

OTAY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**WEDNESDAY**  
**October 4, 2006**  
**3:30 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF AUGUST 2, 2006 AND SPECIAL BOARD MEETING OF AUGUST 7, 2006
5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

**CONSENT CALENDAR**

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
  - a) APPROVE A PROFESSIONAL SERVICES CONTRACT WITH INFRA-STRUCTURE ENGINEERING CORPORATION IN THE AMOUNT OF \$1,333,808 TO PROVIDE PROFESSIONAL ENVIRONMENTAL, GEO-TECHNICAL, AND ENGINEERING DESIGN SERVICES FOR THE 36-INCH PIPELINE, SDCWA OTAY FCF NO. 14 TO THE REGULATORY SITE PROJECT
  - b) APPROVE A CONTRACT WITH HARRELL & COMPANY ADVISORS, LLC TO SERVE AS THE FINANCIAL ADVISOR FOR A DEBT ISSUANCE OF APPROXIMATELY \$30 MILLION IN CERTIFICATES OF PARTICIPATION IN SPRING 2007

INFORMATION / ACTION ITEMS

7. BOARD INFORMATION / ACTION ITEMS

- a) DISCUSSION OF 2006 BOARD MEETING CALENDAR
- b) ADOPT RESOLUTION NO. 4089 APPROVING AMENDMENTS TO BOARD OF DIRECTOR'S POLICY 8, DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS

REPORTS

8. GENERAL MANAGER'S REPORT

- a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")
- b) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

9. DIRECTORS' REPORTS / REQUESTS

10. PRESIDENT'S REPORT / REQUESTS

RECESS TO CLOSED SESSION

11. CLOSED SESSION

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION [GOVERNMENT CODE §54956.9(a)]
  - i. HARRON v. OTAY WATER DISTRICT
  - ii. SOUTHWEST ENGINEERING, INC. v. OTAY WATER DISTRICT

RETURN TO OPEN SESSION

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

13. ADJOURNMENT

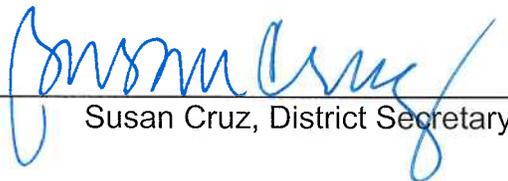
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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 September 29, 2006, 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 September 29, 2006.

  
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Susan Cruz, District Secretary

# AGENDA ITEM 4

## MINUTES OF THE BOARD OF DIRECTORS MEETING OTAY WATER DISTRICT August 2, 2006

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

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez 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 Operations Pedro Porras, Chief of Engineering Rod Posada, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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 approve the agenda.

5. APPROVAL OF MINUTES OF THE SPECIAL JOINT BOARD MEETING OF MAY 5, 2006

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

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

to approve the minutes of the of the May 5, 2006 joint board meeting.

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.

CONSENT CALENDAR

7. 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 Croucher 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) REJECT MR. AND MRS. CARTER'S CLAIM
- b) REJECT MR. AND MRS. INGHAM'S CLAIM
- c) APPROVE GENERAL MANAGER SALARY SETTING AD HOC COMMITTEE'S RECOMMENDATION FOR THE GENERAL MANAGER'S SALARY FOR FISCAL YEAR 2007

INFORMATION / ACTION ITEMS

8. BOARD

- a) DISCUSSION OF 2006 BOARD MEETING CALENDAR

General Manager Watton noted that a Special Board meeting has been scheduled on Monday, August 7, 2006, for a workshop on the Integrated Water Resources Plan. It was discussed that all board members have been confirmed to attend.

REPORTS

9. GENERAL MANAGER'S REPORT

General Manager Watton indicated that the District has received the field mobile computers and they are in the process of testing. He indicated that staff

anticipates deploying the first units fairly soon. He stated that this is the first roll out of the field technology that we have been discussing in the past few months.

He stated that a Request for Proposal (RFP) is being prepared for a Financial Advisor who will assist the staff in preparing the district for presentation to the rating agencies for the District's bond rating. He stated that it is hoped that the district would receive a rating upgrade.

He indicated that the board has heard discussions regarding a potential brine line that would collect brine from potential desalting plants in the South Bay area (the existing Reynolds Plant and potential plants at Otay River and in Otay Mesa). He stated that the brine line would convey brine concentrate from these facilities to the South Bay outfall. He stated that the brine line project would cost approximately \$40 million and would be very important to any future groundwater recovery or desalting water resources. He stated that a Prop 50 Chapter 6 grant has been received for the project and CWA has indicated that they would match the \$250,000 grant to commence the study.

General Manager Watton indicated that he wished to note that the district was pursuing revisions to the district's Recycled Water Waste Discharge Permit for the Ralph Chapman Treatment Plant and the new recycled water anticipated from the City of San Diego. He indicated that the district must have regional board permits and PBS&J consultants will be assisting the district in this endeavor.

He asked Chief of Operations Pedro Porras if he could present for the board the valve replacement process. He indicated that he thought the board might enjoy seeing the district's crew at work. Chief of Operations Porras indicated last week three crews replaced four valves and installed a new valve. He presented slides showing the procedure for the valve work (see attached copy of presentation). He also presented slides showing work through another program implemented by the District for air-vac valve replacement. He stated that the Dept. of Health Services has requested that agencies raise air-vac valves above ground. He indicated that air-vacs were originally installed underground in the middle of roadways and their purpose is to release air from the water system (water pipes). He indicated that the Dept. of Health Services is concerned that during the rain season, the underground compartments could fill with water and if the air-vac pipe breaks, it could pull in rain water and thus, contaminate the water supply. They are requesting all agencies to raise all air-vac valves above ground. He presented slides showing an air-vac being moved above ground near the sidewalk area of a residential street.

President Bonilla inquired if the slide showing the new air-vac that was moved above ground depicted how the roadway would be left. Chief of Operations Porras indicated that no, the roadway would be paved over, however, the district would only pave over the portion of the street that was excavated. He indicated most of the concerns they receive have been with regard to the air-vac can and where it resides above ground near the sidewalk. He stated that, however, once

it is explained to the homeowners the reason for moving the air-vac, they are fine with the air-vac can.

10. SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that the CWA board voted to support Proposition 84 (with 61% voting in favor). He stated that while they were unable to influence the CWA members to take a closer look at Prop 84, there is still more discussions that will occur prior to the November elections.

He stated that there was a lot of discussion on the Encina desalination project. The original thought was that CWA would be able to save cost by taking advantage of the sea water cooling system from the plant. However, NRG is planning on converting the plant in the next ten years to an air-cooled plant and possibly placing it in the same location that the desalination plant is currently contemplating. He stated that Poseiden indicates that they had taken this possibility into consideration and with some slight modifications to their plans they would still be able to utilize the site. He stated that the CWA board had voted to not certify the CWA EIR because it was felt that it did not reflect these new changes and they also did not wish to spend more money to make the changes and defend the EIR. He indicated that they voted to terminate negotiations with Poseiden as they have different profit motives than CWA as a public organization. He stated that they felt it was better to allow them to complete the project privately. If they are able to complete the project and provide potable water service to the City of Carlsbad, it is good for the county as it lessens the need on the overall infrastructure. He indicated that, if and when MWD puts into place the incentive payment for desalinated water, CWA would pass along the incentive to the City of Carlsbad. CWA's board also directed staff to continue to explore other desalination opportunities (possibly Rosarito, Oceanside, the South Bay and Mission Valley) and look at other local agencies that may have water supply opportunities. He stated that CWA's plan shows procuring 80,000 AF in desalinated supplies and Poseiden has indicated that they have customers with interest in approximately 25,000 AF. He stated that if an additional 55,000 can be produced from the smaller desalination projects, this will meet CWA's Master Plan.

Director Robak inquired how much has been spent by CWA in investigating the Encina project. General Manager Watton indicated that he did not have a total, but CWA has spent approximately \$1.8 million on the EIR which was the bulk of the expenses. He stated if CWA decided to go back to the site in future, there were elements in the EIR that could still be utilized. He noted that the total cost for the plant is approximately \$700 million and the \$1.8 million is a very small fraction of that cost.

11. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that the Sweetwater Authority will be joining the Water Conservation Garden and will officially become a partner on January 1, 2007.

He stated that the Garden Authority has also been meeting with the Sycuan Tribal Council and discussions have been promising.

Director Lopez indicated that he attended the Chula Vista Interagency Task Force meeting on July 31, 2006 and they discussed issues relating to the American Canal Lining and the District shared information from the World Water Forum attended by members of the District in March 2006. He stated that Sweetwater Authority also shared information on the status of various Sweetwater projects which have received Proposition 50 funding and those which have been or will be submitted for funding requests. He also shared that the District was recognized by the County Board of Supervisors for its 50<sup>th</sup> Anniversary. He stated that the Board of Supervisors presented the District a proclamation and Supervisor Greg Cox forwarded a note thanking the District for its hard work and service to the community.

Director Breitfelder congratulated Director Robak for the Garden's success in bringing Sweetwater Authority in as a new partner. Director Robak noted that the vote was unanimous on Sweetwater's board.

Director Breitfelder also shared that the Council of Water Utilities has moved its focus from groundwater issues to post retirement health benefits. He stated that this issue has become a hot topic of discussion among agencies. He indicated that presentations brought to light the cost of retirement health benefits and the need for strong and frank consultants to assist with the decision making on this issue. He noted that the Water Conservation Action Committee discussed the Water Conservation Summit agenda which is scheduled in September. He noted that 300 seats are available and he encouraged board members to attend.

Director Croucher indicated that he and General Manager Watton have meetings scheduled with CWA's board chair and representatives to continue to build relationships and understanding of one another's issues. He shared that he unfortunately would not be able to attend the employee event scheduled over the weekend as his daughter will be competing in the Heartland Swimming Championships. He indicated that he felt it is a very important event and should he be able to make the employee event following the swimming meet, he would attend. If he is unable to attend the event, he wanted staff to know that they are very much appreciated and he hoped that everyone has a good time.

## 12. PRESIDENT'S REPORT / REQUESTS

President Bonilla apologized for missing the July 5, 2006 board meeting and thanked Director Lopez for chairing the meeting in his absence. He reviewed meetings he attended in June and July of 2006. He indicated that he met with Director Breitfelder in his office on June 5 which he had reported at the June board meeting. He indicated that they discussed various items which were noted in the records of the June board meeting. He stated that he met with General Manager Watton on June 17, 2006 to discuss items to be agendized for June committee meetings. He and General Manager Watton also met with Mr. Gaston

Luken who is very active in Mexico border and water issues and has worked with high levels of the Mexican Government. He stated they shared ideas and discussed the Rosarito Desalination Project and CESPT. He stated that he also attended a meeting of the Ad Hoc Golf Course Committee on June 20, 2006 to discuss Synergy's proposal for improvements to the Salt Creek Golf Course. He stated they presented a new image for the golf course and he felt that they had the expertise to run golf courses. He stated that it was a very productive meeting. He also shared that he met with General Manager Watton and General Counsel Yuri Calderon to discuss agenda items for the July 5, 2006 board meeting and on July 19, 2006 he met with General Manager Watton to discuss July committee agenda items. He apologized that he was not able to attend the Mexican American Business and Professional Association (MABPA) event on July 20, 2006 to recognize Latino elected Public Officials as he had to attend to some business matters. He indicated that he sent the MABPA a thank you note for the special recognition. He also noted that he met with General Manager Watton to discuss agenda matters for the August 2, 2006 board meeting. He indicated that he was reporting his activities so the public is aware of who he has met with, but he would not be requesting per-diem reimbursements.

#### RECESS TO CLOSED SESSION

#### 13. CLOSED SESSION

The board recessed at 4:03 p.m. to discuss the following matters:

- a) CONFERENCE WITH LABOR NEGOTIATOR – (GOVERNMENT CODE §54957.8)

AGENCY DESIGNATED REPRESENTATIVE: DAN CASSIDY

- b) PUBLIC EMPLOYEE APPOINTMENT – (GOVERNMENT CODE §54957.6)

TITLE: GENERAL COUNSEL

#### 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

The board reconvened at 4:51 p.m. and General Counsel Calderon indicated that no reportable actions were taken in closed session.

#### 15. TERMINATE THE RETAINER AGREEMENT WITH BURKE WILLIAMS AND SORENSEN, LLP AND APPROVE THE RETAINER AGREEMENT FOR GENERAL COUNSEL AND SPECIAL LEGAL SERVICES WITH GARCIA CALDERON AND RUIZ, LLP EFFECTIVE AUGUST 1, 2006

Director Breitfelder indicated that the committee recommendation was based on whether this proposal would decrease service or significantly increase cost. He indicated that they did not evaluate the issue relative to alternatives as it was felt that the District was a year or two away from making such an assessment with confidence. He indicated that he felt that General Counsel Calderon fits very well with the positive changes that have occurred within the District for the past two years and that he has been a positive influence.

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

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

to approve the retainer agreement with Garcia Calderon and Ruiz, LLP, with the modifications discussed in closed session.

16. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 4:53 p.m.

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President

ATTEST:

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District Secretary

# AGENDA ITEM 4

## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OTAY WATER DISTRICT August 7, 2006

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

2. ROLL CALL

Directors Present: Bonilla, Croucher, Breitfelder, Lopez 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 Operations Pedro Porras, Chief of Engineering Rod Posada, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

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

No one wished to be heard.

### INFORMATION / ACTION ITEMS

6. DISCUSSION OF THE DISTRICT'S INTEGRATED WATER RESOURCES PLAN

Mr. Dan Rodrigo, CDM, indicated that he would be serving as a facilitator for the workshop. He stated that the purpose of the workshop was to provide a status

report on the Integrated Water Resources Plan (IRP) and to get the board's feedback on the process followed, thus far, by staff and the District's consultant. He introduced the consultant team from CDM, Mr. Mike Savage, Project Manager; Enrique Lopezcalva, Task Manager; and Salvador Lopez, Water Supply Analyst and Engineering Feasibility.

General Manager Watton indicated that agencies of the District's size traditionally have not done IRP's because of the cost and the lack of necessity. He stated that IRP's are generally prepared by large agencies such as San Diego County Water Authority (SDCWA) and the Metropolitan Water District (MWD). Today, it has become a necessity especially due to the District's growth. He presented a slide indicating the District's IRP mission:

"To find the best mix of imported water, local supplies and conservation to meet demands in a cost-effective manner while also incorporating environmental impacts, implementation risk, and other factors."

He noted that in 2005, 59% of the district water supply was provided through treated imported water from SDCWA and 3% by recycled water and it is expected in 2010 that treated water supplies from SDCWA would only represent 25% of the district's water supply and recycled water would increase to 16% of the District's water supply. He stated that local agreements for treated water would grow from 38% in 2005 to 59% in 2010. The District has been addressing water supply needs through 2010, but now needs to explore other opportunities following 2010. He stated with the growth occurring in the District, water demands will grow from 38,000 acre feet (AF) in 2005 to 82,000 AF in 2030. He indicated that the District must determine how it would provide adequate water service through the best resources that is the most cost effective.

General Manager Watton indicated that the District teamed with CDM to address this long term water supply needs and explore options. As an industry leader, CDM's experience and insight will assist the District in developing a first rate IRP. He stated that an IRP would also position the District to achieve grants and bond funding for its projects. He stated the IRP is a foundational document for the District similar to the Strategic Plan, budget, Urban Water Management Plan, etc., and serves to provide the public information on what the District's goals are with regard to future water resources. He stated that the document would serve the District into the future and it would be updated periodically.

Mr. Savage indicated that the IRP is not a master plan but a resources plan. It determines long term strategies showing trade-offs between different supply and demand options. He stated that the IRP guides your master planning for specific facilities and CIP development. He stated that the main features of an IRP are that it:

- Is open and a participatory decision/process
- Looks at planning scenarios that incorporate uncertainty and risk

- Considers the institutional context (regulatory and legal impacts)

He noted that Otay is progressive in applying this approach to a smaller agency and that it will help the district achieve future state and federal funding sources as they are requiring integrated plans.

He reviewed the process in developing a successful IRP. He stated that the District must look at its supply options (building blocks) and formulate alternatives (a combination of supply options) as not one option will meet all the District's needs. He stated that the District at the same time must also look at its objectives, then determine what it is trying to measure and how successful the alternatives are in meeting needs. He stated that CDM utilizes a software program called STELLA to evaluate supply reliability, cost, water quality, agreements the district holds, and environmental impacts based on goals (i.e., maximize recycled water, maximize imported water or maximize conservation) and see how the various options score. This information is then input into Criterium Decision Plus (CDP), a multi-criteria ranking software which allows them to look at the District's objectives and compare the various options scores and rank the alternatives and develop a preferred strategy. It was noted that this software would be turned over to staff for their long term use.

President Bonilla inquired how and who would maintain the CDP database once it was turned over to staff. It was noted that the District has staff that is already familiar with the database software and analysis and the system is very user friendly and would be easy to maintain. It was noted that the database would not require day-to-day maintenance. General Manager Watton indicated that the software was a good analytical tool to help obtain a result, but it did not replace judgment or local knowledge. The decision would ultimately be made by the board and staff. The tool, however, provides the documentation and back-up in demonstrating how the decision was made.

Mr. Lopezcalva reviewed the planning terminology as it relates to the development of the IRP:

- *Objective*: the goals that define the essential purposes of the IRP in broad overarching terms (the why)
- *Sub-objective*: further defines the meaning of the planning objectives
- *Alternatives*: The means of accomplishing the objective (the how, which includes different types of supply options)
- *Performance Measures*: The quantifiable indicators of how well an alternative meets the objectives

He reviewed the objectives of the IRP in detail:

- *Objective*: the goals that define the essential purposes of the IRP in broad overarching terms (the why)
  - To meet or exceed water quality standards and guidelines

- To meet current and future drinking water standards
- Address compatibility of new sources with current imported supply
- Meet TDS goals for recycled water, potable water and Basin Plan
- Minimize potential issues due to disinfection method
- Maintain affordability
  - Minimize impacts to an average single-family customer
  - Manage capital costs
- Achieve supply reliability
  - Meet demands under normal conditions
  - Meet demands under drought conditions
  - Minimize impacts under emergency conditions
- Increase system flexibility
  - Increase number of take points and alternative flow routes (ability to move water)
- Increase supply diversity
  - Maximize number of sources and reduce contribution of largest source
- Address environmental and institutional constraints
  - Minimize environmental permitting requirements
  - Minimize institutional coordination and implementation requirements (Local/State/Federal/International)
  - Maximize customer acceptance
  - Minimize regulatory constraints
  - Minimize uncertainty of new technologies

President Bonilla inquired as to what was meant by the uncertainty of new technologies. Mr. Lopezcalva indicated that this refers to ideas that seem possible, but have not yet been proven that it could be done. One such example is bringing water from Alaska via tankers to Southern California. This has not actually been done so it is not yet been proven as a possible source. He noted that it is not being looked at as an alternative by the District, but is one such example. Another might be new desalination technology that has not yet been proven. Mr. Lopezcalva indicated that one option that falls under the sub-objective that is applicable to the District is the desalination of brackish water and how the brine would be managed. He indicated that it must determine if the technology would allow for a zero discharge of brine and if not, how would the brine be handled.

Director Breitfelder asked if there were some criteria that alternatives must meet. Mr. Rodrigo indicated that alternatives must meet Federal/State Standards for drinking water. They also would not propose reservoirs which would be challenged by environmentalists because it would destroy protected species at the site proposed.

Mr. Rodrigo distributed a weighting form to each director in which they would indicate the objectives which is of most importance to each. He also requested that each director complete the second page of the form in which they split a 100 points among the sub-objectives listed in accordance to their belief of their importance/priority.

The board recessed at 4:24 p.m. to complete their rating of objectives and reconvened at 4:31 p.m.

Engineering Manager Jim Peasley reviewed the options for current and future water supplies to Otay. He noted the district's existing sources of water supplies:

- Imported water through Helix WD's Levy WTP (potable)
- District's Chapman Recycled WRP
- Imported water through CWA (potable)
- Treated Water from the Lower Otay Treatment Plant from the City of San Diego (potable)
- Reclaimed water from the South Bay Recycled WRP

He indicated the potential sources for additional water supplies (building blocks):

- Groundwater from the Tijuana River Valley
- Joint desalination [project in Rosarito Beach, Mexico]
- Groundwater from the Otay Mesa well
- Additional conservation
- Reclaimed water to areas currently not served (north part of the District)
- Additional reclaimed water from the South Bay WRP (new agreement with the City of San Diego)
- Groundwater from the San Diego formation
- Water Transfers from various sources:
- Joint SDCWA desalination

Mr. Savage indicated that his firm worked with staff and they identified 30 options for addressing future water needs and agencies and cities in which potential partnerships might be sought to acquire these future water sources. Slides were presented showing schematics of improvement efforts for both potable and reclaimed water to the District's facilities through 2010. Mr. Savage indicated that the current improvements would provide the basis for evaluating supply options beyond 2010. He stated that the program STELLA is then is utilized to develop the water systems model. Mr. Savage indicated that two-page summaries were developed to describe the source, what the alternative will accomplish, the required water rights and infrastructure, the cost and issues that could arise.

Director Robak inquired if the scenario options had already been developed. Mr. Savage indicated that they have not yet been developed. Today, they were working with the board on balancing objectives and options. He stated in the

next week or two they will take the board's options and objectives and formulate alternatives from the board's preferences. Then they will evaluate the alternatives in terms of the District's objectives.

Director Robak indicated that he still wished to keep the options open. Mr. Rodrigo indicated that they could do that as the system was not closed. Mr. Savage indicated that they were ready to build the systems model with the options that currently exist, but they have not yet requested that the system turn the options into alternatives until the board's preferences have been received.

Mr. Rodrigo indicated that they felt this was a good point to get the board's feedback. He stated that they felt that before they move forward, they wished to assure that the board is comfortable with what has been accomplished thus far.

President Bonilla inquired what would occur if the outcome of the IRP is not in line with the District's Strategic Plan. Mr. Rodrigo indicated that he would hope that they would be complimentary. However, if they are not, General Manager Watton indicated that the District would need to adjust the plan and true it up.

Mr. Savage indicated that while his team works on the results of the board objective rankings, they would review what the next steps were for the IRP. General Manager Watton indicated that the IRP is a good indicator that we are all moving in the same direction. He stated that it would prioritize the projects that the District will need to focus on. Mr. Savage presented a slide showing the IRP project schedule and the tasks they must accomplish in preparing the IRP (see attached copy of presentation) and indicated that the District was in task 3.5 which is to "Develop and Evaluate Alternatives." He stated that they have collected the data and following this meeting, they would work on formulating the alternatives. General Manager Watton indicated the Engineering Department historically has always kept current on all the possible alternatives resources available to the District. However, the IRP would take this knowledge to a more sophisticated/higher level where we now start to weight and balance the alternatives.

Director Robak inquired what time period was being planned for in the IRP. General Manager Watton indicated that it is looking through 2030. Director Robak also inquired what was budgeted for the IRP. Engineering Manager Peasley indicated that the District has budgeted \$250,000 for the IRP.

Mr. Lopezcalva presented the results of the board objective rankings. He indicated that the objective to "meet or exceed water quality standards and guidelines" was the top ranked objective and the lowest ranking objective was to "address environmental and institutional constraints." He indicated that four directors ranked "meet or exceed water quality standards and guidelines" as their number one objective and one director ranked "achieve reliability" as their number one objective.

Mr. Lopezcalva indicated when the top two objectives are reviewed, "increase diversity" appears as a top two objective tying with "achieve reliability." He stated when reviewing the top three objectives "meet or exceed water quality standards and guidelines" and "achieve reliability" were tied as the top priorities among the board members. Second place among priorities was "increase diversity" and the third place was "maintain affordability." President Bonilla indicated that this should fit with other District planning documents. It was noted that it did.

Mr. Lopezcalva then presented a graph showing a comparison of board versus staffs' objectives average weighting. He noted that the board and staff had very similar average weights for the "achieve reliability," "maintain affordability," "increase flexibility" and "increase diversity" objectives. He stated that there were differences in the average weighting for the objectives "meet or exceed water quality standards" and "address environmental and institutional constraints." President Bonilla indicated that this was understandable as staff does all the research and background work, so they have a different perspectives.

Director Robak indicated that the District recently completed a customer survey in which reliability and affordability were explored with the District's customers. He inquired if anyone recalled what the District's customers' top concerns were. He thought they were quality, affordability and reliability. President Bonilla indicated that he believed the customers' top priority was reliability and safety. Mr. Rodrigo noted that customers would also be influenced by current circumstances such as a drought and "boil water" notices.

Mr. Rodrigo inquired if the objective weightings seemed reflective of the board's values. The members felt that it was. Director Croucher indicated that he did have another issue that he felt should be taken into consideration with regard to objectives. He stated that the District could be meeting all legal standards of water quality, but what if the customer was not happy with the product being delivered because of the smell, taste, color, etc. of the water. He stated that he felt these issues should be taken into consideration as well. Mr. Lopezcalva indicated that the District could integrate the issue into the objective "meet or exceed water quality standards and guidelines" by adding "for aesthetics."

Director Breitfelder inquired if they could present staffs' objective weightings and their opinion of their rankings. Mr. Rodrigo reviewed staffs' rankings and indicated that he was personally surprised that a member of the staff ranked water quality at "zero." He stated that he was not surprised by the other rankings. Mr. Rodrigo indicated that the individual may be seeing water quality as a given and, thus, did not give the item importance.

Director Robak inquired when Mr. Rodrigo's team reviews the various options, would they also take into consideration the cost effectiveness of the options. Mr. Rodrigo indicated that, yes, they do look at the economic element of alternatives. They also look at the cost versus the flexibility of alternatives.

7. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 5:11 p.m.

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President

ATTEST:

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District Secretary

# AGENDA ITEM 6a



## STAFF REPORT

TYPE OF MEETING:	Regular Board	MEETING DATE:	October 4, 2006
SUBMITTED BY:	Hossein Juybari, Senior Civil Engineer Ron Ripperger, Engineering Manager	C.I.P./ G.F. NO.	P2009 DIV. 5 NO.
APPROVED BY:	Rod Posada, Chief, Engineering		
APPROVED BY:	Manny Magaña, Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Professional Engineering Services Contract for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board award a contract to Infrastructure Engineering Corporation (IEC) in the amount of \$1,333,808.00 to provide professional environmental, geotechnical, and engineering design services for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site (36-Inch Pipeline) Project. See Exhibit A for the project location.

### COMMITTEE ACTION: \_\_\_\_\_

Please see Attachment A.

### PURPOSE:

To obtain Board authorization to award a professional engineering services contract to IEC for the 36-Inch Pipeline Project.

### ANALYSIS:

In accordance with Board of Directors Policy No. 21, the District placed an Advertisement for Professional Consultant Services in the San Diego Union Tribune on Sunday May 7, 2006 and the San Diego Daily Transcript on May 8, 9, 10, and 11, 2006. The pre-proposal meeting for the project was held on June 8, 2006. Forty-one (41) people from various consulting groups attended the meeting. Twenty-eight (28) firms submitted a Letter of Interest and a Statement of Qualifications. Three (3) firms did not meet the minimum

qualification requirements. Therefore, the Request for Proposal was sent to twenty-five (25) primary engineering firms resulting in eight (8) proposals received on June 29, 2006 from the following firms:

1. Brown and Caldwell
2. Camp Dresser & McKee Inc.
3. Infrastructure Engineering Corporation
4. Kennedy/Jenks Consultants
5. Lee & Ro, Inc.
6. Lockwood, Andrews & Newnam, Inc.
7. Richard Brady & Associates
8. Tetra Tech, Inc.

The remaining seventeen (17) firms (Boyle Engineering Corporation; Carollo Engineers, P.C.; Parsons Water & Infrastructure, Inc.; Black & Veatch Corporation; Harris & Associates; Stantec Consulting Inc.; EarthTech, Inc.; Rick Engineering Company; Nolte Associates, Inc.; Hirsch & Company; Winzler & Kelly Consulting Engineers; P&D Consultants; Kimley-Horn and Associates, Inc.; PBS&J; HDR Engineering, Inc.; Daniel Boyle Engineering; and MWH Americas, Inc.) chose not to propose due primarily to the large number of consultants competing for the project.

A District review panel evaluated the written proposals and selected the following firms for a formal interview:

1. Brown & Caldwell
2. Infrastructure Engineering Corporation
3. Lee & Ro, Inc.
4. Tetra Tech, Inc.

The interview selection panel was comprised of six (6) staff members. The oral interviews were conducted on August 9, 2006. After conducting the interviews, the panel completed the consultant ranking process and concluded that IEC was the most qualified consultant and provided the best overall value. A summary of the complete evaluation is shown in Exhibit B.

Fee negotiations with IEC were concluded on September 1, 2006. Staff recommends the award of a professional services contract to IEC for a not-to-exceed amount of \$1,333,808.00. See Attachment C for a copy of the Professional Services Agreement.

**FISCAL IMPACT:**

The total budget for CIP P2009 is \$18,490,000, as approved in the 2007 budget process. The actual costs paid on this project as of September 6, 2006, are \$165,451. Total expenditures and commitments to date, including this contract, are approximately \$1,499,259. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment B is a table of

commitments, expenditures, and the projected final cost for the project.

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

**STRATEGIC GOAL:**

This project supports Strategic Goal No. 5, Potable Water, by guaranteeing that the District will always be able to meet current and future water supply demands through the planning, design, and construction of new facilities.

**LEGAL IMPACT:** \_\_\_\_\_

None



\_\_\_\_\_  
**General Manager**

TH/HJ/RR:vm

Attachments



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Award of a Professional Engineering Services Contract for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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### COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at a meeting held on September 22, 2006. The following comments were made:

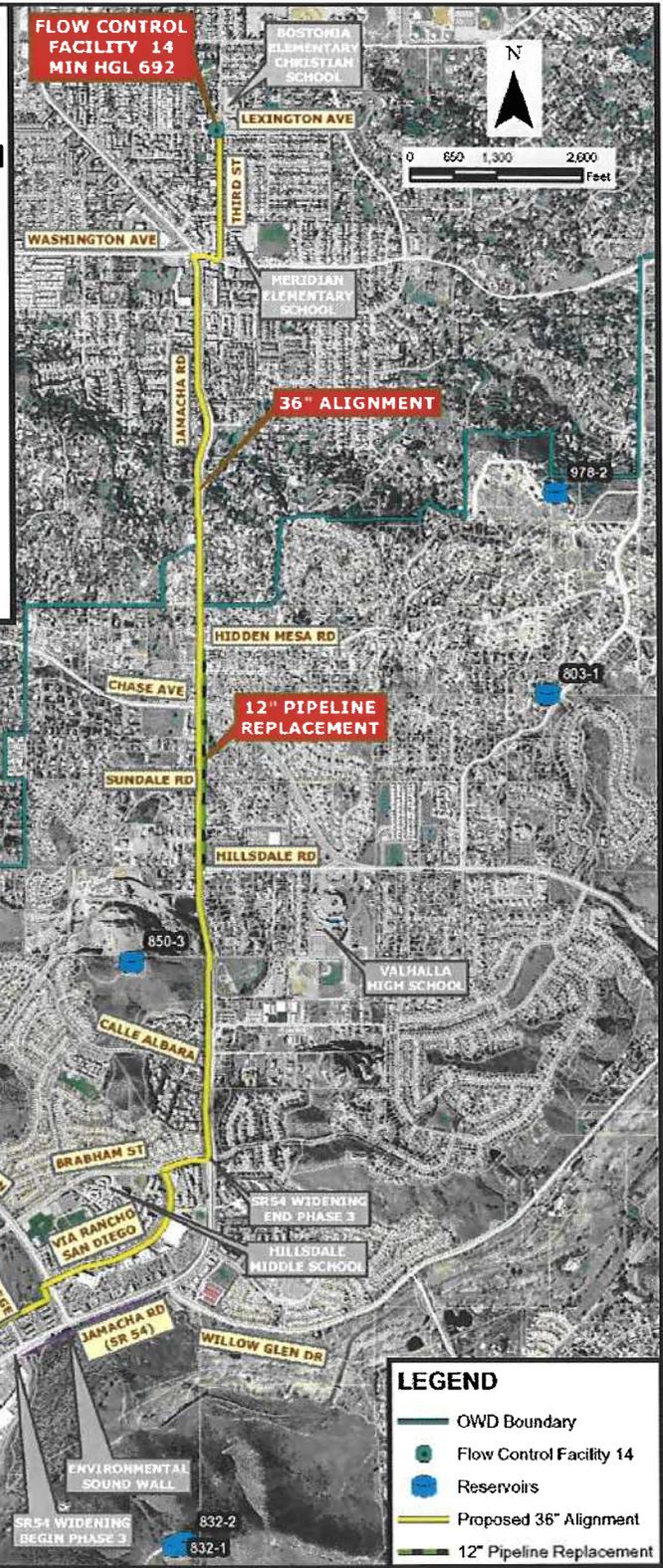
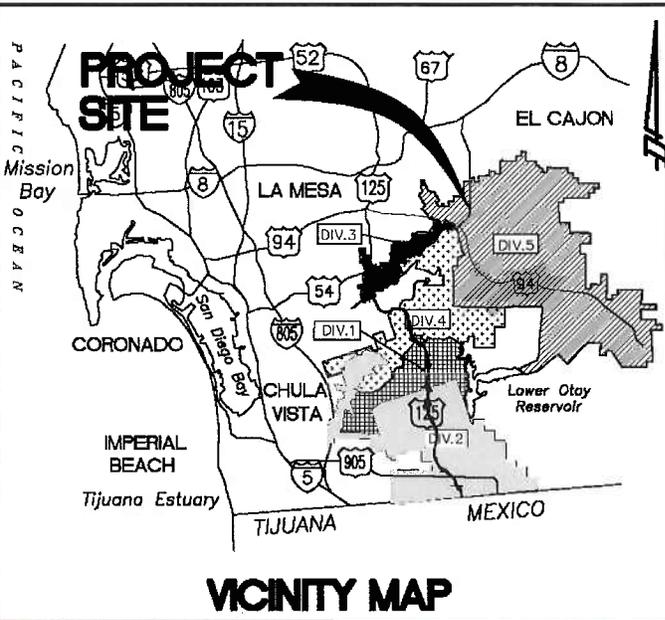
- This project was initiated through an agreement between Otay WD and CWA (East County Regional Treated Water Improvement Program) to increase the size of the current pipeline at Helix's FCF14 from 12 MGD to 16 MGD for additional water supplies to serve the northern portion of the district.;
- The project was advertised on Sunday, May 7, 2006, in the San Diego Union Tribune and on May 8 thru the 11 in the San Diego Daily Transcript. The Chief of Engineering and staff members also sent the advertisement to various firms directly through the Outreach and Opportunities Program.;
- The RFP was sent to twenty-five firms of which eight submitted a proposal.;
- A six member panel reviewed the proposals and selected the top four for interviews (Brown & Caldwell, Infrastructure Engineering Corp., Lee & Ro, Inc. and Tetra Tech, Inc.).;
- The six member panel recommended the selection of Infrastructure Engineering Corp. (IEC);
- It was noted that this was the largest project since the amendments were made to Policy 21, Policy for the Selection of Professional Consultants. The new policy now includes the review of the proposal fees as part of the review process and that at least five panel members be appointed to review the proposals.;
- It was discussed that IEC had the second lowest fee and it was reasonable for the work to be performed.;
- There was discussion that the amendments to Policy 21 was working well and it made the process very transparent as

well as making projects available for all consultants to submit proposals.;

- The district has received positive feedback on the process and some had requested feedback on how they could improve their proposals.;
- Staff provided the committee materials on the project's proposal process which included the RFP, copies of the ads advertising the project, the panel review ranking spreadsheets, IEC's proposal, etc. Copies will be provided to the full board.

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

P:\WORKING\CIP P2009\Graphics\Exhibits-Figures\Staff Reports\2009 Exhibit A\_Staff Report.dwg 9/6/2006 9:45:55 AM PST



**LEGEND**

- OWD Boundary
- Flow Control Facility 14
- Reservoirs
- Proposed 36" Alignment
- 12" Pipeline Replacement



**OTAY WATER DISTRICT**  
 PIPELINE—36 INCH,  
 SDCWA OTAY FCF NO. 14 TO REGULATORY SITE

P2009

**EXHIBIT A**

**EXHIBIT B**  
**SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS**  
 Pipeline - 36 inch,  
 SDCWA Otay FCF No. 14 to Regulatory Site  
 CIP P2009

	WRITTEN								ORAL*					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	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE, SBE	Additional creativity, insight to issues	Understanding of scope, schedule, resources	Strength of project manager	Presentation, communication skills	Quality of response to questions				
<b>SCORE</b>	<b>15</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>150 **</b>			
<b>Brown and Caldwell</b>	M. Magana/J. Munoz	14	13	10	9	12	15	10	4	9	8	10	10	9	133	123.17	✓
	M. Arbabiari/J. Peasley	13	13	8	8	12	13	8	4	7	5	7	7	7	113		Not Checked
	R. Posada	12	13	10	8	12	14	8	4	8	9	8	8	9	123		
	P. Porras/J. Vaclavek	11	11	8	8	12	12	7	2	9	9	9	10	9	117		
	R. Ripperger	14	13	8	8	12	14	8	4	8	8	8	8	7	120		
	H. Juybari	15	15	10	9	12	14	10	4	9	9	10	8	8	133		
<b>Camp Dresser &amp; McKee Inc.</b>	M. Magana/J. Munoz	7	10	6	6	8	8	8	4	<b>Not Interviewed</b>					57	67.83	Not Checked
	M. Arbabiari/J. Peasley	12	12	7	8	8	12	8	4						71		
	R. Posada	8	12	5	5	8	8	4	58								
	P. Porras/J. Vaclavek	12	11	8	8	13	5	4	89								
	R. Ripperger	12	13	7	7	8	12	8	4						71		
	H. Juybari	13	14	8	10	8	14	10	4						81		
<b>Infrastructure Engineering Corporation</b>	M. Magana/J. Munoz	8	9	6	6	16	9	8	5	10	10	10	10	9	118	127.67	✓
	M. Arbabiari/J. Peasley	12	13	8	9	16	13	9	5	10	9	10	9	10	133		
	R. Posada	8	12	7	7	16	10	8	5	8	9	8	10	9	117		
	P. Porras/J. Vaclavek	10	13	8	9	16	15	8	5	9	9	9	10	9	130		
	R. Ripperger	14	13	8	8	16	14	8	4	9	9	9	9	9	130		
	H. Juybari	15	15	9	10	16	15	10	5	9	9	10	9	8	140		
<b>Kennedy/Jenks Consultants</b>	M. Magana/J. Munoz	6	7	6	6	16	7	8	4	<b>Not Interviewed</b>					80	74.83	Not Checked
	M. Arbabiari/J. Peasley	11	12	7	8	16	11	9	4						78		
	R. Posada	6	8	6	6	16	8	8	4						82		
	P. Porras/J. Vaclavek	13	11	10	10	16	12	10	2						84		
	R. Ripperger	14	13	7	7	16	11	8	3						79		
	H. Juybari	13	13	9	10	16	11	10	4						86		
<b>Lee &amp; Ro, Inc.</b>	M. Magana/J. Munoz	13	12	9	9	10	14	10	3	8	9	9	8	7	121	123.17	Not Checked
	M. Arbabiari/J. Peasley	12	12	7	8	10	12	8	3	8	7	10	8	8	113		
	R. Posada	14	14	9	10	10	13	9	3	9	10	9	10	10	130		
	P. Porras/J. Vaclavek	15	14	8	9	10	11	6	3	10	7	8	8	8	117		
	R. Ripperger	14	15	8	9	10	14	8	4	9	8	9	8	8	125		
	H. Juybari	14	15	9	10	10	15	10	3	9	10	10	9	9	133		
<b>Lockwood, Andrews &amp; Newnam, Inc.</b>	M. Magana/J. Munoz	7	8	4	2	16	7	6	4	<b>Not Interviewed</b>					54	67.83	Not Checked
	M. Arbabiari/J. Peasley	10	10	6	6	16	10	7	4						89		
	R. Posada	10	12	5	3	16	8	6	4						84		
	P. Porras/J. Vaclavek	12	12	9	7	16	14	6	3						79		
	R. Ripperger	10	11	7	6	16	11	7	4						72		
	H. Juybari	12	12	1	6	16	10	8	4						89		
<b>Richard Brady &amp; Associates</b>	M. Magana/J. Munoz	12	11	6	7	18	10	9	2	<b>Not Interviewed</b>					75	74.50	Not Checked
	M. Arbabiari/J. Peasley	10	11	6	7	18	11	7	2						72		
	R. Posada	10	12	6	6	18	10	8	2						72		
	P. Porras/J. Vaclavek	12	11	9	8	18	9	4	0						71		
	R. Ripperger	12	12	7	8	18	11	8	1						77		
	H. Juybari	14	13	7	9	18	9	8	2						80		
<b>Tetra Tech, Inc.</b>	M. Magana/J. Munoz	13	12	8	9	18	13	9	4	7	8	8	8	8	125	116.67	Not Checked
	M. Arbabiari/J. Peasley	11	12	7	7	18	11	8	4	6	6	8	7	7	112		
	R. Posada	10	12	7	8	18	10	8	4	7	8	8	7	8	115		
	P. Porras/J. Vaclavek	11	15	8	8	18	14	9	3	5	6	7	7	8	119		
	R. Ripperger	12	12	7	8	18	11	8	3	5	6	8	6	6	110		
	H. Juybari	13	14	8	8	18	10	9	4	5	8	6	9	7	119		

Note: These scores are typical for a particular project. Actual weight scores may vary and will be published as part of the RFP.

J. Munoz, J. Peasley and J.Vaclavek only rated the oral interview



ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Award of a Professional Engineering Services Contract for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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**COMMITTEE ACTION:**

On September 22, 2006, the Engineering and Operations Committee met and supported staff's recommendation.

**NOTE:**

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



**ATTACHMENT B**

<b>SUBJECT/PROJECT:</b>	Award of a Professional Engineering Services Contract for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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Clay Water District

Date Updated: September 6, 2006

P2009 - 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$18,490,000					
<b>Planning</b>					
Studies				\$ -	
Labor		\$ 139,165.71	\$ 22,786.32	\$ 181,941.03	
Printing		\$ 992.75		\$ 992.75	OCB REPROGRAHICS
Professional Legal Fees		\$ 5,595.00		\$ 6,595.00	BURKE WILLIAMS & SORENSEN
Service Contracts		\$ 789.20		\$ 789.20	UNION TRIBUNE, SD DAILY TRANSCRIPT
Subcontract		\$ 12,268.07		\$ 12,268.07	HELIX WATER DISTRICT
Temporary Labor		\$ 15.95		\$ 15.95	SEDONA STAFFING
Land/Easement Acquisition			\$ 325,000.00	\$ 325,000.00	
<b>Total Planning</b>	\$ -	\$ 158,814.68	\$ 347,785.32	\$ 506,600.00	
<b>Design</b>					
Consultant -IEC	\$ 1,333,808.00		\$ -	\$ 1,333,808.00	
Value Engineering			\$ 91,000.00	\$ 91,000.00	
Risk Assessment			\$ 20,000.00	\$ 20,000.00	
In House/Labor		\$ 6,394.04	\$ 475,000.00	\$ 481,394.04	
Office Supplies & Misc.		\$ 209.40		\$ 209.40	
Office Supplies -future			\$ 588.56	\$ 588.56	
Outside Services (Team Reprographics, LLC)			\$ 10,000.00	\$ 10,000.00	
Service Contracts			\$ 50,000.00	\$ 50,000.00	
Advertise and Award			\$ 50,000.00	\$ 50,000.00	
<b>Total Design</b>	\$ 1,333,808.00	\$ 6,603.44	\$ 696,588.56	\$ 2,037,000.00	
<b>Construction</b>					
In House/Labor		\$ 32.90	\$ 229,967.10	\$ 230,000.00	
Construction Contracts			\$ 14,013,400.00	\$ 14,013,400.00	
Construction Mgr			\$ 900,000.00	\$ 900,000.00	
OWD to Pay CWA for FCF 14			\$ 700,000.00	\$ 700,000.00	
Acpt/close-out			\$ 103,000.00	\$ 103,000.00	
<b>Total Construction</b>	\$ -	\$ 32.90	\$ 15,946,367.10	\$ 15,946,400.00	
<b>Grand Total</b>	\$ 1,333,808.00	\$ 155,451.02	\$ 16,990,740.98	\$ 18,490,000.00	

# ATTACHMENT C

AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES BETWEEN  
OTAY WATER DISTRICT  
AND  
INFRASTRUCTURE ENGINEERING CORPORATION  
FOR THE  
PIPELINE – 36 INCH, SDCWA OTAY FCF NO. 14 TO REGULATORY SITE  
(CIP P2009)

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006 by and between the OTAY WATER DISTRICT, a municipal water district, formed and existing pursuant to California Municipal Water District Act of 1911, as amended, hereinafter referred to as "DISTRICT," and Infrastructure Engineering Corporation, hereinafter referred to as "ENGINEER."

## WITNESSETH

WHEREAS, the DISTRICT requires the services of a consulting engineer to render certain technical and professional services described below; and

WHEREAS, the ENGINEER has available, and offers to provide, personnel and facilities necessary to accomplish the work within the required time.

NOW, THEREFORE, DISTRICT AND ENGINEER agree as follows:

### ***I. Scope of Engineering Services***

The ENGINEER agrees to perform those services described in the Scope of Services set forth in Exhibit A attached hereto and incorporated herein by this reference. The scope of engineering services shall include meetings with District staff, review of previous technical documentation, preparation of draft and final construction documents, and construction phase services such as review of submittals.

### ***II. Authorization***

Specific authorization to proceed with the work described in Exhibit A is hereby granted upon full execution of the Agreement. The ENGINEER shall proceed with the work described in Exhibit A immediately upon receipt of a fully executed copy of this Agreement.

### ***III. Compensation***

In return for providing the services described in Exhibit A, which are to be performed by the ENGINEER, the DISTRICT agrees to pay, and the ENGINEER agrees to accept, compensation as set forth in Exhibit A, in the not-to-exceed amount of one million three hundred thirty three thousand eight hundred and eight dollars (\$1,333,808), payable in proportion to the work completed. The total estimated fee reflects the budget breakdown per task included in

Exhibit B, and the hourly rate schedule included in Exhibit C. Total compensation for all Professional Services provided under this agreement shall not exceed one million three hundred thirty three thousand eight hundred and eight dollars (\$1,333,808) during the term of this agreement without prior written authorization from the DISTRICT.

The ENGINEER shall invoice the DISTRICT on a monthly schedule in the format shown in Exhibits B and C. The ENGINEER shall not invoice the DISTRICT for work, which has not been completed at the time the invoice is prepared. The DISTRICT shall have forty-five (45) days from the date of receipt of error-free invoices prepared in accordance with Exhibits D and E to make payment without incurring interest and/or penalty charges.

#### **IV. Standard of Care**

The ENGINEER is employed to render engineering services only, and any payment made to the ENGINEER is compensation solely for such services as the ENGINEER may render and recommendations the ENGINEER may make. The ENGINEER'S services shall be furnished in accordance with generally accepted professional engineering practices and principles.

#### **V. Documents**

All original drawings and other documents, including detailed calculations and computer software and files developed for the project, shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the DISTRICT, except as otherwise provided in Section VIII: Termination or Abandonment.

The ENGINEER shall provide final documents on compact disc (CD). Final drawings and details shall be in AutoCAD® 2005 format. Final Contract Specifications, reports, and spreadsheets shall be in Microsoft® Office 2003 format. Any other electronic format documents provided to the DISTRICT must be formatted to the same software version or release as that of the DISTRICT.

#### **VI. Performance and Schedule**

Time is of the essence in this Agreement. The ENGINEER agrees to coordinate project work to ensure its timely completion and shall promptly notify the DISTRICT of any anticipated delays, which may affect the work schedule. The ENGINEER agrees to complete the work in accordance with the activity schedule set forth in Exhibit A. In the event the time for completing the Scope of Services is exceeded due to circumstances beyond the control of the ENGINEER, the ENGINEER shall have an additional amount of time to be agreed upon in writing between the parties, in which to complete the work. The scheduled time of completion is one thousand one hundred fifty five (1,155) calendar days after the Notice to Proceed for this project.

#### **VII. Change in Scope of Services**

Any additional engineering costs (changes, extras, modifications, etc.) arising out of revisions by the DISTRICT or changes in regulations after execution of this Agreement in the work not covered within the Scope of Services shall be brought to the attention of the DISTRICT immediately, and no such work shall be done prior to obtaining written approval from the DISTRICT.

If the DISTRICT changes the Scope of Services, or if changes in regulations after execution of this Agreement necessitate changes in the Scope of Services, or if the ENGINEER is requested to perform services not detailed in the Scope of Services, the ENGINEER shall provide a cost estimate and written description of the additional work required to perform such services and necessary to complete the work. Compensation for such services and time of completion shall be negotiated by the parties hereto in advance of rendering such additional work, or the DISTRICT will not be required to pay for such additional work. All work done without proper authorization shall be considered part of this Agreement for no additional compensation.

### **VIII. Termination or Abandonment**

Ten (10) calendar days from the date of a written notice to terminate, the DISTRICT has the right to terminate or abandon all or any portion of the work. In such event, the DISTRICT will have the right to take possession and shall own immediately all original specifications, drawings, and other documents developed for that portion of the work completed and/or being abandoned. The DISTRICT will pay the ENGINEER for services for any portion of the work being terminated which were rendered prior to termination. If said termination occurs prior to completion of any task of the project for which a payment request has not been received, the fee for service performed during such task shall be based on an amount mutually agreed to by the DISTRICT and the ENGINEER for the portion of such task completed but not paid prior to said termination. The DISTRICT will not be liable for any costs other than the fees or portions thereof, which are specified herein.

### **IX. Indemnification**

A. ENGINEER agrees to the following:

1. *Indemnification for Professional Services.* ENGINEER will save harmless and indemnify and at DISTRICT's request defend DISTRICT and all its officers, volunteers, employees, and representatives from and against suits, actions, or claims brought for, or on account of, injuries or damages sustained by any person or property directly resulting from a negligent or wrongful act, error or omission by ENGINEER or any of ENGINEER's officers, agents, employees, or representatives, in the performance of this Agreement.
2. *Indemnification for other Damages.* ENGINEER indemnifies and holds DISTRICT harmless from and against a claim, action, damages, costs (including reasonable attorney's fees), injuries, or liability, directly resulting from this Agreement, for its negligent performance. Should DISTRICT be named in a suit, or should a claim be brought against it by suit or otherwise, directly resulting out of this Agreement, for the ENGINEER's negligent performance, ENGINEER will defend DISTRICT (at DISTRICT's request and with counsel satisfactory to DISTRICT) and will indemnify DISTRICT for any judgment rendered against it or any sums paid out in settlement or otherwise.

B. For purpose of this section "DISTRICT" includes DISTRICT's officers, officials, employees, agents, representatives, and certified volunteers.

- C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.
- D. The requirements as to the types and limits of insurance coverage to be maintained by ENGINEER as required by this Agreement and any approval of said insurance by DISTRICT, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by ENGINEER pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

**X. Insurance Requirements**

- A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, ENGINEER will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits (combined single)</u>
Commercial general liability	\$1,000,000
Professional liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement

- B. Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name DISTRICT, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by DISTRICT will be excess thereto. Such insurance will be on an "occurrence" basis, except professional liability shall be on a "claims made" basis, and will not be cancelable or subject to reduction except upon a thirty (30) day prior written notice to DISTRICT.
- C. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 07 94, including symbol 1 (Any Auto).
- D. ENGINEER will furnish to DISTRICT duly authenticated Certificates of Insurance and Endorsements evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance as may be reasonably required by DISTRICT from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating of "A:VII" or better. Originals of the duly authenticated Certificates of Insurance and Endorsements shall be included with this Agreement as Exhibit F.

- E. Should ENGINEER, for any reasons, fail to obtain and maintain the insurance required by this Agreement, DISTRICT may obtain such coverage at ENGINEER's expense and deduct the cost of such insurance from payments due to ENGINEER under this Agreement or terminate pursuant to Section 8.

**XI. Successors and Assigns**

This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement shall be made without written consent of the parties to this Agreement. Any attempt by the ENGINEER to assign or otherwise transfer any interest in this Agreement without the prior written consent of the DISTRICT shall be void. Since the primary consideration of the District in entering this agreement is the qualifications of the ENGINEER, as opposed to a low bid, the District will refuse to consent to assignments if it considers the assignee to have lesser qualifications. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, registered or certified, postage prepaid, addressed to:

DISTRICT:

Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978-2096  
Attention: General Manager

ENGINEER:

Infrastructure Engineering Corporation  
14271 Danielson Street  
Poway, CA 92064  
Attention: Preston "Skip" Lewis

and shall be effective upon date of mailing.

**XII. Project Organization**

The ENGINEER proposes to assign Preston "Skip" Lewis, P.E. as the Project Manager. The Project Manager shall not be removed from the project or reassigned without prior approval of the DISTRICT, which approval shall not be unreasonably withheld. No subcontracting of significant portions of the contracted engineering services shall be made without prior approval of the DISTRICT.

**XIII. Integration**

This Agreement and the attached Exhibits represents the entire understanding by and between the DISTRICT and the ENGINEER as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties hereto.

**XIV. Execution**

INFRASTRUCTURE ENGINEERING CORPORATION

 PRESIDENT

Preston "Skip" Lewis

Senior Project Manager

OTAY WATER DISTRICT

---

Mark Watton

General Manager

APPROVED AS TO FORM

---

Attorney

COPIES:  FILE (Orig.),  CONSULTANT,  PROJECT MANAGER.,  ACCOUNTS PAYABLE

## **EXHIBIT A**

### **SCOPE OF SERVICES**

The following describes the specific tasks to be performed by Infrastructure Engineering Corporation, along with schedule, compensation, items to be provided by the Otay Water District (District), and assumptions.

#### ***SCOPE OF ENGINEERING SERVICES***

#### **CONSULTANT FURNISHED SERVICES**

##### **TASK 1. Project Management and Administration**

The Consultant shall:

1. Prepare and submit an initial detailed schedule for the Project duration in Microsoft Office Project, version 2003, for the District Project Manager to review and approve within two (2) weeks from the date of the written Notice to Proceed. The schedule shall contain at a minimum proposed and actual start and finish dates for all tasks and subtasks defined in the Scope of Services.
2. Provide a brief monthly Project Status Report due the fifth day of each month for the preceding month(s) during the planning, design, and construction phases that includes progress to date addressing all Scope of Services tasks, expenditures by task showing total budget, amount expended, remaining amount, and percent actually complete, and an updated progress and work remaining schedule correlated to the initial approved Project schedule.
3. Meet with the District Project Manager monthly and other District staff as needed during the planning, design, and construction phases to assure that all aspects of the Project are performed according to the contract requirements and the engineering and operating Project objectives of the District.
4. Prepare agendas and meeting minutes for all meetings during the planning, design, and construction phases. Submit within five (5) working days before and after each meeting. Submit by e-mail to the District Project Manager.
5. Be present and prepared to make presentations to District staff and at District Board of Director and Board Committee meetings during the planning, design, and construction phases as requested.
6. Set up a Project web site portal page within one (1) month. The intent is to provide a central area to facilitate access to Project documents. Continue to maintain and update the web page throughout the duration of the Project.

**TASK 2. Public Outreach, Community Relations and Liaison, Agency Permitting, and Utility Coordination**

1. The Consultant shall, in conjunction with the District Project Manager, coordinate with the San Diego County Water Authority (SDCWA), County of San Diego, City of El Cajon, Valley de Oro Community Planning Group, Grossmont Community College District - Cuyamaca Campus, State of California Department of Transportation (Caltrans), schools within a two (2) mile radius of the Project area, and the community at-large to establish effective working relationships, stakeholder coordination and communication, community involvement and outreach, obligations, schedules, essential related information, etc., for the planning, design, and construction phases of the Project. The Consultant shall also coordinate with proponents of the proposed Wal-Mart store project that is located adjacent to the District fee title property known as the Regulatory Site, and over existing District easements. At this time, the schedule for the design and construction of the proposed Wal-Mart store is unknown and implementation of the proposed Wal-Mart store construction schedule is subject to revision at any time. The Consultant shall consider and implement all aspects and requirements of the interrelationships of the Project and the proposed Wal-Mart store and the potential implementation progress or schedule changes in preparing their proposal and development of the PDR for the Project.
2. The Consultant shall provide a subconsultant experienced in development, coordination, and implementation of the community outreach program, public relations, and liaison efforts. The subconsultant shall be responsible for communication, liaison, and public relations aspects throughout the duration of the project with the SDCWA, County of San Diego, City of El Cajon, Valley de Oro Community Planning Group, Grossmont Community College District - Cuyamaca Campus, Caltrans, schools within a one (1) mile radius, proponents of the proposed Wal-Mart store project, and the community at-large. These efforts must be closely coordinated with the CEQA compliance process for the Project.

As part of this subtask, the subconsultant shall prepare a newsletter to stakeholders outlining the Project progress. The newsletter shall be issued quarterly during the design phase and bimonthly during the construction phase. Residents within a one (1) mile radius of the Project shall be added to the distribution list.

The subconsultant, in coordination with the District Project Manager and Communications Officer, shall, in addition, organize one (1) major media news event for the Project.

3. The Consultant shall determine and meet the permit requirements of all the public agencies and private utilities throughout the duration of the project. The Consultant shall prepare a summary permit work plan within three (3) months of the Notice to Proceed. The plan shall identify federal, state, regional,

local agencies, and private utilities that require permits for work during the planning, design, and construction phases, contact information for those agencies, permit descriptions, and processing submittal schedules.

4. The Consultant shall prepare required applications and all supporting documentation necessary for permits and utility services for Project implementation for all phases of work.

### **TASK 3. Professional Surveying**

The Consultant shall:

1. Provide all professional surveying services required during the planning, design, and construction phases of the Project. This includes support for the preparation of the PDR, final Contract Documents, and handling of survey issues during the construction phase that are not a part of the Contractor's work. The Contractor will be responsible for construction staking of the Project.
2. Provide an aerial survey correlated with the State Plane Coordinate System to obtain a one-foot contour interval topographic and orthographic images at least 100 feet beyond the Project limits as defined by the environmental documents including horizontal and vertical control and benchmark delineation consistent with established control and existing District facilities.
3. Establish horizontal and vertical controls for this Project in consultation with the District Project Manager. These shall be used to determine location, elevation, etc. of existing and proposed public and private facilities that the Project will be connected with and/or located near. These controls shall also be used to develop the Contract Documents.
4. Make certain that all permanent facilities and construction activities are to be located either within District fee title property, District easements, and/or within public right-of-way as appropriate. If not, identify properties where easements may be required and provide legal descriptions to assist in obtaining easements. This information shall be clearly shown on the PDR.

### **TASK 4. Geotechnical Investigation**

Geotechnical work is required and warranted for the Project. The latest relevant geotechnical report for the connection point at the Regulatory Site is listed below and is on file at District offices. A copy of this document is available for the Consultant's information and use.

"Geotechnical Evaluation 640-1 and 640-2 Reservoirs, Rancho San Diego, California", by Ninyo & Moore, dated August 29, 2005.

1. The Consultant shall retain the services of a qualified geotechnical consultant to conduct a geologic reconnaissance and preliminary geotechnical evaluation for the PDR. The purpose of the evaluation is to identify any potential geotechnical constraints that may be encountered along with mitigation measures and costs during the preliminary design phase. The evaluation shall include review of published geotechnical literature, topographic maps, geologic maps, stereoscopic aerial photographs, and available geotechnical reports pertaining to the alignments to be studied, geologic field reconnaissance of the alignment, and limited subsurface explorations or surveys to evaluate soft ground conditions, expansive soils, the presence of groundwater, faulting and seismicity, liquefaction potential, bedrock rippability, caving or instability of soils during excavation, suitability of excavated materials for use as backfill, soil corrosivity, and any other geotechnical considerations that may influence the selection of a preferred alignment. The report will also provide recommendations for detailed geotechnical investigations.

High groundwater table was encountered in Via Rancho San Diego during a 1993 pipeline installation project. More information can be obtained from the District Project Manager.

2. Upon approval of the PDR and selection of the preferred alignment, the Consultant shall implement any and all geotechnical work that is required in their proposal. The Consultant shall perform a detailed geotechnical investigation as recommended in the preliminary geotechnical evaluation and prepare a report for the Project. The report shall include but is not limited to: borings every 2,000 feet along the preferred alignment to determine subsurface conditions and site geology, soil bearing capacity, presence of rock and rippability factors/analysis, anticipated excavation characteristics of materials along the alignment, groundwater conditions, laboratory test results (max density, sieve analysis, atterberg limit), soil chemistry test results (pH, resistivity, sulfate content), suitability of native material for backfill, and shoring recommendations.
3. The Consultant shall incorporate any and all geotechnical requirements into the planning and pre-design of the Project in conformance with the industry standard of care.

#### **TASK 5. Contaminated Soil and Groundwater Investigation**

An environmental assessment needs to be conducted to evaluate the potential for soil and groundwater contamination along the proposed alignments.

1. The Consultant shall include a review of existing maps, photographs, regulatory agency databases of known hazardous substance sites, and perform a site reconnaissance.

2. Upon approval of the PDR and based on the findings of the initial environmental assessment, the Consultant shall perform exploratory soil borings, collect soil and groundwater samples, and perform laboratory analysis to assess subsurface conditions. The evaluation shall include but is not limited to ten (10) borings to identify any hazardous materials that may be encountered along the preferred alignment.

#### **TASK 6. Verification of Existing Conditions**

1. The Consultant shall provide and perform all required investigations to determine the location, elevation, inclination, diameter, and alignment of all existing facilities in and adjacent to the Project site for preparation of a complete and accurate set of Project Contract Documents. Existing utilities shall include, but are not limited to, water, sewer, storm drain, gas, electric, telephone, cable, and fiber optic cables.
2. The Consultant shall retain the services of a surveyor and coordinate the potholing of existing utilities at all points of connection and existing systems near, over, under, along, adjacent, etc. of the new proposed work that may or may not conflict with the construction of any or all portions of the Project.
3. The Consultant shall coordinate all potholing efforts with the District Project Manager, SDCWA, County of San Diego, City of El Cajon, Grossmont Community College District - Cuyamaca Campus, Caltrans, and other appropriate utilities or agencies and obtain all required permits.
4. The Consultant will retain the services of a contractor to provide the necessary excavation services to support existing record drawing information and conditions at all locations. The contractor shall restore all road surfaces to previous condition.
5. All documentation regarding record conditions including a survey log shall be assembled, organized, and submitted to the District Project Manager with the PDR submittal requirement.

#### **TASK 7. Environmental Documentation**

The Consultant shall provide environmental services and documentation for the Project as described in Task 7A through Task 7L and all other environmental related services as necessary during the planning, design, and construction phases.

### **TASK 7A. Review Existing Documentation and Conduct Field Review**

The Consultant shall review information relevant to the Project, including the 2002 Water Resources Master Plan (WRMP), the 1996 Master Environmental Impact Report (EIR), the 2004 Programmatic EIR, the 640-1 & 640-2 Reservoirs Mitigated Negative Declaration, and any other referenced documents provided by the District.

The Consultant's Project Manager and other appropriate members of the project environmental team (maximum of three persons), accompanied by the District's Project Manager and Environmental Coordinator, will review the pipeline alignment alternatives to ascertain the condition of the surrounding environment, discuss pertinent project information and develop a preliminary opinion of possible impacts, mitigation and alternatives.

### **TASK 7B. Prepare, Revise and Final an Initial Study**

The Consultant shall:

1. Prepare a Project description, including descriptions of components of the Project plan, a list of responsible, trustee, or interested agencies, and a statement of the objectives and goals and purpose of the Project.
2. Prepare an Initial Study checklist with references and explanations for all answers to questions on the checklist. All issues shall be addressed based on all available information sources. The Initial Study will provide the basis for determining the significant environmental effects to be analyzed.
3. Provide three (3) copies of the draft Initial Study to the Project Manager for staff review.
4. Prepare the final Initial Study based on District comments and submit three (3) copies of the final Initial Study to the District's Project Manager.
5. Prepare a Cultural Resources Report. The report shall include a cultural resources records search and archaeological survey to assess the presence or absence of potentially significant prehistoric sites in accordance with the California Environmental Quality Act (CEQA) and National Historic Preservation Act (NHPA) guidelines. This study shall consist of a review of literature and site records on file with the San Diego Museum of Man and the South Coast Information Center (SCIC) at San Diego State University, and also a review of archival historic records and documents, followed by a survey of the each proposed pipeline alignment option. All existing and newly identified archaeological sites, features and isolates identified during the survey will be appropriately mapped, documented and recorded with the SCIC for assignment of permanent trinomials. If potentially significant sites are identified, evaluation may be necessary and the scope of any such work will be discussed with the

Project Manager prior to report preparation. Upon completion of the survey, a draft technical letter report will be prepared for submittal and review. This report will consist of a description of the project's natural and cultural setting, study methods, results, potential impacts, and mitigation recommendations.

6. Prepare a Biological Resources Report. The report will discuss existing and potential biological constraints on the project site and analyze the significance of potential biological impacts. The following tasks will be performed:
  - a. *Preliminary Site Analysis* – As part of the preliminary biological analysis of each proposed pipeline alignment option, a detailed vegetation map showing habitat types will be created in the field. General biological surveys and a habitat assessment for plant and wildlife species will also be conducted. The vegetation map, general surveys and habitat assessment will provide the information needed to determine if focused surveys for rare, threatened and endangered species and a wetland delineation are necessary to satisfy the requirements of CEQA and the resource agencies. This task may be completed at any time during the year.
  - b. *Rare Plant Surveys* – Focused surveys for rare plants will be conducted. The project site will be surveyed for rare plants in early Spring and Summer to ensure that both early and later blooming species are observed.
  - c. *California Gnatcatcher Surveys* – U.S. Fish and Wildlife Service (USFWS) protocol surveys for the California Gnatcatcher (*Polioptila californica*) shall be conducted. Pursuant to the protocol, a notification letter will be sent to USFWS ten (10) days before initiation of the surveys. The letter will describe the site location and intent to conduct the surveys. The California Gnatcatcher does not migrate, so these surveys can occur at any time during the year. Typically, USFWS protocol surveys for California Gnatcatcher are valid for one year following completion of the surveys.
  - d. *Least Bell's Vireo Surveys* – Eight (8) USFWS protocol surveys at least ten (10) days apart between April 10th and July 31st will be conducted. As a condition of the protocol survey, a notification letter and final report must be submitted to the USFWS.
  - e. *Wetland Delineation* – If impacts to wetlands or wetland buffer areas are proposed, a delineation prepared pursuant to U.S. Army Corps of Engineers (ACOE) protocol that delineates federal, state, regional, and local wetland jurisdictions will be performed.
  - f. *Technical Report* – A biological resources report detailing the results of the vegetation mapping and project biological surveys will be prepared. The report will also discuss existing and potential biological constraints and analyze the significance of project impacts. In accordance with the County of San Diego Multiple Species Conservation Program (MSCP), the County must approve certain findings for the pipeline alignment. The report will include the necessary analysis and documentation to support those findings.

7. Prepare Preliminary Water Quality Evaluation. The evaluation will include the following tasks:
  - a. Review of available background data such as existing water quality reports, geologic maps and reports, historical aerial photographs and topographic maps.
  - b. Evaluation of surface and groundwater quality issues at the site with respect to the RWQCB Basin Plan for Region 9 and relevant city and state stormwater regulations.
  - c. Compilation and analysis of information obtained.
  - d. Preparation of a technical report presenting a summary of findings and conclusions regarding water quality issues. The report will discuss the water quality issues for the project as it relates to surface water and groundwater.
  
8. Prepare a Noise and Vibration Study. The Consultant shall perform the following tasks:
  - a. Conduct a survey of the study area to identify the noise-sensitive properties in the vicinity of the Project site. Identify the geometry of the site relative to the noise-sensitive properties. Identify any existing walls, structures or topography that may act as barriers to noise generated by construction at the site.
  - b. Develop an operational scenario for the construction activities that will occur at the Project site.
  - c. Using published data for construction equipment and the operational scenario, analyze the noise and vibration levels associated with construction activities at the proposed Project site.
  - d. Assess the impact of the construction activities on the nearby sensitive properties relative to established standards.
  - e. Where significant impacts are assessed, identify methods by which the noise and vibration may be reduced to below established standards.
  - f. Prepare a draft report of the findings and recommendations in reproducible form.
  - g. After review and comment, the draft will be revised and submitted as a final report.
  
9. Prepare a Traffic Impact Assessment. The Traffic Impact Assessment will focus on construction-related traffic impacts. The following tasks will be performed:

- a. Data Collection
  - i. Obtain the planned construction truck routes.
  - ii. Visit the Project area and document existing conditions with respect to: street widths, number of lanes, traffic signal location and phasing, parking restrictions and any special traffic control measures.
  - iii. Obtain the most recent available twenty-four (24) hour machine counts (ADTs) for the streets near the Project site from County, Caltrans, and City of El Cajon records. Update old ADT counts at 4 locations, if necessary.
  - iv. Obtain traffic reports and relevant data for all short-term approved/pending cumulative projects in the Project area. Cumulative projects are other projects in the area that have not yet been built but are likely to be built and generating traffic in the near future.
- b. Existing Analysis
  - i. Determine the existing Levels of Service (LOS) on the street segments using the County's table or Caltrans methodology.
- c. Project Analysis
  - i. Prepare a traffic generation forecast for the Project on an a.m./p.m. peak hour and twenty-four (24) hour basis using construction employee and truck information.
  - ii. Distribute and assign Project traffic to the street system.
  - iii. Determine the street segment LOS for the existing plus Project scenario.
  - iv. Assist with determining the parameters that would become part of the Construction Management Plan.
  - v. Identify the potential significant traffic impacts of the Project based on County criteria.
  - vi. Identify measures required to mitigate calculated Project traffic impacts, if mitigation measures are applicable.
- d. Cumulative Projects Analysis
  - i. Restate the traffic generation/distribution/assignment forecasts for the short-term approved or pending cumulative projects in the nearby area from their respective traffic reports.
  - ii. Determine the intersection and street segment LOS for the existing plus Project plus cumulative project scenarios.
- e. Report Preparation
  - i. Prepare a draft Traffic Report with the appropriate text, tabular and graphic material for review by the District. Revise text per District comments and submit the draft Traffic Report to the appropriate agencies for their review. Perform second set of revisions to the draft Traffic Report based on District and agency comments. Then, finalize the Traffic Report.

**TASK 7C. Prepare, Revise, and Distribute Notice of Preparation (NOP)**

The Consultant shall prepare a draft of the NOP for the EIR for District review and confirm that all information is correct in cooperation with the District Project Manager. The Consultant shall incorporate District comments into the final NOP.

The Consultant shall distribute up to fifty (50) copies of the NOP to the State Clearing House (SCH), probable local and regional responsible or trustee agencies, involved federal agencies, community planning groups, and other interested parties as appropriate via certified mail. The distribution list will be developed in consultation with the District Project Manager. The Consultant shall maintain a complete, accurate, and continuously updated computer Microsoft Office Word document, version 2003, and hard copy file of all NOP mailings and responses to the NOP in order to incorporate comments into the pending Draft EIR.

The Consultant shall prepare all the necessary documentation through Project approval by the District Board of Directors in conformance with CEQA, the Endangered Species Act, the District Section 7 Permit, and the District MSCP Subarea Plan. The District is the Lead Agency under CEQA.

#### **TASK 7D. Prepare Draft EIR**

The Consultant shall prepare a draft EIR in conformance with criteria, standards, and procedures of the District's Local Guidelines for Implementing the California Environmental Quality Act; the CEQA of 1970, as amended; the State CEQA Guidelines; and the regulations, requirements, and procedures of any other responsible public agency or any agency with jurisdiction by law. The Consultant's Project Manager, during the preparation of the draft EIR, shall meet with the District Project Manager and other concerned parties as much as necessary to discuss all issues related to the draft EIR to facilitate resolution and to resolve any processing procedural issues. In addition, the Consultant shall continuously collect and assemble all data, studies, reports, agreements, etc. as they become known and available and provide an assessment of the probable short and long-term cumulative impacts associated with the Project.

##### **1. Executive Summary**

The Executive Summary will be prepared in accordance with CEQA Guideline §15123. This section will summarize the proposed Project, including the Project's technical and economic characteristics. This section will identify: each significant effect of the Project with proposed mitigation measures that would reduce that effect; known areas of controversy including issues raised by agencies and the public; and issues to be resolved including the choice among alternatives and whether or how to mitigate significant effects. The Executive Summary will also include a list of required discretionary approvals and corresponding agencies with approval authority.

##### **2. Project Description**

The Project Description section will be prepared in accordance with CEQA Guideline §15124, and shall provide the Project location, including location maps within the regional context, and a description of the proposed alignment

alternatives. The Project Description will list the basic goals and objectives of the Project. In addition, the section will identify the scope of the proposed Project that will serve as the "Basis of Analysis." This section will describe the Project's relationship to previous environmental documentation and approvals. Lastly, the Project Description will include a discussion of the environmental procedures and intended uses of the EIR, as well as list the discretionary permits and approvals required for Project implementation. Maps and figures will be provided to support text descriptions as necessary.

### 3. Environment Setting

The Environment Setting will be prepared in accordance with CEQA Guideline §15125. The section will provide an overview of the local and regional physical environmental conditions. This section will describe the existing site conditions, including a description of the existing natural resources occurring on the Project site. The Environmental Setting section will be detailed enough to constitute the baseline physical conditions by which impact significance can be determined.

### 4. Environmental Impact Analysis and Mitigation Measures

The Environmental Impact Analysis section will address all the environmental topics listed as potentially significant in the Initial Study. Each of the environmental topics with the potential for significant impacts will be fully addressed pursuant to CEQA Guideline §15126. The technical reports previously described will be summarized. Specifically, the EIR analysis will include a description of the relevant environmental setting, criteria for determining significance of environmental impacts, potential environmental impacts, level of significance of environmental impacts, recommended mitigation measures to significantly reduce or avoid the significant impacts, and an analysis of significance or residual impacts after mitigation measures are applied.

The EIR will provide an evaluation of feasible mitigation measures that could be carried out to reduce or eliminate adverse impacts of the proposed Project. Where several mitigation measures are available, the basis for selection from among these measures will be discussed. The discussion of mitigation measures will provide the background for findings under CEQA Guideline §15091(a). Mitigation measures will be discussed in sufficient detail to provide the basis for the Mitigation Monitoring and Reporting Program, and comply with CEQA Guideline 15126.4.

### 5. Cumulative Impacts

The Cumulative Impacts section will evaluate whether individual Project impacts are cumulatively significant when viewed in combination with other projects. The section will discuss the potential of the proposed Project to compound or increase adverse environmental impacts when added to other closely related past,

present and reasonably foreseeable future projects and Project impacts. This section will discuss any indirect, cumulative impacts and evaluate compliance with adopted threshold standards and applicable policies and programs.

#### 6. Project Alternatives

The Project Alternatives section of the EIR will identify a reasonable range of alternatives that could feasibly attain the basic objectives of the Project, but reduce significant impacts. This section will include, at a minimum, the "No Project Alternative" which will evaluate no development option, a reduced alternative, and an alternative site, if applicable. The analysis for each alternative will include a quantitative, comparative analysis for the relative environmental impacts and merits of each.

#### 7. Impacts Found Not to be Significant

Areas of no significant impact will be listed. The justification for such findings will be based on the Initial Study and results of the Draft EIR analysis.

#### 8. Significant Irreversible Environmental Changes

In accordance with Article 9 of the State CEQA Guidelines, the EIR will contain a discussion of the irreversible environmental changes that will result from the proposed Project and unavoidable significant impacts. This section will discuss uses of nonrenewable resources, long-term commitments of resources, and potential irreversible environmental damage that may result from environmental accidents associated with the Project.

#### 9. Growth-Inducing Impacts

The Growth Inducement section will assess the potential of the proposed Project to induce economic or population growth and the construction of additional housing, either directly or indirectly, in the surrounding environment. The section will discuss the potential for the use of large amounts of fuel or energy and evaluate the Project's compliance with regional and local growth management policies.

#### 10. Reference Sections

This section shall include lists of all references, persons, and agencies contacted in the preparation of the EIR. In addition, this section will list all persons involved in the preparation of the document, including their titles and roles.

#### **TASK 7E. Submit and Revise Screen Check Draft EIR**

The Consultant shall submit ten (10) copies of the first screen check Draft EIR to the District Project Manager for staff review and comment. The Consultant shall meet with the District Project Manager and staff to receive comments on the first screencheck Draft EIR. The Consultant shall revise the Draft EIR incorporating District comments and submit ten (10) copies of the revised screencheck Draft EIR for District staff review and comment. The Consultant shall incorporate staff comments and prepare the final Draft EIR. The Consultant shall then prepare a total of fifty (50) copies of the final Draft EIR, and submit one (1) digital copy and one (1) hard copy master to the District Project Manager.

#### **TASK 7F. Prepare Notice of Completion (NOC) and Distribute Draft EIR**

Consistent with CEQA Guidelines, the Consultant shall prepare the NOC and a distribution list of interested persons, entities, and agencies developed in consultation with the District Project Manager to include local and regional offices or responsible, trustee, and involved federal agencies. The Consultant shall submit for District Project Manager review and comment the NOC and perform any revisions requested or required. The Consultant shall send fifteen (15) copies of the Draft EIR and final NOC to the SCH with a formal transmittal letter authorizing distribution to state agencies, mail up to twenty-five (25) copies of the Draft EIR to the addresses on the distribution list, and submit the remaining ten (10) copies to the District Project Manager. Consistent with CEQA Guidelines, the Consultant shall prepare a notice of availability suitable for publication in various local newspapers, file the notice of availability with the San Diego County clerk, and submit the notice to the identified newspapers for publication. The Consultant shall obtain, organize, label, date, and transmit to the District Project Manager all newspaper notices and articles regarding the EIR efforts.

#### **TASK 7G. CEQA Findings of Facts/Statement of Overriding Considerations**

The Consultant shall prepare the Candidate CEQA Findings pursuant to CEQA Guideline §15091. The Consultant shall identify Project changes, alterations and required mitigation identified in the Draft EIR that avoid or substantially lessen significant environmental effects. If there are mitigation measures or alternatives to the Project identified in the EIR which could reduce the adverse consequences of the Project but which are determined infeasible, the Consultant shall provide the required CEQA findings, giving the specific economic, social or other conditions that render the mitigation measure or alternatives infeasible. The Consultant shall coordinate with the District development of the necessary arguments to support CEQA findings.

Should the EIR conclude that an impact is significant and unmitigable, the Consultant shall prepare a Statement of Overriding Considerations (SOC) in accordance with CEQA Guidelines §15093. The Consultant shall identify the specific economic, legal, social, technological, or other benefits of the Project that

outweigh the unavoidable environmental effects. The Consultant shall coordinate with the District to establish the evidence in the record to support overriding considerations.

**TASK 7H. Prepare Mitigation and Monitoring Program and Findings**

For all mitigation measures recommended in the EIR, prepare a mitigation and/or monitoring and reporting program consistent with the requirements of CEQA Guidelines. Mitigation in the text of the EIR will be developed in such a way as to facilitate monitoring and reporting, utilizing the standard regulatory processes of the District and other agencies to the fullest extent possible. The program will identify the impact and mitigation for it, as well as the party responsible for monitoring and reporting, the responsible party for assuring monitoring or reporting is accomplished, and the checkpoints in Project development at which monitoring and reporting must be implemented. The Consultant shall submit the Mitigation and Monitoring Program to the District Project Manager for review and comment. The Consultant shall make revisions to the Mitigation and Monitoring Program incorporating District staff comments to obtain subsequent District approval of its content.

**TASK 7I. Prepare Responses to Comments on Draft EIR**

The Consultant shall prepare draft responses to all written and oral comments received on the draft EIR during the forty-five (45) day public review period pursuant to CEQA Guidelines §15088, in cooperation with the District Project Manager. Submit three (3) copies of the written and oral comments along with the draft responses to the District Project Manager for review and comment. Meet with District staff to discuss preliminary responses to all comments. The Consultant shall then finalize the responses based upon District comments to the draft responses and submit the final comments to the District Project Manager for final review and approval.

**TASK 7J. Prepare Final EIR**

The Consultant shall produce the final EIR including the draft EIR with text revisions, comments and responses to comments, a list of the persons, organizations and public agencies that commented on the draft EIR, the mitigation monitoring and reporting program, and copies of all notices. Prepare and distribute up to a total of twenty (20) copies of the EIR to agencies, organizations, and individuals who commented in writing on the draft EIR. Submit ten (10) copies of the final EIR to the District Project Manager. In addition, one (1) unbound master final EIR and one (1) digital copy suitable for reproduction shall be provided to the District Project Manager.

### **TASK 7K. Prepare Notice of Determination (NOD)**

After certification of the EIR by the District Board of Directors, the Consultant shall prepare the NOD. If applicable, prepare de minimus impact finding using California Department of Fish and Game (CDFG) Certificate of Fee Exemption. If de minimus findings are not possible, obtain payment and submittal requirements for the CDFG filing fee from the District's Project Manager. File the NOD at the San Diego County Recorder's Office to start the statute of limitations as per the CEQA Guidelines. File a copy of the NOD with the State Clearing House.

### **TASK 7L. Obtain Agency Permitting**

The Consultant shall prepare all of the required documentation and applications to obtain clearance for Project construction from the USFWS, CDFG, ACOE, the Regional Water Quality Control Board (RWQCB), and any other agencies deemed necessary. This includes obtaining required wetland permitting (401, 404, and/or 1600 as applicable) and upland species permitting (Fish and Game 2080 and/or Fish and Wildlife consultation as applicable). The Consultant shall attend meetings and correspond with the above-mentioned agencies as appropriate to secure these permits and clearances.

### **TASK 8. Preliminary Design Report Preparation**

The Consultant shall prepare and submit four (4) copies of the PDR for District Project Manager review, comments, and approval. The final approved report shall include a copy on compact disc (CD) in Microsoft Office Word, version 2003, and Adobe Acrobat, version 6.0 or newer. The design report shall consider and integrate the contents of the following:

1. A report entitled, "Design Report for North District Modifications," by District staff, dated December 2003. A copy of this document is on file at District offices and is available for the Consultant's information and use.
2. The determination and justification of the pipeline alignment to be constructed. The alignment shall incorporate the requirements of the District, SDCWA, County of San Diego, City of El Cajon, Caltrans, and other affected agencies and utilities.
3. Describe applicable detailed information on classification, sizing, pipe diameter, types of material, and approximate quantities of all piping, valves, blow offs, air vacuum assemblies, and other appurtenances. List the manufacturers and model numbers of the equipment, and manufacturer's cut sheets and equipment data. Equipment listed must be on the Water Agencies' Standards (WAS) Approved Materials List.

4. A preliminary construction cost estimate and projected expenditure schedule for District budgeting purposes.
5. A list of permanent and temporary construction easements that may be required with the preferred alignment.
6. Evaluate the use of trenchless technologies as an option to determine the preferred alignment.
7. Identify corrosion protection and monitoring systems.
8. The determination of which CEQA process that may be required to be followed.
9. The outcome of the CEQA process determination, which will run parallel to preparation of the design report and shall be completed before implementation of the final design.
10. Traffic impacts.
11. The following format shall be used as a guide:
  - a. Title Page
  - b. Table of Contents
  - c. Executive Summary
  - d. Introduction and Background
    - i. Purpose and Scope
    - ii. System Description
    - iii. Previously Identified Alignments
  - e. Pipeline Design Criteria/Requirements
    - i. Route Selection Criteria
    - ii. Right of Way/Easements
    - iii. Traffic Assessment
    - iv. Existing Conditions
    - v. Hydraulic Analysis
    - vi. Environmental Assessment
    - vii. Permits, Reviews, and Approvals
    - viii. Selected Design Criteria
  - f. Corrosion Control
    - i. Soils Analysis
    - ii. Coatings
    - iii. Test Stations
  - g. Geotechnical
    - i. Geotechnical Issues
    - ii. Trenchless Construction
  - h. Construction Costs
    - i. Pipe Material Costs and Adjustments

- ii. Pipe Installation Costs and Adjustments
- iii. Cost Index and Bidding Climate Adjustments
- iv. Total Construction Costs
- i. Pipeline Alignment Evaluation
  - i. Alignment Descriptions
  - ii. Alignment Alternatives
  - iii. Noneconomic Evaluation
  - iv. Decision Matrix
  - v. Conclusions and Recommendations

**TASK 9. Value Engineering and Constructability Review**

1. The District will hire an independent consultant to perform a value engineering study after the 30% design submittal. The Consultant shall participate in the value engineering process by making a presentation of the 30% submittal to the value engineering team and participating in a mid-week status review. The consultant shall incorporate the value engineering recommendations from the study into the 60% design submittal.
2. The Consultant shall use team resources to perform constructability reviews after the 30%, 60%, and 90% submittal levels to ensure the Contract Documents are biddable and buildable. The Consultant shall provide the recommendations of the team resources in writing to the District Project Manager.

**TASK 10. Easement Appraisal and Acquisition Assistance**

1. The Consultant shall provide a subconsultant to perform appraisals and assist in the acquisition of temporary and permanent easements once the locations are known. The services shall include preparation of a Summary Basis of Appraisal with offer letters to the owners. In addition, the subconsultant shall provide on call assistance during negotiations for an amount not to exceed \$5,000.

**TASK 11. Contract Documents Preparation**

1. The Project final design and Contract Documents shall be based on the PDR as prepared by the Consultant and approved by the District Project Manager. Any exceptions made throughout the design process shall be documented as additions or revisions to the design report and each shall be approved by the District Project Manager.
2. Prepare plan and profile showing all finished pipeline grades, traffic control, corrosion control, erosion control, and other drawings as necessary. Include a plan and profile and/or cross section for each pipeline appurtenance lateral to existing or finished grade. The drawings and specifications shall incorporate any and all recommendations contained in all the environmental, geotechnical, Storm Water Pollution Prevention Plan requirements and documents.

3. Provide a complete set of calculations to the District Project Manager for review and comment at the 60% progress submittal. A final set of all calculations shall be provided at the 90% progress submittal.
4. Prepare a complete equipment list for District review, comment, and approval consistent with the typical materials and equipment preferences of the District. The list shall identify any and all materials and equipment that may require a long lead-time for delivery to the construction site.
5. Prepare and submit a set of Project Contract Documents consisting of drawings and specifications in accordance with the WAS specifications and guidelines.
6. Provide final Contract Documents on CD in digital format. Final drawings shall be in AutoCAD® LDD format, version 2005 and Adobe Acrobat, version 6.0 or newer. Final Contract Specifications shall be in Microsoft Office Word, version 2003.
7. The design drawings plan and profile sheets shall be at 1 inch to 40 feet horizontal scale and 1 inch to 4 feet vertical scale respectively, unless otherwise approved by the District Project Manager. Detail drawing scales shall be as appropriate to properly convey the intent of the design. The drawings shall be prepared in ink on 24 inch by 36 inch D plus size mylar sheets.
8. Prepare Project design drawings, title, and notes sheets consistent with WAS Drafting and AutoCAD® Guidelines. The Project design drawings shall incorporate the typical practice that groups the sheets into civil, mechanical, electrical, corrosion protection, traffic control, landscape, instrumentation, structural, architectural, etc., organization.
9. Project specifications shall be prepared in Construction Specifications Institute (CSI) format. Incorporate within the Project specifications the provided District Contract Document procedural documents consisting of bidding requirements, contract forms, and conditions of contract, which are in CSI format.
10. Transmit progress submittals at the 30%, 60%, 90%, and 100% Project completion status.
11. Transmit a total Project construction cost estimate with the PDR, 30%, 60%, 90%, and 100% submittal requirement in District format.
12. Transmit progress submittals to the District Project Manager. The progress submittal shall consist of four (4) sets of the draft specifications and six (6) sets of design drawings for review and comment. The design drawing submittal shall consist of two (2) sets of full size drawing prints and four (4) sets of half size drawing prints.

13. The District Project Manager shall provide all written District comments to the Consultant Project Manager in tabular format. The Consultant Project Manager shall attend a meeting at the completion of each District staff review and comment submittal stage to receive and discuss the comments with the District Project Manager. The Consultant shall be responsible for incorporating all comments within the Contract Documents and communicating and coordinating all comments with the Consultants' entire Project team and subconsultants. Only the Consultant Project Manager is allowed to attend the Project review meetings unless approval is granted by the District Project Manager to have more representatives present.
14. The Consultant Project Manager, as the Engineer of Record for the Project, shall be a California Registered Professional Civil Engineer and shall sign and seal each sheet of the original final drawing mylars. Also, the Engineer of Record shall sign and seal the specifications to be included within the Contract Documents. In addition, the original mylar of each drawing shall be sealed by a California Registered Professional Engineer having expertise in the discipline relating to the content of the drawing. Submit the original laser print quality final specifications unbound and unpunched, the final design mylar drawings, and related computer-generated files to the District Project Manager. The final Contract Documents shall be accompanied by four (4) bound copies of the Consultants' final detailed cost estimate with all supporting documentation and four (4) bound sets of all design computations developed by the Consultant and subconsultants for the Project. Each set of the final cost estimate shall be signed and sealed by the Engineer of Record for the Project and the design computations shall be signed and sealed by the Professional Engineer having expertise in the discipline relating to the content of the applicable drawing. The Consultant's Engineer of Record shall also sign and seal all the design computations for the Project.

#### **TASK 12. Construction Contract Bidding**

1. The Consultant shall assist the District Project Manager during the bidding period to resolve technical discrepancies and/or interpretations of the Contract Documents.
2. The Consultant shall draft any and all Contract Document addenda for District review and approval to amend and/or clarify the Contract Documents.

#### **TASK 13. Construction Phase Services**

The Consultant shall:

1. Attend and participate in the pre-construction conference.

2. Answer questions and resolve discrepancies related to technical interpretation of the Contract Documents, commonly referred to as a Request for Information (RFI).
3. Review the Contractor's shop drawing and other submittals for design intent and general compliance with the Contract Documents.
4. Prepare the necessary drawings, sketches, and specifications required to make changes to the design, as approved by District staff, due to changed conditions encountered during construction or as a result of a RFI or clarification from the Contractor and/or material suppliers, to resolve design discrepancies or omissions, etc. The District will not pay consultation fees related to the correction of design errors or omissions.
5. Attend and participate in construction progress meetings with District staff and the Contractor at the construction site and/or District offices at the request of the District Project Manager.

#### **DISTRICT PROVIDED SERVICES**

1. The District will provide existing reports, record drawings, and other related materials to the Consultant that is within the District's possession. All such materials provided will be in non-digital formats except for any requested hydraulic model that the District may possess.
2. The District will pay all required fees to the SDCWA, County of San Diego, City of El Cajon, Caltrans, SDG&E, SBC, and other agencies or utilities as required.
3. The District will coordinate with the Consultant's Project Manager during all phases of the work.
4. The District will coordinate, schedule, and hold a pre-bid meeting with all prospective bidders.
5. The District Project Manager will issue any and all required addenda prepared by the Consultant during the construction-bidding period.
6. The District Project Manager will review all bids received for verification of conformance to the Contract Documents and make recommendations for award of the construction contract to the apparent lowest responsive and responsible bidder. Verification will include review of the apparent low bid proposal, qualifications, references, list of subcontractors, bid bond, unit price schedule, materials, etc., for conformance with the requirements of the Contract Documents. If significant non-compliance with the requirements of the Contract Documents is found, at the sole determination and discretion of the District, the District Project Manager will similarly verify the apparent second low bid.

7. The District will print the Contract Documents, publish the notice of inviting bids, maintain the plan holders list, and mail addenda.

### ***SCHEDULE***

<b>Milestone</b>	<b>Completion Date</b>
Environmental	September 21, 2007
Alignment Study/Preliminary Design Report	March 20, 2007
30% Design	May 18, 2007
60% Design	September 21, 2007
90% Design	January 25, 2008
100% Design	March 28, 2008
Final Design	May 2, 2008
Advertise and Award	July 1, 2008
Construction	December 2, 2009
Closeout	April 28, 2010

Dates assume Agreement is executed promptly in October; that all District reviews are completed within two weeks; that all District approvals are completed within two weeks; and that meetings occur and information and District input is provided in a timely fashion.

### ***COMPENSATION***

The total estimated fee (including profit) for the tasks described above is one million three hundred thirty three thousand eight hundred and eight dollars (\$1,333,808). Infrastructure Engineering Corporation will submit invoices monthly, in the format provided in Exhibits D and E, for the actual work completed to date and will be paid on time and materials basis according to the attached rate schedule referenced in this Agreement.

### ***ASSUMPTIONS***

1. Unless otherwise specifically stated, all tasks are directed to Infrastructure Engineering Corporation.

2. District acknowledges Infrastructure Engineering Corporation services will be performed based upon information provided by the DISTRICT and others for the completion of Pipeline – 36 inch, SDCWA Otay FCF No. 14 to Regulatory Site Project only.

**EXHIBIT B**  
**COST PROPOSAL**  
**OTAY WATER DISTRICT**  
**36" PIPELINE FROM FCF NO. 14 TO REGULATORY SITE**

<u>TASK</u>	<u>TASK DESCRIPTION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>TOTALS</u>
<b>PROJECT TOTAL:</b>					<b>\$ 1,333,808</b>
<b>1</b>	<b>Project Management and Administration</b>				<b>\$ 68,690</b>
1.1	Project Schedule				<b>\$ 5,620</b>
	Sr. Project Manager (Lewis)	16	\$ 165	\$ 2,640	
	Project Engineer (Czajkowski)	24	\$ 120	\$ 2,880	
	Direct Expenses			\$ 100	
1.2	Project Status Reports				<b>\$ 9,770</b>
	Sr. Project Manager (Lewis)	24	\$ 165	\$ 3,960	
	Project Engineer (Czajkowski)	40	\$ 120	\$ 4,800	
	Word Processor	16	\$ 60	\$ 960	
	Direct Expenses			\$ 50	
1.3	Monthly Project Meetings				<b>\$ 29,550</b>
	Sr. Project Manager (Lewis)	96	\$ 165	\$ 15,840	
	Project Engineer (Czajkowski)	96	\$ 120	\$ 11,520	
	Word Processor (Moore)	24	\$ 60	\$ 1,440	
	Direct Expenses			\$ 750	
1.4	Board Meetings				<b>\$ 16,210</b>
	Sr. Project Manager (Lewis)	56	\$ 165	\$ 9,240	
	Project Engineer (Czajkowski)	56	\$ 120	\$ 6,720	
	Direct Expenses			\$ 250	
1.5	Website Portal Development				<b>\$ 7,540</b>
	Sr. Project Manager (Lewis)	8	\$ 165	\$ 1,320	
	Project Engineer (Czajkowski)	16	\$ 120	\$ 1,920	
	CAD Designer II (Dimmick)	40	\$ 95	\$ 3,800	
	Direct Expenses			\$ 500	
<b>2</b>	<b>Public Outreach, Community Relations, Agency Permitting, Utility Coord.</b>				<b>\$ 220,538</b>
2.1	Coordination with Agencies and the Community				<b>\$ 63,900</b>
	Sr. Project Manager (Lewis)	80	\$ 165	\$ 13,200	
	Project Engineer (Czajkowski)	160	\$ 120	\$ 19,200	
	Subconsultant (Olson Communications)	\$ 30,000	5%	\$ 31,500	
	Direct Expenses			\$ -	
2.2	Community Outreach Program				<b>\$ 116,038</b>
	Sr. Project Manager (Lewis)	40	\$ 165	\$ 6,600	

**EXHIBIT B**  
**COST PROPOSAL**  
**OTAY WATER DISTRICT**  
**36" PIPELINE FROM FCF NO. 14 TO REGULATORY SITE**

<b>TASK</b>	<b>TASK DESCRIPTION</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>	<b>TOTALS</b>
	Project Engineer (Czajkowski)	80	\$ 120	\$ 9,600	
	Subconsultant (Olson Communications)	\$ 86,250	5%	\$ 90,563	
	Subconsultant (HDR)	\$ 8,358	5%	\$ 8,776	
	Direct Expenses			\$ 500	
<b>2.3</b>	<b>Permitting Requirements</b>				\$ 15,140
	Sr. Project Manager (Lewis)	16	\$ 165	\$ 2,640	
	Project Engineer (Lemons)	40	\$ 120	\$ 4,800	
	Engineer II (Nordquist)	80	\$ 95	\$ 7,600	
	Direct Expenses			\$ 100	
<b>2.4</b>	<b>Permit Applications</b>				\$ 25,460
	Sr. Project Manager (Lewis)	24	\$ 165	\$ 3,960	
	Project Engineer (Lemons)	40	\$ 120	\$ 4,800	
	Engineer II (Nordquist)	140	\$ 95	\$ 13,300	
	Word Processor (Moore)	40	\$ 60	\$ 2,400	
	Direct Expenses			\$ 1,000	
<b>3</b>	<b>Professional Surveying</b>				\$ 76,640
<b>3.1</b>	<b>Aerial Topo and Field Survey</b>				\$ 76,640
	Sr. Project Manager (Lewis)	4	\$ 165	\$ 660	
	Project Engineer (Czajkowski)	8	\$ 120	\$ 960	
	CAD Designer II (Nguyen)	16	\$ 95	\$ 1,520	
	Subconsultant (Berggren Associates)	\$ 70,000	5%	\$ 73,500	
	Direct Expenses			\$ -	
<b>4</b>	<b>Geotechnical Investigation</b>				\$ 47,820
<b>4.1</b>	<b>Geotechnical Report</b>				\$ 47,820
	Sr. Project Manager (Lewis)	4	\$ 165	\$ 660	
	Project Engineer (Czajkowski)	8	\$ 120	\$ 960	
	Subconsultant (Ninyo and Moore)	\$ 44,000	5%	\$ 46,200	
	Direct Expenses			\$ -	
<b>5</b>	<b>Contaminated Soil and Groundwater Investigation</b>				\$ 66,208
<b>5.1</b>	<b>ISA and Phase II Environmental Work</b>				\$ 66,208
	Sr. Project Manager (Lewis)	16	\$ 165	\$ 2,640	
	Project Engineer (Czajkowski)	24	\$ 120	\$ 2,880	
	Subconsultant (Ninyo and Moore)	\$ 57,750	5%	\$ 60,638	
	Direct Expenses			\$ 50	

**EXHIBIT B**  
**COST PROPOSAL**  
**OTAY WATER DISTRICT**  
**36" PIPELINE FROM FCF NO. 14 TO REGULATORY SITE**

<b>TASK</b>	<b>TASK DESCRIPTION</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>	<b>TOTALS</b>
<b>6</b>	<b>Verification of Existing Conditions</b>				\$ 93,265
6.1	Utility Research				\$ 21,460
	Sr. Project Manager (Lewis)	16	\$ 165	\$ 2,640	
	Project Engineer (Czajkowski)	24	\$ 120	\$ 2,880	
	Engineer II (Nordquist)	80	\$ 95	\$ 7,600	
	CAD Designer II (Nguyen)	80	\$ 95	\$ 7,600	
	Word Processor (Moore)	4	\$ 60	\$ 240	
	Direct Expenses			\$ 500	
6.2	Potholing (60)				\$ 71,805
	Sr. Project Manager (Lewis)	4	\$ 165	\$ 660	
	Project Engineer (Czajkowski)	16	\$ 120	\$ 1,920	
	Engineer II (Nordquist)	140	\$ 95	\$ 13,300	
	Subconsultant (AirX)	\$ 48,000	5%	\$ 50,400	
	Subconsultant (Berggren Associates)	\$ 4,500	5%	\$ 4,725	
	Direct Expenses			\$ 800	
<b>7</b>	<b>Environmental Documentation</b>				\$ 172,838
	Sr. Project Manager (Lewis)	40	\$ 165	\$ 6,600	
	Project Engineer (Czajkowski)	80	\$ 120	\$ 9,600	
	Subconsultant (HDR)				
7A	Review Exist Documents/Conduct Field Review	\$ 2,315	5%	\$ 2,431	
7B	Prepare, Revise and Finalize Initial Study	\$ 15,380	5%	\$ 16,149	
7B.5	Cultural Resource Report	\$ 2,912	5%	\$ 3,057	
7B.6	Biological Resources Report	\$ 27,980	5%	\$ 29,379	
7B.7	Water Quality Evaluation	\$ 2,893	5%	\$ 3,037	
7B.8	Noise/Vibration Study	\$ 19,054	5%	\$ 20,007	
7B.9	Traffic/Circulation	\$ 15,375	5%	\$ 16,144	
7C-7K	Environmental Documentation	\$ 53,045	5%	\$ 55,697	
7L	Permitting	\$ 10,226	5%	\$ 10,737	
<b>8</b>	<b>Preliminary Design Report Preparation</b>				\$ 90,644
8.1	Design Report				\$ 90,644
	Sr. Project Manager (Lewis)	120	\$ 165	\$ 19,800	
	Project Engineer (Czajkowski)	160	\$ 120	\$ 19,200	
	Engineer III/Sr. Designer (Lau/Goodman)	40	\$ 105	\$ 4,200	
	Engineer II (Nordquist)	160	\$ 95	\$ 15,200	
	CAD Designer II (Nguyen)	140	\$ 95	\$ 13,300	
	Word Processor (Moore)	24	\$ 60	\$ 1,440	
	Subconsultant (DeC)	\$ 3,200	5%	\$ 3,360	
	Subconsultant (RCE Engineering)	\$ 2,500	5%	\$ 2,625	
	Subconsultant (HDR)	\$ 942	5%	\$ 989	

**EXHIBIT B  
COST PROPOSAL  
OTAY WATER DISTRICT  
36" PIPELINE FROM FCF NO. 14 TO REGULATORY SITE**

<b>TASK</b>	<b>TASK DESCRIPTION</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>	<b>TOTALS</b>
	Subconsultant (Flow Science)	\$ 8,600	5%	\$ 9,030	
	Direct Expenses			\$ 1,500	
<b>9 Value Engineering and Constructability Review</b>					<b>\$ 22,160</b>
9.1	Participate in VE Process				\$ 8,960
	Sr. Project Manager (Lewis)	24	\$ 165	\$ 3,960	
	Project Engineer (Czajkowski)	40	\$ 120	\$ 4,800	
	Direct Expenses			\$ 200	
9.2	Constructability Reviews				\$ 13,200
	Principal Construction Manager (Moore)	80	\$ 165	\$ 13,200	
	Direct Expenses			\$ -	
<b>10 Easement Appraisal and Acquisition Assistance</b>					<b>\$ 35,020</b>
10.1	Easement Appraisal and Acquisition Assistance				\$ 35,020
	Sr. Project Manager (Lewis)	16	\$ 165	\$ 2,640	
	Project Engineer (Czajkowski)	24	\$ 120	\$ 2,880	
	Subconsultant (OPC - Offer letters/Acquisitions )	\$ 23,000	5%	\$ 24,150	
	Subconsultant (OPC - Appraisals)	\$ 5,000	5%	\$ 5,250	
	Direct Expenses			\$ 100	
<b>11 Contract Documents Preparation</b>					<b>\$ 333,245</b>
11.1	30/60/90/100% PS&E				\$ 333,245
	Sr. Project Manager (Lewis)	320	\$ 165	\$ 52,800	
	Project Engineer (Czajkowski)	480	\$ 120	\$ 57,600	
	Engineer III/Sr. Designer (Lau/Goodman)	160	\$ 105	\$ 16,800	
	Engineer II (Nordquist)	640	\$ 95	\$ 60,800	
	CAD Designer II (Nguyen)	560	\$ 95	\$ 53,200	
	Word Processor (Moore)	80	\$ 60	\$ 4,800	
	Subconsultant (RCE Engineering)	\$ 45,000	5%	\$ 47,250	
	Subconsultant (DeC Consultants)	\$ 20,829	5%	\$ 21,870	
	Subconsultant (Landscape)	\$ 12,500	5%	\$ 13,125	
	Direct Expenses			\$ 5,000	
<b>12 Construction Contract Bidding</b>					<b>\$ 13,540</b>
12.1	Questions/ Addenda/Prebid Conference				\$ 13,540
	Sr. Project Manager	24	\$ 165	\$ 3,960	
	Project Engineer	40	\$ 120	\$ 4,800	
	Engineer II	40	\$ 95	\$ 3,800	
	Word Processor	8	\$ 60	\$ 480	
	Subconsultant	\$ -	5%	\$ -	

**EXHIBIT B**  
**COST PROPOSAL**  
**OTAY WATER DISTRICT**  
**36" PIPELINE FROM FCF NO. 14 TO REGULATORY SITE**



<u>TASK</u>	<u>TASK DESCRIPTION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>TOTALS</u>
	Direct Expenses			\$ 500	
<hr/>					
13	<b>Construction Phase Services</b>				\$ 93,200
13.1	Pre-Construction Conference				\$ 2,330
	Sr. Project Manager	8	\$ 165	\$ 1,320	
	Project Engineer	8	\$ 120	\$ 960	
	Subconsultant	\$ -	5%	\$ -	
	Direct Expenses			\$ 50	
13.2	RFI's (100)				\$ 17,420
	Sr. Project Manager	24	\$ 165	\$ 3,960	
	Project Engineer	40	\$ 120	\$ 4,800	
	Engineer II	80	\$ 95	\$ 7,600	
	Word Processor	16	\$ 60	\$ 960	
	Direct Expenses			\$ 100	
13.3	Submittal Review (100)				\$ 37,490
	Sr. Project Manager	40	\$ 165	\$ 6,600	
	Project Engineer	80	\$ 120	\$ 9,600	
	Engineer II	160	\$ 95	\$ 15,200	
	Word Processor	24	\$ 60	\$ 1,440	
	Subconsultant (DeC Consultants)	\$ 1,500	5%	\$ 1,575	
	Subconsultant (Landscape)	\$ 1,500	5%	\$ 1,575	
	Direct Expenses			\$ 1,500	
13.4	Design Revisions				\$ 16,460
	Sr. Project Manager	24	\$ 165	\$ 3,960	
	Project Engineer	40	\$ 120	\$ 4,800	
	Engineer II	40	\$ 95	\$ 3,800	
	CAD Designer II	40	\$ 95	\$ 3,800	
	Direct Expenses			\$ 100	
13.5	Construction Meetings (20)				\$ 19,500
	Sr. Project Manager	60	\$ 165	\$ 9,900	
	Project Engineer	60	\$ 120	\$ 7,200	
	Word Processor	20	\$ 60	\$ 1,200	
	Direct Expenses			\$ 1,200	

**EXHIBIT C**

**JULY 2006**

**HOURLY CHARGE RATE AND  
EXPENSE REIMBURSEMENT SCHEDULE**

**Professional**

Engineering Intern/Technician .....	\$ 60.00
CADD Designer I/Engineer I.....	\$ 90.00
Graphic Designer .....	\$ 100.00
CADD Designer II / Engineer II .....	\$ 95.00
CADD Designer III / Engineer III.....	\$ 105.00
Senior Designer/Project Engineer.....	\$ 120.00
Senior Project Engineer .....	\$ 135.00
Project Manager .....	\$ 150.00
Senior Project Manager.....	\$ 165.00
Principal.....	\$ 170.00

**Administrative**

Administrative Clerk.....	\$ 45.00
Word Processor/Admin. Support.....	\$ 60.00

Subconsultants will be billed at cost plus 5%.

**Reimbursable Costs**

Reproduction, special photography, postage, delivery services, express mail, printing, travel, parking, and any other specialty services performed by subcontractor will be billed at cost plus 5%.

Mileage will be billed at the current IRS allowed rate.

\* Field personnel rates are inclusive of vehicle, mileage, phone, computer, etc.

## EXHIBIT D

Infrastructure Engineering Corporation  
14271 Danielson Street  
Poway, CA 92064

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**INVOICE SUBMITTED TO:**

Accounts Payable  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978-2096

**DATE OF INVOICE:**

November 10, 2006

**OTAY INVOICE NO.**

INVOICE NO.

**JOB DESCRIPTION:**

PROJECT NAME: Pipeline – 36 inch, SDCWA  
Otay FCF 14 to Regulatory Site

Otay Project Manager: Hossein Juybari

Capital Improvement Project Number: P2009

**AUTHORIZATION:**

Purchase Order Number:

Contracted Project Completion: December 2,  
2009

Consultant Project Number:

**DESCRIPTION OF SERVICES RELATED TO INVOICE: 10/4/06 to 10/31/06**

Prepared Initial Study, Negative Declaration, Field Surveys, and Meetings with District

**AUTHORIZED AND INVOICED FEE:**

Original Fee Amount Authorized	\$	0
Change Order No. 1 Amount Authorized	\$	0
Change Order No. 2 Amount Authorized	\$	0
Total Fee Amount Authorized	\$	0
<b>Amount of This Invoice</b>	<b>\$</b>	<b>0</b>
Amount Previously Invoiced	\$	0
Total Amount Invoiced to Date	\$	0
Amount Previously Paid	\$	0
Authorized Fee Amount Remaining	\$	0
Percent Complete		0%

Invoice has been reviewed and found correct.

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Preston "Skip" Lewis, IEC

## EXHIBIT E INVOICE DETAIL

Otay Water District Pipeline – 36 inch, SDCWA FCF No. 14 to Regulatory Site

11/11/06

CIP P2009

DESCRIPTION	THIS INVOICE			INVOICED TO DATE	CONTRACT AMOUNT	TOTAL %	
	HRS/ \$s	RATE	AMOUNT			BILLED	COMPLETE
PROJECT TOTAL			\$5,763.35	\$20,884.30	\$46,500.00	45%	37%
TASK 1	STUDY		\$3,955.25	\$15,420.90	\$20,600.00	75%	88%
Sub-Task 1.1	Data Acquisition		\$951.00	\$2,944.00	\$3,000.00	98%	100%
Project Manager	Smith	16.0 hr	41.00 \$/hr	\$656.00			
Drafter	Williams	5.0 hr	35.00 \$/hr	\$175.00			
Secretary	Allred	6.0 hr	20.00 \$/hr	\$120.00			
Sub-Task 1.2	Report Preparation		\$931.50	\$8,865.00	\$13,000.00	68%	75%
Principle	James	2.5 hr	95.00 \$/hr	\$237.50			
Project Manager	Smith	4.0 hr	41.00 \$/hr	\$164.00			
Drafter	Williams	14.0 hr	35.00 \$/hr	\$490.00			
Secretary	Allred	2.0 hr	20.00 \$/hr	\$40.00			
Direct Expenses			\$1,709.75	\$2,431.00	\$3,000.00	81%	
Reproduction		\$17.50	10%	\$19.25			
Subconsultant #1	B&K	\$610.00	5%	\$640.50			
Subconsultant #2	CEW	\$1000.00	5%	\$1,050.00			
TASK 2	ENVIRONMENTAL		\$1,808.10	\$5,463.40	\$15,700.00	35%	22%
Sub-Task 2.1			\$951.00	\$2,944.00	\$12,000.00	25%	22%
Project Manager	Smith	16.0 hr	41.00 \$/hr	\$656.00			
Drafter	Williams	5.0 hr	35.00 \$/hr	\$175.00			
Secretary	Allred	6.0 hr	20.00 \$/hr	\$120.00			
Direct Expenses			\$762.00	\$2,225.00	\$2,500.00	89%	
Reproduction		\$120.00	10%	\$132.00			
Subconsultant #2	CEW	\$600.00	5%	\$630.00			

- Note: 1) Consultant to edit, update, and add lines as necessary.  
2) Rates shown above are to remain in effect throughout the life of the contract.



**EXHIBIT "F"**

Named Insured: **Infrastructure Engineering Corporation**

Policy Number: **BK02069170**

**Owners, Lessees Or Contractors (Form C)**

**ADDITIONAL INSURED** Effective: **02/13/06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following;

**LIABILITY COVERAGE PART.**

**Schedule**

Name of Person or Organization:

Otay Water District, its officials, and employees

RE: Pipeline-36 inch, SDCWA Otay FCF No. 14 Regulatory Site/IEC Project #005.OWD.0004

1. SECTION II - WHO IS AN INSURED is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.
2. With respect to 1. above the following additional provision applies:

SECTION IV. 5. Other Insurance is replaced by the following:

5. Other Insurance.

The insurance afforded by this Coverage Part is primary insurance and we will not seek contribution from any valid and collectible "other insurance" available to the insured unless the

valid and collectible "other insurance" is provided by a person or organization who is not shown in the schedule. Then we will share with that valid and collectible "other insurance" by the method described below.

If all of the valid and collectible "other insurance" permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

if any of the valid and collectible "other insurance" does not permit contribution by equal shares, we will contribute by limits. Under this method, each Insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.



# AGENDA ITEM 6b

## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	October 4, 2006
SUBMITTED BY:	James D. Cudlip, Finance Manager	W.O./G.F.NO:	DIV. NO. All
APPROVED BY: (Chief)	 Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	 German Alvarez, Assistant General Manager		
SUBJECT:	Approve a Contract with Harrell and Company Advisors, LLC to Assist with Debt Issuance		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Board authorizes the General Manager to execute a contract with Harrell & Company Advisors, LLC to serve as the Financial Advisor for a debt issuance of approximately \$30 million in Certificates of Participation (COPS) in spring 2007.

**COMMITTEE ACTION:** \_\_\_\_\_

See Attachment A.

**PURPOSE:**

To authorize the General Manager to execute a contract with Harrell & Company Advisors, LLC to serve as the Financial Advisor for a debt issuance of approximately \$30 million in Certificates of Participation in spring 2007.

**BACKGROUND:**

As a part of the FY 2007 budget process, staff completed an update of the District's long-range Rate Model and six-year Capital Improvement Program (CIP), which was reviewed and approved by the Board on May 30, 2006. While the Rate Model shows that two-thirds of the planned CIP is supported by reserves and developer fees, the remaining funding is planned to come from three separate debt issuances in 2007, 2009, and 2011. The first debt issue is currently planned to be a fixed rate Certificates of Participation (COPS) with an aggregate amount of between \$28.5 - \$30 million. The exact amount of the issuance will be determined as the issue date gets closer. The amount will be based on the progress of, and expenditures on, the District's CIP projects. The hiring of a Financial Advisor will

facilitate this process by providing the technical industry expertise necessary to assist in requesting an upgrade of the District's overall bond rating and completing all report filings in accordance with California State and US Securities and Exchange Commission regulations.

The role of a Financial Advisor in support of a debt issuance is to assist the District's financial management staff in planning and completing the following actions:

- Develop a financing plan and schedule.
- Assist in the selection and formation of a financing team, including bond counsel, disclosure counsel, bond insurance company, underwriter, trustee, and other professionals as necessary.
- Prepare and coordinate the preparation of the Official Statement and disclosure documents.
- Prepare credit profiles and presentations, with staff participation, to bond insurance companies and/or rating agencies.
- Assist in negotiations with bond insurers and/or letter of credit providers.
- Manage a competitive or negotiated sale process.

**ANALYSIS:**

Staff has solicited pricing for the services of a Financial Advisor. Requests for Proposal (RFP) were sent to eleven Financial Advisors who expressed interest in working with the District. The requests were mailed on August 10, 2006, with a due date of September 1, 2006. Five proposals were received and evaluated based on the criteria published in the request.

1. Estrada Hinojosa & Company, Inc.	\$71,000
2. Kelling, Northcross & Nobriga	\$70,000
3. Harrell & Company Advisors, LLC	\$66,500
4. Fieldman, Rolapp & Associates	\$61,000
5. Springsted Incorporated	\$22,500 *

\* Staff determined that the Springsted Incorporated proposal was non-responsive.

Staff believes that Harrell & Company Advisors is the best choice and the most qualified respondent based on the following additional factors: 1) overall knowledge and experience;

2) response to the requested services; 3) detailed familiarity and prior consulting contract work experience with the District; 4) recent similar Financial Advisor work with the City of Chula Vista; and 5) highly favorable responses to reference checks.

In 2004, the District contracted Harrell & Company to assist in preparing a Financing Plan and to act as Financial Advisor for the successful refinancing of the District's 1993 COPS. The Financing Plan focused on the District's debt financings, both existing and future. In order to evaluate the future financing needs of the District, numerous factors were considered which included: reserve levels, operating income, grants, bond covenants, credit ratings, and the CIP Budget. This information was used to develop a model identifying the debt requirements for the next five years. Additionally, Harrell & Company has had recent similar experience in securing utility financing for Valley Sanitary District, Indio, CA; City of Signal Hill, CA; City of Lakewood, CA; and the City of Chula Vista, CA.

Staff has negotiated a not-to-exceed price with Harrell & Company and recommends that the Board supports staff's recommendation to contract with Harrell & Company for a price not to exceed \$66,500, and authorize the General Manager to enter into the necessary agreements.

**FISCAL IMPACT:**



The debt issuance will generate approximately \$30 million in funds necessary to continue progress for the next two years on the District's Capital Improvement Program (CIP). The not-to-exceed cost of this advisor (\$66,500) is less than 1% of the total expected bond proceeds.

**STRATEGIC GOAL:**

To raise funds necessary to complete the District's projected CIP projects over the next two years.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



**General Manager**

Attachment:

A: Committee Action Form



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Approve a Contract with Harrell & Company Advisors, LLC to Assist with Debt Issuance
-------------------------	--

### COMMITTEE ACTION:

The Finance and Administration Committee reviewed this item at a meeting held on September 20, 2006. The following comments were made:

- The Financial Advisor works very closely with the District and assists in the selection of the bond counsel, underwriter, and trustees. The Financial Advisor would also develop the financing plan and help decide what type of debt would be issued (variable vs. fixed, etc.);
- Requests for proposals were forwarded to eleven firms and five proposals were received. A three member panel (Joe Beachem, Jim Cudlip and Steve Dobrawa) reviewed the proposals for strengths and weaknesses and the panel selected the top two (Fieldman, Rolapp & Assoc. [FRA] and Harrell & Company Advisors, LLC [HCA]) for phone interviews;
- It was noted that one of the proposals was not responsive as they did not provide the requested information;
- FRA and HCA have worked with the District in the past;
- The panel reviewed the proposals and recommended the selection of Harrell & Company Advisors, LLC based on the strength of their proposal and the fact they had recently worked on a bond issue for the City of Chula Vista including rating agency presentations. HCA also worked with the District on the bond refinancing in 2004.;
- It was noted that staff spoke with the City of Chula Vista's Finance Director and her remarks were very positive and they were very happy with HCA's interaction with staff and the timeliness of their responses. HCA also demonstrated personalized knowledge of the city which assisted them in representing the city to the rating agencies.;
- It was discussed that the District's highest fiduciary responsibility is the debt issuance documents. Both

the board and staff share responsibility of the accuracy of the documents.

- The committee requested that staff work with counsel to develop standard conflict of interest language for all new consultant agreements and incorporate the new language into this contract if timing permits.;
- The committee also requested that future panels of staff reviewers include a written tabulation of their respective ratings of the proposing consulting firms. Staff indicated this could be readily accomplished.
- It was discussed that staff projects interest rate cost in the next fiscal year via a rate model and includes the figure in the budget. The cost is evaluated each budget cycle.
- It was noted that the total debt to be issued would be approximately \$30 million and it is expected to occur sometime between March and May 2007.

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

**CONTRACT SERVICES AGREEMENT FOR  
FINANCIAL CONSULTING SERVICES FOR FINANCING  
DISTRICT-WIDE CAPITAL IMPROVEMENTS**

THIS CONTRACT SERVICES AGREEMENT (herein "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2006, by and between the OTAY WATER DISTRICT, a public body corporate and politic, (herein "District") and Harrell & Company Advisors, LLC, a California limited liability company (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

**1.0 SERVICES OF CONTRACTOR**

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Contractor shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Contractor warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the District and any Federal, State or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

**2.0 COMPENSATION**

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "B" and incorporated herein by this reference.

2.2 Method of Payment. Provided that Contractor is not in default under the terms of this Agreement, Contractor shall be paid the Contract Sum only upon the successful completion of the financing of District-wide Capital Improvements. **Payment of the Contract Sum shall be contingent upon the sale, and shall be paid solely from the proceeds of the Bonds.**

**3.0 COORDINATION OF WORK**

3.1 Representative of Contractor. Suzanne Harrell is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The Chief Financial Officer of the District is hereby designated as being the representative the District authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The General Manager of District shall have the right to designate another Contract Officer by providing written notice to Contractor.

3.3 Prohibition Against Subcontracting or Assignment. Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the District. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of District. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the District nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of District and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of District.

#### 4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than either (i) a combined single limit of \$500,000.00 or (ii) bodily injury limits of \$250,000.00 per person, \$500,000.00 per occurrence and \$500,000.00 products and completed operations and property damage limits of \$100,000.00 per occurrence and \$100,000.00 in the aggregate.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the District against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (i) bodily injury liability limits of \$250,000.00 per person and \$500,000.00 per occurrence and property damage liability limits of \$100,000.00 per occurrence and \$250,000.00 in the aggregate or (ii) combined single limit liability of \$500,000.00. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability Insurance. A combined single limit of \$1,000,000 for Errors and Omissions Insurance.

All of the above policies of insurance shall be primary insurance and shall name the District, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the District, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that the insurer will endeavor to provide thirty (30) days prior written notice by registered mail to the District if said insurance is to be amended or canceled. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the District with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the District.

The Contractor agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Chief Financial Officer or designee of the District due to unique circumstances.

4.2 Indemnification. Contractor agrees to indemnify the District, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of the District.

## 5.0 TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.3 below, this Agreement shall continue in full force and effect for one year.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to the other party. Upon receipt of the notice of termination, the Contractor shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the District, Contractor shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and District shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

## 6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-liability of District Officers and Employees. No officer or employee of the District shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the District or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

### 6.3 Conflict of Interest.

6.3.1 Consultant has received and reviewed a copy of the District's Conflict of Interest Code (the "COI"), set forth under Division I, Chapter 5, Section 6 of the District's Code of Ordinance. Consultant understands that, to the extent it (i) conducts research and arrives at conclusions concerning advice, recommendations or information independently from the District; and (ii) renders information, advice, recommendations or counsel to the District, it may be required to file a disclosure statement in accordance with the COI.

6.3.2 No officer or employee of the District shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership or association in which he or she has a financial interest if such participation would be in violation of any State statute or regulation.

6.3.3 Contractor, its members, managers, related entities, members of its board, affiliates, business associates, and their respective relatives or living trusts or other similar entities or persons (each, a "Related Person") shall avoid any relationship with District or any contractor of District that constitutes or may constitute a conflict of interest in connection with services provided under this Agreement.

6.3.3.1 Prior to entering into this Agreement and during the term, Contractor shall have a duty to disclose to the District any and all circumstances that pose an actual or potential conflict of interest.

6.3.3.2 Contractor shall not obtain for itself or any Related Person any financial gain from the services other than as specified in this Agreement. Contractor represents that neither Contractor nor any Related Person has an existing financial interest and that neither will acquire any such interest, direct or indirect, that conflicts in any manner or degree with the performance of services required under this Agreement and that no person having any such interest shall be subcontracted in connection with this agreement, or employed by Contractor. Contractor shall not enter into this Agreement if such a conflict of interests exists at present.

6.3.4 If a potential conflict of interest issue arises, Contractor agrees to fully cooperate in any inquiry and to provide the District with all documents or other information reasonably necessary to enable the District to determine whether or not a conflict of interest existed or exists.

6.3.5 Contractor shall not conduct or solicit any non-District business while on District property or time.

6.3.6 Failure to comply with the provisions of this section shall constitute grounds for immediate termination of this Agreement, in addition to whatever other remedies the District may have.

6.4 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the District, to the General Manager and to the attention of the Contract Officer, OTAY WATER DISTRICT, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978, and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

DISTRICT:

OTAY WATER DISTRICT,

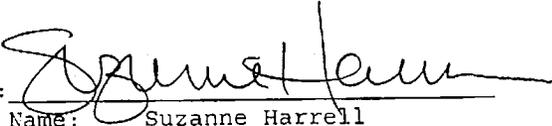
\_\_\_\_\_  
[Authorized Representative]

ATTEST:

\_\_\_\_\_  
Secretary

CONTRACTOR:

HARRELL & COMPANY ADVISORS, LLC

By: 

Name: Suzanne Harrell

Title: Managing Director

Address: 333 City Boulevard West

Suite 1430

Orange, CA 92868

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

1. Financial Plan Update. Update the District's 2004 Financial Plan for current revenues, expenditures, transfers and reserves, including existing financing, current financing and future financing. Develop alternative structures for the Financing for review and approval by the District. Size the bond issue, structuring those terms and conditions which most advantageously meet demands or current market conditions and the District's objectives.
2. Financing Structure. Consult with the District and advise bond counsel concerning necessary covenants, advise the District on the impact of parity provisions, reserve requirements, sinking fund payments and redemption provisions on the credit quality of the financing. Coordinate with bond counsel regarding the preparation and distribution of the necessary contracts, authorizing resolutions and other documents involved in the sale of the bonds.
3. Financing Team. Assist in the selection process for all parties relevant to the Bond Sale. Coordinate activities with all parties.
4. Financing Schedule and Budget. Develop and monitor the schedule of activities and budgets during the financing to assist the District in meeting agenda deadlines and public notice requirements.
5. Document Review. Review and comment on all legal documents prepared by the District's bond counsel to ensure conformance with the proposed financing structure.
6. Disclosure Issues. Provide technical support in defining disclosure issues necessary to meet SEC guidelines.
7. Official Statement. Prepare the Preliminary and Final Official Statement to be used in connection with the offering of the bonds, and in a competitive offering, prepare the official notice of sale and notice of intention to sell bonds. Arrange for printing and mailing of the Preliminary Official Statement. Revise the Preliminary Official Statement for final interest rates and tables related thereto. Arrange for printing and distribution of Final Official Statement within seven business days from the sale date.

8. Rating and Insurance Agencies. Prepare comprehensive presentation highlighting all credit factors relating to the District and its service area. Submit documentation, conduct negotiations and attend meetings with rating agencies and bond insurance companies as may be required.
9. Timing of Sale. Advise the District of market movements, trends and developments and make recommendations as to the timing of the sale of the bonds in relation to market conditions.
10. Sale of Bonds. Conduct the competitive sale of bonds, using an internet platform, and arrange for advertising of the bond sale in nationally prominent financial publications. Coordinate local publication requirements. Evaluate the bids, check for mathematical accuracy, recommend the most favorable bid for award, revise cash flows for final pricing information.
11. Bond Closing. Review the proposed arrangements for closing and delivery of the bonds including certificates and representations of other parties to ensure certification of information relied upon in the financing.
12. Bond Administration. Advise the District in administration of the financing after bond closing.
13. Attendance at Meetings. Attend all meetings of the working group and the District Board as required, including preparation of any Board presentations necessary to fully inform the Board and public of current financing plans.

EXHIBIT "B"

SCHEDULE OF COMPENSATION

District shall pay Contractor

- A fixed fee of \$10,000 for preparation of preliminary and final official statements;
- A fixed fee for all other financial advisory services in connection with the Bonds as described under Exhibit A, Scope of Services as shown in the table below:

<u>Par Amount Issued</u>	<u>Fee</u>
Under \$7 Million	\$25,000
\$7 Million to \$15 Million	41,000
\$15 Million to \$35 Million	55,000
Above \$35 Million	65,000

- All out-of-pocket expenses according to the following rates, not to exceed \$1,500.

Messenger/Courier Service	At Cost
Overnight Delivery	At Cost
Duplicating/Printing (Black)	\$.40 per page
Duplicating/Printing (Color)	\$1.00 per page
Report Binding	\$2.50 per report
Fax	\$1.00 per page
AT&T Conference Calls	At Cost

Payment of any and all fees and reimbursement of out-of-pocket expenses shall be paid pursuant to Section 2.2 Method of Payment.



# AGENDA ITEM 7a

## STAFF REPORT

TYPE MEETING: Regular Board Meeting	MEETING DATE: October 4, 2006
SUBMITTED BY: Mark Watton, General Manager	W.O./G.F. NO:                      DIV. NO.
SUBJECT: Board of Directors 2006 Calendar of Meetings	

**GENERAL MANAGER'S RECOMMENDATION:**

At the request of the Board, the attached Board of Director's meeting calendar for 2006 is being presented for discussion.

**PURPOSE:**

This staff report is being presented to provide the Board the opportunity to review the 2006 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.

A handwritten signature in blue ink, appearing to read "Mike Watt", is written over a horizontal line.

**General Manager**

Attachments: Calendar of Meetings for 2006

G:\UserData\DistSec\WINWORD\STAFRPTS\Board Meeting Calendar 8-3-05.doc

**Board of Directors, Workshops  
and Committee Meetings  
2006**

**Regular Board Meetings:**

January 4, 2006  
February 1, 2006  
March 13, 2006  
April 5, 2006  
May 3, 2006  
June 7, 2006  
July 5, 2006  
August 2, 2006  
September 6, 2006  
October 4, 2006  
**November 1, 2006**  
December 6, 2006

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

January 18, 2006  
February 15, 2006  
March 15, 2006  
April 19, 2006  
May 17, 2006  
June 21, 2006  
July 19, 2006  
August 16, 2006  
September 20, 2006  
October 18, 2006  
**November 15, 2006**  
December 20, 2006

**Board Workshops:**

Tuesday, May 30, 2006, Budget Workshop  
Monday, August 7, 2006, Integrated Resources Plan Workshop  
Monday, September 25, 2006, Board Retreat Workshop

**Committee Meetings:**

*CWA/Water Resources and Security Committee (Tuesday before the CWA board meeting):*

Water Resource and Security Committee Chair  
Gary Croucher  
Mark Watton, CWA Board Representative

January 24, 2006  
February 21, 2006  
~~March 21, 2006 (Canceled)~~  
April 25, 2006  
May 23, 2006  
June 20, 2006  
July 25, 2006  
August 22, 2006  
September 26, 2006  
**October 24, 2006**  
November 28, 2006  
December – No meeting

# AGENDA ITEM 8



## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	October 4, 2006		
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 30-inch Recycled Water Pipeline, 450-1 Reservoir, and 680-1 Pump Station Projects:
  - Ortiz Construction has completed installation of the pipeline. Testing and installation of appurtenances are being pursued.
  - The reservoir floor and shell rings have been welded and the roof is 95% complete.
  - The walls of the pump station are complete and the roof is under construction.
- At the Engineering and Operations Committee held on September 22, 2006 a request was made with regard to the utility with the highest use of recycled water within the County and in the State. In 2005, the District supplied an average of 3.6 MGD (or 4,098 acre feet per year). Presently, the District ranks third in the County of San Diego in the use of recycled water. The City of San Diego ranks first and the City of Carlsbad ranks second. In 2007, upon completion of the 30" pipeline connection to the SBWRP, the District will rank second in the County. Staff is still researching the State rankings and will present the information when it is available.

### ADMINISTRATIVE SERVICES AND FINANCE:

#### *Administrative Services:*

- Two new hires started employment in the month of September: Sr. SCADA/Instrumentation Tech and a Laboratory Analyst II.

- In preparation for upcoming Negotiations, Senior Management met with the Compensation Consultant to discuss the process that will be followed for the upcoming Compensation Study. In addition, the Consultant met with each Department Chief to get familiar with how each department functions and to discuss any areas of interest or concern. Human Resources staff and Dan Cassidy, Negotiator for the District, met with our Benefit Consultant to review options related to our healthcare plan. Upcoming meetings with the Employee Association and Ad Hoc Board Committee are being scheduled for early October.
- Human Resources conducted a "make-up" training regarding the 17 new policies and procedures for employees who were unable to attend the All Hands Employee meetings held in August. All employees have received the required training on the new policies.
- Special Districts Risk Management Authority, (SDRMA) the District's carrier for property and liability and workers' compensation insurance, has awarded the District the Earl F. Sayre - Property and Liability Safety Award for Excellence for FY 2006. Otay was selected for the award from the 90 large agency members.
- Letters were mailed to the older portions of the district's service area promoting the end of the residential toilet voucher program on March 31, 2007. To date, program activity has been about 5% higher than that from last year (100 vs. 95 vouchers processed to date), and a remarkable 27% of vouchers were for High Efficiency Toilets.
- The Water Conservation Summit was held on September 29th at the Joan Kroc Center at the University of San Diego with the focus on outdoor water conservation. Approximately 260 people attended the first-ever Summit, making it a great success.
- Cash for Plants Program: The district began sending out brochures promoting the program to our top 30% residential water consumers this month, and the brochure and application is on our website. With the matching funds grant received from the Bureau of Reclamation, we estimate that we can fund up to 40 single family retrofits of an average of 1000 square feet and 8 retrofits at either home owner associations or other

large landscape sites (5,000 square feet per site on average) over the next two years. Staff was interviewed for an upcoming Union Tribune article on the topic of the increased popularity of replacing turfgrass with water-wise plants. This article is expected to be in the Sunday Homescapes section in mid-October.

- **School Program Activity:** Staff conducted 1 school tour at the Water Conservation Garden involving 65 5<sup>th</sup> grade students from Casillas Elementary School in Chula Vista. To date, 10 additional tours are either scheduled or in the process of being scheduled. We have delivered the water-cycle kit to three schools this month, including Tiffani and Marshall Elementary Schools (Chula Vista) and La Presa Elementary (La Mesa-Spring Valley). The kit was used by 13 different classes ranging from 1<sup>st</sup> grade to 5<sup>th</sup> grade. To date, we have received two requests for Splash Labs. Program flyers were sent to all elementary schools within the District.
- Otay has learned that it has a winner for this year's Metropolitan Water District's Student Art Contest. Winning artwork may be considered as water bottle labels, stickers, notepads and book covers. Winners will be highlighted at MWD's offices in early December.
- In the month of September 2006 there were 170 purchase orders issued for a total of \$1,221,673.75.

***Information Technology and Strategic Planning:***

- The build-out of the District's computer data center project is proceeding on schedule. Electrical and air conditioning work is nearly complete; the UPS uninterruptible power supply has been installed. We will be employing short-term labor to assist in the migration of data to our new configuration.
- The District's IVR system continues to mature. Staff has added an additional capability to the system that will allow us to automatically call out to customers when we need to alert them of a planned disruption in service. The capability could also be used in case of an emergency if we needed to contact large numbers of customers quickly. The system uses the customer phone number we store in a customer information system.
- The management reporting capabilities of our software continue to improve. In conjunction with Finance, we

offer financial drill-down reports for variance analysis that are easy to use.

- The deployment of the field mobile computers is proceeding according to plan. Staff is training field operations staff on the use the new devices. Approximately 40 employees in Operations have been trained. We have deployed 6 units. This week, an additional 20 units will be distributed.
- Senior staff is meeting to continue to enhance the FY 2007 Strategic Plan. Changes in FY 2007 include integration of Development Services and Engineering, enhanced performance measures, and greater alignment with QualServe's benchmarking study.

**FINANCE:**

- Other Post Employment Benefits (OPEB) Liability - Staff is working with the actuarial firm of Bartel Associates, LLC to determine the cost of the post retirement medical benefits. This information will need to be disclosed in future financial statements based on the new accounting requirements, GASB 45. This new requirement will not go into effect for two more years, so there's time to see how these requirements play out for the larger governments who must implement the new requirement by next year. The actuary will also provide costing scenarios for various collective bargaining options.
- Financial Statement Audit - The auditors have completed their field work at the District and are now preparing the statements. At this time, the auditors have not identified any issues or management letter comments. The audit process was completed very smoothly, to the credit of the quality preparation by staff. The financial statements, as a part of the Comprehensive Annual Financial Report (CAFR), should be ready for review by the Finance and Administration Committee in October.
- Financial Advisor - In preparation for the pending Bond Sale, staff is preparing a recommendation to the Board to hire a financial advisor to help the District through the bond sale process. On August 10<sup>th</sup>, eleven RFPs were sent out to solicit services. The deadline for the response was September 1st. Staff presented a recommendation to the Finance and Administration Committee on September 20th and is bringing the recommendation to the October board meeting.

- Two-Year Budget - Staff is investigating the implementation of a two-year budget. This budget practice is used by a number of agencies including CWA. Staff is looking at the pros and cons of the budget methodology. Staff will bring this forward to the Finance and Administration Committee in the near future.
- Budget Policy - Staff is currently reviewing numerous budget policies and looking to incorporate those "Best Practices" that best fit the District's preferred form of operations. Staff plans to present the recommended policy to the Finance and Administration Committee in early 2007.
- Debt Policy - The debt policy is being revised and will be submitted to GFOA for "Certification". This will then be brought to the December Finance and Administration Committee for review. The changes will add many of the existing practices to the Policy making it more robust and adding transparency to the District's financial matters.

**The financial reporting for August 2006 is as follows:**

- For the two months ended August 31, 2006, there are total revenues of \$11,449,872 and total expenses of \$10,791,799. The revenues exceeded expenses by \$658,073.

**The financial reporting for investments for August 31, 2006 is as follows:**

- The market value of the Portfolio Master Summary and the Investment Portfolio Details as of August 31, 2006 total \$69,126,845.49 with an average yield to maturity of 4.598%. The total earnings year to date is \$549,374.36. The effective duration is .318 of a year.

**ENGINEERING AND WATER OPERATIONS:**

***Engineering:***

- Staff received 11 new improvement plans from developers for potable/recycled plan checks.
- The geotechnical services contract for the Calavo Sewer Lift Station Replacement project was awarded to

Ninyo & Moore in the amount of \$8,770. Project design is 30% complete.

- The Environmental Services Agreement with PBS&J for the 1485-1 Pump Station Replacement Project was executed on September 8, 2006.
- A pre-construction meeting for the Meter Shop Remodel was held on September 11, 2006 and the project is anticipated to be completed by January 2007.
- The East County Regional Treated Water Improvement Program (ECRTWIP) Agreement requires an agreement between the SDCWA and Otay Water District for Otay Flow Control Facility (FCF) No. 14 capacity increase to 16 MGD. The ECRTWIP Agreement established cost sharing at 50% each. The Otay FCF No. 14 Agreement has been drafted, reviewed, and negotiations on final terms with SDCWA continue. It is projected that the Otay FCF No. 14 Agreement will be before the Board in November 2006. Otay's share of the facility modifications is estimated at \$0.5 million.
- The required disbursement documentation related to the State Water Resources Control Board (SWRCB) \$4.0 million grant has been sent to the SWRCB. The SWRCB allows payment disbursement in relation to project progress. The first disbursement request is for approximately \$2.48 million. Upon completion of the three recycled water projects that link the South Bay Water Reclamation Plant supply to the Otay recycled water system, a final disbursement request for the total of \$4.0 million grant can be made.
- The Otay Ranch L.P. has submitted an application to the County of San Diego for development of Otay Ranch Preserve and Resort Community project also known as Village 13 or the Resort Parcel. The County of San Diego has prepared and Otay has received on September 8, 2006 a request that Otay prepare the required SB 221 and SB 610 compliance report. The Metropolitan Water District, SDCWA, and Otay Water District Urban Water Management Plans for 2005 have been approved. The Village 13 project demand and supply needs have been included in the regions water supply requirements. Annexation of Village 13 into MWDSC, SDCWA, and Otay Water District are also a part of the development approval process. Staff expects to present the SB 221 and SB 610 Compliance Report for the resort

parcel to the board at the December 2006 board meeting.

- An Honor Award for Project of the Year from the American Public Works Association was received for the 980-2 Pump Station on September 14.
- 70 meters were sold as of September 15, 2006, generating \$597,257 in revenue. Total meters sold for FY06-07 are 221 to date, which generated \$2,587,882 for the District.
- The Construction Division received 4 new projects to be constructed by developers and performed 6 pre-construction meetings. In addition, 8 projects were completed and 4 projects were released from warranty.
- Approximately 9,000 linear feet of both CIP and developer project pipelines were installed since July 2006. The Construction Division performed quality assurance for these pipelines.
- The Sweetwater Springs Agency Interconnection project is complete and a Notice of Acceptance was issued on September 21, 2006.
- 231 underground facilities were located, 7 hydrostatic pressure tests, 17 wet taps and tie-ins, 47 meter set inspections, and 7 project walk-throughs were performed during the month of August.
- The following table summarizes purchase and change orders issued during the month of September 2006, that are within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
9/7/06	P.O.	\$8,770	Ninyo & Moore	Calavo Sewer Lift Station Replacement - Geotechnical Activities
9/13/06	P.O.	\$4,720	WRA & Associates, Inc.	640-1 Reservoir Work Scope Flexibility Review
9/15/06	C.O.	\$846	TC Construction Company	450-1 Recycled Water Reservoir & 680-1 Recycled Water Pump Station

**Water Operations:**

- Water purchased for the month of August was 4,570.1 acre-feet. Beginning FY 06/07 to date, July 1, 2006 to August 31, 2006 there has been 9,482.20 acre-feet of water purchased. This is a 2.9 percent increase from the same period last year, July 1, 2005 to August 31, 2005.
- The AMR change-out program is progressing. The District's contractor, Underground Utility, Inc. (UUI), has replaced 3,621 RAMAR/Badger units as of August 31, 2006, leaving 3,390 RAMAR units still in use.
- There were 82 new Automated Meter Reading (AMR) meters installed, zero meters were replaced with new AMR meters and 305 meters were retrofitted to AMR meters for the month of August for a total of 12,096 AMR meters.

Total number of potable water accounts is 47,193.

- Recycled water consumption for the month of August is as follows:

Total flow was 557.2 acre-feet or 181,482,752 gallons and the average daily flow was 5,854,282 gallons per day.

Total number of recycled water accounts is 545.

- Wastewater flows for the month of August were as follows:

Total basin flow, gallons per day: 2,190,000.  
Total Otay flow, gallons per day: 1,463,000.  
Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,289,000.  
Flow to Metro from Otay Water District, gallons per day: 173,000.

Total number of sewer connections is 6,053.

  
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General Manager



# AGENDA ITEM 8

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 4, 2006
SUBMITTED BY:	Sean Prendergast <i>SP</i> Principal Accountant	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:**

<b>SUMMARY</b>	<b>NET DEMANDS</b>
CHECKS (2002404-2002871)	\$2,479,159.94
WIRE TO:	
CITY OF CHULA VISTA - SEWER CHARGES	\$2,258,450.92
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$338,875.26
PLAN HANDLERS - MEDICAL CLAIMS	\$352,269.38
SAN DIEGO COUNTY WATER AUTHORITY - JULY	\$2,947,599.20
UNION BANK - GENERAL OBLIGATION BOND	\$613,215.42
UNION BANK - PAYROLL TAXES	\$282,511.28
<b>TOTAL CASH DISBURSEMENTS</b>	<b>\$9,272,081.40</b>

**RECOMMENDED ACTION:**

That the Board receive the attached list of demands.

jb

Attachment

OTAY WATER DISTRICT  
CHECK REGISTER  
FOR CHECKS 2002404 THROUGH 2002871  
RUN DATES 9/6/2006 TO 9/27/2006

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002404	09/06/06	06281	CALIF STATE DISBURSEMENT UNIT	Ben2367221	09/05/06	PAYROLL DEDUCTION	342.92	342.92
2002405	09/06/06	02267	INTERNAL REVENUE SERVICE	Ben2367213	09/05/06	PAYROLL DEDUCTION	50.00	50.00
2002406	09/06/06	04077	INTERNAL REVENUE SERVICE	Ben2367225	09/05/06	PAYROLL DEDUCTION	64.00	64.00
2002407	09/06/06	03277	MARGARITA MUNIZ	Ben2367219	09/05/06	PAYROLL DEDUCTION	294.46	294.46
2002408	09/06/06	03523	NATIONAL DEFERRED COMPENSATION	Ben2367211	09/05/06	DEFERRED COMP PLAN	11,007.42	11,007.42
2002409	09/06/06	03101	OTAY WATER DISTRICT	Ben2367209	09/05/06	PAYROLL DEDUCTION - ASSN DUES	805.00	805.00
2002410	09/06/06	00137	PETTY CASH CUSTODIAN	015248	09/05/06	PETTY CASH REIMBURSEMENT	637.04	637.04
2002411	09/06/06	05331	SHARYL A RUBALCAVA	Ben2367217	09/05/06	PAYROLL DEDUCTION	237.69	237.69
2002412	09/06/06	02718	SHERIDA RICHARDSON	Ben2367223	09/05/06	PAYROLL DEDUCTION	139.84	139.84
2002413	09/06/06	02261	STATE STREET BANK & TRUST CO	Ben2367207	09/05/06	DEFERRED COMP PLAN	2,764.23	2,764.23
2002414	09/06/06	05417	UNITED STATES DEPARTMENT	Ben2367227	09/05/06	PAYROLL DEDUCTION	100.00	100.00
2002415	09/06/06	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2367215	09/05/06	DEFERRED COMP PLAN	6,221.02	6,221.02
2002416	09/06/06	01910	ABCANA INDUSTRIES	778508 778255 778254	08/16/06 08/14/06 08/14/06	SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE	923.37 831.03 819.95	2,574.35
2002417	09/06/06	03787	ALLIED TRENCH SHORING SERVICE	712051	08/15/06	STEEL PLATE RENTALS	165.00	165.00
2002418	09/06/06	06166	AMERICAN MESSAGING	L1109570GI L1034315GI	09/01/06 09/01/06	PAGER SERVICE PAGER SERVICE	564.85 63.91	628.76
2002419	09/06/06	06152	AMERICAN PEST CONTROL	181017	08/12/06	PEST CONTROL SERVICE	785.00	785.00
2002420	09/06/06	00107	AMERICAN WATER WORKS	2000498177 015246	09/01/06 09/01/06	AGENCY DUES & MEMBERSHIP MEMBERSHIP RENEWAL	153.00 71.00	224.00
2002421	09/06/06	03582	ASI STERLING SECURITY	98354	08/15/06	AFTER HOURS SECURITY SVCS	2,480.60	2,480.60
2002422	09/06/06	02570	BEST LIFE & HEALTH INSURANCE	015254	09/01/06	VOLUNTARY LIFE INSURANCE	272.15	272.15
2002423	09/06/06	02787	BEST RENTALS INC	30465	08/14/06	CONCRETE	188.56	188.56
2002424	09/06/06	02197	BLUE CROSS OF CALIFORNIA	40448	09/01/06	EMPLOYEE ASSISTANCE PROGRAM SERVICES	607.16	607.16
2002425	09/06/06	02342	BOOT WORLD INC	1030203IN 1030202IN	08/13/06 08/13/06	SAFETY BOOTS SAFETY BOOTS	126.05 116.35	242.40

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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002426	09/06/06	04215	CAMP DRESSER & MCKEE INC	802354975	08/15/06	IRP PROJECT	22,326.68	22,326.68
2002427	09/06/06	03684	CANON BUSINESS SOLUTIONS	3544317	08/11/06	COPIER SERVICE	194.92	194.92
2002428	09/06/06	04398	CONSTRUCTION MANAGEMENT	015247 015227	08/29/06 08/23/06	REGISTRATION FEES REGISTRATION FEE	165.00 55.00	220.00
2002429	09/06/06	00184	COUNTY OF SAN DIEGO	EH6253	08/11/06	RECLAIMED WTR SHUTDOWN TEST	575.00	575.00
2002430	09/06/06	03606	DCSE INC	1	08/13/06	PROFESSIONAL GIS SERVICES	7,825.00	7,825.00
2002431	09/06/06	02603	DELL MARKETING LP	P38581857 P36445174	08/13/06 08/11/06	PROJECTOR CASE DVD-ROM	112.38 110.87	223.25
2002432	09/06/06	02486	DEPT OF HEALTH SERVICES	10061658	07/05/06	ANNUAL FEE	2,811.00	2,811.00
2002433	09/06/06	01926	EAST COUNTY URGENT CARE	100958806	08/23/06	HEALTH EXAM	43.00	43.00
2002434	09/06/06	03261	EDEN SYSTEMS INC	INV0096060	08/14/06	PROFESSIONAL CONSULTING SERVICES	1,039.25	1,039.25
2002435	09/06/06	05128	EMPIRE ELECTRICAL SUPPLY	105160011 105159001	08/11/06 08/11/06	MATERIAL FOR DATA CENTER SUPPLIES	346.91 19.40	366.31
2002436	09/06/06	03546	FERGUSON WATERWORKS	0167865 01659901 0167889 0165146 0167866	08/15/06 08/16/06 08/16/06 08/10/06 08/16/06	INVENTORY INVENTORY INVENTORY INVENTORY WAREHOUSE SUPPLIES	4,023.70 1,881.13 1,754.89 897.32 451.13	9,008.17
2002437	09/06/06	04066	FIRST CHOICE SERVICES-SD	266968 266101 268262 267600	07/19/06 07/05/06 08/16/06 08/02/06	COFFEE SUPPLIES COFFEE SUPPLIES COFFEE SUPPLIES COFFEE SUPPLIES	481.01 132.57 124.04 56.80	794.42
2002438	09/06/06	02591	FITNESS TECH INC	3483	08/19/06	FITNESS EQUIPMENT REPAIRS	790.80	790.80
2002439	09/06/06	05626	GAME 7 CONSULTING	1424 1417	08/30/06 08/15/06	CONSULTING SERVICES - IS DEPT TEMPORARY SERVICES - IS DEPT.	8,351.00 5,512.75	13,863.75
2002440	09/06/06	03537	GHA TECHNOLOGIES INC	386260	08/14/06	ADAPTEC PCI CARD	34.48	34.48
2002441	09/06/06	00174	HACH COMPANY	4820914 4820430	08/14/06 08/11/06	CHLORINE & AMMONIA CHLORINE & AMMONIA	1,212.08 344.54	1,556.62
2002442	09/06/06	03639	HARRIS & ASSOCIATES INC	5202800102	08/15/06	REVIEW OF PUMP STATIONS 680 & 944	11,100.00	11,100.00
2002443	09/06/06	00169	HAWTHORNE POWER SYSTEMS	1217879	08/11/06	REPAIRS SERVICE	2,904.19	2,904.19
2002444	09/06/06	04472	HECTOR I MARES-COSSIO	17	08/01/06	PROFESSIONAL SERVICES	3,000.00	3,000.00

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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002445	09/06/06	01109	HOME DEPOT CREDIT SERVICES	34373303	08/07/06	BUILDING MAINT SUPPLIES	218.22	
				7130116	07/23/06	BUILDING MAINT SUPPLIES	153.30	
				4128553	07/16/06	BUILDING MAINT SUPPLIES	126.76	
				38358	07/30/06	BUILDING MAINT SUPPLIES	86.32	
				7130161	07/23/06	BUILDING MAINT SUPPLIES	45.21	
				2596910	07/08/06	BUILDING MAINT SUPPLIES	29.99	659.80
2002446	09/06/06	04197	INTEGRITY STAFFING INC	3044	08/15/06	TEMPORARY SERVICES - HR DEPT.	1,908.00	1,908.00
2002447	09/06/06	03345	JENKINS, WILLIAM L	015255	08/26/06	REIMBURSE TELCOM LINE PAYMENT	500.00	500.00
2002448	09/06/06	04996	KNOX ATTORNEY SERVICE INC	191797	08/11/06	COURIER SERVICE	25.00	75.00
				191794	08/11/06	COURIER SERVICE	25.00	
				191795	08/11/06	COURIER SERVICE	25.00	
2002449	09/06/06	06273	LIEBERT CASSIDY WHITMORE	69196	07/31/06	RETAINER AGREEMENT	2,000.00	2,000.00
2002450	09/06/06	01183	MCMaster-CARR SUPPLY CO	49064070	08/17/06	PARTS	802.70	802.70
2002451	09/06/06	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	196757	08/14/06	BRAKE PARTS	230.93	292.80
				196935	08/16/06	BRAKE PARTS	61.87	
2002452	09/06/06	04676	NAPA AUTO PARTS	040965	08/14/06	REPAIR PARTS	612.19	639.48
				041142	08/15/06	REPAIR PARTS	261.70	
				041119	08/15/06	REPAIR PART	13.73	
				041064	08/14/06	CREDIT MEMO	(25.60)	
				041063	08/14/06	CREDIT MEMO	(38.52)	
				041065	08/14/06	CREDIT MEMO	(40.92)	
				041087	08/14/06	CREDIT MEMO	(143.10)	
2002453	09/06/06	03399	NATIONAL WATERWORKS INC	3749506	08/02/06	CLAVAL PARTS	3,098.03	3,098.03
2002454	09/06/06	00510	OFFICE DEPOT INC	348644724001	08/16/06	OFFICE SUPPLIES	39.01	39.01
2002455	09/06/06	01837	OFFICE TEAM	16552895	08/21/06	TEMPORARY HELP-ENG DEPT	719.76	719.76
2002456	09/06/06	04463	PACIFIC GREEN LANDSCAPE INC	0040519IN	08/15/06	LANDSCAPING SERVICES	7,850.00	7,850.00
2002457	09/06/06	03790	PENHALL COMPANY	3294	08/16/06	FLAT SAW CUTTING SERVICES	240.00	240.00
2002458	09/06/06	00593	PEPPER OIL COMPANY INC	599008	08/22/06	FUEL	6,058.99	15,122.96
				598933	08/14/06	OIL	6,025.92	
				598934	08/11/06	FUEL	3,038.05	
2002459	09/06/06	02976	PRE-PAID LEGAL SERVICES INC	015244	08/15/06	LEGAL SERVICES	121.60	121.60
2002460	09/06/06	01733	PRICE, TRONCONE & ASSOC INC	11515	08/14/06	RADO REPEATER SITE RENT	3,234.00	3,234.00

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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002461	09/06/06	00021	RCP BLOCK & BRICK INC	4306702	08/17/06	CONCRETE	759.64	1,367.35
				4306656	08/17/06	CONCRETE	607.71	
2002462	09/06/06	06286	SAN DIEGO ASSOCIATION OF	AR155705	08/30/06	PROFILE OF OWD-2006 ESTIMATES	150.00	150.00
2002463	09/06/06	01170	SAN DIEGO COUNTY WTR AUTH	015245	08/31/06	SEMINAR REGISTRATION	110.00	110.00
2002464	09/06/06	00121	SAN DIEGO GAS & ELECTRIC	015238	08/25/06	UTILITY EXPENSES	41,306.13	50,769.10
				015251	08/31/06	UTILITY EXPENSES	9,462.97	
2002465	09/06/06	03103	SOUTHCOAST HEATING &	C30041	08/11/06	AIR CONDITIONING MAINTENANCE	857.00	857.00
2002466	09/06/06	01669	SOUTHLAND ENVELOPE CO INC	024824	08/16/06	ENVELOPES	155.19	155.19
2002467	09/06/06	03760	SPANKY'S PORTABLE SERVICES INC	534955	08/17/06	PORTABLE TOILET RENTAL	84.13	139.77
				534787	08/16/06	PORTABLE TOILET RENTAL	55.64	
2002468	09/06/06	01560	STATE CHEMICAL MANUFACTURING	93140767	08/15/06	SHOP SUPPLIES	572.49	572.49
2002469	09/06/06	05526	T M PEMBERTON INC	23158	08/17/06	CONCRETE	503.18	503.18
2002470	09/06/06	02799	TARULLI TIRE INC - SAN DIEGO	20026751	08/16/06	TIRE REPAIR SERVICE	235.87	478.43
				20026752	08/16/06	TIRES REPAIR SERVICE	109.94	
				20026753	08/16/06	TIRE REPAIR SERVICE	72.62	
				20026700	08/11/06	TIRE REPAIR SERVICE	60.00	
2002471	09/06/06	06264	TYLER TECHNOLOGIES	015240	08/30/06	CONFERENCE REGISTRATION	520.00	520.00
2002472	09/06/06	03563	UNDERGROUND UTILITIES INC	086410	08/08/06	METER REPLACEMENT	43,757.00	43,757.00
2002473	09/06/06	00853	UNIVAR USA INC	SD619706	08/14/06	AMMONIA	3,002.34	3,002.34
2002474	09/06/06	03711	US FILTER/DAVIS PROCESS	7817420	08/15/06	BIOXIDE	711.15	711.15
2002475	09/06/06	03329	VERIZON WIRELESS	2060114876	07/21/06	CELL PHONE SERVICE	3,186.35	3,186.35
2002476	09/06/06	00101	W W GRAINGER INC	9168739952	08/17/06	WAREHOUSE SUPPLIES	864.38	3,606.63
				9168739960	08/17/06	WAREHOUSE SUPPLIES	846.38	
				9168739978	08/17/06	WAREHOUSE SUPPLIES	658.07	
				9168855485	08/17/06	WAREHOUSE SUPPLIES	599.00	
				9168963735	08/17/06	WAREHOUSE SUPPLIES	267.31	
				9168527274	08/17/06	WAREHOUSE SUPPLIES	177.21	
				9169002525	08/17/06	WAREHOUSE SUPPLIES	149.34	
				9168739093	08/17/06	WAREHOUSE SUPPLIES	32.33	
				9168527282	08/17/06	WAREHOUSE SUPPLIES	12.61	
2002477	09/06/06	00215	WATER EDUCATION FOUNDATION	11988	08/24/06	SUBSCRIPTION RENEWAL	45.00	45.00
2002478	09/06/06	00014	WAXIE SANITARY SUPPLY	69601948	08/11/06	JANITORIAL SUPPLIES	3,817.81	3,817.81

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2002479	09/06/06	01343	WE GOT YA PEST CONTROL	36852	08/16/06	BEE REMOVAL	115.00	115.00
2002480	09/06/06	02725	WILLIAMS SCOTSMAN	64809634	08/12/06	28' TRAILER RENTAL SERVICE	287.53	287.53
2002481	09/06/06	03423	WINZER CORPORATION	2758873	08/16/06	PARTS	323.01	323.01
2002482	09/06/06	06270	BELA FAINSLIBER	RF255009714	08/11/06	CUSTOMER REFUND	1,738.66	1,738.66
2002483	09/13/06	06261	ALCANTARA, CYNDI	015166	07/12/06	ADVANCEMENT REQUEST	75.00	75.00
2002484	09/13/06	01910	ABCANA INDUSTRIES	778699	08/21/06	SODIUM HYPOCHLORITE	1,710.09	4,903.73
				779121	08/24/06	SODIUM HYPOCHLORITE	1,386.29	
				778700	08/21/06	SODIUM HYPOCHLORITE	755.94	
				779122	08/24/06	SODIUM HYPOCHLORITE	534.32	
				778802	08/22/06	SODIUM HYPOCHLORITE	517.09	
2002485	09/13/06	06153	ADVANCED GRAPHICS TECHNOLOGY	91978	07/18/06	SOFTWARE	505.00	505.00
2002486	09/13/06	03787	ALLIED TRENCH SHORING SERVICE	712202	08/15/06	EQUIPMENT RENTAL	118.50	118.50
2002487	09/13/06	06152	AMERICAN PEST CONTROL	177801	08/19/06	PEST CONTROL SERVICE	235.00	235.00
2002488	09/13/06	00187	AMERICAN PUBLIC WORKS ASSOC	015281	09/13/06	RESERVATION FEE	125.00	125.00
2002489	09/13/06	00002	ANSWER INC	015228	08/22/06	ANSWERING SERVICE	1,217.25	1,217.25
2002490	09/13/06	02829	APPLIED TECHNOLOGY GROUP INC	176312	08/08/06	REPAIR SERVICE	552.20	552.20
2002491	09/13/06	05503	AUTOSALON	21160	08/21/06	DETAIL SERVICE	1,085.00	1,085.00
2002492	09/13/06	04997	AVONDALE ELEMENTARY SCHOOL	015272	09/07/06	SPLASH SCIENCE MOBILE LAB	255.00	255.00
2002493	09/13/06	01583	AZTEC IMAGING	9D768A1	08/22/06	TONER KITS	711.15	711.15
2002494	09/13/06	01232	BRODING'S BATTERY WAREHOUSE	40164	08/24/06	AUTOMOTIVE BATTERIES	146.43	146.43
2002495	09/13/06	00223	C W MCGRATH INC	21419	08/14/06	CRUSHED ROCK	442.30	1,321.10
				21519	08/21/06	CRUSHED ROCK	439.70	
				21484	08/17/06	CRUSHED ROCK	330.75	
				21463	08/16/06	CRUSHED ROCK	108.35	
2002496	09/13/06	01004	CALOLYMPIC SAFETY	003828	08/08/06	NOISE MONITORING EQUIPMENT	524.04	524.04
2002497	09/13/06	03503	CAMERON, KEVIN	015268	09/08/06	TUITION REIMBURSEMENT	1,321.75	1,321.75
2002498	09/13/06	03376	CAREER TRACK	8821911	09/05/06	SEMINAR REGISTRATION	149.00	149.00
2002499	09/13/06	02758	CARMEL BUSINESS SYSTEMS INC	6306	08/18/06	SCANNING SERVICE	281.23	281.23

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2002500	09/13/06	01828	CHICAGO TITLE COMPANY	0090192	08/23/06	PRELIMINARY TITLE REPORT	500.00	500.00
2002501	09/13/06	05008	CINGULAR WIRELESS	015258	08/29/06	WIRELESS PHONE SERVICE	10.78	10.78
2002502	09/13/06	04398	CONSTRUCTION MANAGEMENT	08282	09/08/06	REGISTRATION FEE	55.00	55.00
2002503	09/13/06	03774	CONSTRUCTION RESIDUE RECYCLING	974118	08/31/06	DUMPING SERVICES	480.00	480.00
2002504	09/13/06	03706	CONSUMERS PIPE & SUPPLY CO	S0568512001 S1001315001	08/24/06 08/18/06	REPAIR PARTS WAREHOUSE SUPPLIES	1,249.03 730.08	1,979.11
2002505	09/13/06	00341	CUMMINS CAL PACIFIC INC	01239776	08/24/06	REPAIR SERVICE	339.69	339.69
2002506	09/13/06	01822	DANIEL BOYLE ENGINEERING INC	1142321 1131720	08/18/06 08/19/06	1485-2 RESERVOIR 1485-2 RESERVOIR	345.00 115.00	460.00
2002507	09/13/06	00463	DAPPER TIRE CO	231968	08/21/06	TIRES	673.14	673.14
2002508	09/13/06	03428	DEL MAR OFFICE PRODUCTS	9185400	08/23/06	OFFICE SUPPLIES	16.36	16.36
2002509	09/13/06	01797	DELL ENTERPRISES	180819	08/10/06	PLAQUE	132.32	132.32
2002510	09/13/06	03589	DEPT OF HEALTH SERVICES	24358	09/06/06	CERTIFICATION RENEWAL	110.00	110.00
2002511	09/13/06	03417	DIRECTV	416296318	09/05/06	SATELLITE TV SERVICE	49.31	49.31
2002512	09/13/06	05128	EMPIRE ELECTRICAL SUPPLY	105160021 105150021	08/16/06 08/23/06	PARTS MATERIALS	702.16 27.48	729.64
2002513	09/13/06	00331	EMPLOYMENT DEVELOPMENT DEP'T	92502384906	09/13/06	UNEMPLOYMENT INSURANCE	1,022.00	1,022.00
2002514	09/13/06	03546	FERGUSON WATERWORKS	0165338 0169470 01694681 0168936 0167113 01659902 0150372 01659782 01678891 01678661	08/30/06 08/23/06 08/23/06 08/22/06 08/24/06 08/24/06 07/28/06 08/23/06 08/23/06 08/18/06	WAREHOUSE SUPPLIES INVENTORY INVENTORY INVENTORY SUPPLIES INVENTORY INVENTORY WAREHOUSE SUPPLY INVENTORY INVENTORY INVENTORY SUPPLIES	9,406.31 6,721.22 4,695.88 2,632.70 1,586.73 1,505.69 1,483.43 1,277.77 516.03 496.81	30,322.57
2002515	09/13/06	01327	FRANK & SON PAVING INC	0309	08/07/06	PAVING SERVICES	6,355.18	6,355.18
2002516	09/13/06	04548	FRASER'S BOILER	22495	08/23/06	LABOR SERVICE	130.00	130.00
2002517	09/13/06	06291	GARCIA CALDERON & RUIZ	0690036	08/01/06	LEGAL SERVICES AUGUST 2006	25,672.17	25,672.17

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2002518	09/13/06	03537	GHA TECHNOLOGIES INC	387656	08/23/06	DESKTOP, KEYBOARD	233.17	233.17
2002519	09/13/06	06276	GIFFORD ENGINEERING, INC.	3061	08/22/06	RADIO REPAIR SERVICE	299.43	
				50418	08/18/06	REPAIRS SERVICE	275.00	574.43
2002520	09/13/06	00174	HACH COMPANY	4835831	08/24/06	LABORATORY SUPPLIES	4,329.81	
				4836237	08/24/06	LABORATORY SUPPLIES	153.54	4,483.35
2002521	09/13/06	02629	HANSON AGGREGATES PACIFIC	474080	08/02/06	CRUSHED AGGREGATE	172.64	172.64
2002522	09/13/06	04217	HATCH & PARENT	409480	09/05/06	LEGAL SERVICES JULY 2006	3,725.50	3,725.50
2002523	09/13/06	00169	HAWTHORNE POWER SYSTEMS	SS100010150	08/16/06	DIAGNOSTIC PROGRAM	3,293.95	
				PS100017162	08/21/06	PARTS	255.30	3,549.25
2002524	09/13/06	01109	HOME DEPOT CREDIT SERVICES	5174425	08/04/06	BUILDING MAINT SUPPLIES	304.16	304.16
2002525	09/13/06	03743	HYDROTEX	522685	08/22/06	OIL	1,246.61	1,246.61
2002526	09/13/06	03615	I.M.P.A.C. GOVERNMENT SERVICES	015273	09/11/06	DISTRICT EXPENSES	4,799.48	4,799.48
2002527	09/13/06	04197	INTEGRITY STAFFING INC	3068	08/22/06	TEMPORARY SERVICES - HR DEPT.	1,908.00	
				3127	09/11/06	TEMPORARY SERVICES-HR DEPT	1,615.84	3,523.84
2002528	09/13/06	06287	IVANS CHOU	RF623312220	09/06/06	CUSTOMER REFUND	631.28	631.28
2002529	09/13/06	02398	KEM	2608008	08/09/06	WASTE DISPOSAL	1,173.11	1,173.11
2002530	09/13/06	03123	LEWIS ENGRAVING	22495	08/23/06	LABEL PLATES	61.41	61.41
2002531	09/13/06	03784	LIVESCAN SAN DIEGO	06100469	08/18/06	FINGERPRINTING SERVICES	80.00	80.00
2002532	09/13/06	02902	MARSTON & MARSTON INC	1002	09/01/06	PUBLIC RELATIONS SERVICES	3,250.00	3,250.00
2002533	09/13/06	01183	MCMASTER-CARR SUPPLY CO	49219417	08/21/06	INVENTORY	1,398.91	
				49471478	08/24/06	ELECTRICAL SUPPLIES	87.79	1,486.70
2002534	09/13/06	05966	MCMILLIN ROLLING HILLS	015278	09/08/06	W/O REFUND #D0032-XX9600	1,448.07	1,448.07
2002535	09/13/06	03169	MENDEZ-SCHOMER, ALICIA	015168	07/31/06	ADVANCEMENT REQUEST	554.70	554.70
2002536	09/13/06	01524	MESA LABORATORIES INC	0237160IN	08/22/06	REPAIR SERVICE	861.00	861.00
2002537	09/13/06	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	197333	08/23/06	BRAKE PARTS	299.89	
				187356	02/21/06	BRAKE PARTS	131.62	
				193343	06/09/06	BRAKE PARTS	89.44	
				CM194388A	08/24/06	CREDIT MEMO	(218.99)	301.96
2002538	09/13/06	03393	MOBILE MINI LLC - CA	90423549	08/18/06	40' STORAGE RENTAL	170.88	170.88

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2002539	09/13/06	03172	MOONEY, JONES AND STOKES	0035471	08/19/06	SAN MIGUEL HABITAT	31,283.21	31,283.21
2002540	09/13/06	04676	NAPA AUTO PARTS	042140	08/23/06	REPAIR PARTS	403.23	
				040966	08/14/06	REPAIR PARTS	306.10	
				042379	08/24/06	REPAIR PART	304.58	
				041194	08/15/06	REPAIR PARTS	250.94	
				042346	08/24/06	REPAIR PARTS	208.99	
				042388	08/24/06	REPAIR PART	90.41	
				041120	08/15/06	REPAIR PARTS	60.02	
				041583	08/18/06	REPAIR PARTS	45.66	
				041838	08/21/06	REPAIR PART	37.94	
				041899	08/21/06	REPAIR PARTS	28.96	
				041589	08/18/06	REPAIR PARTS	24.76	
				042246	08/23/06	REPAIR PARTS	14.61	
				042309	08/24/06	REPAIR PART	13.71	
				041810	08/21/06	REPAIR PART	13.21	
				041242	08/16/06	REPAIR PARTS	9.03	
				041813	08/21/06	REPAIR PARTS	6.44	
				038795	07/28/06	REPAIR PARTS	4.27	
				038796	07/28/06	REPAIR PARTS	0.39	
				042054	08/22/06	CREDIT MEMO	(77.04)	1,746.21
2002541	09/13/06	03733	NEC UNIFIED SOLUTIONS INC	VSH10223247	08/23/06	LABOR FOR PHONES SERVICES	435.00	
				VSH10223248	08/23/06	LABOR FOR PHONES SERVICES	185.00	620.00
2002542	09/13/06	03733	NEC UNIFIED SOLUTIONS INC	VSH10222387	08/20/06	LABOR FOR PHONES SVCS	250.00	
				VSH10222391	08/20/06	LABOR FOR PHONES SVCS	125.00	375.00
2002543	09/13/06	03571	NEXTLEVEL INTERNET	10876	08/14/06	INTERNET WEB HOSTING	707.00	707.00
2002544	09/13/06	02669	NORTHERN TOOL & EQUIPMENT CO	14395216	07/17/06	SHIPPING CHARGE	25.30	25.30
2002545	09/13/06	03299	OCB REPROGRAPHICS	4357066	08/23/06	TONER KIT	256.39	256.39
2002546	09/13/06	00510	OFFICE DEPOT INC	349988280001	08/23/06	OFFICE SUPPLIES	743.56	
				348292874001	08/23/06	OFFICE SUPPLIES	291.59	
				350264859001	08/30/06	OFFICE SUPPLY	87.46	
				349981289001	08/23/06	OFFICE SUPPLIES	83.75	
				341700683001	06/16/06	OFFICE SUPPLIES	48.81	
				349412285001	08/23/06	OFFICE SUPPLIES	44.11	
				349437232001	08/23/06	OFFICE SUPPLIES	23.03	
				349437553001	08/23/06	OFFICE SUPPLIES	11.63	
				348295195001	08/23/06	OFFICE SUPPLY	11.53	
				348448798001	08/23/06	OFFICE SUPPLY	3.16	1,348.63
2002547	09/13/06	01837	OFFICE TEAM	16574946	08/21/06	TEMPORARY SERVICES - METER DEPT	823.48	
				16611902	08/28/06	TEMPORARY SERVICES - METER DEPT	605.50	1,428.98

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2002548	09/13/06	03780	OWEN, DOUGLAS WESTLEY	015269	09/08/06	TUITION REIMBURSEMENT	1,056.57	1,056.57
2002549	09/13/06	06289	PEARL TAYLOR TRUSTEE	RF230060741	09/06/06	OVERPAYMENT REFUND	9,794.07	9,794.07
2002550	09/13/06	00227	PELL MELL SUPPLY	43089001	08/07/06	WAREHOUSE SUPPLIES	239.21	239.21
2002551	09/13/06	03790	PENHALL COMPANY	3358	08/24/06	FLAT SAW CUTTING SERVICES	515.00	515.00
2002552	09/13/06	00593	PEPPER OIL COMPANY INC	599009	08/22/06	FUEL	13,945.93	
				598872	08/07/06	FUEL	6,075.33	
				598961	08/18/06	FUEL	5,991.37	26,012.63
2002553	09/13/06	05499	PRAXAIR DISTRIBUTION INC	962195	08/20/06	WELDING SUPPLIES	373.00	373.00
2002554	09/13/06	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2367205	09/05/06	PERS CONTRIBUTION	110,760.07	110,760.07
2002555	09/13/06	01342	R J SAFETY SUPPLY CO INC	22777800	08/22/06	SAFETY SUPPLIES	346.45	
				22777801	08/24/06	SAFETY SUPPLIES	116.37	462.82
2002556	09/13/06	00021	RCP BLOCK & BRICK INC	4306725	08/19/06	CONCRETE	191.48	
				4306842	08/22/06	CONCRETE	105.06	296.54
2002557	09/13/06	01992	RED WING SHOE STORE	00830007238	08/18/06	SAFETY BOOTS	146.53	146.53
2002558	09/13/06	00121	SAN DIEGO GAS & ELECTRIC	015261	08/02/06	UTILITY EXPENSES	22,465.73	
				015271	08/02/06	UTILITY EXPENSES	6,091.98	28,557.71
2002559	09/13/06	06262	SHAMALA KODUKULA	015167	07/11/06	ADVANCEMENT REQUEST	138.00	138.00
2002560	09/13/06	00419	SHAPE PRODUCTS CO	125584	08/24/06	LABORATORY SUPPLIES	517.50	517.50
2002561	09/13/06	01651	SHARP REES-STEALY MEDICAL CTRS	179A	08/19/06	HEALTH EXAM	198.00	
				179C	08/19/06	HEALTH EXAM	88.00	
				179B	08/19/06	HEALTH EXAM	88.00	
				179D	08/19/06	HEALTH EXAM	50.00	424.00
2002562	09/13/06	03955	SHEA HOMES LP	015276	09/08/06	W/O REFUND #D0179-XX9495	10,652.02	
				015277	09/08/06	REFUND W/O #D0179-XX9562	5,457.59	16,109.61
2002563	09/13/06	05983	SIEMENS WATER	1878059	08/17/06	PARTS	1,256.49	1,256.49
2002564	09/13/06	01691	SKILLPATH SEMINARS	8846090	08/30/06	SEMINAR REGISTRATION	299.00	
				8833865	08/22/06	SEMINAR REGISTRATION	199.00	
				8846086	08/30/06	SEMINAR REGISTRATION	199.00	697.00
2002565	09/13/06	02792	SKYLINE WESLEYAN CHURCH INC	015262	08/31/06	CIP #P2026 REIMBURSEMENT AGREEMNT	20,510.97	20,510.97
2002566	09/13/06	01669	SOUTHLAND ENVELOPE CO INC	024944	08/18/06	OFFICE SUPPLIES	401.73	401.73

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2002567	09/13/06	03516	SPECIAL DISTRICT RISK	0016515IN	08/28/06	WORKER'S COMP PREMIUM-2ND QTR	71,527.00	71,527.00
2002568	09/13/06	06290	STALKER, GARY	015270	09/08/06	TUITION REIMBURSEMENT	105.00	105.00
2002569	09/13/06	02354	STANDARD ELECTRONICS	8292	08/22/06	SAFETY/SECURITY	1,224.97	
				7966	06/01/06	FIRE & SECURITY MONITORING	1,080.00	
				7967	06/01/06	FIRE & SECURITY MONITORING	360.00	
				7969	06/01/06	FIRE & SECURITY MONITORING	360.00	
				7968	06/01/06	FIRE & SECURITY MONITORING	360.00	
				7970	06/01/06	FIRE & SECURITY MONITORING	360.00	3,744.97
2002570	09/13/06	00408	SWEETWATER AUTHORITY	015279	09/12/06	SEMINAR REGISTRATIONS	1,274.00	1,274.00
2002571	09/13/06	04977	T-MOBILE	015267	08/05/06	CELL PHONE & BLACKBERRY SERVICE	6,416.73	6,416.73
2002572	09/13/06	02799	TARULLI TIRE INC - SAN DIEGO	20026822	08/24/06	TIRE REPAIR SERVICE	776.98	
				20026823	08/24/06	TIRE REPAIR SERVICES	648.06	
				20026820	08/24/06	TIRE REPAIR SERVICES	294.90	
				20026824	08/24/06	TIRE REPAIR SERVICE	56.93	
				20026821	08/24/06	TIRE REPAIR SERVICE	20.47	1,797.34
2002573	09/13/06	04606	THE EASTLAKE COMPANY LLC	015266	09/08/06	W/O REFUND D0182XX9369	1,341.96	1,341.96
2002574	09/13/06	00350	UNITED STATES POSTAL SERVICE	015280	09/13/06	REIMBURSE POSTAGE MACHINE	3,000.00	3,000.00
2002575	09/13/06	00101	W W GRAINGER INC	9172855125	08/23/06	WAREHOUSE SUPPLIES	1,090.97	
				9170886668	08/21/06	WAREHOUSE SUPPLIES	583.75	
				9170886676	08/21/06	WAREHOUSE SUPPLIES	128.87	
				9172855117	08/23/06	WAREHOUSE SUPPLIES	76.03	
				9168702653	08/17/06	WAREHOUSE SUPPLIES	51.73	
				9168702679	08/17/06	WAREHOUSE SUPPLIES	32.33	
				9168702646	08/17/06	WAREHOUSE SUPPLIES	25.86	
				9168702661	08/17/06	WAREHOUSE SUPPLIES	8.62	
				9168527290	08/17/06	WAREHOUSE SUPPLIES	4.31	2,002.47
2002576	09/13/06	01343	WE GOT YA PEST CONTROL	36951	08/24/06	PEST CONTROL SERVICE	800.00	
				35243A	06/28/06	BEE REMOVAL	115.00	915.00
2002577	09/13/06	00125	WESTERN PUMP	2003710	08/23/06	APCD TESTING	150.00	150.00
2002578	09/20/06	01910	ABCANA INDUSTRIES	779496	08/31/06	SODIUM HYPOCHLORITE	1,367.81	
				779240	08/28/06	SODIUM HYPOCHLORITE	1,210.23	
				779241	08/28/06	SODIUM HYPOCHLORITE	1,012.01	
				779495	08/31/06	SODIUM HYPOCHLORITE	816.26	
				779136	08/25/06	SODIUM HYPOCHLORITE	4.95	
				779137	08/25/06	SODIUM HYPOCHLORITE	4.93	4,416.19
2002579	09/20/06	00132	AIRGAS WEST	103619761	08/28/06	ELECTRIC BLOWER	617.39	617.39

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2002580	09/20/06	03787	ALLIED TRENCH SHORING SERVICE	709495	08/03/06	STEEL PLATES RENTAL	403.00	403.00
2002581	09/20/06	02362	ALLIED WASTE SERVICES	0509002486226	08/25/06	TRASH REMOVAL SERVICES	599.66	
				0509002487822	08/25/06	ASBESTOS DISPOSAL CONTAINER RENTAL	173.36	
				0509002489023	08/25/06	TRASH REMOVAL SERVICES	64.17	837.19
2002582	09/20/06	02966	AMERICAN INDUSTRIAL SUPPLY INC	77398	08/28/06	REPAIR PARTS	489.71	489.71
2002583	09/20/06	06166	AMERICAN MESSAGING	L1204693GI	09/01/06	PAGER SERVICES	55.71	55.71
2002584	09/20/06	00315	AMERICAN SOCIETY OF	015295	09/15/06	MEMBERSHIP DUES	240.00	240.00
2002585	09/20/06	00155	ANDREW A SMITH COMPANY	14206	07/06/06	PROFESSIONAL APPRAISAL SERVICES	1,000.00	1,000.00
2002586	09/20/06	06165	ANITA FIRE HOSE COMPANY, ETC.	01753	08/30/06	FIRE EXTINGUISHER SERVICE	48.51	48.51
2002587	09/20/06	05753	ARRIETA CONSTRUCTION INC	3	08/25/06	SWEETWATER SPRING AGENCY INTERCONNEC	20,541.86	20,541.86
2002588	09/20/06	02787	BEST RENTALS INC	30580	08/31/06	CONCRETE	193.95	193.95
2002589	09/20/06	02342	BOOT WORLD INC	1030426IN	08/27/06	SAFETY BOOTS	116.36	116.36
2002590	09/20/06	03679	BRG CONSULTING INC	06080516	08/31/06	1296-3 RESERVOIR	3,015.10	3,015.10
2002591	09/20/06	00223	C W MCGRATH INC	21627	08/29/06	GRANITE	305.53	
				21665	08/31/06	CRUSHED ROCK	256.36	
				21607	08/28/06	GRANITE	210.68	772.57
2002592	09/20/06	06281	CALIF STATE DISBURSEMENT UNIT	Ben2367736	09/19/06	PAYROLL DEDUCTION	342.92	342.92
2002593	09/20/06	02920	CALIFORNIA COMMERCIAL	60280	08/29/06	ASPHALT	1,013.39	1,013.39
2002594	09/20/06	01060	CALIFORNIA SOCIETY OF	015285	09/13/06	AWARDS PROGRAM APPLICATION	300.00	300.00
2002595	09/20/06	01004	CALOLYMPIC SAFETY	005485	08/22/06	NOISE DOSIMETER	653.35	
				005836	08/31/06	FALL PROTECTION PRODUCTS	449.63	1,102.98
2002596	09/20/06	04071	CAPITOL WEBWORKS LLC	17468	07/31/06	LOBBYING DISCLOSURE SERVICES	45.00	45.00
2002597	09/20/06	03491	CASA DE ORO CARWASH	298	08/31/06	CAR WASH SERVICES	1,572.99	1,572.99
2002598	09/20/06	02026	CHULA VISTA ELEMENTARY SCHOOL	30040	08/30/06	2006-2007 CALENDAR SPONSOR	100.00	100.00
2002599	09/20/06	00944	CITY OF SAN DIEGO	015294	08/31/06	BI-MONTHLY SEWER CHARGES	77,445.99	77,445.99
2002600	09/20/06	02612	COUNCIL OF WATER UTILITIES	015289	09/14/06	MEETING RESERVATIONS	80.00	80.00
2002601	09/20/06	00184	COUNTY OF SAN DIEGO	EH6304	09/14/06	RECLAIMED WATER SHUT DOWN TEST	1,035.00	
				EH6311	09/14/06	RECLAIMED WATER SHUT DOWN TEST	920.00	

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				HK07205364	08/17/06	PERMIT FEES	464.00	
				HK07205363	08/17/06	PERMIT FEE	424.00	
				HK07205365	08/17/06	PERMIT FEES	424.00	3,267.00
2002602	09/20/06	00433	COUNTY OF SAN DIEGO	015283	09/13/06	ENGINE PERMIT FEES	7,049.00	7,049.00
2002603	09/20/06	00463	DAPPER TIRE CO	232253	08/29/06	TIRES	1,256.40	1,256.40
2002604	09/20/06	03354	DATAPROSE INC	36939	08/31/06	POSTAGE SERVICE	14,579.95	14,579.95
2002605	09/20/06	04550	DATATREE	90034086	08/31/06	MAP PURCHASING SERVICE	99.00	99.00
2002606	09/20/06	00852	DEC CONSULTANTS INC	U081971	08/31/06	2005-2007 CP PROGRAM	5,406.84	
				U081928	08/31/06	2002-2003 CP PROGRAM	2,515.10	7,921.94
2002607	09/20/06	02447	EDCO DISPOSAL CORPORATION	015263	08/31/06	RECYCLING SERVICES	47.19	47.19
2002608	09/20/06	00230	EDP PRODUCTS INC	804576	08/31/06	CARTRIDGE STORAGE/RETRIEVAL	232.40	232.40
2002609	09/20/06	02639	EW TRUCK & EQUIPMENT	171177	08/31/06	FILTERS	969.45	
				171024	08/30/06	AIR FILTERS	214.96	1,184.41
2002610	09/20/06	03683	F & L INDUSTRIAL SOLUTIONS INC	3986	08/29/06	PART	530.96	530.96
2002611	09/20/06	03546	FERGUSON WATERWORKS	01693361	08/25/06	INVENTORY	6,794.72	
				0170440	08/28/06	INVENTORY	4,867.10	
				01659903	08/28/06	INVENTORY	3,137.22	
				0170282	08/25/06	CAMLOCK FITTINGS	1,870.54	
				01678892	08/29/06	INVENTORY	1,286.90	
				01702821	08/28/06	CAMLOCK FITTINGS	327.25	18,283.73
2002612	09/20/06	03544	FILEFAX	10016727	08/30/06	FILE FOLDERS	340.55	340.55
2002613	09/20/06	00843	FIRE & ICE HEATING AND	9741	08/29/06	REPAIR SERVICE	342.00	342.00
2002614	09/20/06	02470	FIRST BANKCARD	015298	09/08/06	DISTRICT EXPENSES	500.00	500.00
2002615	09/20/06	02028	FT INTERACTIVE DATA CORP	05613086	08/31/06	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2002616	09/20/06	03094	FULLCOURT PRESS	15554	08/08/06	PRINTING SERVICE	1,373.90	1,373.90
2002617	09/20/06	00131	GOVERNMENT FINANCE OFFICERS	015284	09/13/06	AWARDS PROGRAM APPLICATION	385.00	385.00
2002618	09/20/06	03773	GTC SYSTEMS INC	25456	08/31/06	TECHNICAL SUPPORT	1,374.82	1,374.82
2002619	09/20/06	00174	HACH COMPANY	4837350	08/25/06	LABORATORY SUPPLIES	115.29	115.29
2002620	09/20/06	00169	HAWTHORNE POWER SYSTEMS	PS100017691	08/29/06	PARTS	255.30	255.30

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2002621	09/20/06	03615	I.M.P.A.C. GOVERNMENT SERVICES	015293	08/22/06	DISTRICT EXPENSES	1,373.23	1,373.23
2002622	09/20/06	05496	IDENTICARD	374802	07/18/06	IDENTIFICATION CARDS	983.15	983.15
2002623	09/20/06	04197	INTEGRITY STAFFING INC	3085	08/26/06	TEMPORARY SERVICES- HR DEPT.	1,908.00	1,908.00
2002624	09/20/06	02372	INTERIOR PLANT SERVICE INC	22276	08/31/06	PLANT SERVICE	181.00	181.00
2002625	09/20/06	02267	INTERNAL REVENUE SERVICE	Ben2367728	09/19/06	PAYROLL DEDUCTION	50.00	50.00
2002626	09/20/06	04077	INTERNAL REVENUE SERVICE	Ben2367740	09/19/06	PAYROLL DEDUCTION	64.00	64.00
2002627	09/20/06	01591	IRON MOUNTAIN RECORDS	FE58433 FE58432	08/31/06 08/31/06	STORAGE STORAGE	430.83 0.60	431.43
2002628	09/20/06	05836	JACOBS INC.	W9X9540107	08/10/06	450-1 RESV & 680-1 PUMP STATION	27,062.52	27,062.52
2002629	09/20/06	06297	JOSE CARRILLO	RF625463006	09/14/06	CUSTOMER REFUND	763.06	763.06
2002630	09/20/06	06267	KELLY PAPER	015264	08/31/06	OFFICE SUPPLIES	303.08	303.08
2002631	09/20/06	02398	KEM	2608052	08/28/06	WASTE DISPOSAL	321.00	321.00
2002632	09/20/06	05126	KEN DAROIS	015282	09/14/06	PROGRAMMING SERVICES	10,175.00	10,175.00
2002633	09/20/06	04996	KNOX ATTORNEY SERVICE INC	194832 194386 194387 194388	08/28/06 08/25/06 08/25/06 08/25/06	COURIER SERVICE COURIER SERVICE COURIER SERVICE COURIER SERVICE	62.25 25.00 25.00 25.00	137.25
2002634	09/20/06	05220	LOGICALIS INTEGRATION SOLUTION	S611545	08/31/06	DATA CENTER UPGRADE	31,190.00	31,190.00
2002635	09/20/06	01054	LYNN'S LOCKSMITH SERVICE	247714	07/20/06	LOCKSMITH SERVICE AND PARTS	318.21	318.21
2002636	09/20/06	01183	MCMaster-CARR SUPPLY CO	49831370	08/30/06	PARTS	914.33	914.33
2002637	09/20/06	04845	MOMAR INC	A34440	07/11/06	SEALANT	226.01	226.01
2002638	09/20/06	03523	NATIONAL DEFERRED COMPENSATION	Ben2367724	09/19/06	DEFERRED COMP PLAN	10,807.42	10,807.42
2002639	09/20/06	03733	NEC UNIFIED SOLUTIONS INC	VSH10222383	08/28/06	LABOR FOR PHONES SVCS	125.00	125.00
2002640	09/20/06	03487	NETWORK INSIGHT	NISD200601898 NISD200601885 NISD200601884	09/01/06 08/31/06 08/31/06	TEMPORARY SERVICES - IS DEPT TEMPORARY SERVICES - IS DEPT. NETWORK STAFF SUPPORT	15,400.00 7,920.00 1,575.00	24,895.00
2002641	09/20/06	00510	OFFICE DEPOT INC	348031831001 350265970001	08/16/06 08/30/06	OFFICE SUPPLIES OFFICE SUPPLIES	1,077.11 118.87	1,195.98

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2002642	09/20/06	04442	OFFICE OF WATER PROGRAMS	503729	08/29/06	OPERATOR TRAINING MANUALS	96.53	96.53
2002643	09/20/06	03149	ON SITE LASER	37852	08/31/06	REPAIR SERVICE	364.24	364.24
2002644	09/20/06	00496	ONE SOURCE DISTRIBUTORS INC	S2548579001 S2551448001	08/25/06 08/28/06	CIRCUIT BREAKER PARTS	415.37 121.37	536.74
2002645	09/20/06	02334	OTAY LANDFILL	003608	08/31/06	WASTE DISPOSAL SERVICES	66.50	66.50
2002646	09/20/06	03101	OTAY WATER DISTRICT	Ben2367726	09/19/06	PAYROLL DEDUCTION - ASSN DUES	798.00	798.00
2002647	09/20/06	05497	PAYPAL INC	2612470	08/31/06	ON-LINE PAYMENT SERVICES	311.40	311.40
2002648	09/20/06	03790	PENHALL COMPANY	3418 3420 3421 3419	08/30/06 08/30/06 08/30/06 08/30/06	FLAT SAW CUTTING SERVICES FLAT SAW CUTTING SERVICES FLAT SAW CUTTING SERVICES FLAT SAW CUTTING SERVICES	190.00 185.00 185.00 185.00	745.00
2002649	09/20/06	00593	PEPPER OIL COMPANY INC	599325 599311	09/07/06 09/06/06	FUEL FUEL	5,056.72 4,281.01	9,337.73
2002650	09/20/06	00137	PETTY CASH CUSTODIAN	015302	09/20/06	PETTY CASH REIMBURSEMENT	586.74	586.74
2002651	09/20/06	02786	PIONEER AMERICAS LLC	5538746487	08/30/06	CHLORINE	2,187.55	2,187.55
2002652	09/20/06	06164	PMC CONSULTING	3614	08/25/06	AUTOCAD SUPPORT	700.00	700.00
2002653	09/20/06	05499	PRAXAIR DISTRIBUTION INC	050865B 050865A 050865	08/28/06 08/28/06 08/28/06	WELDING SUPPLIES & EQUIPMENT WELDING SUPPLIES & EQUIPMENT WELDING SUPPLIES & EQUIPMENT	297.15 172.35 20.47	489.97
2002654	09/20/06	01342	R J SAFETY SUPPLY CO INC	22817700	08/30/06	SAFETY SUPPLY	303.72	303.72
2002655	09/20/06	00021	RCP BLOCK & BRICK INC	4307150 4307152	08/31/06 08/31/06	CONCRETE CONCRETE	759.64 607.71	1,367.35
2002656	09/20/06	01916	RED WING SHOE STORE	827000000691	08/28/06	SAFETY BOOTS	150.00	150.00
2002657	09/20/06	03525	REFRIGERATION ENGINEERING	38848	07/11/06	ICE MACHINE REPAIR	261.58	261.58
2002658	09/20/06	04542	ROBAK, MARK	70140806	08/31/06	REIMBURSE MILEAGE EXPENSE	44.06	44.06
2002659	09/20/06	01471	ROBBINS AUTO GLASS	39040	08/30/06	REPAIR SERVICE	241.51	241.51
2002660	09/20/06	06284	SAMARITAN OCCUPATIONAL MED	777771754	08/26/06	HEALTH EXAM	129.00	129.00
2002661	09/20/06	05973	SAN DIEGO COUNTY WATER AUTH	015288	09/14/06	MEETING RESERVATIONS	220.00	220.00
2002662	09/20/06	00247	SAN DIEGO DAILY TRANSCRIPT	20397	08/31/06	ASPHALTIC CONCRETE SVCS AD	116.00	116.00

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2002663	09/20/06	00121	SAN DIEGO GAS & ELECTRIC	015300	07/03/06	UTILITY EXPENSES	2,067.05	2,067.05
2002664	09/20/06	02718	SHERIDA RICHARDSON	Ben2367738	09/19/06	PAYROLL DEDUCTION	139.84	139.84
2002665	09/20/06	05627	SIGNA DIGITAL SOLUTIONS INC	ARS03667 ARS03654	08/31/06 08/30/06	COPIER MAINT SERVICE COPIER MAINT SERVICE	101.00 101.00	202.00
2002666	09/20/06	06277	SIGNATURE PRESS	67054	08/30/06	BROCHURES	1,234.82	1,234.82
2002667	09/20/06	01691	SKILLPATH SEMINARS	8859653	09/11/06	CONFERENCE REGISTRATION	149.00	149.00
2002668	09/20/06	00258	SLOAN ELECTRIC CO	0050561	08/31/06	REPAIR SERVICE	16,490.58	16,490.58
2002669	09/20/06	03071	SOCO GROUP INC	191104	08/30/06	MOTOR OIL	2,903.05	2,903.05
2002670	09/20/06	03600	SPRINT	015297	09/14/06	WIRELESS CARDS SERVICE	393.52	393.52
2002671	09/20/06	02354	STANDARD ELECTRONICS	8328 8329 8330 8189 8331 8332 8233	08/28/06 08/28/06 08/28/06 07/31/06 08/28/06 08/28/06 08/07/06	SECURITY SERVICE & REPAIRS SECURITY SERVICE & REPAIRS	1,126.56 215.50 170.00 148.51 127.50 127.50 127.50	2,043.07
2002672	09/20/06	06295	STATE DISBURSEMENT UNIT	Ben2367734	09/19/06	PAYROLL DEDUCTION	294.46	294.46
2002673	09/20/06	06299	STATE DISBURSEMENT UNIT	Ben2367732	09/19/06	PAYROLL DEDUCTION	237.69	237.69
2002674	09/20/06	02261	STATE STREET BANK & TRUST CO	Ben2367722	09/19/06	DEFERRED COMP PLAN	10,414.23	10,414.23
2002675	09/20/06	01834	T C CONSTRUCTION INC	17474	08/31/06	450-1 RESERVOIR & 680-1 PUMP STATION	686,904.92	686,904.92
2002676	09/20/06	05526	T M PEMBERTON INC	23294	08/31/06	CONCRETE	663.28	663.28
2002677	09/20/06	04977	T-MOBILE	415086045906	09/04/06	CELL PHONE & BLACKBERRIES SERVICE	2,578.72	2,578.72
2002678	09/20/06	02799	TARULLI TIRE INC - SAN DIEGO	20026850 20026882 20026883 20026873 20026872 20026847	08/25/06 08/30/06 08/30/06 08/29/06 08/29/06 08/25/06	TIRE REPAIR SERVICE TIRE REPAIR SERVICES TIRE REPAIR SERVICES TIRE REPAIR SERVICE TIRE REPAIR SERVICE TIRE REPAIR SERVICE	157.86 66.00 64.00 32.00 22.00 22.00	363.86
2002679	09/20/06	02376	TECHKNOWSION INC	1875	08/30/06	WATER SCADA SYSTEM INTERGRATION SERVIC	550.00	550.00
2002680	09/20/06	05417	UNITED STATES DEPARTMENT	Ben2367742	09/19/06	PAYROLL DEDUCTION	100.00	100.00

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2002681	09/20/06	00853	UNIVAR USA INC	SD620152	08/30/06	CALCIUM HYPOCHLORITE	2,965.80	2,965.80
2002682	09/20/06	03212	UNUM LIFE INSURANCE	Ben2367718	09/19/06	LONG TERM DISABILITY	6,057.41	6,057.41
2002683	09/20/06	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2367730	09/19/06	DEFERRED COMP PLAN	6,222.93	6,222.93
2002684	09/20/06	03329	VERIZON WIRELESS	2068246188	08/21/06	CELL PHONE SERVICE	5,462.36	5,462.36
2002685	09/20/06	00101	W W GRAINGER INC	9174960600 9176307222	08/25/06 08/28/06	WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES	30.45 26.72	57.17
2002686	09/20/06	00125	WESTERN PUMP	0002684IN 2003089	07/11/06 06/30/06	REPAIR SERVICE LEAK MONITORING	2,000.00 722.00	2,722.00
2002687	09/20/06	03692	WESTIN ENGINEERING INC	11	08/17/06	SCADA DOCUMENTATION PROJECT	15,532.07	15,532.07
2002688	09/20/06	02725	WILLIAMS SCOTSMAN	65623591	09/02/06	28' TRAILER RENTAL	287.53	287.53
2002689	09/21/06	01170	SAN DIEGO COUNTY WTR AUTH	015288	09/14/06	SEMINAR REGISTRATION	220.00	220.00
2002690	09/27/06	01910	ABCANA INDUSTRIES	779781 779867 779895	09/05/06 09/06/06 09/07/06	SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE	1,641.13 1,276.71 853.19	3,771.03
2002691	09/27/06	06321	ADEL S YALDA	Ref002367864	09/26/06	UB Refund Cst #0000085364	690.94	690.94
2002692	09/27/06	06352	ADRIANA M BARNHART	Ref002367896	09/26/06	UB Refund Cst #0000021301	49.82	49.82
2002693	09/27/06	06402	AIDA PEREZ	Ref002367948	09/26/06	UB Refund Cst #0000075697	29.73	29.73
2002694	09/27/06	00132	AIRGAS WEST	103641848	09/07/06	BREATHING AIR	102.94	102.94
2002695	09/27/06	06292	ALTAMIRA DEVELOPMENT CO., LLC	015275	09/08/06	W/O REFUND #D0090-XX9363	3,608.02	3,608.02
2002696	09/27/06	06389	ALVA CALDERON	Ref002367935	09/26/06	UB Refund Cst #0000072238	15.58	15.58
2002697	09/27/06	06333	AMERICAN ASPHALT SOUTH INC	Ref002367877	09/26/06	UB Refund Cst #0000087749	611.36	611.36
2002698	09/27/06	04660	AMERICAN INSTITUTE OF	10112914	08/07/06	SUBSCRIPTION RENEWAL	69.00	69.00
2002699	09/27/06	06395	ANGEL GALINDO	Ref002367941	09/26/06	UB Refund Cst #0000073087	24.41	24.41
2002700	09/27/06	05758	AT&T	015314	09/07/06	PHONE SERVICE	33.33	33.33
2002701	09/27/06	06296	AT&T LONG DISTANCE	809377995	09/04/06	LONG DISTANCE	91.02	91.02
2002702	09/27/06	06272	AT&T/MCI	T5492511 T5530221	08/17/06 09/11/06	PHONE SERVICE PHONE SERVICE	2,058.50 1,187.50	3,246.00

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2002703	09/27/06	05503	AUTOSALON	21162	08/30/06	DETAILING SERVICES	1,005.00	
				21168	09/05/06	DETAILING SERVICES	885.00	1,890.00
2002704	09/27/06	00145	BARRETT ENGINEERED PUMPS	051957	09/07/06	PUMP	406.70	
				051956	09/07/06	CHLORINE ANALYZER SAMPLE PUMP	191.28	597.98
2002705	09/27/06	06396	BARRY TUNSTALL	Ref002367942	09/26/06	UB Refund Cst #0000074168	60.82	60.82
2002706	09/27/06	06307	BIG SKY CONTRACTORS	Ref002367850	09/26/06	UB Refund Cst #0000081427	631.32	631.32
2002707	09/27/06	02342	BOOT WORLD INC	1030425IN	08/27/06	SAFETY BOOTS	87.26	87.26
2002708	09/27/06	06360	BRADLEY C FORTHUN	Ref002367905	09/26/06	UB Refund Cst #0000030817	26.29	26.29
2002709	09/27/06	03721	BULLET LOGISTICS INC	09150603350	09/01/06	COURIER SERVICES	227.70	
				08150603350	08/10/06	COURIER SERVICES	227.70	455.40
2002710	09/27/06	00223	C W MCGRATH INC	21689	09/01/06	CRUSHED ROCK	312.04	312.04
2002711	09/27/06	06403	C.O.M. PARTNERSHIP	Ref002367949	09/26/06	UB Refund Cst #0000075814	23.93	23.93
2002712	09/27/06	01004	CALOLYMPIC SAFETY	299763	07/06/06	SAFETY EQUIPMENT	56.07	56.07
2002713	09/27/06	06312	CALVIN BRALEY	Ref002367855	09/26/06	UB Refund Cst #0000082647	17.44	17.44
2002714	09/27/06	06366	CAMILO DUENAS	Ref002367911	09/26/06	UB Refund Cst #0000040323	75.00	75.00
2002715	09/27/06	03684	CANON BUSINESS SOLUTIONS	3560866	09/06/06	COPIER SERVICE	598.73	
				3558276	09/01/06	COPIER SERVICE	205.74	804.47
2002716	09/27/06	06361	CARL SWANSTROM	Ref002367906	09/26/06	UB Refund Cst #0000031629	21.00	21.00
2002717	09/27/06	03572	CARLTON, DISANTE &	42592	09/19/06	LEGAL SERVICES JULY, 2006	6,061.72	
				42593	09/19/06	LEGAL SERVICES JULY, 2006	330.00	6,391.72
2002718	09/27/06	02758	CARMEL BUSINESS SYSTEMS INC	6323	09/01/06	STORAGE & DESTRUCTION OF DOCUMENTS	77.10	77.10
2002719	09/27/06	06314	CAROL LIPCHIK	Ref002367857	09/26/06	UB Refund Cst #0000083740	7.14	7.14
2002720	09/27/06	03742	CB & I CONSTRUCTORS INC	14880719	05/30/06	803-4 RESERVOIR CONSTRUCTION PROJECT	320,061.75	320,061.75
2002721	09/27/06	06329	CHERYL PETTRY	Ref002367873	09/26/06	UB Refund Cst #0000087286	24.43	24.43
2002722	09/27/06	06407	CHRISTOPHER CATELLO	Ref002367953	09/26/06	UB Refund Cst #0000080269	45.24	45.24
2002723	09/27/06	04119	CLARKSON LAB & SUPPLY INC	30958	08/31/06	LAB SERVICES	726.00	
				30957	08/31/06	LAB SERVICES	540.00	
				30950	08/31/06	LAB SERVICES	516.00	
				30952	08/31/06	LAB SERVICES	472.00	

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				30960	08/31/06	LAB SERVICES	450.00	
				30953	08/31/06	LAB SERVICES	404.00	
				30955	08/31/06	LAB SERVICES	374.00	
				30961	08/31/06	LAB SERVICES	328.00	
				30951	08/31/06	LAB SERVICES	236.00	
				30956	08/31/06	LAB SERVICES	236.00	
				30959	08/31/06	LAB SERVICES	236.00	
				30954	08/31/06	LAB SERVICES	190.00	4,708.00
2002724	09/27/06	06351	COLBY POPPLEWELL	Ref002367895	09/26/06	UB Refund Cst #0000016517	56.66	56.66
2002725	09/27/06	06398	CONSTANCE JOHNSON	Ref002367944	09/26/06	UB Refund Cst #0000074519	105.28	105.28
2002726	09/27/06	03706	CONSUMERS PIPE & SUPPLY CO	S1001318001	09/05/06	PVC PIPES	399.97	399.97
2002727	09/27/06	06409	CORTEZ-CLEMENTE, GRACE	015319	09/26/06	COMPUTER LOAN PROGRAM	1,867.28	1,867.28
2002728	09/27/06	00184	COUNTY OF SAN DIEGO	HK07132137	09/03/06	PERMIT FEES	584.00	584.00
2002729	09/27/06	00433	COUNTY OF SAN DIEGO	AP97091264	09/21/06	ENGINE PERMIT FEES	4,080.00	
				AP97091265	09/21/06	ENGINE PERMIT FEES	2,805.00	6,885.00
2002730	09/27/06	05125	CUDLIP, JAMES	015317	09/25/06	REIMBURSE CONF TRVL EXPENSES	595.41	595.41
2002731	09/27/06	06386	DANETTE NAVARRO	Ref002367931	09/26/06	UB Refund Cst #0000070345	17.92	17.92
2002732	09/27/06	06387	DANETTE PHILLIPS	Ref002367933	09/26/06	UB Refund Cst #0000071227	40.34	40.34
2002733	09/27/06	06320	DANIELLA CLOSE	Ref002367863	09/26/06	UB Refund Cst #0000085063	37.22	37.22
2002734	09/27/06	01582	DARTNELL CORPORATION	000004921666	08/29/06	SUBSCRIPTION RENEWAL	681.59	681.59
2002735	09/27/06	06370	DAVID DEAN	Ref002367915	09/26/06	UB Refund Cst #0000053285	13.12	13.12
2002736	09/27/06	06348	DAVID MCCLAIN	Ref002367892	09/26/06	UB Refund Cst #0000010672	64.80	64.80
2002737	09/27/06	06332	DAVID MCWILLIAMS	Ref002367876	09/26/06	UB Refund Cst #0000087529	5.83	5.83
2002738	09/27/06	06358	DEBRA BENSON	Ref002367903	09/26/06	UB Refund Cst #0000029600	41.69	41.69
2002739	09/27/06	04944	DELL CATALOG SALES	320378787	09/25/06	COMPUTER LOAN PROGRAM	1,183.71	1,183.71
2002740	09/27/06	01797	DELL ENTERPRISES	180909	09/05/06	PLAQUE	96.98	96.98
2002741	09/27/06	03744	DEPARTMENT OF JUSTICE	589038	09/07/06	FINGERPRINT SERVICES	128.00	128.00
2002742	09/27/06	03341	DEPT OF CONSUMER AFFAIRS	015307	09/22/06	RECRUITMENT	245.00	245.00
2002743	09/27/06	03504	DIABATE, KOMAN S	015308	09/25/06	TUITION REIMBURSEMENT	118.50	118.50

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2002744	09/27/06	06364	DORA A ZAVALZA	Ref002367909	09/26/06	UB Refund Cst #0000038093	44.41	44.41
2002745	09/27/06	06368	EDWARD WEILER	Ref002367913	09/26/06	UB Refund Cst #0000047843	67.27	67.27
2002746	09/27/06	06342	ERIC JOHN EUSEBIO	Ref002367886	09/26/06	UB Refund Cst #0000003983	60.13	60.13
2002747	09/27/06	06374	ERNESTO VILLANUEVA	Ref002367919	09/26/06	UB Refund Cst #0000056766	7.61	7.61
2002748	09/27/06	00645	FEDEX	838884987	09/01/06	COURIER SERVICE	48.89	48.89
2002749	09/27/06	06377	FELIX A RESOLME	Ref002367922	09/26/06	UB Refund Cst #0000059860	68.40	68.40
2002750	09/27/06	03546	FERGUSON WATERWORKS	0171448	09/05/06	INVENTORY	5,419.37	
				0171012	09/06/06	WAREHOUSE PARTS	3,746.37	
				01704401	09/05/06	INVENTORY	759.37	
				0172020	09/07/06	WAREHOUSE SUPPLIES	273.79	10,198.90
2002751	09/27/06	02470	FIRST BANKCARD	015311	09/08/06	DISTRICT EXPENSES	119.83	119.83
2002752	09/27/06	06356	FRANCISCO TORRES	Ref002367901	09/26/06	UB Refund Cst #0000026804	80.05	80.05
2002753	09/27/06	05626	GAME 7 CONSULTING	1426	09/05/06	TEMPORARY SERVICE - IS	6,213.00	
				1436	09/26/06	CONSULTING SERVICES-IS DEPT	6,053.00	12,266.00
2002754	09/27/06	06362	GAYLE TOBIAS	Ref002367907	09/26/06	UB Refund Cst #0000035318	48.27	48.27
2002755	09/27/06	06334	GEORGE HALBO	Ref002367878	09/26/06	UB Refund Cst #0000088563	772.03	772.03
2002756	09/27/06	06250	GUADALUPE HERNANDEZ	Ref002367867	09/26/06	UB Refund Cst #0000085889	36.97	36.97
2002757	09/27/06	06319	HAMMAN CONSTRUCTION	Ref002367862	09/26/06	UB Refund Cst #0000084433	746.87	746.87
2002758	09/27/06	00169	HAWTHORNE POWER SYSTEMS	PS010210621	09/07/06	PYROMETER	760.25	760.25
2002759	09/27/06	06393	HECTOR MORALES	Ref002367939	09/26/06	UB Refund Cst #0000072609	73.95	73.95
2002760	09/27/06	06359	HENRY MENESES	Ref002367904	09/26/06	UB Refund Cst #0000030510	51.26	51.26
2002761	09/27/06	06350	HIROSHI YOSHIDA	Ref002367894	09/26/06	UB Refund Cst #0000013852	56.05	56.05
2002762	09/27/06	01109	HOME DEPOT CREDIT SERVICES	34702615	09/05/06	BLDG MAINT SUPPLIES	450.09	
				7088983	08/12/06	BLDG MAINT SUPPLIES	281.47	
				3194393	08/16/06	BLDG MAINT SUPPLIES	263.34	
				34486169	08/16/06	BLDG MAINT SUPPLIES	75.36	1,070.26
2002763	09/27/06	06326	HUMBERTO DOMINQUEZ	Ref002367870	09/26/06	UB Refund Cst #0000086710	275.67	275.67
2002764	09/27/06	06354	HUSAN RIHAN	Ref002367898	09/26/06	UB Refund Cst #0000022562	5.12	5.12

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2002765	09/27/06	04197	INTEGRITY STAFFING INC	3110	09/05/06	TEMPORARY SERVICES - HR	1,925.89	1,925.89
2002766	09/27/06	06399	IRMA GINES	Ref002367945	09/26/06	UB Refund Cst #0000074628	17.65	17.65
2002767	09/27/06	06353	JAMES NAJERA	Ref002367897	09/26/06	UB Refund Cst #0000022216	59.90	59.90
2002768	09/27/06	03077	JANI KING OF CALIFORNIA INC	SDO09060434 SDO09060444	09/01/06 09/01/06	JANITORIAL SERVICES OFF-SITE JANITORIAL SERVICES	3,905.00 990.00	4,895.00
2002769	09/27/06	06400	JASON KRUEGER	Ref002367946	09/26/06	UB Refund Cst #0000074642	6.58	6.58
2002770	09/27/06	06392	JEAN WALLACE	Ref002367938	09/26/06	UB Refund Cst #0000072590	58.19	58.19
2002771	09/27/06	06323	JOSHUA VUCHETICH	Ref002367866	09/26/06	UB Refund Cst #0000085855	47.83	47.83
2002772	09/27/06	06341	JOY BURCHARD	Ref002367885	09/26/06	UB Refund Cst #0000002335	19.75	19.75
2002773	09/27/06	06406	JUAN GUILLEN	Ref002367952	09/26/06	UB Refund Cst #0000080143	768.07	768.07
2002774	09/27/06	06316	JUAN VALDEZ	Ref002367859	09/26/06	UB Refund Cst #0000084254	53.98	53.98
2002775	09/27/06	06397	JULIA BROWN	Ref002367943	09/26/06	UB Refund Cst #0000074365	29.84	29.84
2002776	09/27/06	06331	KELLY CLIFFORD	Ref002367875	09/26/06	UB Refund Cst #0000087477	14.62	14.62
2002777	09/27/06	06383	KEVIN ZEPHERIN	Ref002367928	09/26/06	UB Refund Cst #0000068468	6.90	6.90
2002778	09/27/06	03661	KIMBALL MIDWEST	759572 894222	03/31/06 08/04/06	SHOP EQUIPMENT CREDIT MEMO	733.71 (209.41)	524.30
2002779	09/27/06	05003	LA PRESA ELEMENTARY SCHOOL	015318	09/26/06	FUNDING FOR SCIENCE MOBILE LAB	255.00	255.00
2002780	09/27/06	06385	LAINIE ALCONES	Ref002367930	09/26/06	UB Refund Cst #0000069368	75.00	75.00
2002781	09/27/06	06337	LEONARD STANLEY	Ref002367881	09/26/06	UB Refund Cst #0000089689	45.73	45.73
2002782	09/27/06	06273	LIEBERT CASSIDY WHITMORE	70050	08/31/06	LABOR RELATIONS CONSULTING SERVICES	2,000.00	2,000.00
2002783	09/27/06	06308	LISA PATRICK	Ref002367851	09/26/06	UB Refund Cst #0000081455	23.49	23.49
2002784	09/27/06	06391	LISA SPROAT	Ref002367937	09/26/06	UB Refund Cst #0000072384	18.66	18.66
2002785	09/27/06	05220	LOGICALIS INTEGRATION SOLUTION	0109426IN	08/31/06	DATA CENTER UPGRADE	25,471.39	25,471.39
2002786	09/27/06	03015	LORMAN EDUCATION SERVICES	015320	09/26/06	SEMINAR REGISTRATION	339.00	339.00
2002787	09/27/06	06401	LOWELL OREDINA	Ref002367947	09/26/06	UB Refund Cst #0000075218	7.37	7.37

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2002788	09/27/06	06343	LUIS ARANA	Ref002367887	09/26/06	UB Refund Cst #0000004181	14.17	14.17
2002789	09/27/06	06344	LUIS F FELIX	Ref002367888	09/26/06	UB Refund Cst #0000004932	29.78	29.78
2002790	09/27/06	06313	MAGDA GOMEZ	Ref002367856	09/26/06	UB Refund Cst #0000083404	75.26	75.26
2002791	09/27/06	00628	MANHATTAN NAT'L LIFE INS CO	015303	09/26/06	VOLUNTARY LIFE INSURANCE	505.20	505.20
2002792	09/27/06	06305	MARGIE STERN	Ref002367848	09/26/06	UB Refund Cst #0000080273	18.87	18.87
2002793	09/27/06	06380	MARIA RAMIREZ	Ref002367925	09/26/06	UB Refund Cst #0000063164	17.96	17.96
2002794	09/27/06	06347	MARIA SANCHEZ	Ref002367891	09/26/06	UB Refund Cst #0000010053	70.00	70.00
2002795	09/27/06	06317	MARIA SWANSON	Ref002367860	09/26/06	UB Refund Cst #0000084369	5.80	5.80
2002796	09/27/06	06404	MARINA LOPEZ	Ref002367950	09/26/06	UB Refund Cst #0000076052	17.34	17.34
2002797	09/27/06	06345	MARK SMANIOTTO	Ref002367889	09/26/06	UB Refund Cst #0000006170	54.36	54.36
2002798	09/27/06	06372	MARTIN CHAN	Ref002367917	09/26/06	UB Refund Cst #0000055013	167.42	167.42
2002799	09/27/06	06311	MARY HANSON	Ref002367854	09/26/06	UB Refund Cst #0000082232	17.95	17.95
2002800	09/27/06	06373	MARY RAQUEL	Ref002367918	09/26/06	UB Refund Cst #0000055439	6.76	6.76
2002801	09/27/06	05329	MASTER METER INC	0112702IN	09/07/06	METERS	69,668.78	69,668.78
2002802	09/27/06	06388	MATT HERRING	Ref002367934	09/26/06	UB Refund Cst #0000071736	16.74	16.74
2002803	09/27/06	01183	MCMaster-CARR SUPPLY CO	50042563	09/05/06	PARTS	63.86	63.86
2002804	09/27/06	01524	MESA LABORATORIES INC	0238151IN	09/01/06	ULTRASONIC FLOW METER	1,912.00	1,912.00
2002805	09/27/06	06338	MICHAEL D FERGUSON	Ref002367882	09/26/06	UB Refund Cst #0000089863	655.10	655.10
2002806	09/27/06	03175	MILLER LOCK & KEY SERVICE	34558 34659 34566 34514 34726 34625 34670	04/17/06 08/22/06 04/28/06 04/18/06 08/24/06 07/01/06 08/08/06	LOCK & KEY SERVICE LOCK & KEY SERVICE	163.20 125.89 125.00 100.00 92.08 90.00 78.63	774.80
2002807	09/27/06	03393	MOBILE MINI LLC - CA	90428915	09/03/06	40' STORAGE RENTAL SERVICE	164.90	164.90
2002808	09/27/06	04676	NAPA AUTO PARTS	043569 042721 043758	09/05/06 08/28/06 09/07/06	REPAIR PARTS REPAIR PART PARTS	181.56 175.94 137.88	

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				042999	08/30/06	REPAIR PARTS	126.75	
				043534	09/05/06	PARTS	79.03	
				043509	09/05/06	PARTS	57.45	
				043104	08/31/06	PARTS	39.43	
				043521	09/05/06	PARTS	33.07	
				042424	08/25/06	REPAIR PARTS	32.13	
				043510	09/05/06	PARTS	28.73	
				043839	09/07/06	PARTS	27.99	
				043852	09/07/06	PARTS	27.52	
				042989	08/30/06	PARTS	26.79	
				043695	09/06/06	PARTS	20.08	
				042663	08/28/06	REPAIR PARTS	16.79	
				043131	08/31/06	PARTS	13.08	
				043843	09/07/06	PARTS	12.80	
				043844	09/07/06	PARTS	12.80	
				042667	08/28/06	REPAIR PART	11.72	
				043513	09/05/06	REPAIR PARTS	8.53	
				042768	08/28/06	REPAIR PART	7.41	
				043484	09/05/06	PARTS	5.92	
				042839	08/29/06	REPAIR PART	5.11	
				043159	08/31/06	CREDIT MEMO	(175.94)	
				042732	08/28/06	CREDIT MEMO	(323.64)	588.93
2002809	09/27/06	02992	NATIONWIDE PEST CONTROL &	0313040706	07/10/06	PEST CONTROL	145.00	145.00
2002810	09/27/06	03487	NETWORK INSIGHT	NINMS200600423	09/01/06	NETWORK MONITORING SERVICES	17,005.00	17,005.00
2002811	09/27/06	00510	OFFICE DEPOT INC	326438879001	02/16/06	OFFICE SUPPLIES	23.81	23.81
2002812	09/27/06	01837	OFFICE TEAM	16679547	09/04/06	TEMPORARY SERVICES - METER DEPT.	508.62	508.62
2002813	09/27/06	06390	OLIVIER WITTEVEEN	Ref002367936	09/26/06	UB Refund Cst #0000072313	17.46	17.46
2002814	09/27/06	04867	OSCAR ZAVALA	Ref002367899	09/26/06	UB Refund Cst #0000023566	49.80	49.80
2002815	09/27/06	06335	OTAY RIVER CONSTRUCTORS	Ref002367879	09/26/06	UB Refund Cst #0000089029	264.56	264.56
2002816	09/27/06	06340	PARDEE HOMES	Ref002367884	09/26/06	UB Refund Cst #0000001945	43.42	43.42
2002817	09/27/06	06378	PARDEE HOMES	Ref002367923	09/26/06	UB Refund Cst #0000059991	657.55	657.55
2002818	09/27/06	00227	PELL MELL SUPPLY	43188000	09/07/06	STAINLESS STEEL HEX BOLTS & NUTS	926.65	926.65
2002819	09/27/06	03790	PENHALL COMPANY	3460	09/01/06	SAW CUTTING SERVICES	340.00	
				3359	09/05/06	FLAT SAW CUTTING SERVICES	185.00	525.00
2002820	09/27/06	00593	PEPPER OIL COMPANY INC	599351	09/13/06	FUEL	4,834.06	4,834.06
2002821	09/27/06	03180	PERFORMANCE METER INC	0011278IN	08/22/06	TEMP CONSTRUCTION METERS	8,727.75	

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				0011279IN	08/22/06	TEMP CONSTRUCTION METERS	727.32	9,455.07
2002822	09/27/06	06327	PHILLIP BROOKS	Ref002367871	09/26/06	UB Refund Cst #0000086860	37.17	37.17
2002823	09/27/06	00053	PITNEY BOWES INC	556048	09/03/06	POSTAL SECURITY DEVICE RENTAL	206.88	206.88
2002824	09/27/06	02976	PRE-PAID LEGAL SERVICES INC	015310	09/20/06	VOLUNTARY PRE-PD LEGAL SVCS	105.65	105.65
2002825	09/27/06	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2367720	09/19/06	PERS CONTRIBUTION	111,996.18	111,996.18
2002826	09/27/06	01342	R J SAFETY SUPPLY CO INC	22817701	09/06/06	SAFETY SUPPLIES	610.94	610.94
2002827	09/27/06	06394	RAMONDA SCOTT	Ref002367940	09/26/06	UB Refund Cst #0000073014	5.13	5.13
2002828	09/27/06	00021	RCP BLOCK & BRICK INC	4307149	08/31/06	CONCRETE	151.93	151.93
2002829	09/27/06	06405	RCP BLOCK & BRICK INC	Ref002367951	09/26/06	UB Refund Cst #0000079756	88.91	88.91
2002830	09/27/06	05978	REHAB SOLUTIONS	155	08/16/06	BANANA BOARD PLATFORM	207.58	207.58
2002831	09/27/06	06379	REYNALDO RONDERO	Ref002367924	09/26/06	UB Refund Cst #0000060811	12.73	12.73
2002832	09/27/06	06349	RICARDO PEREZ	Ref002367893	09/26/06	UB Refund Cst #0000012804	78.63	78.63
2002833	09/27/06	06336	RICHARD IMPINK	Ref002367880	09/26/06	UB Refund Cst #0000089364	470.12	470.12
2002834	09/27/06	06315	RICHARD VAN DYKE	Ref002367858	09/26/06	UB Refund Cst #0000083836	13.99	13.99
2002835	09/27/06	06204	ROBERT JOHNSON	Ref002367932	09/26/06	UB Refund Cst #0000070688	12.02	12.02
2002836	09/27/06	06322	ROBERT MARTINEZ	Ref002367865	09/26/06	UB Refund Cst #0000085402	19.63	19.63
2002837	09/27/06	06376	ROGER IDEMOTO	Ref002367921	09/26/06	UB Refund Cst #0000057212	38.49	38.49
2002838	09/27/06	06339	RONALD KAMPMANN	Ref002367883	09/26/06	UB Refund Cst #0000001737	32.76	32.76
2002839	09/27/06	06309	RUDOLPH & SLETTEN	Ref002367852	09/26/06	UB Refund Cst #0000081797	1,287.93	1,287.93
2002840	09/27/06	06318	RUDOLPH & SLETTEN	Ref002367861	09/26/06	UB Refund Cst #0000084403	266.48	266.48
2002841	09/27/06	03687	SAFETY-KLEEN SYSTEMS INC	0032392295	09/01/06	SOLVENT TANK SERVICES	151.85	151.85
2002842	09/27/06	03803	SAN DIEGO CLIPPING SERVICE INC	439060902	09/02/06	NEWSPAPER CLIPPING SERVICE	87.00	87.00
2002843	09/27/06	01170	SAN DIEGO COUNTY WTR AUTH	015312	09/22/06	CONFERENCE REGISTRATION	50.00	50.00
2002844	09/27/06	00247	SAN DIEGO DAILY TRANSCRIPT	21507	09/05/06	ENG CONSULTANT SVCS AD	333.50	
				00548270906	09/22/06	SUBSCRIPTION RENEWAL	25.00	358.50

OTAY WATER DISTRICT  
CHECK REGISTER  
FOR CHECKS 2002404 THROUGH 2002871  
RUN DATES 9/6/2006 TO 9/27/2006

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002845	09/27/06	00121	SAN DIEGO GAS & ELECTRIC	015316	08/17/06	UTILITY EXPENSES	15,736.38	
				015305	09/16/06	UTILITY EXPENSES	2,715.17	
				015306	09/18/06	UTILITY EXPENSES	52.66	18,504.21
2002846	09/27/06	03273	SAN DIEGO READER	015274	09/06/06	JOB POSTING	320.08	320.08
2002847	09/27/06	06357	SHEA HOMES	Ref002367902	09/26/06	UB Refund Cst #0000028028	116.64	116.64
2002848	09/27/06	05627	SIGNA DIGITAL SOLUTIONS INC	ARS03720	09/05/06	COPIER MAINT SERVICE	454.88	
				ARS03691	09/01/06	COPIER MAINT SERVICE	100.00	
				ARS03695	09/01/06	COPIER MAINT SERVICE	24.00	578.88
2002849	09/27/06	06330	SIM J HARRIS INC	Ref002367874	09/26/06	UB Refund Cst #0000087413	470.09	470.09
2002850	09/27/06	01691	SKILLPATH SEMINARS	8859652	09/11/06	CONFERENCE REGISTRATION	149.00	
				8859651	09/11/06	CONFERENCE REGISTRATION	149.00	298.00
2002851	09/27/06	06346	SKIP REED	Ref002367890	09/26/06	UB Refund Cst #000006671	93.59	93.59
2002852	09/27/06	06363	SOUAD YACOUN	Ref002367908	09/26/06	UB Refund Cst #0000035630	11.98	11.98
2002853	09/27/06	03760	SPANKY'S PORTABLE SERVICES INC	537807	09/01/06	PORTABLE TOILET RENTAL	68.62	
				538111	09/04/06	PORTABLE TOILET RENTAL	67.02	
				537806	09/01/06	PORTABLE TOILET RENTAL	67.02	
				537808	09/01/06	PORTABLE TOILET RENTAL	67.02	
				537809	09/01/06	PORTABLE TOILET RENTAL	67.02	336.70
2002854	09/27/06	06325	STANDARD PACIFIC OF SAN DIEGO	Ref002367869	09/26/06	UB Refund Cst #0000086610	451.26	451.26
2002855	09/27/06	06369	SUSAN COLLIER	Ref002367914	09/26/06	UB Refund Cst #0000051496	78.20	78.20
2002856	09/27/06	06384	SUZANNE CREEDON	Ref002367929	09/26/06	UB Refund Cst #0000069075	6.92	6.92
2002857	09/27/06	06381	SYLVIA ARRIETA	Ref002367926	09/26/06	UB Refund Cst #0000067708	73.23	73.23
2002858	09/27/06	05526	T M PEMBERTON INC	23467	09/07/06	CEMENT	1,890.83	1,890.83
2002859	09/27/06	02799	TARULLI TIRE INC - SAN DIEGO	20026915	09/01/06	TIRE REPAIR SERVICES	827.93	827.93
2002860	09/27/06	06328	TIFFANY BAKER	Ref002367872	09/26/06	UB Refund Cst #0000087180	21.16	21.16
2002861	09/27/06	06371	TOMMY BOYKINS	Ref002367916	09/26/06	UB Refund Cst #0000053771	21.82	21.82
2002862	09/27/06	06306	TRIAD VILLAGE WEST	Ref002367849	09/26/06	UB Refund Cst #0000080290	21.20	21.20
2002863	09/27/06	06355	TROY ARCHIE	Ref002367900	09/26/06	UB Refund Cst #0000024990	75.00	75.00
2002864	09/27/06	00427	UNDERGROUND SERVICE ALERT OF	820060470	09/01/06	UNDERGROUND TRENCH SERVICE ALERTS	476.80	476.80

OTAY WATER DISTRICT  
CHECK REGISTER  
FOR CHECKS 2002404 THROUGH 2002871  
RUN DATES 9/6/2006 TO 9/27/2006

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2002865	09/27/06	06367	VALERIE ARMSTRONG	Ref002367912	09/26/06	UB Refund Cst #0000040375	30.03	30.03
2002866	09/27/06	06324	VALERIE HIGGINS	Ref002367868	09/26/06	UB Refund Cst #0000086074	52.96	52.96
2002867	09/27/06	00014	WAXIE SANITARY SUPPLY	69643759	09/07/06	JANITORIAL SUPPLIES	2,218.01	2,218.01
2002868	09/27/06	06382	WILLIAM GODSEY	Ref002367927	09/26/06	UB Refund Cst #0000068257	61.39	61.39
2002869	09/27/06	06310	WILSON CONSTRUCTION	Ref002367853	09/26/06	UB Refund Cst #0000082226	693.01	693.01
2002870	09/27/06	06375	YASUSHI YASUSHI NONAKA	Ref002367920	09/26/06	UB Refund Cst #0000056962	75.84	75.84
2002871	09/27/06	06365	ZUL NAZERALLY	Ref002367910	09/26/06	UB Refund Cst #0000039218	88.79	88.79
<b>GRAND TOTAL</b>							<b>2,479,159.94</b>	<b>2,479,159.94</b>

# AGENDA ITEM 8

Exhibit A

## OTAY WATER DISTRICT COMPARATIVE BUDGET SUMMARY FOR TWO MONTHS ENDED AUGUST 31, 2006

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
<b>REVENUE:</b>					
Water Sales	\$ 29,866,000	\$ 6,476,926	\$ 6,441,800	\$ 35,126	0.5%
Energy Charges	1,853,000	382,378	378,600	3,778	1.0%
System Charges	8,529,300	1,362,111	1,360,800	1,311	0.1%
Penalties	704,500	106,643	105,700	943	0.9%
MWD & CWA Fixed Charges	2,178,000	318,414	318,200	214	0.1%
Total Water Sales	43,130,800	8,646,473	8,605,100	41,373	0.5%
Reclamation Sales	4,485,400	1,023,146	999,300	23,846	2.4%
Sewer Charges	2,568,100	412,670	418,400	(5,730)	(1.4%)
Meter Fees	278,500	48,101	49,000	(899)	(1.8%)
Capacity Fee Revenues	1,000,200	232,459	166,800	65,659	39.4%
Annexation Fees	1,216,900	423,836	202,800	221,036	109.0%
Non-Operating Revenues	1,674,100	272,655	255,600	17,055	6.7%
Tax Revenues	3,427,400	90,220	90,700	(480)	(0.5%)
Interest	1,005,600	253,013	167,600	85,413	51.0%
General Fund Draw Down	283,600	47,300	47,300	-	0.0%
Total Revenue	\$ 59,070,600	\$ 11,449,872	\$ 11,002,600	\$ 447,272	4.1%
<b>EXPENSES:</b>					
Water Purchases	\$ 22,954,900	\$ 5,088,665	\$ 5,047,000	\$ (41,665)	(0.8%)
CWA-Infrastructure Access Charge	1,003,900	162,792	162,800	8	0.0%
CWA-Customer Service Charge	846,800	135,460	135,400	(60)	(0.0%)
CWA-Emergency Storage Charge	1,230,600	197,064	197,000	(64)	(0.0%)
MWD-Capacity Res Charge	514,800	85,864	85,800	(64)	(0.1%)
MWD-Readiness to Serve Charge	512,200	85,368	85,200	(168)	(0.2%)
Subtotal Water Purchases	27,063,200	5,755,213	5,713,200	(42,013)	(0.7%)
Power Charges	2,677,800	493,578	483,150	(10,428)	(2.2%)
Payroll & Related Costs	14,606,300	2,386,774	2,244,770	(142,004)	(6.3%)
Material & Maintenance	4,623,700	669,027	749,151	80,124	10.7%
Administrative Expenses	5,559,600	730,507	907,067	176,560	19.5%
Replacement Reserve	4,540,000	756,700	756,700	-	0.0%
Total Expenses	\$ 59,070,600	\$ 10,791,799	\$ 10,854,038	\$ 62,239	0.6%
<b>Excess Revenue (Expense)</b>	<b>\$ -</b>	<b>\$ 658,073</b>	<b>\$ 148,562</b>	<b>\$ 509,512</b>	

**OTAY  
Portfolio Management  
Portfolio Summary  
August 31, 2006**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues- Callable	51,000,000.00	50,752,911.99	50,948,586.06	74.83	525	255	4.580	4.644
Treasury Securities - Coupon	9,000,000.00	8,950,312.50	8,978,310.66	13.19	351	135	4.460	4.522
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.12	730	508	3.880	3.934
Local Agency Investment Fund (LAIF)	7,977,443.44	7,962,970.93	7,977,443.44	11.72	1	1	4.878	4.946
San Diego County Pool	100,941.15	100,523.63	100,941.15	0.15	1	1	4.212	4.271
	<b>68,157,492.59</b>	<b>67,845,827.05</b>	<b>68,084,389.31</b>	<b>100.00%</b>	<b>440</b>	<b>209</b>	<b>4.598</b>	<b>4.662</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	1,281,018.44	1,281,018.44	1,281,018.44		1	1	0.136	0.138
<b>Total Cash and Investments</b>	<b>69,438,511.03</b>	<b>69,126,845.49</b>	<b>69,365,407.75</b>		<b>440</b>	<b>209</b>	<b>4.598</b>	<b>4.662</b>

<b>Total Earnings</b>	<b>August 31 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	269,836.68	549,374.36
<b>Average Daily Balance</b>	<b>70,876,861.72</b>	<b>73,043,653.63</b>
<b>Effective Rate of Return</b>	<b>4.48%</b>	<b>4.43%</b>

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

9-25-06

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Federal Agency Issues- Callable</b>												
3133X8KE1	1988	Federal Home Loan Bank		09/29/2004	3,000,000.00	2,970,000.00	3,000,000.00	3.025		2.982	119	12/29/2006
3133X8KC5	1989	Federal Home Loan Bank		09/29/2004	3,000,000.00	2,987,812.50	3,000,000.00	3.000		2.959	27	09/28/2006
3133XARM1	1990	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,993,437.50	3,000,000.00	3.470		3.422	7	09/08/2006
3133XASF5	1991	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,979,375.00	3,000,000.00	3.500		3.450	98	12/08/2006
3133XARK5	1992	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,978,437.50	3,000,000.00	3.510		3.460	98	12/08/2006
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	2,984,062.50	3,000,000.00	5.000		4.943	453	11/28/2007
3133XEP45	1999	Federal Home Loan Bank		03/02/2006	3,000,000.00	2,989,687.50	3,000,000.00	5.000		4.932	182	03/02/2007
3133XETX7	2001	Federal Home Loan Bank		03/14/2006	3,000,000.00	2,988,750.00	3,000,000.00	5.125		5.055	378	09/14/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.250		5.175	397	10/03/2007
3133XFBX3	2003	Federal Home Loan Bank		05/04/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.250		5.178	245	05/04/2007
3133XFS72	2007	Federal Home Loan Bank		06/28/2006	3,000,000.00	2,995,312.50	3,000,000.00	5.350		5.277	483	12/28/2007
3133XGCU6	2008	Federal Home Loan Bank		07/28/2006	3,000,000.00	2,999,062.50	3,000,000.00	5.450		5.375	150	01/29/2007
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	2,983,478.85	3,000,000.00	5.250		5.178	553	03/07/2008
3128X4DY4	2004	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,961,302.95	2,969,969.06	4.000		5.129	315	07/13/2007
3128X4CE9	2005	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,970,716.86	2,978,617.00	3.625		5.161	167	02/15/2007
3128X5CC0	2006	Federal Home Loan Mortgage		06/01/2006	3,000,000.00	2,995,850.83	3,000,000.00	5.340		5.263	299	06/27/2007
31359MG31	1997	Federal National Mortgage Assoc		02/24/2006	3,000,000.00	2,986,875.00	3,000,000.00	5.000		4.932	357	08/24/2007
<b>Subtotal and Average</b>			<b>51,816,373.57</b>		<b>51,000,000.00</b>	<b>50,752,911.99</b>	<b>50,948,586.06</b>			<b>4.580</b>	<b>255</b>	
<b>Treasury Securities - Coupon</b>												
912828DJ6	1993	US TREASURY		01/26/2006	3,000,000.00	2,970,000.00	2,983,978.38	3.125		4.376	152	01/31/2007
912828DQ0	1994	US TREASURY		01/26/2006	3,000,000.00	2,972,812.50	2,987,780.81	3.750		4.431	211	03/31/2007
912827Z62	1995	US TREASURY		02/02/2006	3,000,000.00	3,007,500.00	3,006,551.47	6.500		4.571	44	10/15/2006
<b>Subtotal and Average</b>			<b>8,978,094.37</b>		<b>9,000,000.00</b>	<b>8,950,312.50</b>	<b>8,978,310.66</b>			<b>4.460</b>	<b>135</b>	
<b>Certificates of Deposit - Bank</b>												
2050003183R	1996	California Bank & Trust		01/22/2006	79,108.00	79,108.00	79,108.00	3.880		3.880	508	01/22/2008
<b>Subtotal and Average</b>			<b>79,108.00</b>		<b>79,108.00</b>	<b>79,108.00</b>	<b>79,108.00</b>			<b>3.880</b>	<b>508</b>	
<b>Local Agency Investment Fund (LAIF)</b>												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	7,977,443.44	7,962,970.93	7,977,443.44	4.946		4.878	1	
<b>Subtotal and Average</b>			<b>8,069,378.92</b>		<b>7,977,443.44</b>	<b>7,962,970.93</b>	<b>7,977,443.44</b>			<b>4.878</b>	<b>1</b>	

Portfolio OTAY

AP

PM (PRF\_PM2) SymRept 6.41.200

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>San Diego County Pool</b>												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	100,941.15	100,523.63	100,941.15	4.271		4.212	1	
<b>Subtotal and Average</b>			<b>100,881.49</b>		<b>100,941.15</b>	<b>100,523.63</b>	<b>100,941.15</b>			<b>4.212</b>	<b>1</b>	
<b>Total and Average</b>			<b>70,876,861.72</b>		<b>68,157,492.59</b>	<b>67,845,827.05</b>	<b>68,084,389.31</b>			<b>4.598</b>	<b>209</b>	

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**August 31, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
<b>Union Bank</b>											
UNION BANK	9002	STATE OF CALIFORNIA		07/01/2004	23,510.49	23,510.49	23,510.49	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
CALIF BANK & TR	9004	STATE OF CALIFORNIA		07/01/2004	1,168,710.09	1,168,710.09	1,168,710.09			0.000	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	53,672.67	53,672.67	53,672.67			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	32,325.19	32,325.19	32,325.19	4.620		4.557	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investmentss</b>			<b>70,876,861.72</b>		<b>69,438,511.03</b>	<b>69,126,845.49</b>	<b>69,365,407.75</b>			<b>4.598</b>	<b>209</b>

**OTAY  
Activity Report  
Sorted By Issuer  
July 1, 2006 - August 31, 2006**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
<b>Issuer: STATE OF CALIFORNIA</b>										
<b>Union Bank</b>										
UNION BANK	9002	STATE OF CALIFORNIA			1.150		7,475,232.65	7,506,740.44		
CALIF BANK & TR	9004	STATE OF CALIFORNIA					333,870.72	61,244.20		
PAYROLL	9005	STATE OF CALIFORNIA					4,773.74	0.00		
UNION IOC	9008	STATE OF CALIFORNIA			4.620		1,301,742.68	1,300,110.46		
<b>Subtotal and Balance</b>							<b>9,115,619.79</b>	<b>8,868,095.10</b>		<b>1,281,018.44</b>
<b>Local Agency Investment Fund (LAIF)</b>										
LAIF	9001	STATE OF CALIFORNIA			4.946		3,909,923.09	8,500,000.00		
<b>Subtotal and Balance</b>							<b>3,909,923.09</b>	<b>8,500,000.00</b>		<b>7,977,443.44</b>
<b>San Diego County Pool</b>										
SD COUNTY POOL	9007	STATE OF CALIFORNIA			4.271		1,849.42	0.00		
<b>Subtotal and Balance</b>							<b>1,849.42</b>	<b>0.00</b>		<b>100,941.15</b>
<b>Issuer Subtotal</b>				<b>13.479%</b>			<b>13,027,392.30</b>	<b>17,368,095.10</b>		<b>9,359,403.03</b>
<b>Issuer: California Bank &amp; Trust</b>										
<b>Certificates of Deposit - Bank</b>										
<b>Subtotal and Balance</b>										<b>79,108.00</b>
<b>Issuer Subtotal</b>				<b>0.114%</b>			<b>0.00</b>	<b>0.00</b>		<b>79,108.00</b>
<b>Issuer: Federal Home Loan Bank</b>										
<b>Federal Agency Issues- Callable</b>										
3133X5ZG6	1977	Federal Home Loan Bank			2.510	07/28/2006	0.00	3,000,000.00		
3133X6LN4	1980	Federal Home Loan Bank			2.650	08/10/2006	0.00	3,000,000.00		
3133XGCU6	2008	Federal Home Loan Bank			5.450	07/28/2006	3,000,000.00	0.00		
<b>Subtotal and Balance</b>							<b>3,000,000.00</b>	<b>6,000,000.00</b>		<b>36,000,000.00</b>

OTAY  
Activity Report  
July 1, 2006 - August 31, 2006

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value	Current Rate	Transaction Date	Purchases or Deposits	Par Value	Ending Balance
				Beginning Balance				Redemptions or Withdrawals	
		Issuer Subtotal	51.844%	39,000,000.00			3,000,000.00	6,000,000.00	36,000,000.00
<b>Issuer: Federal Home Loan Mortgage</b>									
		Federal Agency Issues- Callable							
		Subtotal and Balance		12,000,000.00					12,000,000.00
		Issuer Subtotal	17.281%	12,000,000.00			0.00	0.00	12,000,000.00
<b>Issuer: Federal National Mortgage Assoc</b>									
		Federal Agency Issues- Callable							
		Subtotal and Balance		3,000,000.00					3,000,000.00
		Issuer Subtotal	4.320%	3,000,000.00			0.00	0.00	3,000,000.00
<b>Issuer: US TREASURY</b>									
		Treasury Securities - Coupon							
		Subtotal and Balance		9,000,000.00					9,000,000.00
		Issuer Subtotal	12.961%	9,000,000.00			0.00	0.00	9,000,000.00
		<b>Total</b>	<b>100.000%</b>	<b>76,779,213.83</b>			<b>16,027,392.30</b>	<b>23,368,095.10</b>	<b>69,438,511.03</b>

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 08/31/2006**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XEP45	1999	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,989,687.50	5.000	5.000	5.704	03/02/2007	0.476
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,983,478.85	5.250	5.250	5.635	03/07/2008	1.401
3133X8KE1	1988	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,970,000.00	3.025	3.024	5.076c	09/29/2006	0.000
3133X8KC5	1989	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,987,812.50	3.000	3.000	3.828	09/28/2006	0.073
3133XARK5	1992	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,978,437.50	3.510	3.508	4.983c	09/08/2006	0.000
3133XASF5	1991	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,979,375.00	3.500	3.498	6.136	12/08/2006	0.257
3133XARM1	1990	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,993,437.50	3.470	3.470	3.916	09/08/2006	0.019
3133XGCU6	2008	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.450	5.450	5.541	01/29/2007	0.400
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,984,062.50	5.000	5.012	6.095c	11/28/2006	0.000
3128X4CE9	2005	99	Federal Home Loan Mortgage	Fair	2,978,617.00	3,000,000.00	2,970,716.86	3.625	5.232	5.632	02/15/2007	0.457
3128X4DY4	2004	99	Federal Home Loan Mortgage	Fair	2,969,969.06	3,000,000.00	2,961,302.95	4.000	5.200	6.666c	01/13/2007	0.367
3133XFS72	2007	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.350	5.350	5.671c	12/28/2006	0.323
3128X5CC0	2006	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,995,850.83	5.340	5.336	5.624c	12/01/2006	0.249
31359MG31	1997	99	Federal National Mortgage Assoc	Fair	3,000,000.00	3,000,000.00	2,986,875.00	5.000	5.000	5.901c	11/24/2006	0.000
3133XETX7	2001	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,988,750.00	5.125	5.125	5.505	09/14/2007	0.971
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.250	5.247	5.636c	10/03/2006	0.087
3133XFBX3	2003	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.250	5.250	5.636c	11/04/2006	0.175
912828DQ0	1994	99	US TREASURY	Fair	2,987,780.81	3,000,000.00	2,972,812.50	3.750	4.492	5.342	03/31/2007	0.554
912828DJ6	1993	99	US TREASURY	Fair	2,983,978.38	3,000,000.00	2,970,000.00	3.125	4.437	5.177	01/31/2007	0.416
912827Z62	1995	99	US TREASURY	Fair	3,006,551.47	3,000,000.00	3,007,500.00	6.500	4.634	5.985	10/15/2006	0.120
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	1.350 †
<b>Report Total</b>					<b>60,006,004.72</b>	<b>60,079,108.00</b>	<b>59,782,332.49</b>			<b>5.482</b>		<b>0.318 †</b>

† = Duration can not be calculated on these investments due to incomplete Market price data.

Portfolio OTAY

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