME 7 CONSULTING	1615 1618 1622	10/16/07 10/24/07 10/30/07	CONSULTING SERVICES - IS DEPT CONSULTING SERVICES - IS DEPT CONSULTING SERVICES - IS DEPT	2,400.00 2,400.00 1,800.00	6,600.00
2008748	10/17/07	03609	GBA MASTER SERIES INC	60240-3	04/30/07	INFRASTRUCTURE MGMNT SYSTEM	600.00	600.00
2008503	10/03/07	02562	GEORGE T HALL CO INC	S1067827001	09/07/07	CHART RECORDER PEN MOTOR	363.92	363.92
2008591	10/10/07	03537	GHA TECHNOLOGIES INC	450815	09/19/07	TONERS	963.35	963.35
2008683	10/17/07	03537	GHA TECHNOLOGIES INC	451846	09/25/07	TONERS	1,283.05	1,283.05
2008794	10/24/07	03537	GHA TECHNOLOGIES INC	453108 452339 453592	10/01/07 09/28/07 10/04/07	SCANNERS CONFERENCE PHONE CARTRIDGES	1,610.14 937.21 70.52	2,617.87
2008921	10/31/07	03537	GHA TECHNOLOGIES INC	453672 453675	10/05/07 10/05/07	COMPUTER DISK AND HARD DRIVE	1,973.52 331.56	2,305.08
2008504	10/03/07	06276	GIFFORD ENGINEERING INC	50123	09/07/07	RE-INSTALLATION OF TWO-WAY RADIO	44.00	44.00
2008922	10/31/07	06276	GIFFORD ENGINEERING INC	50130 3301	10/08/07 08/20/07	RADIO INSTALLED REPAIR SERVICE	441.48 88.00	529.48
2008592	10/10/07	00131	GOVERNMENT FINANCE OFFICERS	0052001 0016854S	08/29/07 08/29/07	MEMBERSHIP RENEWALS SUBSCRIPTION RENEWAL	560.00 225.00	785.00
2008795	10/24/07	02187	GREENSCAPE	1703 1712	09/30/07 10/01/07	LANDSCAPING SERVICES LANDSCAPING SERVICES	5,800.00 5,800.00	11,600.00
2008684	10/17/07	01997	GROSSMONT UNION H S DISTRICT	AM0800008	09/24/07	TURF FIELD PROJECT	20,000.00	20,000.00
2008796	10/24/07	07722	GROSSMONT UNION HIGH SCHOOL	Ref002379583	10/18/07	UB Refund Cst #0000120399	1,307.03	1,307.03
2008797	10/24/07	07686	GUILLERMO GONZALEZ	Ref002379547	10/18/07	UB Refund Cst #0000023305	36.50	36.50
2008593	10/10/07	00174	HACH COMPANY	5297029 5299511	09/14/07 09/18/07	LABORATORY SUPPLIES LABORATORY SUPPLIES	2,015.36 82.43	2,097.79

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2008798	10/24/07	00174	HACH COMPANY	5321159	10/04/07	ANALYZER PARTS	40.09	40.09
2008923	10/31/07	00174	HACH COMPANY	5323187	10/05/07	PARTS	356.14	356.14
2008799	10/24/07	07708	HANNAH ENGLISH	Ref002379569	10/18/07	UB Refund Cst #0000091324	11.83	11.83
2008685	10/17/07	02629	HANSON AGGREGATES INC	536824	09/24/07	CRUSHED AGGREGATES & ROCK	21.55	21.55
2008800	10/24/07	07705	HAROLD HOUFEK	Ref002379566	10/18/07	UB Refund Cst #0000091084	10.57	10.57
2008505	10/03/07	04217	HATCH & PARENT	417438	09/28/07	LEGISLATIVE ADVOCACY SERVICES	875.00	875.00
2008506	10/03/07	06640	HD SUPPLY WATERWORKS LTD	5952903	09/11/07	INVENTORY	880.44	880.44
2008594	10/10/07	06640	HD SUPPLY WATERWORKS LTD	6060551		CREDIT MEMO	(3,557.95)	
				5952668	09/11/07	INVENTORY	7,214.67	
				5985173	09/14/07	INVENTORY	5,896.08	
				5985859	09/14/07	INVENTORY	1,375.75	10,928.55
2008686	10/17/07	06640	HD SUPPLY WATERWORKS LTD	5871809	09/21/07	INVENTORY	8,276.32	
				5971091	09/26/07	INVENTORY	3,741.36	
				5990497	09/25/07	FIRE HYD CAPS	3,546.22	
				6070267	09/27/07	FIRE HYD CAPS	30.45	15,594.35
2008801	10/24/07	06640	HD SUPPLY WATERWORKS LTD	6076763	10/02/07	INVENTORY	391.97	391.97
2008924	10/31/07	06640	HD SUPPLY WATERWORKS LTD	6146563	10/11/07	INVENTORY	8,063.15	8,063.15
2008595	10/10/07	04472	HECTOR I MARES-COSSIO	30	08/01/07	CONSULTANT CONTRACT	3,000.00	3,000.00
2008687	10/17/07	00062	HELIX WATER DISTRICT	178540011207	10/17/07	WATER BILL - AVOCADO BLVD	32.00	
				174639861207	10/17/07	WATER BILL - RUSSELL SQ	32.00	64.00
2008802	10/24/07	00713	HEWLETT-PACKARD COMPANY	43079410	10/04/07	HARDWARE	4,952.19	4,952.19
2008507	10/03/07	01109	HOME DEPOT CREDIT SERVICES	6190784	09/17/07	PAINT SUPPLIES	114.61	114.61
2008688	10/17/07	01109	HOME DEPOT CREDIT SERVICES	4195001	10/09/07	SUPPLIES	517.22	517.22
2008925	10/31/07	01109	HOME DEPOT CREDIT SERVICES	39744368	08/30/07	WINDOW CLEANING EQUIPMENT	254.45	
				39749010	09/05/07	CLEANING SUPPLIES	42.56	297.01
2008596	10/10/07	03615	I.M.P.A.C. GOVERNMENT SERVICES	016279	09/21/07	DISTRICT EXPENSES	349.95	349.95
2008689	10/17/07	03615	I.M.P.A.C. GOVERNMENT SERVICES	016294	09/21/07	DISTRICT EXPENSES	3,945.73	

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				016304	09/21/07	DISTRICT EXPENSES	121.93	4,067.66
2008508	10/03/07	06266	IDEAL WIPING RAG COMPANY	038555	09/11/07	WIPING RAGS	247.83	247.83
2008597	10/10/07	02943	INDUSTRIAL METAL SUPPLY CO	959989	09/17/07	WELDING MATERIAL	304.91	304.91
2008598	10/10/07	03280	INFRASTRUCTURE ENGINEERING	3011	08/31/07	PROF DESIGN & ENV SVCS FOR 36" PIPELINE	126,389.67	126,389.67
2008803	10/24/07	02372	INTERIOR PLANT SERVICE INC	25729	09/30/07	PLANT LEASE & SERVICE	169.00	169.00
2008509	10/03/07	07404	INTERKNOWLOGY LLC	2764	09/08/07	IT SYSTEM ENHANCEMENTS	520.00	520.00
2008599	10/10/07	07404	INTERKNOWLOGY LLC	2773	09/15/07	IT SYSTEM ENHANCEMENTS	1,040.00	1,040.00
2008804	10/24/07	07404	INTERKNOWLOGY LLC	2786 2778	09/29/07 09/30/07	IT SYSTEM ENHANCEMENTS IT SYSTEM ENHANCEMENTS	5,405.00 1,300.00	6,705.00
2008926	10/31/07	07404	INTERKNOWLOGY LLC	2799	10/06/07	IT SYSTEM ENHANCEMENTS	970.00	970.00
2008510	10/03/07	02267	INTERNAL REVENUE SERVICE	Ben2378992	10/04/07	PAYROLL DEDUCTION	50.00	50.00
2008511	10/03/07	04077	INTERNAL REVENUE SERVICE	Ben2379002	10/04/07	PAYROLL DEDUCTION	64.00	64.00
2008690	10/17/07	02267	INTERNAL REVENUE SERVICE	Ben2379490	10/18/07	PAYROLL DEDUCTION	50.00	50.00
2008691	10/17/07	04077	INTERNAL REVENUE SERVICE	Ben2379500	10/18/07	PAYROLL DEDUCTION	64.00	64.00
2008927	10/31/07	02267	INTERNAL REVENUE SERVICE	Ben2379791	11/01/07	PAYROLL DEDUCTION	50.00	50.00
2008928	10/31/07	04077	INTERNAL REVENUE SERVICE	Ben2379801	11/01/07	PAYROLL DEDUCTION	64.00	64.00
2008692	10/17/07	03250	INTERNATIONAL PUBLIC	016286	10/09/07	MEMBERSHIP RENEWAL FEE	230.00	230.00
2008600	10/10/07	06630	J C HEDEN AND ASSOCIATES INC	OWD011	09/17/07	AS NEEDED ENGINEERING DRAFTING SERVICE:	6,588.00	6,588.00
2008929	10/31/07	06630	J C HEDEN AND ASSOCIATES INC	OWD012	10/08/07	AS NEEDED ENGINEERING DRAFTING SERVICE:	3,597.50	3,597.50
2008601	10/10/07	05836	JACOBS INC	W9X9540120	09/14/07	450-1 RESV & 680-1 PS PROJECT	3,218.45	3,218.45
2008805	10/24/07	07713	JAIME CUSTODIO	Ref002379574	10/18/07	UB Refund Cst #0000093685	32.91	32.91
2008693	10/17/07	02290	JAMES, KENNETH E	016301	10/15/07	TUITION REIMBURSEMENT	95.00	95.00
2008930	10/31/07	02290	JAMES, KENNETH E	016331	09/29/07	MEMBERSHIP RENEWAL	110.00	110.00
2008806	10/24/07	07690	JANET G PRICE	Ref002379551	10/18/07	UB Refund Cst #0000060931	43.44	43.44

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2008807	10/24/07	07699	JASON MILAM	Ref002379560	10/18/07	UB Refund Cst #0000078890	49.79	49.79
2008808	10/24/07	07701	JAVIER VARELA	Ref002379562	10/18/07	UB Refund Cst #0000087437	16.46	16.46
2008694	10/17/07	03345	JENKINS, WILLIAM L	016285	08/02/07	REIMBURSEMENT	1,112.02	1,112.02
2008602	10/10/07	06849	JEYCO PRODUCTS INC	454634	09/14/07	PAINT	351.05	351.05
2008695	10/17/07	06849	JEYCO PRODUCTS INC	454985	09/27/07	PAINT	68.08	68.08
2008809	10/24/07	06849	JEYCO PRODUCTS INC	455110	10/03/07	PAINT	188.45	188.45
2008810	10/24/07	01010	JOBS AVAILABLE INC	721079	10/02/07	JOB POSTING	315.00	315.00
2008512	10/03/07	03172	JONES & STOKES ASSOCIATES	0045884 0045900 0045857 0045899	09/10/07 09/10/07 09/10/07 09/10/07	HABITAT MANAGEMENT ENVIRON SERVICES ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	16,766.34 2,850.39 845.00 638.75	21,100.48
2008603	10/10/07	03172	JONES & STOKES ASSOCIATES	0045860	09/10/07	REVEGETATION MONITORING & MAINT SVCS	430.15	430.15
2008604	10/10/07	00056	KAMAN INDUSTRIAL TECHNOLOGIES	V891034	09/20/07	REWIND SPRING	180.99	180.99
2008811	10/24/07	07700	KATIE LANGGLE	Ref002379561	10/18/07	UB Refund Cst #0000080985	47.13	47.13
2008696	10/17/07	07669	KEAGY REAL ESTATE	447	09/23/07	APPRAISAL SERVICES	25,000.00	25,000.00
2008812	10/24/07	07716	KEETON CONSTRUCTION	Ref002379577	10/18/07	UB Refund Cst #0000096592	1,855.55	1,855.55
2008513	10/03/07	07493	KEITH OLIVER & ASSOCIATES	1976	09/12/07	SERVICE PARTS	120.34	120.34
2008813	10/24/07	07685	KELLY MOORE	Ref002379546	10/18/07	UB Refund Cst #0000022978	42.30	42.30
2008814	10/24/07	00901	KENNEDY/JENKS CONSULTANTS	13	08/30/07	CONSTRUCTION SUPPORT SERVICES	3,307.16	3,307.16
2008605	10/10/07	05840	KIRK PAVING INC	3685	09/27/07	AS NEEDED PAVING SERVICES	18,543.00	18,543.00
2008514	10/03/07	04996	KNOX ATTORNEY SERVICE INC	261769 261768 261767	09/13/07 09/13/07 09/13/07	DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS	27.50 27.50 27.50	82.50
2008606	10/10/07	04996	KNOX ATTORNEY SERVICE INC	262781	09/20/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	27.50
2008697	10/17/07	04996	KNOX ATTORNEY SERVICE INC	263766 263765	09/25/07 09/25/07	DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS	27.50 27.50	

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				263764	09/25/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				263702	09/25/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	110.00
2008931	10/31/07	04996	KNOX ATTORNEY SERVICE INC	265245	10/09/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265248	10/09/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265247	10/09/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265246	10/09/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265647	10/11/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265650	10/11/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265649	10/11/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				265648	10/11/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	220.00
2008515	10/03/07	01859	LA PRENSA SAN DIEGO	21906	09/10/07	JOB POSTING	47.88	47.88
2008698	10/17/07	01859	LA PRENSA SAN DIEGO	21933	09/25/07	JOB POSTING	78.00	78.00
2008815	10/24/07	07720	LAMDEN FAMILY TRUST	Ref002379581	10/18/07	UB Refund Cst #0000119807	78.05	78.05
2008699	10/17/07	05632	LARSON, BRAD	016303	10/16/07	SAFETY SHOES REIMBURSEMENT	97.40	97.40
2008932	10/31/07	05632	LARSON, BRAD	016335	10/30/07	EDUCATION REIMBURSEMENT	196.99	196.99
2008516	10/03/07	03607	LEE & RO INC	8340103	09/07/07	AS NEEDED ENGINEERING DESIGN SVCS	12,686.33	
				8340402	09/07/07	AS NEEDED ENGINEERING DESIGN SVCS	8,870.93	
				8340203	09/07/07	AS NEEDED ENGINEERING DESIGN SVCS	4,493.95	
				8340303	09/07/07	AS NEEDED ENGINEERING DESIGN SVCS	2,970.00	29,021.21
2008607	10/10/07	06273	LIEBERT CASSIDY WHITMORE	80930	09/14/07	LABOR RELATIONS CONSULTING SERVICES	2,000.00	2,000.00
2008816	10/24/07	06273	LIEBERT CASSIDY WHITMORE	81679	09/30/07	LABOR RELATIONS CONSULTING SERVICES	2,000.00	2,000.00
2008517	10/03/07	03784	LIVESCAN SAN DIEGO	07414	09/13/07	FINGERPRINTING SERVICES	80.00	80.00
2008608	10/10/07	03784	LIVESCAN SAN DIEGO	07440	09/19/07	FINGERPRINTING SERVICES	20.00	20.00
2008817	10/24/07	03784	LIVESCAN SAN DIEGO	07465	10/01/07	FINGERPRINTING SERVICES	20.00	20.00
2008518	10/03/07	07294	LLERENAS, JESSE	016252	09/28/07	SAFETY BOOTS REIMBURSEMENT	140.06	140.06
2008818	10/24/07	05220	LOGICALIS INTEGRATION SOLUTION	S715908	09/30/07	IT DATA CENTER SERVICES	2,940.00	2,940.00
2008819	10/24/07	07693	LYON OTAY RANCH	Ref002379554	10/18/07	UB Refund Cst #0000070480	4,316.81	4,316.81
2008700	10/17/07	00628	MANHATTAN NAT'L LIFE INS CO	016284	10/17/07	VOLUNTARY LIFE INSURANCE	445.07	445.07
2008820	10/24/07	07724	MARIA ESTHER RAMIREZ	Ref002379585	10/18/07	UB Refund Cst #0000120580	19.24	19.24

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2008519	10/03/07	07668	MARIANN NAGEL	016261	10/01/07	CASH IN YOUR PLANTS PROGRAM	2,200.00	2,200.00
2008520	10/03/07	02902	MARSTON+MARSTON INC	20079A	09/01/07	PROFESSIONAL SERVICES AUGUST 2007	3,225.00	3,225.00
2008821	10/24/07	02902	MARSTON+MARSTON INC	200710 200711	10/01/07 10/01/07	PROFESSIONAL SERVICES PUBLIC RELATIONS SERVICES	5,012.50 3,037.50	8,050.00
2008822	10/24/07	07719	MARY KELLY BROCK	Ref002379580	10/18/07	UB Refund Cst #0000119273	49.15	49.15
2008609	10/10/07	05329	MASTER METER INC	0128650IN	09/18/07	INVENTORY	20,386.41	20,386.41
2008823	10/24/07	05329	MASTER METER INC	0129348IN	09/28/07	INVENTORY	3,490.02	3,490.02
2008521	10/03/07	01183	MCMaster-CARR SUPPLY CO	71963635 72083185	09/10/07 09/11/07	MAINTENANCE PARTS AUTOMATIC LUBRICATOR	401.62 111.21	512.83
2008610	10/10/07	01183	MCMaster-CARR SUPPLY CO	71971223 71440649	09/10/07 08/29/07	ANTENNA MOUNTING PARTS	614.84 418.59	1,033.43
2008701	10/17/07	01183	MCMaster-CARR SUPPLY CO	72259982 72260464 72340466	09/13/07 09/13/07 09/14/07	MAINTENANCE ITEMS VALVE REPAIR PARTS VALVE REPAIR PARTS	489.53 360.98 137.47	987.98
2008824	10/24/07	01183	MCMaster-CARR SUPPLY CO	73388056	10/02/07	VALVE PARTS	460.09	460.09
2008933	10/31/07	01183	MCMaster-CARR SUPPLY CO	73981100 74001267 73867561	10/11/07 10/11/07 10/10/07	PARTS TOOLS PARTS	894.23 686.52 293.43	1,874.18
2008611	10/10/07	03169	MENDEZ-SCHOMER, ALICIA	016274	10/08/07	TRAVEL CONFERENCE EXPENSE	613.90	613.90
2008825	10/24/07	01524	MESA LABORATORIES INC	0275651IN	10/03/07	NUSONIC 2" TRANSDUCER FOR 450-680 PS	7,278.00	7,278.00
2008612	10/10/07	01577	MINARIK CORPORATION	10497660DD	09/20/07	1090 RESERVOIR RADIO ANTENNA	336.43	336.43
2008826	10/24/07	01577	MINARIK CORPORATION	10501465DD	10/02/07	MAGNETIC-INDUCTIVE FLOW METER	3,008.12	3,008.12
2008613	10/10/07	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	214706 214619	06/26/07 06/25/07	BRAKE PARTS BRAKE PARTS	106.03 35.06	141.09
2008934	10/31/07	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	220194	10/08/07	PARK BRAKE VALVE	113.89	113.89
2008522	10/03/07	03393	MOBILE MINI LLC - CA	904064975	09/10/07	RENTAL 40' METERS STORAGE CONTAINER	170.88	170.88
2008827	10/24/07	03393	MOBILE MINI LLC - CA	904069790	09/30/07	RENTAL 40' METERS STORAGE CONTAINER	164.90	164.90

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2008935	10/31/07	03393	MOBILE MINI LLC - CA	904071796	10/08/07	RENTAL 40' METERS STORAGE CONTAINER	170.88	170.88
2008702	10/17/07	02371	MOODY'S INVESTORS SERVICE	C1624444000	09/21/07	PROFESSIONAL SERVICES	5,500.00	5,500.00
2008614	10/10/07	02503	MORGAN COMPANY	14114	07/02/07	REPAIR PART	578.13	578.13
2008703	10/17/07	06534	MOTION COMPUTING	DOMINV000005206	08/31/07	REPAIR SERVICE	737.00	737.00
2008615	10/10/07	03623	MWH AMERICAS INC	1132844	08/26/07	ENGG & ENVIRONMENTAL SVCS	1,185.01	1,185.01
2008749	10/17/07	03623	MWH AMERICAS INC	1108829-40	04/29/07	ENGG & ENVIRONMENTAL SVCS	2,675.70	2,675.70
2008523	10/03/07	02037	MWH LABORATORIES	214249LI	09/07/07	ANALYSES FOR FENTON BUSINESS PARK	1,557.00	1,557.00
2008936	10/31/07	02037	MWH LABORATORIES	216150LI	10/10/07	QUARTERLY REGULATORY ANALYSES	3,180.00	
				216271LI	10/10/07	MONTHLY REGULATORY ANALYSES	707.00	3,887.00
2008524	10/03/07	02764	MYRON L COMPANY	286283	09/11/07	TDS METER(S) AND CASE	4,847.07	4,847.07
2008616	10/10/07	04676	NAPA AUTO PARTS	088069	09/17/07	REPAIR PARTS	130.85	
				088070	09/17/07	REPAIR PARTS	130.85	
				088529	09/20/07	REPAIR PARTS	126.53	
				087556	09/12/07	REPAIR PARTS	125.31	
				088591	09/20/07	REPAIR PARTS	120.68	
				088351	09/19/07	REPAIR PARTS	102.48	
				086752	09/04/07	REPAIR PARTS	70.89	
				087390	09/10/07	REPAIR PARTS	68.92	
				087561	09/12/07	REPAIR PARTS	44.18	
				087574	09/12/07	REPAIR PARTS	26.77	
				088330	09/18/07	REPAIR PARTS	23.81	
				087510	09/11/07	REPAIR PARTS	23.76	
				088232	09/18/07	REPAIR PARTS	20.90	
				086713	09/04/07	REPAIR PARTS	18.85	
				088359	09/19/07	REPAIR PARTS	17.86	
				082882	07/31/07	REPAIR PARTS	17.29	
				087046	09/06/07	REPAIR PARTS	16.46	
				087578	09/12/07	REPAIR PARTS	15.09	
				088323	09/18/07	REPAIR PARTS	14.00	
				087394	09/10/07	REPAIR PARTS	13.33	
				087521	09/11/07	REPAIR PARTS	12.69	
				087130	09/07/07	REPAIR PARTS	9.29	
				087462	09/11/07	REPAIR PARTS	8.47	
				087068	09/06/07	REPAIR PARTS	7.83	
				086753	09/04/07	REPAIR PARTS	5.69	
				087555	09/12/07	REPAIR PARTS	5.37	

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				087117	09/07/07	REPAIR PARTS	5.01	
				087792	09/13/07	REPAIR PARTS	4.77	
				087716	09/13/07	REPAIR PARTS	2.36	1,190.29
2008704	10/17/07	04676	NAPA AUTO PARTS	089147		CREDIT MEMO	(86.16)	
				089148		CREDIT MEMO	(68.92)	
				089156		CREDIT MEMO	(15.52)	
				086366		CREDIT MEMO	(11.08)	
				089146		CREDIT MEMO	(8.47)	
				089614		CREDIT MEMO	(6.59)	
				089106	09/25/07	REPAIR PARTS	90.50	
				088735	09/21/07	REPAIR PARTS	74.68	
				089392	09/27/07	REPAIR PARTS	50.51	
				089216	09/26/07	REPAIR PARTS	38.70	
				089215	09/26/07	REPAIR PARTS	15.26	
				089348	09/27/07	REPAIR PARTS	9.04	
				088954	09/24/07	REPAIR PARTS	6.59	88.54
2008828	10/24/07	04676	NAPA AUTO PARTS	089533	09/28/07	REPAIR PARTS	40.93	
				089556	09/28/07	REPAIR PARTS	35.96	
				089508	09/28/07	REPAIR PARTS	14.56	
				089534	09/28/07	REPAIR PARTS	5.46	96.91
2008829	10/24/07	07711	NATHAN FREISCHOAG	Ref002379572	10/18/07	UB Refund Cst #0000093351	13.01	13.01
2008525	10/03/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2378988	10/04/07	DEFERRED COMP PLAN	8,455.55	8,455.55
2008705	10/17/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2379486	10/18/07	DEFERRED COMP PLAN	7,312.74	7,312.74
2008937	10/31/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2379787	11/01/07	DEFERRED COMP PLAN	6,821.37	6,821.37
2008830	10/24/07	03251	NATIONAL GARDENING ASSOCIATION	74294A	10/04/07	WATER CONSERVATION BOOKS	102.80	102.80
2008526	10/03/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10245635	09/12/07	LABOR FOR PHONES SVCS	113.00	113.00
2008617	10/10/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10245827	09/18/07	LABOR FOR PHONES SVCS	113.00	113.00
2008831	10/24/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10246745	09/30/07	LABOR FOR PHONES SVCS	395.50	
				VSH10246908	10/04/07	LABOR FOR PHONES SVCS	112.00	507.50
2008706	10/17/07	03487	NETWORK INSIGHT	NISD200702183	09/25/07	CABLES	567.06	567.06
2008832	10/24/07	03487	NETWORK INSIGHT	NINMS200700667	09/30/07	NETWORK MONITORING SERVICES	1,072.50	1,072.50
2008938	10/31/07	05494	NEXTEL COMMUNICATIONS	901500243013	10/12/07	GIS (AIR-TRAK) CELLULAR SERVICE	2,929.84	2,929.84

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2008618	10/10/07	03571	NEXTLEVEL INTERNET INC	13809	09/14/07	INTERNET WEB HOSTING	416.00	416.00
2008939	10/31/07	03517	NOBEL SYSTEMS	9766	09/28/07	GIS DATABASE SUPPORT & CONSULTING	640.00	640.00
2008833	10/24/07	07447	NTU TECHNOLOGIES INC	5993	10/04/07	POLYMER	23,167.54	23,167.54
2008527	10/03/07	00510	OFFICE DEPOT INC	398712283001	09/12/07	DRY ERASE WHITE BOARD	48.48	48.48
2008619	10/10/07	00510	OFFICE DEPOT INC	402028832001	09/19/07	BINDER TABS	305.43	
				401903656001	09/19/07	OFFICE SUPPLIES	70.92	
				401902209001	09/19/07	INKJET CARTRIDGE	56.01	432.36
2008707	10/17/07	00510	OFFICE DEPOT INC	402289387001	09/26/07	OFFICE SUPPLIES	310.31	
				402290848001	09/26/07	OFFICE SUPPLIES	119.84	
				402887264001	09/26/07	PAPER SHREDDER	107.74	
				402080998001	09/26/07	OFFICE SUPPLIES	105.47	
				402911662001	09/26/07	OFFICE SUPPLIES	70.74	
				402286527001	09/26/07	NOTEBOOKS	21.88	735.98
2008834	10/24/07	00510	OFFICE DEPOT INC	402881018001	10/03/07	OFFICE SUPPLIES	1,370.54	1,370.54
2008940	10/31/07	00510	OFFICE DEPOT INC	404153528001		CREDIT MEMO	(18.36)	
				404078961001	10/10/07	OFFICE SUPPLIES	227.55	
				404153529001	10/10/07	OFFICE SUPPLY	13.71	
				404079409001	10/10/07	OFFICE SUPPLIES	7.75	230.65
2008528	10/03/07	01837	OFFICE TEAM	19688950	09/24/07	TEMPORARY SERVICES- CUSTOMER SERVICE	969.86	969.86
2008620	10/10/07	01837	OFFICE TEAM	19746996	10/01/07	TEMPORARY SERVICES - CUSTOMER SERVICE	934.80	934.80
2008708	10/17/07	01837	OFFICE TEAM	19802991	10/08/07	TEMPORARY SERVICES-CUSTOMER SERVICE	934.80	934.80
2008835	10/24/07	01837	OFFICE TEAM	19846980	10/15/07	TEMPORARY SERVICES - CUSTOMER SVC DEP	952.33	952.33
2008941	10/31/07	01837	OFFICE TEAM	19888829	10/22/07	TEMPORARY SERVICES - CUSTOMER SERVICE	899.75	899.75
2008621	10/10/07	02084	OLLI BROS	016256	09/18/07	UNIFORM APPAREL	206.88	206.88
2008709	10/17/07	03038	ORANGE LINE OIL COMPANY INC	0593283IN	09/26/07	ENGINE OIL	1,065.28	1,065.28
2008622	10/10/07	02721	ORTIZ CORPORATION	1	09/01/07	P2459 - OLIVE VISTA UTILITY RELOCATIONS	109,114.20	109,114.20
2008836	10/24/07	02721	ORTIZ CORPORATION	2	10/01/07	P2459 - OLIVE VISTA UTILITY RELOCATIONS	54,884.74	54,884.74
2008837	10/24/07	07684	OSCAR CASTILLO	Ref002379545	10/18/07	UB Refund Cst #0000001566	71.19	71.19

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2008838	10/24/07	02334	OTAY LANDFILL	005475	09/30/07	WASTE DISPOSAL SERVICES	240.74	240.74
2008529	10/03/07	03101	OTAY WATER DISTRICT	Ben2378990	10/04/07	PAYROLL DEDUCTION - ASSN DUES	847.00	847.00
2008710	10/17/07	03101	OTAY WATER DISTRICT	Ben2379488	10/18/07	PAYROLL DEDUCTION - ASSN DUES	847.00	847.00
2008942	10/31/07	03101	OTAY WATER DISTRICT	Ben2379789	11/01/07	PAYROLL DEDUCTION - ASSN DUES	861.00	861.00
2008623	10/10/07	03780	OWEN, DOUGLAS WESTLEY	016276	10/08/07	TRAVEL CONFERENCE EXPENSE	613.90	613.90
2008943	10/31/07	03780	OWEN, DOUGLAS WESTLEY	016333	10/30/07	COMPUTER LOAN PROGRAM	886.88	886.88
2008944	10/31/07	07499	PACIFIC BUILDING MAINTENANCE	15105	10/05/07	JANITORIAL SERVICES ADMIN, WH, TP & OPS	2,795.00	2,795.00
2008839	10/24/07	05497	PAYPAL INC	928688	09/30/07	ON-LINE PAYMENT SERVICES	262.70	262.70
2008624	10/10/07	03308	PBS&J	0343845	09/20/07	OWD WASTE DISCHARGE PERMIT REV	3,435.00	3,435.00
2008711	10/17/07	03308	PBS&J	345822	09/24/07	2009 MASTER PLAN UPDATE	7,662.50	7,662.50
2008840	10/24/07	03308	PBS&J	0345172	09/18/07	ENVIRONMENTAL SERVICES	3,046.35	3,046.35
2008712	10/17/07	00138	PEARSON FORD CO	823870 825466	09/27/07	CREDIT MEMO REPAIR PARTS	(52.78) 179.76	126.98
2008530	10/03/07	03649	PECK S HEAVY FRICTION INC	176206	09/04/07	REPAIR PARTS	559.42	559.42
2008713	10/17/07	03649	PECK S HEAVY FRICTION INC	176944	09/26/07	AIR TANKS	220.52	220.52
2008841	10/24/07	03649	PECK S HEAVY FRICTION INC	177081	10/01/07	AIR TANKS	73.51	73.51
2008945	10/31/07	00227	PELL MELL SUPPLY	44377500	10/05/07	STAINLESS STEEL NUTS & BOLTS	1,412.47	1,412.47
2008842	10/24/07	03790	PENHALL COMPANY	8095 8094	09/30/07 09/30/07	FLAT SAW CUTTING SERVICES FLAT SAW CUTTING SERVICES	312.50 190.00	502.50
2008843	10/24/07	07703	PENNY BROWN	Ref002379564	10/18/07	UB Refund Cst #0000090249	71.92	71.92
2008531	10/03/07	00593	PEPPER OIL COMPANY INC	604074	09/06/07	DIESEL FUEL	11,119.45	11,119.45
2008625	10/10/07	00593	PEPPER OIL COMPANY INC	604132 604440	09/17/07 10/04/07	LOPS DIESEL FUEL LOPS DIESEL FUEL	14,548.59 10,648.65	25,197.24
2008844	10/24/07	00593	PEPPER OIL COMPANY INC	604462 604474	10/09/07 10/11/07	UNLEADED FUEL LOPS DIESEL FUEL	14,414.14 10,983.94	25,398.08

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2008714	10/17/07	03180	PERFORMANCE METER INC	0013364IN	09/26/07	LOCKS AND KEYS	1,034.40	1,034.40
2008532	10/03/07	00137	PETTY CASH CUSTODIAN	016260	10/03/07	PETTY CASH REIMBURSEMENT	812.23	812.23
2008715	10/17/07	00137	PETTY CASH CUSTODIAN	016297	10/15/07	PETTY CASH REIMBURSEMENT	466.23	466.23
2008946	10/31/07	00137	PETTY CASH CUSTODIAN	016332	10/30/07	PETTY CASH REIMBURSEMENT	1,004.91	1,004.91
2008716	10/17/07	07290	PILLSBURY WINTHROP SHAW	7365551	10/17/07	LEGAL SERVICES	300.00	300.00
2008717	10/17/07	02786	PIONEER AMERICAS LLC	5538833429	09/26/07	CHLORINE FOR TREATMENT PLANT	2,187.55	2,187.55
2008718	10/17/07	07602	PLUMBERS DEPOT	PD7534	09/26/07	SEWER TOOL	214.42	214.42
2008719	10/17/07	01715	PORRAS, PEDRO J	016290	10/11/07	TRAVEL CONFERENCE EXPENSE	264.60	264.60
2008947	10/31/07	01715	PORRAS, PEDRO J	016326	10/21/07	REIMBURSEMENT	824.88	824.88
2008533	10/03/07	05499	PRAXAIR DISTRIBUTION INC	27129880	09/10/07	WELDING SUPPLIES	517.39	
				26931722	08/20/07	WELDING SUPPLIES & EQUIPMENT	464.49	
				27152267	09/13/07	WELDING SUPPLIES	364.90	
				27122810	09/07/07	WELDING SUPPLIES & EQUIPMENT	140.03	
				26790907	07/31/07	WELDING SUPPLIES & EQUIPMENT	96.03	
				27152266	09/13/07	WELDING SUPPLIES	17.91	1,600.75
2008626	10/10/07	05499	PRAXAIR DISTRIBUTION INC	27191695	09/20/07	REPAIR WELDERS	396.73	
				27191696	09/20/07	REPAIR WELDERS	164.78	
				27191770	09/20/07	WELDING SUPPLIES	136.97	
				27191694	09/20/07	WELDING SUPPLIES	122.84	
				27191729	09/20/07	WELDING SUPPLIES	118.53	939.85
2008720	10/17/07	05499	PRAXAIR DISTRIBUTION INC	27307954	09/25/07	WELDING SUPLIES	80.81	80.81
2008948	10/31/07	05499	PRAXAIR DISTRIBUTION INC	27219415	09/20/07	WELDING SUPPLIES & EQUIPMENT	464.49	464.49
2008721	10/17/07	01953	PRENDERGAST, JOHN A	016288	10/12/07	EDUCATION/TUITION REIMBURSEMENT	591.19	591.19
2008845	10/24/07	02976	PRE-PAID LEGAL SERVICES INC	016311	10/18/07	LEGAL SERVICES	47.85	47.85
2008534	10/03/07	06641	PRUDENTIAL OVERALL SUPPLY	7138666	09/13/07	UNIFORMS	575.73	
				7138665	09/13/07	MATS, TOWELS & SUPPLIES	136.98	
				7131971	09/12/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	91.45	
				7138667	09/13/07	MATS, TOWELS & SUPPLIES	89.25	
				7131970	09/12/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	72.64	
				7138668	09/13/07	UNIFORMS	64.68	1,030.73

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2008627	10/10/07	06641	PRUDENTIAL OVERALL SUPPLY	7171129	09/20/07	UNIFORMS	312.62	790.12
				7171128	09/20/07	MATS, TOWELS/SUPPLIES	140.73	
				7171130	09/20/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	107.50	
				7164461	09/19/07	MATS, TOWELS & SUPPLIES	93.95	
				7164460	09/19/07	UNIFORMS	70.64	
				7171131	09/20/07	UNIFORMS	64.68	
2008722	10/17/07	06641	PRUDENTIAL OVERALL SUPPLY	7203547	09/27/07	UNIFORMS	304.62	782.12
				7203546	09/27/07	MATS, TOWELS & SUPPLIES	140.73	
				7203548	09/27/07	MATS, TOWELS & SUPPLIES	107.50	
				7196922	09/26/07	MATS, TOWELS & SUPPLIES	93.95	
				7196921	09/26/07	UNIFORMS	70.64	
				7203549	09/27/07	UNIFORMS	64.68	
2008846	10/24/07	06641	PRUDENTIAL OVERALL SUPPLY	7235811	10/04/07	UNIFORMS	302.62	788.12
				7235810	10/04/07	MATS, TOWELS & SUPPLIES	140.73	
				7235812	10/04/07	MATS, TOWELS & SUPPLIES	107.50	
				7229169	10/03/07	MATS, TOWELS & SUPPLIES	93.95	
				7229168	10/03/07	UNIFORMS	78.64	
				7235813	10/04/07	UNIFORMS	64.68	
2008949	10/31/07	06641	PRUDENTIAL OVERALL SUPPLY	7268051	10/11/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	356.62	834.12
				7268050	10/11/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	140.73	
				7268052	10/11/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	107.50	
				7261436	10/10/07	MATS, TOWELS & SUPPLIES	93.95	
				7261435	10/10/07	UNIFORMS	70.64	
				7268053	10/11/07	ADMIN/OPS UNIFORMS, TOWELS & MATS	64.68	
2008628	10/10/07	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2378984	10/04/07	PERS CONTRIBUTION	121,219.29	121,219.29
2008847	10/24/07	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2379482	10/18/07	PERS CONTRIBUTION	121,811.38	121,811.38
2008848	10/24/07	00078	PUBLIC EMPLOYEES RETIREMENT	016320	10/22/07	CONTRIBUTION TO PUBLIC RET SYSTEM	1,640.72	1,640.72
2008849	10/24/07	01342	R J SAFETY SUPPLY CO INC	24208600	10/02/07	SAFETY SUPPLIES	554.15	672.19
				24208700	10/03/07	SAFETY SUPPLIES	118.04	
2008950	10/31/07	01342	R J SAFETY SUPPLY CO INC	24208701	10/09/07	SAFETY SUPPLIES	84.32	84.32
2008850	10/24/07	07692	RAMON CARRASCO	Ref002379553	10/18/07	UB Refund Cst #0000068887	119.98	119.98
2008723	10/17/07	00766	RANROY PRINTING COMPANY	091431	09/24/07	BUSINESS CARDS	80.81	80.81
2008851	10/24/07	00766	RANROY PRINTING COMPANY	091546	09/28/07	LETTER HEAD	2,031.09	2,031.09
2008852	10/24/07	07712	RAY CHAPMAN	Ref002379573	10/18/07	UB Refund Cst #0000093495	37.77	37.77

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2008724	10/17/07	02041	RBF CONSULTING	7080080 7080725	09/21/07 09/21/07	CIP P2185-CONST MGMT SVCS I-905 UTILITY RELOCATION DESIGN SERVICES	67,197.00 3,015.00	70,212.00
2008535	10/03/07	01916	RED WING SHOE STORE	8290000000745	07/18/07	SAFETY BOOTS	128.81	128.81
2008725	10/17/07	02891	RED WING SHOE STORE	8270000001038	09/22/07	SAFETY BOOTS	279.40	279.40
2008853	10/24/07	06645	RELIABLE ELEVATOR INC	10337	10/01/07	ELEVATOR SERVICE & MAINTENANCE	390.00	390.00
2008854	10/24/07	07702	RENO CONTRACTING	Ref002379563	10/18/07	UB Refund Cst #0000088441	780.69	780.69
2008951	10/31/07	00164	REXEL	800020801	08/21/07	ELECTRICAL PARTS	76.09	76.09
2008855	10/24/07	00521	RICK POST WELDING	7282	10/01/07	WELDING SERVICES	1,170.00	1,170.00
2008629	10/10/07	01471	ROBBINS AUTO GLASS	39680	09/14/07	AUTO REPAIR	270.89	270.89
2008856	10/24/07	07697	ROBERT TYNER	Ref002379558	10/18/07	UB Refund Cst #0000075722	161.15	161.15
2008536	10/03/07	02948	ROCKHURST UNIVERSITY	400878195001	10/01/07	SEMINAR REGISTRATION	249.00	249.00
2008952	10/31/07	02948	ROCKHURST UNIVERSITY	683030090001	10/30/07	REGISTRATION FEE	199.00	199.00
2008857	10/24/07	07723	ROMAN CATHOLIC BISHOP OF SD	Ref002379584	10/18/07	UB Refund Cst #0000120408	133.75	133.75
2008858	10/24/07	00362	RYAN HERCO PRODUCTS CORP	6178284	10/04/07	VALVES	239.43	239.43
2008630	10/10/07	05130	SAFARI MICRO INC	159630	09/18/07	LCD MONITOR	2,267.06	2,267.06
2008631	10/10/07	03687	SAFETY-KLEEN SYSTEMS INC	M004383888 M004395587 M004370597	09/05/07 09/11/07 08/28/07	WASTE ANTIFREEZE PICK UP SERVICE SOLVENT TANK WASTE OIL PICK UP	87.10 75.00 25.00	187.10
2008859	10/24/07	03803	SAN DIEGO CLIPPING SERVICE INC	439071002	10/02/07	NEWSPAPER CLIPPING SERVICE	112.00	112.00
2008726	10/17/07	02680	SAN DIEGO COUNTY TREASURER	585160200007	10/10/07	PROPERTY TAXES	139.04	139.04
2008953	10/31/07	00247	SAN DIEGO DAILY TRANSCRIPT	69810 67943	10/08/07 09/21/07	BID ADVERTISEMENT BID ADVERTISEMENT	108.00 99.00	207.00
2008537	10/03/07	00121	SAN DIEGO GAS & ELECTRIC	016245 016247 016242	09/28/07 09/30/07 09/27/07	UTILITY EXPENSES UTILITY EXPENSES UTILITY EXPENSES	76,668.82 27,968.38 21,556.73	126,193.93
2008632	10/10/07	00121	SAN DIEGO GAS & ELECTRIC	016268	10/05/07	UTILITY EXPENSES	77,179.55	77,179.55

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2008727	10/17/07	00121	SAN DIEGO GAS & ELECTRIC	016298 016283	10/02/07 09/30/07	UTILITY EXPENSES UTILITY EXPENSES	14,337.15 789.53	15,126.68
2008860	10/24/07	00121	SAN DIEGO GAS & ELECTRIC	016313	10/22/07	UTILITY EXPENSES	16,742.92	16,742.92
2008954	10/31/07	00121	SAN DIEGO GAS & ELECTRIC	016327 016321 016329	10/23/07 10/22/07 10/24/07	UTILITY EXPENSES UTILITY EXPENSES UTILITY EXPENSES	42,374.05 27,230.95 16,726.54	86,331.54
2008538	10/03/07	03809	SAN DIEGO NEIGHBORHOOD NEWS	01527650001	09/07/07	JOB POSTING	84.80	84.80
2008539	10/03/07	04345	SAN DIEGO PRECAST CONCRETE INC	0126197IN	09/12/07	METER BOX LID	1,634.16	1,634.16
2008728	10/17/07	04345	SAN DIEGO PRECAST CONCRETE INC	0126514IN 0126513IN	09/26/07 09/26/07	METER BOX LID VALVE COVER	748.73 667.66	1,416.39
2008633	10/10/07	03273	SAN DIEGO READER	221	09/17/07	JOB POSTING	140.60	140.60
2008861	10/24/07	07676	SAN MIGUEL FIRE PROTECTION	SMG12700	10/01/07	ANNUAL BUSINESS INSPECTION	394.00	394.00
2008862	10/24/07	07694	SEAN KNIGHT	Ref002379555	10/18/07	UB Refund Cst #0000071011	131.64	131.64
2008863	10/24/07	07667	SHARP BUSINESS SYSTEMS	9H325A1	10/04/07	TONER	327.56	327.56
2008634	10/10/07	01651	SHARP REES-STEALY MEDICAL CTRS	192H 192L 192D 192F 192I 192J 192C 192E 192G 192K 192 192A 192B	09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07 09/15/07	HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS HAZMAT PHYSICALS RECRUITMENT PHYSICALS RECRUITMENT PHYSICALS RECRUITMENT PHYSICALS	342.00 342.00 292.00 292.00 292.00 292.00 247.00 247.00 247.00 247.00 88.00 88.00 88.00	3,104.00
2008635	10/10/07	05421	SHERWIN-WILLIAMS CO	56461	09/18/07	LINERS	123.59	123.59
2008864	10/24/07	02802	SHERWOOD, KIM	016309	10/18/07	EDUCATION/TUITION REIMBURSEMENT	248.50	248.50
2008729	10/17/07	05983	SIEMENS WATER	2245444 7821089	09/25/07 09/26/07	PARTS BIOXIDE	3,588.41 743.47	4,331.88

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2008865	10/24/07	05983	SIEMENS WATER	2235977	09/14/07	PARTS	467.42	467.42
2008866	10/24/07	05627	SIGNA DIGITAL SOLUTIONS INC	ARS11121	10/03/07	COPIER MAINTENANCE	550.00	
				ARS11097	10/02/07	COPIER MAINTENANCE	137.92	
				ARS11118	10/03/07	COPIER MAINTENANCE	31.00	718.92
2008867	10/24/07	03612	SIMON WONG ENGINEERING	9899	09/30/07	1485-1 PUMP STATION DESIGN	2,572.50	2,572.50
2008868	10/24/07	07682	SKYLINE CHURCH	Ref002379543	10/18/07	UB Refund Cst #0000122056	627.53	627.53
2008869	10/24/07	07683	SKYLINE WESLEYAN CHURCH	Ref002379544	10/18/07	UB Refund Cst #0000122666	687.58	687.58
2008730	10/17/07	00258	SLOAN ELECTRIC CO	0052569	09/27/07	PUMP	652.23	
				0052495	09/21/07	PUMP	212.50	864.73
2008636	10/10/07	03071	SOCO GROUP INC	195563	09/14/07	ENGINE OIL	3,026.16	3,026.16
2008870	10/24/07	07689	SONJA BROWN	Ref002379550	10/18/07	UB Refund Cst #0000049870	76.88	76.88
2008540	10/03/07	03103	SOUTHCOAST HEATING &	C34153	09/11/07	AIR CONDITIONING MAINTENANCE	857.00	857.00
2008637	10/10/07	03103	SOUTHCOAST HEATING &	251467	09/19/07	EXHAUST FANS	368.00	368.00
2008638	10/10/07	06853	SOUTHERN CALIFORNIA SOIL	343633	09/15/07	ON CALL GEOTECHNICAL SERVICES	2,640.00	2,640.00
2008871	10/24/07	06494	SOUTHLAND TITLE	37332832	10/03/07	PRELIMINARY REPORTS	700.00	700.00
2008541	10/03/07	03398	SOUTHWEST ENGINEERING INC	016251	09/28/07	PAYMENT OF SETTLEMENT	1,201.75	1,201.75
2008872	10/24/07	07728	SOUTHWESTERN COLLEGE	016317	10/17/07	ANNUAL DINNER GALA SPONSORSHIP	500.00	500.00
2008542	10/03/07	03760	SPANKY'S PORTABLE SERVICES INC	693643	09/12/07	PORTABLE TOILET RENTAL	66.19	66.19
2008639	10/10/07	03760	SPANKY'S PORTABLE SERVICES INC	695003	09/20/07	PORTABLE TOILET RENTAL	96.78	96.78
2008873	10/24/07	03760	SPANKY'S PORTABLE SERVICES INC	696353	09/28/07	PORTABLE TOILET RENTAL	79.22	
				696355	09/28/07	PORTABLE TOILET RENTAL	77.37	
				696352	09/28/07	PORTABLE TOILET RENTAL	77.37	
				696354	09/28/07	PORTABLE TOILET RENTAL	77.37	
				697151	10/01/07	PORTABLE TOILET RENTAL	77.37	388.70
2008955	10/31/07	03760	SPANKY'S PORTABLE SERVICES INC	699020	10/10/07	PORTABLE TOILET RENTAL	66.19	66.19
2008874	10/24/07	03516	SPECIAL DISTRICT RISK	0023888IN	10/12/07	WORKERS' COMP PREMIUM	11,908.51	11,908.51
2008640	10/10/07	00590	SPECIALTY SEALS & ACCESSORIES	25123	09/20/07	REBUILD SEALS	911.26	911.26

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2008731	10/17/07	00590	SPECIALTY SEALS & ACCESSORIES	25136	09/26/07	SPARE SEAL	943.78	943.78
2008956	10/31/07	00590	SPECIALTY SEALS & ACCESSORIES	25169	10/09/07	REBUILD SEAL FOR 711-1 #4 PUMP	325.84	325.84
2008732	10/17/07	02354	STANDARD ELECTRONICS	9986	09/21/07	SECURITY SERVICE & REPAIRS	85.00	85.00
2008957	10/31/07	02354	STANDARD ELECTRONICS	10059 10048	10/09/07 10/08/07	SECURITY SERVICE & REPAIRS SECURITY SERVICE & REPAIRS	196.94 156.12	353.06
2008958	10/31/07	06524	STANLEY ACCESS TECH LLC	98460445	09/29/07	MAINTENANCE	124.98	124.98
2008543	10/03/07	00097	STATE BOARD OF EQUALIZATION	016253	09/30/07	UNDERGROUND TANK MAINT FEE	276.78	276.78
2008733	10/17/07	00480	STATE BOARD OF EQUALIZATION	016293	09/30/07	CA SALES USE TAX - 3RD QTR 2007 PMT	824.04	824.04
2008544	10/03/07	06295	STATE DISBURSEMENT UNIT	Ben2378998	10/04/07	PAYROLL DEDUCTION	294.46	294.46
2008545	10/03/07	06299	STATE DISBURSEMENT UNIT	Ben2378996	10/04/07	PAYROLL DEDUCTION	237.69	237.69
2008546	10/03/07	06303	STATE DISBURSEMENT UNIT	Ben2379000	10/04/07	PAYROLL DEDUCTION	482.76	482.76
2008734	10/17/07	06295	STATE DISBURSEMENT UNIT	Ben2379496	10/18/07	PAYROLL DEDUCTION	294.46	294.46
2008735	10/17/07	06299	STATE DISBURSEMENT UNIT	Ben2379494	10/18/07	PAYROLL DEDUCTION	237.69	237.69
2008736	10/17/07	06303	STATE DISBURSEMENT UNIT	Ben2379498	10/18/07	PAYROLL DEDUCTION	482.76	482.76
2008959	10/31/07	06295	STATE DISBURSEMENT UNIT	Ben2379797	11/01/07	PAYROLL DEDUCTION	294.46	294.46
2008960	10/31/07	06299	STATE DISBURSEMENT UNIT	Ben2379795	11/01/07	PAYROLL DEDUCTION	237.69	237.69
2008961	10/31/07	06303	STATE DISBURSEMENT UNIT	Ben2379799	11/01/07	PAYROLL DEDUCTION	482.76	482.76
2008547	10/03/07	02261	STATE STREET BANK & TRUST CO	Ben2378986	10/04/07	DEFERRED COMP PLAN	9,905.15	9,905.15
2008737	10/17/07	02261	STATE STREET BANK & TRUST CO	Ben2379484	10/18/07	DEFERRED COMP PLAN	9,665.15	9,665.15
2008962	10/31/07	02261	STATE STREET BANK & TRUST CO	Ben2379785	11/01/07	DEFERRED COMP PLAN	9,249.64	9,249.64
2008548	10/03/07	04221	SUTHERLIN ASSOCIATED SERVICES	OWD090107	09/07/07	PROFESSIONAL SERVICES	261.00	261.00
2008963	10/31/07	04221	SUTHERLIN ASSOCIATED SERVICES	OWD100107	10/05/07	PROFESSIONAL SERVICES	194.00	194.00
2008641	10/10/07	00408	SWEETWATER AUTHORITY	02	09/17/07	WATER RECYCLE FACILITY FEASIBILITY STUDY	25,165.92	25,165.92

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2008642	10/10/07	01736	SWIGGERS, JULIE M	2857620	09/05/07	SAFETY BOOTS REIMBURSEMENT	107.15	107.15
2008738	10/17/07	02799	TARULLI TIRE INC - SAN DIEGO	20031189	09/24/07	TIRE SERVICE	466.89	
				20031188	09/24/07	TIRE SERVICE	118.88	
				20031187	09/24/07	TIRE SERVICE	116.14	
				20031191	09/24/07	TIRE SERVICE	71.00	
				20031271	09/26/07	TIRE SERVICE	20.47	
				20031190	09/24/07	TIRE SERVICE	20.47	813.85
2008549	10/03/07	03770	TEAMAN, RAMIREZ & SMITH INC	206236795	09/07/07	AUDIT SERVICES	15,000.00	15,000.00
2008875	10/24/07	04977	T-MOBILE	4150860451007	10/01/07	CELL PHONE & BLACKBERRIES SERVICE	2,328.86	2,328.86
2008876	10/24/07	02641	TRANE CO	71157489	09/30/07	TECHNICAL SERVICE	926.87	926.87
2008550	10/03/07	02273	TRUCKIN STUFF	14146	09/07/07	TOOL BOXES	4,713.67	4,713.67
2008877	10/24/07	03538	TUBE SERVICE CO 45	IV071729	10/03/07	WELDING SUPPLIES	397.60	397.60
2008878	10/24/07	06829	U S SECURITY ASSOCIATES INC	982664	09/30/07	AFTER HOURS SECURITY SVCS	110.00	110.00
2008643	10/10/07	07674	U. S. BANK CORPORATE PAYMENT	016278	09/24/07	DISTRICT EXPENSES	586.25	586.25
2008739	10/17/07	07674	U. S. BANK CORPORATE PAYMENT	016292	09/24/07	DISTRICT EXPENSES	1,909.05	1,909.05
2008879	10/24/07	00427	UNDERGROUND SERVICE ALERT OF	920070456	10/01/07	UNDERGROUND TRENCH SERVICE ALERTS	380.80	380.80
2008964	10/31/07	03563	UNDERGROUND UTILITIES INC	106662	10/09/07	METER RETROFIT	17,420.00	17,420.00
2008740	10/17/07	02529	UNION TRIBUNE PUBLISHING CO	016272	10/04/07	SUBSCRIPTION RENEWAL	189.00	189.00
2008551	10/03/07	07662	UNITED HEALTH CARE SPECIALTY	016248	10/01/07	ADMINISTERING LIFE & AD&D INSURANCE	3,016.90	3,016.90
2008552	10/03/07	02613	UNITED RENTALS NORTHWEST INC	68233766001	09/12/07	CONCRETE	156.24	
				68188520001	09/11/07	CONCRETE	118.53	
				68165607001	09/10/07	CONCRETE	99.13	
				68259042001	09/13/07	CONCRETE	99.13	473.03
2008644	10/10/07	02613	UNITED RENTALS NORTHWEST INC	68411105001	09/19/07	CONCRETE	118.53	118.53
2008741	10/17/07	02613	UNITED RENTALS NORTHWEST INC	68609631001	09/26/07	CONCRETE	156.24	
				68613656001	09/26/07	CONCRETE	137.92	
				68565262001	09/25/07	CONCRETE	118.53	
				68489427001	09/21/07	CONCRETE	99.13	511.82
2008880	10/24/07	02613	UNITED RENTALS NORTHWEST INC	68744206001	10/01/07	CONCRETE	99.13	99.13

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2008965	10/31/07	02613	UNITED RENTALS NORTHWEST INC	68956940001 68988327001	10/09/07 10/10/07	CONCRETE CONCRETE	137.92 99.13	237.05
2008553	10/03/07	05417	UNITED STATES DEPARTMENT	Ben2379004	10/04/07	PAYROLL DEDUCTION	100.00	100.00
2008742	10/17/07	05417	UNITED STATES DEPARTMENT	Ben2379502	10/18/07	PAYROLL DEDUCTION	100.00	100.00
2008966	10/31/07	05417	UNITED STATES DEPARTMENT	Ben2379803	11/01/07	PAYROLL DEDUCTION	100.00	100.00
2008881	10/24/07	00350	UNITED STATES POSTAL SERVICE	016318	10/24/07	REIMBURSE POSTAGE MACHINE	1,500.00	1,500.00
2008743	10/17/07	00853	UNIVAR USA INC	SD634803 SD634804	09/26/07 09/26/07	BULK AQUA AMMONIA BULK AQUA AMMONIA	2,101.64 1,651.29	3,752.93
2008554	10/03/07	03212	UNUM LIFE INSURANCE	Ben2378982	10/04/07	LONG TERM DISABILITY	9,440.27	9,440.27
2008967	10/31/07	03212	UNUM LIFE INSURANCE	Ben2379781	11/01/07	LONG TERM DISABILITY	6,433.01	6,433.01
2008555	10/03/07	02674	USA BLUE BOOK	446634	09/10/07	CONVERTER-SAMPLER	242.58	242.58
2008645	10/10/07	07673	VALHALLA HIGH SCHOOL	016269	10/04/07	SPONSORSHIP	500.00	500.00
2008556	10/03/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2378994	10/04/07	DEFERRED COMP PLAN	6,769.43	6,769.43
2008744	10/17/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2379492	10/18/07	DEFERRED COMP PLAN	6,232.60	6,232.60
2008968	10/31/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2379793	11/01/07	DEFERRED COMP PLAN	6,275.20	6,275.20
2008557	10/03/07	03329	VERIZON WIRELESS	0589837155	09/21/07	WIRELESS DATA SERVICES	6,831.54	6,831.54
2008882	10/24/07	07717	VIKING	Ref002379578	10/18/07	UB Refund Cst #0000097405	588.84	588.84
2008883	10/24/07	03335	VORTEX INDUSTRIES INC	113570021	09/28/07	DOOR REPAIR	734.57	734.57
2008558	10/03/07	00101	W W GRAINGER INC	9451280698 9454746273 9451629746 9451783295	09/10/07 09/13/07 09/10/07 09/10/07	OVERLOAD RELAY BUILDING MAINT SUPPLIES PIPE SPACERS AND STRAPS 12VDC-120DAC POWER INVERTER	162.68 153.04 139.42 64.29	519.43
2008646	10/10/07	00101	W W GRAINGER INC	9458259588 9446204415 9458485209 9457405158 94959368115 9457123348	09/18/07 09/04/07 09/18/07 09/17/07 09/19/07 09/17/07	HEAT SHRINK TUBING PAINT PAINT BATTERIES PAINT CABLE TIES	223.72 134.47 132.45 105.51 53.23 39.95	689.33

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2008745	10/17/07	00101	W W GRAINGER INC	9462589251	09/25/07	CONDITIONER & POWER LINE	1,603.00	
				9463561150	09/25/07	MAINTENANCE SUPPLIES	696.05	
				9462465056	09/24/07	DRILL	202.68	
				9463447384	09/25/07	MAINTENANCE SUPPLIES	56.38	
2008884	10/24/07	00101	W W GRAINGER INC	9467657962	10/02/07	WAREHOUSE SUPPLIES	368.53	
				9467674512	10/01/07	MAINTENANCE SUPPLIES	252.97	
				9468039004	10/02/07	PAINT	134.47	
				9469944970	10/03/07	MAINTENANCE SUPPLIES	115.59	
				9468551719	10/02/07	PAINT	67.24	
				9466370716	09/28/07	PAINT	19.08	
2008969	10/31/07	00101	W W GRAINGER INC	9483330727		CREDIT MEMO	(591.55)	
				9409031474	07/13/07	PARTS	1,174.84	
				9476490306	10/11/07	WHEEL PIN	32.24	
				9475299302	10/10/07	SPRAY PAINT	14.16	
2008647	10/10/07	07595	WALTERS WHOLESALE ELECTRIC CO.	280780301	09/17/07	ELECTRICAL PARTS	1,015.48	1,310.12
				280780400	09/17/07	ELECTRICAL MATERIAL	294.64	
2008885	10/24/07	07691	WANDA A CORNELIUS	Ref002379552	10/18/07	UB Refund Cst #0000061903	50.77	50.77
2008648	10/10/07	00262	WATER AGENCIES ASSOCIATION	016280	10/08/07	MEETING REGISTRATION	120.00	120.00
2008746	10/17/07	02700	WATER CONSERVATION GARDEN	OTAY20708	09/20/07	COSTS FOR WATER CONSERVATION GARDEN	19,687.50	19,687.50
2008886	10/24/07	00014	WAXIE SANITARY SUPPLY	70268368	10/01/07	SANITARY SUPPLIES	645.99	645.99
2008970	10/31/07	00014	WAXIE SANITARY SUPPLY	70288493	10/11/07	SANITARY SUPPLIES	679.40	679.40
2008747	10/17/07	01343	WE GOT YA PEST CONTROL	43745	09/01/07	PEST CONTROL FOR ANTS	350.00	
				44304	09/25/07	BEE REMOVAL	115.00	
				44215	09/24/07	PEST CONTROL SERVICES	40.00	
				44252	09/26/07	PEST CONTROL SERVICES	40.00	
				44209	09/24/07	PEST CONTROL SERVICES	40.00	
				44210	09/24/07	PEST CONTROL SERVICES	40.00	
2008559	10/03/07	00190	WEST PAYMENT CENTER	814486134	09/20/07	LEGAL LIBRARY UPDATES & SUBSCRIPTION	586.18	586.18
2008649	10/10/07	00125	WESTERN PUMP INC	0060840IN	07/12/07	FUEL ISLAND REPAIR	500.50	500.50
2008887	10/24/07	00125	WESTERN PUMP INC	0062229IN	09/30/07	APCD TESTING FOR SEPT 2007	625.00	625.00
2008888	10/24/07	03131	WESTFLEX INDUSTRIAL	187128	09/28/07	HOSE	449.41	449.41

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2008889	10/24/07	03437	WIENHOFF DRUG TESTING INC	16747	10/01/07	RANDOM TESTING	220.00	220.00
2008890	10/24/07	07698	WILLIAM SWIFT	Ref002379559	10/18/07	UB Refund Cst #0000075823	7.53	7.53
2008560	10/03/07	02725	WILLIAMS SCOTSMAN INC	75453961	09/08/07	MOBILE OFFICE RENTAL @ TREATMENT PLANT	310.52	310.52
2008891	10/24/07	02725	WILLIAMS SCOTSMAN INC	76137572	10/02/07	28' TRAILER RENTAL @ TREATMENT PLANT	293.85	293.85
2008971	10/31/07	02725	WILLIAMS SCOTSMAN INC	76284142	10/08/07	MOBILE OFFICE RENTAL @ TREATMENT PLANT	310.52	310.52
GRAND TOTAL							2,235,073.80	2,235,073.80