

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY

February 4, 2009

3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. 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
5. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 9, 2008

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 PURCHASE ORDERS FOR THE PURCHASE OF VARIOUS FLEET VEHICLES FROM TOYOTA CARLSBAD, IN THE AMOUNT OF \$90,907.88, AND FROM EL CAJON FORD, IN THE AMOUNT OF \$72,914.84; ADDITIONALLY, THE GENERAL MANAGER WILL ISSUE PURCHASE ORDERS UNDER HIS SIGNATORY AUTHORITY TO KEARNY MESA CHEVROLET IN THE AMOUNT OF \$12,052.50 AND TO PEARSON FORD IN THE AMOUNT OF \$19,387.59
 - b) APPROVE THE MEMORANDUM OF UNDERSTANDING (“ENVIRONMENTAL MOU”) SETTING FORTH CERTAIN TERMS AND UNDERSTANDINGS OF THE PARTIES (OTAY, SYCUAN BAND OF KUMEYAAY NATION, AND CONSULTANTS) RELATING TO THE PREPARATION OF THE CEQA DOCUMENTS REQUIRED IN CONNECTION WITH THE PROPOSED AN-

NEXATION; AUTHORIZE THE GENERAL MANAGER TO EXECUTE AND DELIVER THE ENVIRONMENTAL MOU; AUTHORIZE THE GENERAL MANAGER AND THE GENERAL COUNSEL TO NEGOTIATE TERMS OF A MEMORANDUM OF UNDERSTANDING SETTING FORTH CERTAIN TERMS, CONDITIONS, GOALS AND UNDERSTANDINGS OF THE PARTIES IN CONNECTION WITH THE ANNEXATION PROCESS AND ACTIONS/RESPONSIBILITIES OF EACH PARTY INVOLVED (THE ANNEXATION MOU")

- c) REVIEW OF THE WINTER 2009 CUSTOMER PIPELINE NEWSLETTER
- d) APPROVE CHANGE ORDER NO. 1 TO THE CONTRACT WITH ARRIETA CONSTRUCTION FOR THE RALPH W. CHAPMAN WATER RECYCLING FACILITY FORCEMAIN AIR/VAC REPLACEMENTS AND ACCESS ROAD IMPROVEMENTS PROJECT

ACTION ITEMS

7. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED JANUARY 2009 FOR THE OTAY RANCH L.P. OTAY RANCH PRESERVE AND RESORT COMMUNITY PROJECT (RESORT) DEVELOPMENT PROPOSAL AS REQUIRED BY SENATE BILL 610 AND SENATE BILL 221 (PEASLEY)

8. GENERAL MANAGER

- a) APPROVE A CHANGE IN THE HIRING AUTHORITY FOR THE VACANT ASSISTANT DISTRICT SECRETARY POSITION (WILLIAMSON)

9. BOARD

- a) CONSIDERATION TO NOMINATE A DISTRICT REPRESENTATIVE FOR A REGULAR DISTRICT MEMBER AND AN ALTERNATE MEMBER ON THE SAN DIEGO FORMATION COMMISSION
- b) DISCUSSION OF THE 2009 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS

10. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.

- a) INFORMATIONAL REPORT REGARDING THE NORTH DISTRICT RECYCLED WATER REGULATORY COMPLIANCE SYSTEM

DEVELOPMENT PROJECT, PHASE I CONCEPT STUDY (COBURN-BOYD)

- b) INFORMATIONAL REPORT REGARDING THE PROPOSED MIDDLE SWEETWATER RIVER BASIN GROUNDWATER WELL PILOT PROJECT (PEASLEY)

REPORTS

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

RECESS TO CLOSED SESSION

- 14. CLOSED SESSION
 - a) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION [GOVERNMENT CODE §54956.9(b)]

1 CASE
 - b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GOVERNMENT CODE §54956.8]

PROPERTY: INTENT TO PURCHASE WATER FROM A NEW SOURCE

AGENCY NEGOTIATORS: YURI CALDERON, MARK WATTON

NEGOTIATING PARTIES: GOUGH THOMPSON, NS AGUA, AND OTHER POTENTIAL SOURCES OF POTABLE WATER AND/OR THEIR DESIGNATED REPRESENTATIVES, SUCCESSORS OR OTHER AUTHORIZED ENTITIES

UNDER NEGOTIATION: PRICE AND TERMS OF ACQUISITION, INCLUDING BUT NOT LIMITED TO TIMING AND AMOUNT OF ACQUISITION

RETURN TO OPEN SESSION

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

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

The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at (619) 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on January 30, 2009, 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 January 30, 2009.



Susan Cruz, District Secretary

AGENDA ITEM 5

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT AND October 9, 2008

1. The meeting was called to order by Vice President Lopez at 3:33 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla, Breitfelder, Lopez and Robak

Directors Absent: Croucher (due to illness)

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

4. APPROVAL OF AGENDA

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

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

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.

6. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JUNE 10, 2008, JULY 2, 2008 AND AUGUST 6, 2008; AND THE MINUTES OF THE JOINT AGENCY BOARD MEETING OF SEPTEMBER 19, 2008

Director Breitfelder indicated with regard to the June 10, 2008 minutes, the bottom of page 2, though it is not inaccurate, it gives a misimpression because it is not as complete as it could be. He indicated that Director Robak's comment

that he was comfortable with the information he received concerning the OPEB liability at the Finance, Administration and Communications Committee makes it seem like he (Director Breitfelder) had some issue with the information and that staff had done a bad job. He indicated it is quite the opposite and he felt that though the committee was satisfied with the information presented, it did not justify the committee surrendering jurisdiction of a financial matter. He indicated that he wished the minutes to reflect this. It was indicated that District Secretary Susan Cruz will listen to the recording of the meeting and rework the paragraph from the recording.

Director Breitfelder indicated with regard to the minutes of August 6, 2008, bottom of page 3, that it was quite clear from the discussion at the time that in giving direction to staff, that the board was not acquiescing to any legislation with restrictions on the use of recycled water for groundwater discharge and that the board is taking a position in favor of groundwater discharge. He indicated that he felt that by the end of the conversation this was clear.

District Secretary Cruz indicated that she did listen to the tape once again as she had also thought the board took a position on the matter. However, when she listened to the discussion again, the board had decided that they would not take a position on groundwater recharge until a San Diego project was presented. She indicated that she would provide a verbatim transcript for the board on the discussion. General Manager Watton indicated that it would be incorporated into the minutes for the board's consideration at the next meeting.

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

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

to approve the minutes of the regular board meeting of July 2, 2008.

Vice President Lopez presented the minutes of the Joint Agency Board Meeting of September 19, 2008 for ratification.

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

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

to approve the minutes of the Joint Agency Board Meeting of September 19, 2008.

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:

Director Robak indicated that he wished to pull item 6a from the Consent Calendar.

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

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

to approve the following consent calendar items:

- b) AUTHORIZE THE GENERAL MANAGER TO SIGN AMENDMENTS TO FOUR SEPARATE UTILITY AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) RELATED TO THE CONSTRUCTION OF THE SR-905 36-INCH PIPELINE UTILITY RELOCATIONS
- c) AWARD A CONSTRUCTION CONTRACT TO NEWest CONSTRUCTION COMPANY, INC. FOR THE 450-1 RESERVOIR DISINFECTION FACILITY PROJECT IN AN AMOUNT NOT-TO-EXCEED \$342,865
- d) APPROVE AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION, FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 832-1 & 2 RESERVOIR SITE
- e) APPROVE AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 1200-1 RESERVOIR SITE
- f) RATIFY THE TERMS OF THE SETTLEMENT AGREEMENT WITH NORTHROP GRUMMAN

Vice President Lopez presented consent calendar item 6a for discussion:

- a) AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE PROPOSED AMENDED AGREEMENT NO. 1 TO THE AGREEMENT FOR THE TEMPORARY EMERGENCY DELIVERY OF A PORTION OF THE MEXICAN TREATY WATERS AND APPROVE THE PROPOSED WHEELING RATE FOR THE DELIVERY OF TREATY WATER TO THE CITY OF TIJUANA

Director Robak indicated that he wished to clarify if the outstanding debt has been paid. General Manager Watton confirmed that it has been paid. He inquired with regard to the wheeling rate, the cost is amortized into the cost of the capital improvement cost plus the cost of Operations and Maintenance. General Manager Watton indicated that that was correct. Director Robak further inquired that now that Mexico is current, the cost is strictly the Operations and Maintenance cost and the actual cost of the water. General Manager Watton indicated that that was also correct.

Director Bonilla asked if this item was reviewed by committee. General Manager Watton indicated that the Engineering, Operation and Water Resources Committee had reviewed this item and a record of the discussion is attached to staffs' report. The members of the committee are Directors Croucher and Lopez and the committee had recommended presentation on the consent calendar.

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

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

to approve staff recommendation with regard to consent item 6a.

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

- a) AWARD OF A CONSTRUCTION CONTRACT TO SCW CONTRACTING COMPANY FOR THE 1485-1 PUMP STATION REPLACEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1,530,500 (RIPPERGER/GRUNOW)

General Manager Watton indicated that this item was also was presented to the Engineering, Operations and Water Resources Committee and the committee agreed with staffs' recommendation, however, the committee felt because there was an issue surrounding the bid (which has been resolved) that the item should be agendized as an action item so that the full board understands the issues.

Sr. Civil Engineer Ron Grunow indicated that this project is for the replacement of the 1485-1 Pump Station which has been exposed to the elements (heat, cold, moisture and sunlight) and is at the end of its life. He indicated that the new Pump Station will be enclosed and will contain three new 40hp motors and pumps. There will also be a bridge crane for service and maintenance and onsite parking for utility vehicles. The property will be surrounded by a fence and block wall for sound. He indicated that the project was presented to the Jamul-Delzura Community Planning Group on June 24, 2008 and the planning group

was fine with the design and schedule. The design was handled by JC Heden and Associates, Inc.

Sr. Civil Engineer Grunow also shared that the project was advertised for bid on July 24, 2008 and the pre-bid meeting was held on August 5, 2008. He stated eight bids were received and it was determined at a public bid opening on August 26, 2008 that the apparent low bidder was SCW Contracting Company with a bid of \$1,530,500. He indicated that the Engineer's estimate for the project was \$1,823,000.

He stated, however, there were two apparent errors in the bid process:

1. SCW Contracting Company listed the amount of their bid as \$1,580,000. However, the calculated amount was actually \$1,530,500 (a difference of \$49,000).

SCW Contracting Company made staff aware that they would like to plead their bid to the board for the higher dollar value. Staff had made the contractor aware that in the specifications it clearly states how discrepancies are handled. He noted in Exhibit B, the highlighted paragraph which notes, *"In the event the total bid amount does not agree with the sum of the total amounts for each item, the unit and lump sum price bid for each item along with its corrected/uncorrected total amount extension, shall govern. The total bid amount will be corrected accordingly, and the contractor shall be bound by said correction."*

2. SCW Contracting Company also did not list their Geotechnical Sub-Contractor for the geotechnical services to be performed on-site.

However, if the sub-contractors total cost for the work on the project is less than ½% of the total contract, there is no requirement to list the sub-contractor. As the sub-contractor's cost is less than ½% of the total contract, this issue has been accepted as there is no requirement to list the sub-contractor.

There was a subsequent protest related to this issue, but it will not be carried further due to the reason noted above.

Sr. Civil Engineer Grunow indicated that the fiscal year budget is \$2,375,000 and the total projected expenditures plus commitments are \$2,148,450. Staff recommends that the project be awarded to SCW Contracting Company. He noted that the paperwork has been processed to SCW Contracting Company and they have executed the documents. He indicated that Mr. Kurt Bjoin was in attendance of today's meeting to speak on behalf of SCW Contracting Company.

Director Breitfelder inquired with regard to the three companies whose bid amounts were noted with corrected amounts seemed counter intuitive as some were more and some were less. Sr. Civil Engineer Grunow indicated that the total bid amount and the sum total of the line items generally match. However, if

the sum total of the line items are in conflict with the total bid amount, it is the sum of the line items that is used.

Mr. Kurt Bjoin, Project Manager for SCW Contracting Company, indicated that after they had submitted their bid and their company had been identified as the apparent lowest bidder, they had been contacted by the District indicating that there was a clerical error in their bid. The sum total of the line items presented in their bid was \$1,530,500 and that their bid would be adjusted to this figure. They were asked to advise the District if they would be happy to proceed with the new figure. He indicated that his firm is not happy, but they do understand the protocol and it does make sense. He indicated that he wished to explain their process for putting together their company bid. He indicated that there were 37 separate items that were part of the bid and many of them were filled in at the last minute prior to the bids submission. He indicated that he had made a last minute adjustment to one of the line items in the bid and, due to a miscommunication between himself and the assistant putting the bid sheets together, the finalized documents did not include his adjustment as he did not realize that they were working off two separate pages (files). He indicated that their total bid amount of \$1,580,000 is what he felt the project would cost and that SCW Contracting Company would still be the lowest responsive bidder whether their bid was adjusted to \$1,530,500 or not. He indicated that SCW Contracting Company is still moving forward with the project, but he wished to present what happened and ask the board to accept their total bid amount of \$1,580,000.

Director Bonilla indicated that he sympathizes with Mr. Bjoin as certainly no one wishes to see anyone loose money on the project. He indicated that the District's attorney has indicated that the protocol is the law and, unfortunately, the District does not have any other option.

Mr. Bjoin indicated that he hoped the District would provide SCW Contracting Company a change order for the \$49,000. The District's General Counsel, Yuri Calderon, indicated that a change order would imply that there are some changed conditions. He indicated that there has not been anything brought to their attention that would be outside of the bid specifications and would justify a change order process.

General Manager Watton indicated that staff did discuss the situation in detail as they certainly understand SCW Contracting Company's situation. However, there is no other option without rebidding the project.

Director Robak inquired with regard to the legal reason why a change order could not be issued. General Counsel Calderon indicated that the Public Bidding Law is very clear and specific. He indicated that the intent of the law is to provide a fair and level playing field for contractors to acquire public work at a competitive price. He indicated in this particular case, the District is not questioning whether SCW Contracting Company has any ill intent, but the law is designed to protect public agencies from bidders who indicate that they made a mistake (they are still the lowest responsive bidder, but realize that they require another \$50,000). He indicated that once a bid is submitted, there are limited options and the agency

cannot negotiate with the bidder. He indicated that policy precludes the District from issuing a change order for something that is clearly in the documents and doing so would result in a gift of public funds. That is, the public contract document binds the District to pay for a certain service and if the District tried to pay a second time for the service, it is basically giving those funds away. He indicated the change order process requires there be something new that is being requested outside the specifications in the agreement/bid documents or have some changed condition that was not anticipated. This particular circumstance does not fall within any of these exceptions. For the board to do anything other than accept the bid or reject all bids and require that the project be rebid, would not be consistent with the law.

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

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

to approve staffs' recommendation.

9. BOARD

a) DISCUSSION OF 2008 BOARD MEETING CALENDAR

General Manager Watton noted the new dates for the November and December 2008 Regular Board Meetings of November 13, 2008 and December 15, 2008.

REPORTS

10. GENERAL MANAGER'S REPORT

a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton provided a presentation on CWA's Drought Management Plan Implementation. He indicated on slide number seven (see attached copy of presentation) it shows a comparison of Municipal and Industrial Water Use and indicated that a comparison of July 2007 and July 2008 usage is down 6%; and August 2007 and August 2008 is down 9%. He noted the agencies that have adopted the Drought/Conservation Ordinances and those agencies who have not (see attached copy presentation). He noted that in year 2009 through 2013 water transfers from the IID and from the Canal Lining will increase from 100,580 AF in 2009 to 180,200 AF in 2013 providing additional water supplies. He indicated that over the next five years, the county will be in good shape with regard to supply as long as it meets the *20 Gallon Challenge* savings and as long as 100% of the MWD resource options come to fruition. If MWD is 60% successful with the resource options, in 2010 the county will require

15% conservation to meet required water supply demand. He indicated that he felt that this scenario will probably be the more likely option. He stated that in 2011 when the Colorado River ramps up, the County can meet supply demands with the *20 Gallon Challenge* savings. He indicated that if MWD moves away from the allocation program and focuses on preferential rights, then conservation would be required in both 2009 (24%) and 2010 (18%). He stated that he is not certain that this would happen, but he wished to share the information as it is a possibility. Director Breitfelder inquired why the MWD supply differs on slide 16 and 17. General Manager Watton indicated that slide 16 compares 100% of MWD resources options based on MWD preferential rights and slide 17 reflects 60% of MWD resource options with preferential rights.

General Manager Watton then presented his GM Report and stated that the design for the 36-inch Potable Water Pipeline would be completed in December 2008. It was originally expected to be completed in July 2008. The project is a little behind schedule, however, staff feels that the District will make up time during the construction phase. He indicated that Le & Ro is fully engaged and the project is moving along well.

He indicated that Director Croucher, CWA and several local agencies have been working on developing a group to provide representation to retail water agencies. It is felt that ACWA is not representing the retail agencies and there is interest in developing a group to represent retail water agencies in San Diego, Los Angeles and Orange County to provide better representation in Sacramento for Southern California. An exploratory group identified as VOCAL (Voice of the Consumers at the Local Level) will provide a presentation at the next Water Agencies Association meeting scheduled on October 16, 2008 to see if other agencies would have interest in developing such a group.

He indicated that staff met with CESPT staff (Tijuana's Water Agency) at their offices in Tijuana) on August 27, 2008 to discuss the Rosarito Beach Desalination Project. Staff also toured their Los Olivos Recycled Water Plant. The District was also invited to the inauguration of the Los Olivos Recycled Water Plant and Chief of Engineering Posada and Assistant General Manager Alvarez, represented the District at the event on September 25, 2008. CESPT staff visited the District on October 8, 2008 to continue discussions on the Desalination Project and to shared information on recycled water. CESPT will be commencing a study in January 2009 to review environmental issues and possible locations for the Desalination Plant.

He also noted that William Granger testified at the California Urban Water Conservation Council Plenary meeting in September to provide comments on the draft revisions to the BMPs. The District is looking for more flexibility in the BMPs as the State Water Resources Control Board prefers less flexibility. Stated that the State Board is more likely to leave some flexibility when they hear customer input through the water agencies.

General Manager Watton indicated that the District's current AA- rating may be upgraded by the rating agencies. The rating agencies are recognizing the

financial strength of local retail water agencies and the rating increase may be provided across the board to all agencies. This rating increase is very significant as it provides cost savings when the District issues debt.

He indicated that staff met with Directors Bonilla and Croucher to review the District's investments and criteria for investments. He indicated that the District will not incur losses on its investments as it does not invest in the types of securities that have been experiencing losses.

He noted that potable water purchases have decreased 10.26%. The decrease is due to the District's new source for recycled water and customers beginning to respond to the water conservation messages.

Director Robak inquired with regard to the General Manager's report concerning the Jamul-Dulzura Elementary School District's plan to install artificial turf at the Oakgrove Middle School. He asked if the District would be contributing money to the project. General Manager Watton indicated that he is not sure what the school's contribution will be, but the District has extended the funding that is available to all the schools within its service area. He indicated that such turf projects cost approximately \$1 million and Otay's contribution ranges from \$50,000 to \$85,000. It is not known if the project is definitive, but staff wanted to assure the school knew that funding was available from the District.

11. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he had been driving along Steele Canyon Road and noted that the District was flushing one of its lines and water was flowing down the hill. He asked if the District communicates with the community when it is flushing a line as the public might question why water is being wasted because they do not understand what is being done. General Manager Watton indicated that Helix has developed a notice and the District will be developing a similar notice to provide to distribute to the public.

Director Breitfelder indicated that the Rural Water Association spoke at the last Council of Water Utilities meeting. They presented on desalinated water and hoped to build a relationship with suburban water agencies. He indicated that the Conservation Action Committee has been focused on meeting with representatives from the Department of Water Resources to discuss their State model ordinance with local stakeholders. The objective was to have an interactive process to further influence the State ordinance so that it has a motivating effect on local stakeholders and they understand the importance of the model ordinance throughout the state. He indicated that Supervisor Ron Roberts presented at the recent CSDA meeting on Proposition A. He indicated that he also attended the CSDA conference and he had an opportunity to speak with representative from U.S. Bank. He indicated that it seems the District has had some very promising discussions with U.S. Bank regarding some banking services. General Manager Watton indicated that the District is very well situated with Union Bank, however, staff is always exploring what is available in the market to assure that the District is getting the best services for the cost. He

wished to indicate that the District is not, at this time, switching banks. Director Breitfelder also shared that he had a discussion with other Districts regarding rate increases during the CSDA conference and he had shared with them the District's rate study and how it has helped with the District's strategic decision making. He also shared with them the name of the District's consultant, PBS&J, who assisted the District with its rate study.

Director Lopez indicated that he also attended the recent CSDA meeting where Proposition A was discussed. He indicated that State Assemblymember Mary Salas was very interested in what was occurring with the Rosarito Desalination Project. General Manager Watton indicated that he did have an opportunity to share with her information on the project. Director Lopez thanked General Manager Watton for following up on her inquiry.

RECESS TO CLOSED SESSION

14. CLOSED SESSION

The board recessed into closed session at 4:42 p.m. to discuss the following matters:

- b) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (I) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO RECENTLY CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-CTL; AND TWO NON-CONSOLIDATED CASES, NOS. 37-2008-83163-CU-PO-CTL AND 37-2008-00086689-CU-PO-CTL
 - (II) AMERICAN PROTECTION INSURANCE V. OTAY WATER DISTRICT, DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, #08-CV-0662-JM-POR
- c) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
[GOVERNMENT CODE §54956.9(b)]

1 CASE

RETURN TO OPEN SESSION

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

The board reconvened at 6:12 p.m. General Counsel Yuri Calderon noted for the record that Director Robak left closed session at 5:50pm. He indicated that two actions were taken in closed session:

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

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

to authorize the Board President to select a board member and authorize that board member to settle at any subsequent mediation that may occur with respect to American Protection Insurance v. Otay Water District matter.

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

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

to accept in part and reject in part the claim filed by IEC. The board accepted the portion of the claim for \$153,651.35 and denied the balance of the claim in the amount of \$143,524.61.

General Counsel Calderon indicated that no other reportable actions were taken in closed session.

16. ADJOURNMENT

With no further business to come before the Board, Vice President Lopez adjourned the meeting at 5:46 p.m.

President

ATTEST:

District Secretary



AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Scott Kube, <i>S.K.</i> Interim Construction Maintenance Manager Stephen Dobrawa, Purchasing Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Pedro Porras, Chief, Operations <i>P.P.</i>		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	PURCHASE OF FY-09 VEHICLES		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorizes the General Manager to issue purchase orders to:

1. Toyota Carlsbad, 5424 Paseo Del Norte, Carlsbad CA 92018 in the amount of \$90,907.88 for the purchase of four (4) Tacoma pickup trucks and one(1) Toyota Matrix vehicle.
2. El Cajon Ford, 1595 East Main Street, El Cajon, CA 92021 in the amount of \$72,914.84 for the purchase of two (2) F-250 and one (1) F150 pickup trucks, and one (1) Escape SUV.

Additionally, the General Manager, under his signatory authority, will issue purchase orders to:

1. Kearny Mesa Chevrolet in the amount of \$12,052.50 for the purchase of one (1) Aveo passenger vehicle.
2. Kearny Pearson Ford in the amount of \$19,387.59 for the purchase of one (1) Ranger 4-WD pickup truck.

Taxes and all applicable fees are included in the above prices.

COMMITTEE ACTION: _____

See Attachment "A"

PURPOSE :

To provide bid results and obtain authorization to purchase vehicles for FY-09.

ANALYSIS :

In accordance with District policy, bids were solicited for FY-09 vehicles. Bids received are as follows:

<u>Bidding Dealer</u>	<u>Toyota Vehicles</u>					
	<u>Yaris Lift Back</u>	<u>Tacoma 2WD</u>		<u>Rav 4</u>		<u>Matrix</u>
Toyota Carlsbad	\$14,750.98	\$17,864.95		\$22,821.45		\$19,448.08
Kearny Mesa Toyota	\$15,724.52	\$22,886.86		\$23,879.55		\$20,441.72

<u>Bidding Dealer</u>	<u>Chevrolet Vehicles</u>					
	<u>Aveo</u>	<u>Colorado 2WD</u>	<u>Colorado 4WD</u>		<u>Silverado 1500</u>	<u>Silverado 2500</u>
Kearny Mesa Chevrolet	\$12,052.50	\$19,071.75	\$22,558.27		\$31,247.50	\$24,243.75
Bob Stall Chevrolet	\$14,088.31	\$17,382.23	\$20,869.02		\$21,733.12	\$21,289.24
City Chevrolet	\$12,273.51	\$18,012.54	\$21,050.85		\$22,169.72	\$18,513.42

<u>Bidding Dealer</u>	<u>Ford Vehicles</u>					
		<u>Ranger 2WD</u>	<u>Ranger 4WD</u>	<u>Escape XLS</u>	<u>F150</u>	<u>F250</u>
Carmenita Truck Center		\$17,523.40	\$19,894.44	\$17,654.00	\$19,246.87	\$19,374.54
El Cajon Ford		\$17,091.73	\$19,550.60	\$17,525.65	\$18,849.13	\$18,270.03
Heller Ford		\$17,700.52	\$21,136.67	\$19,130.04	\$20,679.81	\$20,949.78
Kearny Pearson Ford		\$16,707.85	\$19,387.59	\$22,167.54	\$19,051.41	\$19,205.49
Fairway Ford		\$18,062.26	\$20,836.83	\$17,809.05	\$20,182.14	\$20,219.90
Villa Ford		\$17,241.49	\$19,605.52	\$17,580.58	\$18,904.07	\$18,928.37
Raceway Ford		\$15,523.54	\$19,849.71	\$17,825.08	\$19,148.25	\$18,687.08
Perry Ford		\$17,288.48	\$19,652.52	\$17,609.58	\$18,951.07	\$18,974.77

Yellow shading indicates selected bid.

The selection of the Toyota Tacoma 4door X-cab 2-WD (\$17,864.95) versus the Ford Ranger 4door X-cab 2-WD (\$15,523.54) was based on the following analyses:

1. The MPG for the Ranger is 15-city and 20-highway, whereas the Tacoma is 20-city and 25-highway
 - a. Based on our Vehicle Replacement Policy of 5-year or 60,000-miles, the fuel cost savings exceeds the initial purchase costs for the Tacoma.
2. Historically the Tacoma has a higher resale value at the end of service. The District may receive a benefit from this.

The District is monitoring and implementing the 5-year or 60,000 mile replacement program designed to reduce fleet operating costs. Specifically, it is expected that this program will reduce the District's fuel and maintenance costs. Preliminary review for the vehicles purchased last year, when compared to prior vehicle selections, indicates a reduction of 26 percent of fuel used. Once the program matures, the District will evaluate and report on the program's impact in regards to the reduction of vehicle downtime and repairs.

FISCAL IMPACT:



The total line item budget for vehicles identified in the FY-09 Capital Budget is \$228,000.00. The purchase price of the vehicles is \$195,262.81. If approved, the cost of proposed purchases will be \$19,737.19 less than budgeted.

The FY-09 Capital Purchase Budget is \$293,000. Expenditures to date are \$0.00. If authorized, the proposed expenditure of \$195,262.81 will leave a budget balance of \$97,737.19.

STRATEGIC GOAL:

Operate the system to meet demand 24/7.
Meet all of the health-related water standards.

LEGAL IMPACT:

None.



General Manager



ATTACHMENT A

SUBJECT/PROJECT:	PURCHASE OF FY-09 VEHICLES
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COMMITTEE ACTION:

This item was reviewed by the Finance, Administration and Communications Committee at a meeting held on January 23, 2009. The following comments were made:

- Staff distributed a revised staff report and indicated that the only change was the name of the vendor, Pearson Ford, which was updated to "Kearny Pearson Ford."
- It was indicated that staff is requesting approval to issue Purchase Orders to purchase eleven fleet vehicles. The General Manager will issue Purchase Orders for two of the vehicles under his signatory authority.
- Following the same strategy for vehicle purchases for the past couple years, staff is recommending that the following vehicles be purchased:
 - 4 - Toyota Tacoma 2WD Pickup Trucks (\$17,864.95 each)
 - 1 - Toyota Matrix Passenger Vehicle (\$19,448.08)
 - 2 - Ford F-250 Pickup Trucks (\$18,270.03 each)
 - 1 - Ford F-150 Pickup Truck (\$18,849.13)
 - 1 - Ford Escape SUV (\$17,525.65)

Under the General Manager's signatory authority, it is recommended that the following vehicles be purchased:

- 1 - Chevrolet Aveo Passenger Vehicle (\$12,052.50)
- 1 - Ford Ranger 4WD Pickup Truck (\$19,387.59)
- It was noted that bids have come in approximately 10% lower than anticipated compared to last year.
- Staff indicated that the District is seeing a 26% savings in fuel usage for the alternative vehicles selected, when compared to previous selections vehicle selections. Also, the strategy to

replace vehicles prior to their warrantee expiration (5 years or 60,000 miles) is starting to show savings as well. The District's former strategy was to utilize vehicles to "end of life" when they were no longer cost effective to maintain. This required that the District stock vehicle parts for maintenance and repairs. The new strategy is to sell vehicles prior to their warrantee expiration and , by doing so, the District would no longer need to stock parts and would receive a higher resale value on its vehicles.

- The committee inquired how many vehicles were purchased last year. Staff researched this information following the meeting and found that eight vehicles were replaced in Fiscal Year 2008.
- It was suggested that staff review the Ford Ranger 4WD versus the Toyota Tacoma 4x4 vehicles for future purchases as staff may find that the higher fuel savings and resale value of a Toyota Tacoma 4x4 may actually make the vehicle more cost effective. Following the meeting, it was confirmed that staff did evaluate the cost of the Ranger 4WD versus the Tacoma 4x4 and based on the difference in purchase price (close to \$4,000) and the minimal difference in fuel economy (FEG est. 14mpg vs. 16mpg @ \$3.00 over 60,000 miles), staff felt the Tacoma 4X4 was not as cost effective.

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

AGENDA ITEM 6b



TYPE MEETING:	Regular Board Open Session	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Yuri Calderon, ^{DCS} General Counsel	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Mark Watton, General Manager <i>[Signature]</i>		
SUBJECT:	Memorandums of Understanding with the Sycuan Band of the Kumeyaay Nation, and its consultants, in connection with the proposed Annexation		

ATTORNEY'S RECOMMENDATION:

Approve the Memorandum of Understanding ("Environmental MOU") presented to the Board of Directors (Board) setting forth certain terms and understandings of the parties (Otay, Sycuan Band of Kumeyaay Nation, and consultants) relating to the preparation of the CEQA Documents required in connection with the proposed Annexation (defined below); Authorize the General Manager to execute and deliver the Environmental MOU; Authorize the General Manager and the General Counsel to negotiate terms of a Memorandum of Understanding setting forth certain terms, conditions, goals and understandings of the parties in connection with the annexation process and actions (the "Annexation MOU").

PURPOSE:

The purpose of the Environmental MOU is to set forth the current understanding and agreement of the parties concerning the role and obligation of each entity directly involved in the preparation and/or approval of the CEQA Documents. The purpose of negotiating terms, conditions and goals for the Annexation MOU is to clarify the role of the parties involved in the Annexation process and to establish guidelines and procedures for the parties to cooperate and work with each other during the process.

BACKGROUND:

On or about April of 2008, the Sycuan Band of the Kumeyaay Nation (Sycuan) submitted a written request and petition for annexation (Petition) to the Otay Water District (Otay). Through the Petition, Sycuan requests Otay to commence annexation proceedings for the Original Sycuan Reservation to have access to water and sewer service, and certain other parcels owned by Sycuan (the Group B Parcels) to have access to sewer services only. Water service is made available by Otay near the geographical area of the parcels through Improvement District No. 20. Sewer service is made available through Improvement District No. 18.

The Original Sycuan Reservation encompasses an area covering approximately 634 acres of developed and undeveloped land and has no entitlement to water or sewer service from any other local agency.

Sycuan currently uses well water to supply all its water needs and wishes to annex to Otay to provide an alternative source of water to reduce its dependency on well water and to possibly stave off the depletion of several wells in the area. If the concurrent annexation of the Original Sycuan Reservation is accomplished, Sycuan will install, at its cost, all required facilities to connect to the Otay water system through a master meter.

The annexation of the Original Sycuan Reservation, which is outside Otay's sphere of influence, will have to be processed and approved through the Local Agency Formation Commission (LAFCO), the San Diego County Water Authority (CWA), and Metropolitan Water District (MWD), all these processes and approvals are collectively referred to as the "Annexation". Dexter Wilson Engineering, Inc. (Dexter Wilson) is working with Sycuan to prepare all documentation required for the Annexation.

The Environmental MOU

The Annexation requires compliance with the California Environmental Quality Act (CEQA), and, in connection with the preparation of the required documentation, Sycuan has retained the services of Dudek, as the environmental consultant (Dudek). The parties agree that Dudek will be primarily responsible for researching all environmental issues, drafting the environmental documents and reports (collectively, "CEQA Documents"), and working with Otay to ensure compliance with CEQA laws, regulations and processes.

Otay, Sycuan, Dexter Wilson and Dudek will execute and deliver the Environmental MOU to clarify each entity's anticipated contribution and involvement to ensure compliance with CEQA and the preparation of adequate CEQA Documents. A few salient points of the MOU are:

- Sycuan and its consultants will be primarily responsible for preparing, in consultation of Otay, as well as CWA, MWD, LAFCO, and other "responsible agencies," as required by law, such environmental documents that are required for CEQA compliance.
- Otay will be the "lead agency" for purposes of meeting CEQA requirements related to the annexation process, including evaluation of all CEQA documents prepared by Sycuan, its consultants.
- Sycuan will complete all acts, pursuant to federal, state, and tribal law, to authorize Sycuan's role and participation in the CEQA process related to the proposed annexation.
- Sycuan will indemnify and hold harmless, Otay, Otay's Board, officers, employees, attorneys and agents against any legal challenges with regard to the sufficiency of the CEQA documents and environmental law compliance associated with the proposed annexation.

The Annexation MOU

During the past months, Sycuan, Dexter Wilson, Syd Morris (a consultant retained by Sycuan to coordinate the Annexation process and provide other consulting services to Sycuan), and Otay have met with representatives of CWA, MWD and LAFCO to discuss the Annexation and obtain preliminary comments, observations and direction from those agencies.

As a result of comments received during these meetings, Dexter Wilson and Syd Morris have recommended that Sycuan proceed only with the proposed annexation of the Original Reservation area to Otay. Other changes on the process of Annexation originally contemplated, an increased level of effort to complete the SAMP and other environmental documents and required revisions to the schedule originally contemplated require the negotiation of a memorandum of understanding to clarify the objectives and goals of the Annexation, the responsibilities of each party involved, and to establish initial terms and conditions for the services currently anticipated to be ultimately required.

FISCAL IMPACT: _____

None anticipated. Sycuan is responsible for all costs and expenses relating to the Annexation.

LEGAL IMPACT: _____ *AD*

The Environmental MOU, if approved and executed, will be a binding contract obligating Otay, Sycuan, Dexter Wilson and Dudek to take certain actions described therein. The Annexation MOU will not be binding until a completed agreement is presented to and approved by this Board.

COMMITTEE ACTION: _____

See attached.



General Counsel

Attachments -

- A. Summary of Committee Action
- B. Environmental MOU



ATTACHMENT A

SUBJECT/PROJECT:	Memorandum of Understanding with the Sycuan Band of the Kumeyaay nation, and its consultants, in connection with the proposed Annexation
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COMMITTEE ACTION:

This item was reviewed by the Finance, Administration and Communications Committee at a meeting held on January 23, 2009. The following comments were made:

- Staff has been working with Sycuan and their consultants to develop a procedure to annex their Original Sycuan Reservation to Otay Water District, San Diego County Water Authority (CWA) and Metropolitan Water District (MWD).
- The annexation requires compliance with the California Environmental Quality Act (CEQA). Sycuan has retained the services of Dudek to develop the CEQA documents and Dexter Wilson Engineering to prepare all documentation required for the annexation.
- Dudek has agreed to provide information on all environmental issues, drafting the environmental documents and reports and working with the District to ensure compliance with CEQA.
- As the lead agency, the District's board will need to approve the documents and will be ultimately responsible for the documents when they are adopted. Staff is proposing this MOU to formalize the responsibilities and obligations of those involved in developing the CEQA documents and Annexation process (OWD, Sycuan, Dudek and Dexter Wilson).
- It was discussed that the Negative Declaration, as initially published, received negative responses from CWA and MWD. The District withdrew the publication and subsequently received comments from CWA and MWD indicating that a full EIR/Mitigated Negative Declaration should be prepared. After receiving initial comments, the District met with Sycuan and it was agreed that the environmental consultant will work with the District to prepare a full EIR.

- It was indicated that Sycuan is withdrawing its application for annexation for sewer services. Therefore, sewer services will not be included in the CEQA documents. It is the District's understanding that Sycuan will continue to utilize their sewer treatment plant.

- Padre Dam MWD is supportive of the annexation (they cannot provide sewer services in the area) and when sewer service is requested sometime in the future, the District will enter into an interagency agreement with Padre Dam MWD for Otay to provide sewer services to Sycuan parcels within Padre Dam MWD's service area and subject to environmental review and consultation with the County of San Diego (I107 Policy).

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

Project Number: D0261-010287
Subject: Water and Sewer Annexation

**MEMORANDUM OF UNDERSTANDING
PREPARATION AND HANDLING OF CEQA DOCUMENTS FOR THE
PROPOSED ANNEXATION AND REORGANIZATION BY OTAY WATER
DISTRICT TO PROVIDE WATER AND SEWER SERVICE TO THE
SYCUAN BAND OF THE KUMEYAAY NATION**

This AGREEMENT, hereinafter referred as the "MOU", is made and entered into by and among the Otay Water District, a municipal water district organized under the laws of the State of California (OWD), Sycuan Band of the Kumeyaay Nation, a federally recognized Indian tribe ("APPLICANT") with jurisdiction over Sycuan Indian country, Dudek, an environmental consultant with an address at 605 Third Street, Encinitas, California 92024 ("ENVIRONMENTAL CONSULTANT"), and Dexter Wilson Engineering, Inc., a California corporation with an address at 2234 Faraday Avenue, Carlsbad, California 92008 ("ENGINEER") for the purpose of establishing rights and responsibilities of all undersigned parties hereto in relation to the preparation and handling of any and all documents required to comply with the California Environmental Quality Act ("CEQA"), which may include, based on the ENVIRONMENTAL CONSULTANT's recommendation and with the consent of OWD, APPLICANT, and ENGINEER, a technical study and an environmental impact report or mitigated negative declaration, all as needed to ensure the compliance of the PROJECT (as defined below) with CEQA.

RECITALS

WHEREAS, OWD is the Lead Agency, as it pertains to CEQA, in connection with the PROJECT (defined below), which is located within federally recognized Indian country (as that term is defined under 18 U.S.C. § 1151) in San Diego County; and

WHEREAS, the APPLICANT has applied to OWD to extend the boundaries of its water service area and its water improvement district to include the Sycuan Indian Reservation ("RESERVATION"), and to reorganize to extend the boundaries of its sewer service area and its sewer improvement district to include the RESERVATION and certain parcels of Sycuan Indian country north of the RESERVATION currently within the sewer service area of the Padre Dam Municipal Water District, which annexations are collectively referred to herein as the "PROJECT"; and

WHEREAS, OWD has determined that the PROJECT proposed by APPLICANT requires compliance with the procedural requirements established by the San Diego Local Agency Formation Commission (LAFCO) under California law for annexation and reorganization of the service area of local agencies; and

WHEREAS, at the request of APPLICANT, OWD has agreed to take a lead role in submitting the required application for annexation to LAFCO and to cooperate

Project Number: D0261-010287
Subject: Water and Sewer Annexation

with and assist APPLICANT and ENGINEER to identify and comply with all legal and procedural requirements to complete the LAFCO process, provided that any specific terms and conditions related to that aspect of the PROJECT shall be established in a separate agreement among the APPLICANT, the ENGINEER, OWD and any other interested parties; and

WHEREAS, APPLICANT and ENGINEER have also submitted a required application to the San Diego County Water Authority ("CWA") and to the Metropolitan Water District of Southern California ("MWD") to expand their territories to include the Reservation and the terms and conditions of OWD's assistance and involvement with that part of the PROJECT, as well as specific terms and conditions of the annexation imposed on APPLICANT by OWD, CWA and MWD shall be set forth in a separate agreement; and

WHEREAS, OWD has determined that the PROJECT necessitates compliance with CEQA, including the preparation of documents therefore, which may include a TECHNICAL STUDY, ENVIRONMENTAL IMPACT REPORT, NEGATIVE DECLARATION, or MITIGATED NEGATIVE DECLARATION (as required and appropriate, the "CEQA DOCUMENTS"); and

WHEREAS, APPLICANT and the ENVIRONMENTAL CONSULTANT, each, represents that the ENVIRONMENTAL CONSULTANT is a professional environmental consultant, authorized to do business in the State of California, retained by the APPLICANT to prepare the CEQA DOCUMENTS and to provide environmental services and advice in connection with the PROJECT; and

WHEREAS, the parties hereto agree that the ENVIRONMENTAL CONSULTANT's rights and responsibilities within this MOU extend to any consultant hired to assist with the preparation, distribution or review of the CEQA DOCUMENTS; and

WHEREAS, the APPLICANT, the ENVIRONMENTAL CONSULTANT, and OWD understand and agree that the ENVIRONMENTAL CONSULTANT has the primary responsibility to ensure that the CEQA DOCUMENTS are adequate and that OWD review is for the benefit of the public generally and not for the benefit of the APPLICANT, the ENVIRONMENTAL CONSULTANT, the ENGINEER or any other entity or person retained by APPLICANT in connection with the PROJECT or related to APPLICANT in any way; and

WHEREAS, the APPLICANT represents that it has completed all acts required by any applicable federal, state, and/or tribal law, regulations, and custom to duly authorize the APPLICANT's application, efforts, and actions to extend OWD water and sewer service to its lands; and

WHEREAS, the APPLICANT represents that it has completed all acts required by any applicable federal, state, and/or tribal law, regulations, and customs to duly authorize its representatives to execute this MOU and to participate in the preparation of the CEQA DOCUMENTS; and

WHEREAS, the APPLICANT, the ENVIRONMENTAL CONSULTANT, the ENGINEER and OWD wish to define their relationships and areas of responsibility in the preparation and management of the CEQA DOCUMENTS and the CEQA process.

NOW, THEREFORE, in view of the foregoing, and in consideration of the mutual covenants and agreements contained herein, the APPLICANT, the ENVIRONMENTAL CONSULTANT, the ENGINEER and OWD do hereby agree as follows:

I. NECESSITY OF CEQA DOCUMENTS

OWD has determined that the PROJECT necessitates the preparation of adequate CEQA DOCUMENTS to comply with CEQA requirements.

II. SUBMISSION OF DOCUMENTS AND DISCLOSURE OF INFORMATION

The APPLICANT and the ENVIRONMENTAL CONSULTANT shall be responsible for preparing or causing to be prepared or compiled and for submitting all environmental documents and CEQA DOCUMENTS required for the PROJECT. Such documents shall be prepared pursuant to the terms and conditions set forth in this MOU and in accordance with all applicable CEQA guidelines and regulations. The parties hereto agree that the ENVIRONMENTAL CONSULTANT's rights and responsibilities within this MOU extend to any other consultant hired to assist with the preparation of the CEQA DOCUMENTS and that all references to CONSULTANT rights and responsibilities in this MOU shall be equally enforceable against and by such consultants.

This MOU requires the disclosure of certain information by the APPLICANT, the ENVIRONMENTAL CONSULTANT, and the ENGINEER to OWD. Disclosure may initially be through verbal communication with OWD Project Manager. OWD has the right, upon reasonable notice to the APPLICANT, the ENVIRONMENTAL CONSULTANT and/or the ENGINEER, as deemed appropriate by OWD, to: 1) review draft documents and relevant correspondence; 2) require that it be copied on correspondence subject to the disclosure requirements; and/or 3) require a written or emailed (instead of verbal) report of disclosures.

The APPLICANT, ENVIRONMENTAL CONSULTANT and the ENGINEER, each, individually and collectively, agree to provide to OWD any such documents and correspondence upon written request.

III. CERTIFICATIONS

By executing this MOU:

- A. The APPLICANT, the ENVIRONMENTAL CONSULTANT and the ENGINEER, each, certifies that it has an ongoing obligation and commitment to OWD to disclose all information that is relevant to the environmental consequences of the PROJECT and/or the CEQA DOCUMENTS; and
- B. The APPLICANT and the ENGINEER, each, certifies that no relevant information has been or will be omitted or withheld from OWD, the ENVIRONMENTAL CONSULTANT, or any sub-consultant(s); and
- C. The ENVIRONMENTAL CONSULTANT certifies that it is authorized to provide all required services and it is prepared to undertake all necessary technical and analytical work required in connection with the CEQA DOCUMENTS, either directly and/or through the use of any sub-consultants(s).

IV. APPLICANT'S RIGHTS AND RESPONSIBILITIES

- A. Subject to the terms and conditions of this MOU and applicable CEQA Guidelines, OWD agrees to allow the APPLICANT to select and retain the undersigned ENVIRONMENTAL CONSULTANT for preparation of the CEQA DOCUMENTS. For this purpose, the APPLICANT shall enter into a direct agreement with the ENVIRONMENTAL CONSULTANT, and such agreement shall govern the entire scope of their arrangement. Such agreement shall comply with all terms and conditions set forth in this MOU, and no term therein shall be inconsistent with any provision herein.
- B. The APPLICANT shall be responsible for one hundred-percent (100%) of all costs associated with the ENVIRONMENTAL CONSULTANT's work, including but not limited to, any sub-consultant(s) costs, preparation and document circulation costs incurred by the APPLICANT or ENVIRONMENTAL CONSULTANT, and all costs associated with participation in scoping meetings or community outreach meetings, as necessary. The APPLICANT shall also be responsible for one hundred-percent (100%) of all costs incurred by

OWD related to its independent review of the CEQA DOCUMENTS submitted to OWD in connection with the PROJECT.

- C. The APPLICANT shall ensure that any sub-consultant(s) hired in connection with the preparation of the CEQA DOCUMENTS related to the PROJECT shall comply with all applicable laws, the CEQA Guidelines and all relevant terms and conditions set forth in this MOU.
- D. The APPLICANT shall not enter into any form of confidentiality agreement with the ENVIRONMENTAL CONSULTANT, the ENGINEER or any other consultant hired to assist with, or in any from participate in, the preparation of the CEQA DOCUMENTS, which prohibits disclosure of information related to the CEQA DOCUMENTS to OWD, except where confidentiality is required to protect otherwise privileged or protected information, such as trade secrets. If APPLICANT seeks to protect such information from disclosure, it will inform OWD within ten (10) days that it asserts its right to protect certain information and the legal basis for that assertion.

V. CONSULTANTS' RIGHTS AND RESPONSIBILITIES

- A. The ENVIRONMENTAL CONSULTANT and the ENGINEER, each, shall have an ongoing obligation and commitment to OWD to disclose all information that is relevant to the environmental consequences of the PROJECT and the preparation of the CEQA DOCUMENTS. The ENVIRONMENTAL CONSULTANT and the ENGINEER, each, shall not omit or withhold any relevant information from OWD at the request of the APPLICANT or for any other reason. The ENVIRONMENTAL CONSULTANT shall require any sub-consultant(s) it retains in connection with the PROJECT to certify these same obligations and commitments to OWD as a condition of their contract or by signing a copy of this MOU and shall provide a copy of such certification to OWD within ten (10) days of retaining such sub-consultant(s).
- B. The ENVIRONMENTAL CONSULTANT shall enter into a direct agreement with the APPLICANT for purposes of preparing the CEQA DOCUMENTS, and such agreement shall govern the entire scope of their arrangement. Such agreement shall comply with all terms and conditions set forth in this MOU, and no term therein shall be inconsistent with any provision herein.
- C. It is the ENVIRONMENTAL CONSULTANT's responsibility to provide a complete and accurate CEQA DOCUMENTS. The ENVIRONMENTAL CONSULTANT's accountability under this MOU shall be solely to OWD, and not to the APPLICANT or to any other person or entity.

Project Number: D0261-010287
Subject: Water and Sewer Annexation

- D. The ENVIRONMENTAL CONSULTANT shall remain responsible for compliance with, and shall ensure that any sub-consultant(s) hired by the ENVIRONMENTAL CONSULTANT in connection with the preparation of the CEQA DOCUMENTS shall comply with, the applicable CEQA laws, requirements and CEQA Guidelines, all applicable OWD, State and Federal rules, regulations and laws and all relevant terms and conditions set forth in this MOU.
- E. The ENVIRONMENTAL CONSULTANT shall draft the CEQA DOCUMENTS for the PROJECT in accordance with CEQA statutes and laws, the CEQA Guidelines, relevant OWD technical study, content and report formats, and with any directions and specifications set forth by OWD.
- F. The ENVIRONMENTAL CONSULTANT shall verify and ensure that all CEQA DOCUMENTS prepared in connection with the PROJECT utilize accurate and verifiable field techniques and the highest professional and ethical standards applicable to work performance in the industry.
- G. The ENVIRONMENTAL CONSULTANT shall verify and ensure that all CEQA DOCUMENTS prepared under its contract, including any draft EIR (or equivalent document), final EIR (or equivalent document), negative declaration, mitigated negative declaration, TECHNICAL STUDIES, and responses to comments (as applicable), represent its complete and independent professional judgment including all OWD direction and provide an analysis of the specific environmental issues, setting, potential impacts, and mitigation measures associated with the PROJECT. The CEQA DOCUMENTS shall be signed as true, complete and accurate by the ENVIRONMENTAL CONSULTANT.
- H. The ENVIRONMENTAL CONSULTANT shall disclose any revisions made to the draft CEQA DOCUMENTS and specifically identify any revisions made at the request of the APPLICANT. Unless waived by OWD, all revisions to CEQA DOCUMENTS prior to submittal for public review shall be shown in ~~strikeout~~/underline.
- I. The ENVIRONMENTAL CONSULTANT shall maintain a record of communications with the APPLICANT and/or the ENGINEER related to any substantive environmental issues that might concern the PROJECT and the CEQA DOCUMENTS, and such record shall be submitted to OWD for review upon request.
- J. The ENVIRONMENTAL CONSULTANT understands and agrees that OWD has the right to attend, or participate in, meetings (including

Project Number: D0261-010287
Subject: Water and Sewer Annexation

conference calls) between or among the APPLICANT and/or the ENGINEER and the ENVIRONMENTAL CONSULTANT when such meetings include discussion of any issues impacting or related to the CEQA DOCUMENTS and has the right to request such meetings. The ENVIRONMENTAL CONSULTANT shall provide OWD with reasonable notice of all such meetings or conference calls as soon as such are scheduled or as soon thereafter as practicable. Upon the request of OWD, the ENVIRONMENTAL CONSULTANT shall disclose all substantive environmental issues discussed at meetings OWD does not attend.

- K. The ENVIRONMENTAL CONSULTANT may not be a subsidiary or division of the APPLICANT or have an ownership interest in the proposed PROJECT or any other property or development in which the APPLICANT has a financial interest. Additionally, the ENVIRONMENTAL CONSULTANT shall not accept performance incentives associated with a certain density, intensity, or configuration of development, environmental finding or form of report. This prohibition does not preclude performance incentives related to PROJECT schedules.
- L. Neither the ENVIRONMENTAL CONSULTANT nor the ENGINEER shall, jointly or individually, enter into any form of confidentiality agreement with the APPLICANT, with each other, or with any other consultants or sub-consultant(s) that prohibit disclosure of information related to substantive environmental issues to OWD, except where confidentiality is required to protect otherwise privileged or protected information, such as trade secrets, as described above in Section IV(D).
- M. The ENVIRONMENTAL CONSULTANT shall immediately disclose to OWD's Project Manager any and all PROJECT related communications (oral or written) between the APPLICANT and/or the ENGINEER and the ENVIRONMENTAL CONSULTANT regarding any issues or information that substantively affects the CEQA DOCUMENTS. Upon request of Project Manager, such disclosure shall be followed by a written report addressed to OWD's General Manager discussing the information, its impact on the PROJECT and/or the CEQA DOCUMENTS and the ENVIRONMENTAL CONSULTANT's recommendations for handling the information in compliance with CEQA and best practices of environmental professionals.
- N. Upon request from OWD, the ENVIRONMENTAL CONSULTANT shall submit all field notes, resource documents and supplemental technical studies used in the preparation of the CEQA DOCUMENTS to OWD.

- O. Upon request from OWD, the ENVIRONMENTAL CONSULTANT shall allow OWD to view its contract with the APPLICANT. OWD maintains the right to require submittal of the contract to OWD. Any cost estimates or hourly rates may be blacked out or omitted.

VI. OWD'S RIGHTS AND RESPONSIBILITIES

- A. In accordance with California Public Resources Code Section 21082.1, it is the responsibility of OWD to provide its independent review and analysis of all documentation for the PROJECT prepared and submitted by the ENVIRONMENTAL CONSULTANT, and sub-consultant(s), and the APPLICANT. This independent review is undertaken for the benefit of the general public and is not intended to relieve the APPLICANT, the ENVIRONMENTAL CONSULTANT or the ENGINEER of any of their respective responsibilities or liabilities.
- B. OWD shall be responsible for evaluating the extent and detail of topic area discussions in the CEQA DOCUMENTS and providing comments and suggestions to the ENVIRONMENTAL CONSULTANT. As the CEQA lead agency, as defined in California Public Resources Code Section 21067, OWD shall be responsible for formal and informal interagency consultation and coordination with responsible agencies, as defined in California Public Resources Code Section 21069. OWD shall also be responsible for scheduling and providing the public notice for the public meetings and hearings related to the PROJECT, and for distributing the draft and final CEQA DOCUMENTS for public comment.
- C. OWD shall have all rights provided for in this MOU, including but not limited to the right to reasonable notice and to attend, or participate in, any and all meetings or conference calls regarding the PROJECT's environmental impact, and the right to request such meetings and be informed of the subject matter.
- D. OWD shall have all rights provided for in this MOU, including but not limited to the right to request copies of any and all correspondence, meeting schedules, minutes, and draft documents generated by the ENVIRONMENTAL CONSULTANT, any sub-consultant(s), the ENGINEER and/or the APPLICANT, in connection with the preparation of the CEQA DOCUMENTS.
- E. OWD shall be responsible for independently reviewing the content of the draft CEQA DOCUMENTS and providing clear and consistent comments on the scope and adequacy of the document in a timely manner. OWD shall strive to provide thorough reviews and comments on initial reviews to avoid raising new issues that should have been known as

the PROJECT progresses. OWD shall inform the APPLICANT, by forwarding comments to the ENVIRONMENTAL CONSULTANT, if at any time additional information or substantive changes to the CEQA DOCUMENTS are required.

- F. In connection with each CEQA Document and related or backup documents submitted to OWD pursuant to this MOU, OWD shall have the right to request and receive, at any time following acceptance by OWD of any such document in final form, separate certifications from the APPLICANT, the ENGINEER and/or the ENVIRONMENTAL CONSULTANT, at OWD's discretion, representing and certifying that, to the best of the signatories' knowledge after diligent review, such document(s) are in conformance with all applicable CEQA requirements, all applicable laws and this MOU.
- G. At the request of the APPLICANT or the ENVIRONMENTAL CONSULTANT and after completion of the PROJECT, OWD will provide an evaluation of the ENVIRONMENTAL CONSULTANT's performance on the PROJECT.

VII. EXPIRATION/TERMINATION

This MOU shall expire upon any of the following:

- A. Thirty (30) days after the PROJECT is completed; provided the PROJECT and the CEQA DOCUMENTS have become final by decision of the authorized OWD decision-maker, all appeal timelines have expired, and all legal challenges associated with CEQA compliance for the PROJECT have been finally adjudicated; or
- B. The PROJECT is withdrawn or denied by LAFCO, MWD or CWA and all appeal timelines have expired; or
- C. Written thirty (30) day notice from OWD or the APPLICANT to all parties to this MOU terminating the MOU.

Notwithstanding expiration or termination of this MOU, all information obtained by the ENVIRONMENTAL CONSULTANT and the ENGINEER prior to expiration or termination shall be disclosed to OWD pursuant to the MOU disclosure requirements and exceptions in paragraph V.L. Neither expiration nor termination of the MOU will relieve the parties of their responsibilities under the MOU for activities that took place prior to the expiration date. In addition, all representations of the ENVIRONMENTAL CONSULTANT and the ENGINEER and the Indemnification provisions of paragraph VIII, below, shall survive any Termination or Expiration and may be invoked by OWD in connection with any

challenge or claim related to the PROJECT, this MOU and/or the CEQA process or Documents.

VIII. INDEMNIFICATION OF OWD

By executing this MOU and submitting CEQA DOCUMENTS to OWD, the APPLICANT agrees to fully indemnify and hold OWD, its board of directors, officers, employees, attorneys and agents (collectively, the "INDEMNITEES") harmless against any claim, action, suit, challenge or procedure, and against loss or damage of any kind resulting from or in any form related to the environmental compliance of the PROJECT, the CEQA DOCUMENTS, or compliance with CEQA and any other applicable environmental laws, procedures, or requirements related to the PROJECT. The duty to indemnify shall include the duty to defend each of the INDEMNITEES, as applicable, with counsel mutually acceptable to OWD and APPLICANT, in the event of any challenge to the CEQA DOCUMENTS (including but not limited to any claim of inadequacy or incompleteness of the documents or any claim of negligence), the CEQA process or approvals or any related actions, including but not limited to any delay in the process or annexation or to any public agency's determination that CEQA DOCUMENTS are not adequate, or are incomplete, inaccurate or not compliant with any requirement of CEQA, LAFCO, CWA, MWD or any other entity with jurisdiction over the PROJECT or any other public agency's decision to separately pursue and determine CEQA compliance.

The APPLICANT also agrees to fully indemnify, hold harmless and defend the INDEMNITEES against any losses, costs, causes of action, claims or litigation in any way related to the LAFCO process, the CWA and/or the MWD annexations arising in connection with the CEQA DOCUMENTS, or CEQA in general. This indemnification and hold harmless agreement shall be in addition to any other indemnifications provided to OWD in other agreements relating to the PROJECT.

IX. ENFORCEMENT

- A. **Incorporation of Recitals.** The Parties agree that the Recitals to this MOU are true and correct and are an integral part of this MOU and are incorporated herein.
- B. **Applicable Law.** The Parties agree that any conflict or dispute concerning any provision or requirement of this MOU shall be interpreted in accordance with the laws of the State of California, without regard to any conflicts of laws principles.
- C. **OWD acknowledges that APPLICANT, as a federally recognized Indian tribe, retains full sovereign immunity from unconsented suit and legal process. APPLICANT makes the following limited waiver of sovereign immunity, for the sole purpose of resolving any claim by OWD to enforce or interpret this MOU, including any claim that APPLICANT has breached**

Project Number: D0261-010287
Subject: Water and Sewer Annexation

any obligation under this MOU, and for no other purpose. This limited waiver shall operate only for the benefit of OWD after a 30-day opportunity to meet and confer on the subject of OWD's claim and to exchange offers to resolve such claims, and shall not benefit any third parties, including, but not limited to, OWD's subcontractors, partners, members, managers, officers, directors, shareholders, agents, and employees or CONSULTANT. APPLICANT makes no waiver of its sovereign immunity, or of any other rights APPLICANT may have, concerning disputes that do not arise from this MOU.

- D. APPLICANT and OWD hereby agree that any dispute between the parties arising out of, or in any way related to, this MOU, shall be subject to binding arbitration to be conducted before a single arbitrator in San Diego, California. The Party seeking to enforce or interpret this MOU may choose either the Judicial Arbitration and Mediation Services (JAMS) or the American Arbitration Association (AAA) to administer the arbitration in accordance with the Commercial Arbitration Rules of the AAA in effect on the effective date of this MOU. Judgment on any award rendered by the arbitrator may be entered in the federal court for the Southern District of California. Each Party waives the right to trial by jury to the fullest extent allowed by law. Each Party shall pay one-half of the costs and fees for the arbitration proceeding during the pendency of the proceeding. The prevailing Party shall then be entitled to recover from the other the entire costs of such proceeding, including the arbitrator's fees and costs, and any portion of such costs or fees previously paid by the prevailing Party.

Project Number: D0261-010287
Subject: Water and Sewer Annexation

IN WITNESS WHEREOF, OWD, the APPLICANT, and the ENVIRONMENTAL CONSULTANT and the ENGINEER have caused this agreement to be executed as of the dates indicated below. The APPLICANT, the ENVIRONMENTAL CONSULTANT and the ENGINEER further certify that they have obtained the advice of their respective counsel in connection with this MOU and have taken any and all corporate or governmental action necessary to ensure that this MOU is enforceable when executed and delivered by the persons indicated below.

<p>Otay Water District</p> <p>By: _____ Mark Watton</p> <p>Its: _____ General Manager</p> <p>Date: _____</p> <p>Approved as to Form:</p> <p>_____</p> <p>Of Garcia Calderon Ruiz, LLP General Counsel to OWD</p>	<p>APPLICANT: Sycuan Band of the Kumeyaay Nation</p> <p>By: _____ Daniel J. Tucker</p> <p>Its: _____ Tribal Chairman</p> <p>Date: _____</p> <p>Approved as to Form:</p> <p>_____</p> <p>Of Forman & Associates Counsel to Sycuan</p>
<p>ENVIRONMENTAL CONSULTANT: Dudek</p> <p>By: _____ Frank Dudek</p> <p>Its: _____ President</p> <p>Date: _____</p>	<p>ENGINEER: Dexter Wilson Engineering, Inc.</p> <p>By: _____ Dexter Wilson</p> <p>Its: _____ Principal</p> <p>Date: _____</p>



AGENDA ITEM 6c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	2/04/09
SUBMITTED BY:	Armando Buelna <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	Review of the winter 2009 Customer Pipeline newsletter		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors review and provide direction on the design of the winter 2009 Customer Pipeline newsletter.

PURPOSE:

To give the Board of Directors the opportunity to review and provide direction on the design of the winter 2009 Customer Pipeline newsletter.

BACKGROUND:

The winter 2009 Customer Pipeline newsletter continues the emphasis of the 2008 newsletters in stressing the increasingly dire water crisis facing Southern California as a result of the drought and court-ordered pumping restrictions. The primary difference with the winter 2009 newsletter will be its size, paper type, and the printing processes utilized.

Our new bill print vendor (InfoSend) has advised staff that the weight of the four-color newsletter has caused bills to exceed the one ounce postage threshold for first class mail, resulting in higher postage costs.

Staff confirmed this was the case as the 100 lb. 11" x 17" glossy paper weighed in at six-tenths of an ounce; two-tenths of an ounce more than the standard offset paper used with the two-color process. Our current bill also weighs six-tenths of an ounce, for a total of 1.2 oz. The offset paper previously used weighed four-tenths of an ounce and when combined with the bill, weighed exactly one ounce.

Upon review, staff has determined that simply moving to a lighter weight paper (80 lb. or even 70 lb. gloss or semi-gloss) did not resolve this issue. Some brands of 70 lb. paper continued to weight a tenth of an ounce too much, while others are known to stretch or flair when going through the printing press.

Only by utilizing a lighter weight paper (60 lb.) could we bring the total weight of the bill and newsletter consistently within the one ounce limit using an 11" x 17" sheet. However, paper vendors cautioned against using a 60 lb. gloss or semi-gloss paper since it will not accept a four-color printing process and is more likely to stretch and flare.

Therefore, the options include:

- Reducing the size of the newsletter from 11" x 17" to 9" x 15" with 100 lb. gloss or semi-gloss.
- Reducing the size from 11" x 17 to 10" x 16" using 70 lb. gloss or semi-gloss.
- Remaining at 11"x 17" but use offset paper with either a four-color or two-color printing process.

Staff would recommend against continuing to use the existing 11" x 17" 100 lb. gloss paper due to the additional postage of \$8,500 per quarter that would be incurred. The postage rate for a two ounce first class letter is .59 cents as opposed to .42 cents for a one once letter.

Even with design changes to the borders of the newsletter, each of the first two options eliminates valuable space.

Utilizing offset paper retains the four-color process and valuable space; however, it also looks less refined to some. Offset paper is also slightly less expensive than gloss or semi-gloss and will result in some savings (approximately \$1,000 per year).

Some additional savings would be accrued by returning to a two-color printing process (\$2,800 annually). With the struggling economy and increasing water rates, this may be appreciated by customers since it would be viewed as a cost saving measure.

In terms of content, the winter newsletter includes a personal message from the general manager urging conservation, and encouraging customers to use the rate calculators on the

district's website. The purpose is to help customers understand how higher rates and Drought Rates will affect their pocketbooks.

The winter newsletter is scheduled for distribution throughout the month of February.

FISCAL IMPACT:



Printing expenses for the customer Pipeline newsletters are included in the Purchasing Division's printing budget and run approximately \$5,500 per quarter, plus tax and delivery charges.

LEGAL IMPACT:

None.



General Manager

Attachment A - Committee Action Report

Attachment B - Draft 2009 Winter Customer Pipeline Newsletter



ATTACHMENT A

SUBJECT/PROJECT:	Review of the Winter 2009 Customer Pipeline Newsletter
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COMMITTEE ACTION:

This item was reviewed by the Finance, Administration and Communications Committee at a meeting held on January 23, 2009. The following comments were made:

- Staff indicated that the Customer Pipeline is too heavy and is causing the District's water bills to exceed the one ounce threshold for first class mail which has resulted in an increased postage cost of \$5,500, and potentially up to \$8,500 per mailing (newsletters are mailed four times a year).
- Staff is recommending the following options to reduce the weight of the newsletter:
 - Reduce the size of the newsletter from 11" x 17" to 9" x 15" with 100 lb. gloss or semi-gloss paper.
 - Reduce the size from 11" x 17" to 10" x 16" using 70 lb. gloss or semi-gloss.
 - Continue to utilize the 11" x 17" size, but use 70 lb. smooth offset paper with either a four-color or two-color printing process.
- Staff indicated the advantages of using 70 lb. offset paper is the newsletter can remain 11" x 17" in size (four-color process), would cost less to produce and would be lighter in weight to keep the bill's total weight at one ounce (.6 oz. bill weight + .4 oz. newsletter weight).
- The committee recommended that staff reduce the weight of the newsletter to keep it at the one ounce first class postage rate and supports the options staff prefers above.
- Seventy-pound smooth offset paper was used in the two color versions of the Customer Pipeline newsletter. A sample is attached.

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

pipeline

A NEWSLETTER FOR CUSTOMERS OF THE OTAY WATER DISTRICT

WINTER 2007

Otay Water District Hosts Dutch Delegation

The Otay Water District (OWD) recently hosted a delegation of 14 members of the Dutch Water Board on a significant international mission. Their visit at OWD was one stop in a week long tour of water technology sites in California.

The meeting was arranged by the Environmental Systems Research Institute (ESRI), which designs and develops geographic information system (GIS) technology. ESRI chose OWD because of the advanced work the district has done to integrate GIS software and the district's business processes. General Manager Mark Watton hosted the event which included a technology demonstration highlighting the integration of its GIS, Infrastructure Management System, and its financial system software.

With much of the Netherlands and its population living at or below sea level, the Dutch have nearly one thousand years of experience building and maintaining levees and are widely considered to have the best water management systems in the world.

While the Dutch systems must manage the perils associated with an abundance of water, here in Southern California we often deal with scarcity. Nevertheless, we each share similar issues of building and maintaining water management systems and ensuring those systems are cost effective and efficient. As a technology leader, OWD was proud to welcome the officials from the Netherlands and to do our part to build international relationships through the sharing of resource management techniques and information.



OWD staff and water officials from the Netherlands in front of District Headquarters.

Where Your Water Dollar Goes

In January, the Otay Water District approved a 5.4 percent water rate increase. This is mostly a pass-through to our water wholesalers to pay for higher water and energy costs. It also funds system wide infrastructure upgrades such as the Emergency Water Storage Program to improve long-term reliability. The following graphic breaks down how each dollar of your water bill is allocated. The Operating Budget and Comprehensive Financial Report can be found on our website at www.otaywater.gov.



Holiday Treats for Our Troops

As a sweet holiday treat for an Otay employee whose Naval Reserve unit is currently deployed in Iraq, Otay staff organized a holiday cookie drive. Nearly 90 lbs. of homemade cookies were baked, individually vacuum sealed, packed, and shipped along with Christmas cards; one for each member of the unit. The holiday care packages arrived shortly before Christmas day and were a special treat for these men and women serving far from home.



(Above Right) OWD employees vacuum seal and package home baked cookies for soldiers fighting in Iraq. (Left Photos) OWD Employee Vince Brown and fellow Naval Reserve soldiers enjoy the holiday care packages. Each Reservist received approximately 2 lbs. of cookies.

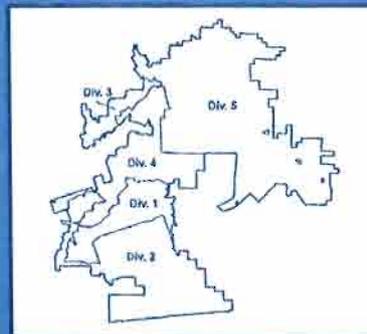
Croucher To Lead Board

Division 3 Boardmember Gary Croucher was recently elected President of the Board of Directors. Jose Lopez was elected Vice-President and former President Jaime Bonilla transitioned to Treasurer.

Division 1 Director Larry Breitfelder was also sworn in to office and has been a director for the district since 2002. Both Croucher and Breitfelder ran unopposed in 2006.

Croucher currently represents OWD on the San Diego County Water Authority board where he serves as chairman of the Imported Water Committee. While serving on the SDCWA, he also represents OWD on the Legislative, Conservation and Outreach, Small Contractor Outreach and Opportunities, Colorado River Program Ad Hoc, and Conservation Ad Hoc committees.

OWD Divisional Map



For a detailed map please visit www.otaywater.gov.

Check Your Water Pressure

Have you experienced a leaking faucet or a constantly running toilet? A faulty water pressure regulator may be the cause. Even in new homes, pressure regulators do wear out and can fail. The quality of your regulator dictates the years of service to expect. Regulators may last as little as one year or twenty years or more. To ensure proper pressure in your home, it is your responsibility to have and maintain a working pressure regulator. When doing any plumbing work around your house, ask your licensed plumber to check your water pressure.



OWD Receives Award for Pump Station Project

The San Diego-Imperial County Chapter of the American Public Works Association recently awarded the 2006 Public Works Honor Project of the Year Award to the Otay Water District for its 980-2 Pump Station Project. Located in eastern Chula Vista, the Eastlake Greens Facility can deliver up to 36 million gallons of water per day and serves the equivalent of 17,500 homes and businesses.

Otay Water District Board of Directors

The Board of Directors meets on the first Wednesday of the month at 3:30 in the Boardroom. The public is encouraged to attend at 2554 Sweetwater Springs Blvd., Spring Valley, CA

President

Gary Croucher, Division 3
gcroucher@otaywater.gov

Vice-President

Jose Lopez, Division 4
jlopez@otaywater.gov

Treasurer

Jaime Bonilla, Division 2
jbbonilla@otaywater.gov

Boardmember

Mark Robak, Division 5
mrobak@otaywater.gov

Boardmember

Larry Breitfelder, Division 1
lbreitfelder@otaywater.gov

Winter Heat

By Nan Sterman, Plant Inc.
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This may be the coldest time of the year in Southern California, but in terms of flowers, it is one of the hottest. Winter is when aloes send up their amazing and hot looking candelabras tipped in tubular coral, salmon, goldenrod, soft yellow, pale pink, and multi-colored flowers.

Most of the year, aloes grace our gardens with rosettes of thick, succulent leaves in shades of green, gray-green and sometimes carmine red. These slow growing, low-water beauties demand very little beyond well draining soil, full sun, and an occasional drink of water.

You may already know *Aloe vera*, the spotted green succulent aloe whose leaf sap soothes burns and skin sores. *Aloe vera*

is one of hundreds of aloes for our gardens. Some, like the tree aloe, *Aloe bainesii* (sometimes sold as *Aloe barberae*) eventually reach 30 feet tall with a knot of long, green, tongue-like leaves and salmon colored flowers atop a corky brown trunk. Remember the Flintstones cartoon? The trees in Barney and Wilma's back yard look just like *Aloe bainesii*.

Aloe arborescens is an example of a shrub aloe. These are multi-headed, shrub-sized plants, that grow about five feet tall and wide. Each head produces a flower stalk topped in classic coral red flowers. Grass aloe (*Aloe cooperi*) forms fans of narrow, green grasslike leaves that grow three feet tall, topped in soft salmon flowers tipped in green.

Then, there is the scrambling aloe (*Aloe ciliaris*) whose stems can cover a fence or form a dense groundcover of narrow, deep green leaves with year-round blooms of tangerine to scarlet red.

Aloes are equally happy in the ground or in containers. For containers, use cactus and succulent potting mix with good drainage. Water occasionally. Once established, ground-grown aloes require almost no irrigation. Plant with spring and summer blooming succulents, perennials, and shrubs for a 12 month floral display!



bewaterwise.com

High School Seniors may receive up to \$2,000 in scholarships

Graduating high school seniors living within the OWD service area are encouraged to apply for a \$1,000 Otay Water District/California Special District Association (CSDA) scholarship. The district's scholarship recipient becomes eligible to receive another \$1,000 scholarship from the San Diego Chapter of the CSDA or another affiliate organization. Information and CSDA applications are available by calling (619) 670-2291 or by visiting our web site at www.otaywater.gov.

Take a Class at the Water Conservation Garden

February Calendar of Classes and Events

- Tuesday evenings in February – **Tuesday Night Water-Wise Series** from 6:00-8:00 pm includes: Designing with California Friendly® Plants; Irrigation; Design for Water-Wise Gardens; Managing Your Irrigation Water; and Mulch, Compost, and Fertilizer.
- February 17, 10am-12pm - **Great Bulbs for California Friendly® Gardens** with Mary McBride.
- February 24, 9:30am-12:30pm - **Xeriscape: Beautiful Landscape on a Low-Water Budget** with landscape designer Jan Tubiolo.
- February 24, 1:30-3:00pm - **Home Composting Workshop** by the Solana Center for Environmental Innovation.

A complete listing of classes can also be found at www.thegarden.org. Pre-registration is required for all classes. For more information on classes or to enroll, please call 619-660-0614.

Water Internship Program

San Diego region water and wastewater agencies, in partnership with the San Diego County Water Authority, are seeking career oriented applicants for a paid internship program. Individuals selected to participate in the 33-week program will work as interns at a San Diego area water or wastewater agency while attending water/wastewater technology courses at either Cuyamaca College or Palomar College. For more information, contact Gary Eaton at 760-233-3227 or visit www.H2OInterns.com.

Plant Sale at the Water Conservation Garden Saturday, March 17, 9am-3pm

Don't miss San Diego County's premier California Friendly® plant extravaganza at the Water Conservation Garden! The plant sale will include vendors from throughout San Diego County selling a variety of water-wise plants for your drought-tolerant garden. California natives, salvias, drought-tolerant bulbs, and herbs will be among those to choose from. The sale will also include lectures from gardening experts, applications for the California Friendly® Landscape Contest, as well as plant care advice and informational workshops. For more information please visit www.thegarden.org.

Verifique Su presión del agua

¿Ha experimentado usted una llave que se gotea o un inodoro que constantemente le corre el agua? Un regulador de presión de agua defectuoso puede ser la causa. Con el tiempo los reguladores se desgastan y pueden fallar, aún en casas nuevas. Para asegurar la presión apropiada en su hogar, es su responsabilidad mantener un regulador de presión funcional. Al hacer cualquier trabajo de plomería alrededor de su casa, pregúntele a su plomero certificado que revise su regulador de presión de agua.



Estudiantes del doceavo año pueden recibir hasta \$2,000.00 en becas

Estudiantes del doceavo año que están en preparación para inscribirse y que vivan dentro del área de servicio de OWD son alentados a solicitar una beca "Otay Water District/California Special District Association" por la cantidad de \$1,000.00. El recipiente de la beca del distrito automáticamente se hace elegible para recibir otra beca de \$1,000.00 de otra organización afiliada llamada, San Diego Chapter (CSDA). Información y solicitudes de CSDA están disponibles llamando al (619) 670-2291 o visitando el sitio de Internet www.otaywater.gov.

Programa de puesto de interno para la Región de Agua de San Diego/Agua Residual

Las agencias de agua y agua residual de la región de San Diego, en sociedad con San Diego County Water Authority, buscan solicitantes con orientación profesional para un programa de puesto de interno pagado. Los individuos seleccionados para participar en el programa de 33 semanas trabajarán como internos en una agencia de agua o agua residual en el área de San Diego al mismo tiempo atenderán cursos de tecnología sobre agua y agua residual en Cuyamaca College o Palomar College. Para más información, comuníquese con Gary Eaton al (760) 233-3227, o visite www.H2OInterns.com.

Tome una clase en el "Water Conservation Garden"

Calendario de febrero para clases y eventos

- Martes 17, 10 am-12 pm – **Grandes Bulbos para jardines California Friendly®** con Mary McBride.
- Febrero 24, 9:30 am-12:30pm – **Xeriscape: Jardinería Hermosa con un bajo presupuesto** con la diseñadora de jardines Jan Tubiolo.
- Febrero 24, 1:30 pm-3:00 pm – **Taller para abono casero** presentado por El Centro para Innovación del Medio Ambiente de Solana.

Puede encontrar una lista completa de las clases en www.thegarden.org. Se requiere pre-registro para todas las clases. Para más información sobre las clases o como inscribirse, por favor llame al (619) 660-0614.

Venta de Plantas en el "Water Conservation Garden"

Sabado, Marzo 17, 9:00 am-3:00pm

No se pierda la gran venta de plantas California Friendly® premier del condado de San Diego! La venta de plantas incluirá la presencia de vendedores de todo el condado de San Diego para vender una variedad de plantas "water wise" para su jardín tolerante a sequías. La venta además incluirá conferencias de expertos en jardinería, solicitudes para el concurso de jardines California Friendly® así como consejos para el cuidado de las plantas y talleres de información. Para más información, visite www.thegarden.org.



FOR MORE INFORMATION ABOUT THE OTAY WATER DISTRICT CALL 619.670.2222 OR GO TO WWW.OTAYWATER.GOV

THE OTAY WATER DISTRICT • PROUDLY SERVING EAST COUNTY AND THE SOUTH BAY SINCE 1956

pipeline

A NEWSLETTER FOR CUSTOMERS OF THE OTAY WATER DISTRICT



WINTER 2009



January, 2009

RE: Important Message about Water Shortages and Water Prices

Dear Otay Water District Customer:

This coming year has the potential to be one of the most volatile years for water supply in San Diego County's history. Because of the likelihood of a near-term water shortage, conservation may become mandatory and prices could increase dramatically for some customers.

Despite the recent winter rains, water supply in California and the West remain disrupted by drought along the Colorado River and pumping restrictions severely limiting imported water from Northern California. The Colorado River will take years to recover from an eight-year drought and imported water from the State Water Project is predicted to be just 15% of a normal year's allocation due to court-ordered pumping restrictions related to environmental impacts.

During the past year, water agencies have been working to spread the news about this impending crisis using television, radio, print ads and bill messages, and aggressively calling on all customers to conserve. This note is a more personal effort to alert you to this increasingly dire situation and notify you the Otay Water District has adopted new rates and a new Drought Rate structure further designed to promote conservation.

You will note the higher cost of imported water reflected in your monthly bill. This is the result of water wholesalers struggling to find new supplies of water to meet customer demand. As our traditional supplies become increasingly scarce, the cost of alternative supplies including short-term transfers, are much increased. Under the new rate structure, these costs are being passed-on to all consumers equally. In addition, new Drought Rates have been established and will be implemented as water wholesalers pass on the higher price they pay for water purchased on the spot market.

Since June of 2008, the Otay Water District has been in a Level 1 - Drought Watch. A Level II - Drought Alert could be announced by our suppliers anytime. If this occurs, your water rates could increase again. Typical customers, those using fewer than 16 units of water per month, will see only a modest 2% increase. Large water users, those using 27 units or more, will see larger increases in the range of 30% or more. These rates are based on our supplier's efforts to enforce conservation through tiered penalties and market-based pricing.

Now is the time to prepare. We encourage customers to use the coming months to make changes to your landscapes, irrigation schedules, and take advantage of conservation rebates and incentives to minimize the impact of rate increases. To see how the new rates will impact your household or business, use the Rate Calculator on our website at www.otaywater.gov and visit www.20gallonchallenge.org for more ways to help you save money.

Sincerely,

Mark Watton, General Manager

Otay Water District DROUGHT WATCH

LEVEL IV - DROUGHT EMERGENCY

Stop all landscape irrigation. No new construction, annexations or development. Conservation goal: more than 40%.

LEVEL III - DROUGHT CRITICAL

No new construction, annexations or development. Strict limits on water used for irrigation and non-public health purposes. Conservation goal: up to 40%.

LEVEL II - DROUGHT ALERT

Mandatory water use restrictions. Irrigate no more than 3 days per week, 15 minutes per station. Conservation goal: up to 20%.

LEVEL I - DROUGHT WATCH

Voluntary measures to stop waste. Repair leaks promptly. Wash cars with a bucket and shut-off nozzle. Conservation goal: up to 10%.

Otay Water District Continues Level I Drought Watch

A Level 1 Drought Watch has been declared for the Otay Water District's service area. Customers are strongly urged to reduce their water use by 10%.

RATE COMPARISONS

For a conserving customer (those using 10 units of water per month or 10 HCF, each unit = 748 gallons), Otay is the 3rd lowest cost provider of 24 water agencies in San Diego County.

For a typical customer using 15 HCF, Otay is the 6th lowest cost provider.

District Receives Bond Rating Upgrade

Upgrade reflects commitment to economic and management fundamentals

The credit rating agency Standard and Poor's has upgraded the bond rating of the Otay Water District from AA- to AA. This higher rating reflects increased credit worthiness, and means the district will pay less inter-

est on bonds issued for future capital improvement projects.

This is the second credit rating upgrade the district has received in the last nineteen months. The savings from

both bond rating upgrades will total approximately \$2 million over the life of the future bond sales. For customers, this means the district's water rates will continue to be among the lowest in San Diego County.

Water Conservation Incentives

Smart Controller Rebate - \$350—

Smart irrigation controllers adjust your watering schedule automatically based on local site conditions and can lower your water use by approximately 14,000 gallons per year.

Rotating Sprinkler Nozzle Rebate -

\$4.00 per nozzle—Rotating nozzles can eliminate runoff and use 20% less water than conventional spray heads by applying water more slowly and evenly.

High-Efficiency Washing Machine

Rebate - \$185—High-efficiency clothes washers typically use an average of 40% less water and 55% less energy. Clothes also require 50% less drying time.

High-Efficiency Toilet Rebate - \$100—

High-efficiency toilets use an average of 1.28 gallons per flush, or 20% less than a toilet manufactured after 1994.

Synthetic Turf Rebate - \$1.00 per

square-foot—Synthetic turf requires no watering, no fertilizers or pesticides, looks great and reduces maintenance costs.

Call 1-800-376-3314 for more information or to obtain a rebate.

Otay Approves Rate Increase and Drought Rates

The Otay Water District has adopted an average 12.4% rate increase effective January 1, 2009. The rate increase is the result of increased costs from water wholesalers. Eighty percent of the increase is due to higher water costs. The remaining 20% reflects higher energy and infrastructure costs.

For a typical customer using 15 units of water each month, their water rate would increase by an average of \$5.04 per month. Conserving water customers, those using 10 units of water per month or less, would receive the smallest increases.

The district has also adopted Drought Rates, which will be triggered in the event that a Level II or higher drought stage is declared. When a higher drought stage is declared, water conservation goals becomes mandatory. Drought rates are revenue neutral for the district and will have the least effect on conserving customers.

Visit our Rate Calculator at www.otaywater.gov to see how these new water rates will affect your family and your budget. The Otay Water District offers a number of water conservation programs, tips and water saving information, and encourages customers to take advantage of these ways to save water and save money.

— Otay Receives Award — "BEST OF CALIFORNIA 2008"

The Otay Water District's Information Technology and Strategic Planning Department has been awarded the Center for Digital Government's Best of California, Leadership and Excellence, Award for 2008.

The Center for Digital Government is a

national research and advisory institute on information technology policies and best practices in state and local government. The Center established the award program to salute IT professionals in California state and local government for their contributions to the field.

OTAY WATER DISTRICT - Board of Directors

The Board of Directors meets on the first Wednesday of the month at 3:30 pm in the Board meeting room.

The public is encouraged to attend at 2554 Sweetwater Spring Blvd., Spring Valley, CA.

President

Gary Croucher, Division 3
gcroucher@otaywater.gov

Vice-President

Jose Lopez, Division 4
jlopez@otaywater.gov

Treasurer

Jaime Bonilla, Division 2
jbbonilla@otaywater.gov

Boardmember

Larry Breitfelder, Division 1
lbreitfelder@otaywater.gov

Boardmember

Mark Robak, Division 5
OtayWater@cox.net



High School Senior may Receive up to \$2,000 in Scholarships!

Graduating high school seniors living within the Otay Water District's service area are encouraged to apply for a \$1,000 scholarship. The district's scholarship recipient also becomes eligible to receive another \$1,000 scholarship from the California Special Districts Association - San Diego Chapter or another affiliate organization. Information and applications are available by calling 619-670-2291 or by visiting www.otaywater.gov and clicking on Education then Scholarships. Applications must be mailed or received by March 6, 2009.

For more class information and prices visit www.thegarden.org

Thursday, February 19, 6:30- 8:30 pm

H2O - 911! - Living with the water crisis—Join Vickie Driver for a fast and furious introduction to dealing with the current and future water crisis. Learn simple steps for saving water.

Saturday, February 28, 9:00 am - Noon

Toss Your Turf: Less Water, Less Grass, More Fun!—Tips for a beautiful low-water-use landscape in lieu of lawn!

Saturday, March 14th, 10:00 - 2:00 pm

Free Composting Workshop
Pre-Register at www.solanacenter.org or (760) 436-7986 ext. 222

Saturday, March 21, 9:00 am - Noon

A New California Garden—Landscape Designer Linda Whitney shares her process for creating her own award-winning, Water Smart landscape from the ground up.

CLASSES
AT THE Garden

Perfect Plant Partners

Our low-water plant palette offers lots of new possibilities for plant combinations that create different looks, different color blends, and different seasonal highlights, all of which take little maintenance.

For a burgundy and soft green year-round color scheme in full sun, try these

- Caribbean copper plant (*Euphorbia cotinifolia*), a tall (15' x 8'), tree-like shrub with a dove-gray trunk, and branches covered in 2-3" round, bright burgundy leaves. If temperatures go down to 30°F or so, leaves drop but resprout in the spring. Avoid getting irritating sap on your skin or in your eyes.
- Giant dracaena (*Cordyline australis*) 'Red Sensation,' 'Dark Star' and other bronze-leaved varieties of this tall, strappy-leaved plant echo the leaf color of the Caribbean copper plant. Evergreen and hardy to at least 15°F. Plants grow slowly to 20' tall.
- Honeybush (*Melianthus major*) is a soft-stemmed shrub with large, palm-like fronds of icy green leaves with serrated edges. Multiple stems grow upright from the plant's center to form a broad (5' tall x 12' wide) plant. Prune off all but three branches to promote a tall, narrow (8' tall x 5' wide) profile. From late winter through spring, each stem sports an 18" tall spire of burgundy flowers that match the giant dracaena and the Caribbean copper plant. Flowers are filled with nectar much beloved by hummingbirds.
- Dune sage (*Salvia africana lutea*) forms a 5' tall and 6' wide shrub. It has tiny, soft-green leaves and small, snapdragon like flowers that open a soft apricot and turn to copper. Their shade compliments the burgundy tones.
- 'Glacier Blue' spurge (*Euphorbia characias* 'Glacier Blue') is a low (1-2' mound) semi-succulent with blue-green leaves edged in ivory. Early winter flowers are also ivory and last a long time. Stems fade in late summer but are quickly replaced by new ones. Avoid getting irritating sap on your skin or in your eyes.

Rather grow natives? Try this combo of yellow/gold and blue/green in full sun or light shade.

- Variegated century plant (*Agave americana* 'Variegata' also sold as *Agave americana* var *picta*) is a tall agave whose succulent green blades are edged in pale yellow. There are other agaves in this color scheme, some in the reverse pattern. Be sure to read the label so you know whether the one that catches your eye grows to 3' tall and wide, or 8' tall and wide. Plant it where there is enough room for its ultimate size.
- Indian mallow (*Abutilon palmeri*) is a mounding shrub (3-6' tall and wide) with broad, green leaves covered in soft, silvery fuzz. Plant it in full sun or light shade, and where you can touch the leaves as you walk by. Deep gold flowers hang from branch tips from spring to fall. Hummingbirds and butterflies are frequent visitors.
- California fescue (*Festuca californica*) is a clumping native grass that forms fountainy, two-foot mounds. Plants are evergreen with greenish blue blades. Good in full sun or part shade.



January, 2008

RE: Important Message about Water Shortages and Water Prices

Dear Otay Water District Customer:

This coming year has the potential to be one of the most volatile years for water supply in San Diego County's history. Because of the likelihood of a near-term water shortage, conservation may become mandatory and prices could increase dramatically for some customers.

Despite the recent winter rains, water supply in California and the West remain disrupted by drought along the Colorado River and pumping restrictions severely limiting imported water from Northern California. The Colorado River will take years to recover from an eight-year drought and imported water from the State Water Project is predicted to be just 15% of a normal year's allocation due to court-ordered pumping restrictions related to environmental impacts.

During the past year, water agencies have been working to spread the news about this impending crisis using television, radio, print ads and bill messages, and aggressively calling on all customers to conserve. This note is a more personal effort to alert you to this increasingly dire situation and notify you the Otay Water District has adopted new rates and a new Drought Rate structure further designed to promote conservation.

You will note the higher cost of imported water reflected in your monthly bill. This is the result of water wholesalers struggling to find new supplies of water to meet customer demand. As our traditional supplies become increasingly scarce, the cost of alternative supplies including short-term transfers, are much increased. Under the new rate structure, these costs are being passed-on to all consumers equally. In addition, new Drought Rates have been established and will be implemented as water wholesalers pass on the higher price they pay for water purchased on the spot market.

Since June of 2008, the Otay Water District has been in a Level 1 - Drought Watch. A Level II Drought Alert could be announced by our suppliers anytime. If this occurs, your water rates could increase again. Typical customers, those using fewer than 16 units of water per month, will see only a modest 2% increase. Large water users, those using 27 units or more, will see larger increases in the range of 30% or more. These rates are based on our supplier's efforts to enforce conservation through tiered penalties and market-based pricing.

Now is the time to prepare. We encourage customers to use the coming months to make changes to your landscapes, irrigation schedules, and take advantage of conservation rebates and incentives to minimize the impact of rate increases. To see how the new rates will impact your household or business, use the Rate Calculator on our website at www.otaywater.gov and visit www.20gallonchallenge.org for more ways to help you save money.

Sincerely,

Mark Watton

Mark Watton
General Manager



FOR MORE INFORMATION ABOUT THE OTAY WATER DISTRICT CALL 619.670.2222 OR GO TO WWW.OTAYWATER.GOV

The Pipeline Newsletter is published quarterly by the Otay Water District and can also be found online at www.otaywater.gov. If you have questions about the newsletter, please contact us at 2554 Sweetwater Springs Blvd, Spring Valley, CA 91978-2096. Copyright © 2008 Otay Water District. All rights reserved.

pipeline

Distrito de agua de Otay Estado de Vigilancia por Sequia

SEQUIA - NIVEL IV ESTADO DE EMERGENCIA

Alto el riesgo de lesiones físicas consecuencia de avulsos o desmoronamientos nuevos.
Meta de Conservación: Mas de 95%.

SEQUIA - NIVEL III ESTADO CRITICO

Ninguna construcción de avulsos o desmoronamientos nuevos.
Límites estrictos de la cantidad de agua utilizada para el riego y otros usos que se incluyen proyectos de agua pública.
Meta de Conservación: Hasta el 80%.

SEQUIA - NIVEL II ESTADO DE ALERTA

Restricciones obligatorias del uso del agua. No riegue mas de 3 días por semanas, y 15 minutos por estación.
Meta de Conservación: Hasta el 20%.

SEQUIA - NIVEL I ESTADO DE VIGILANCIA

Medidas voluntarias para detener los residuos. Repare los fugas rápidamente. Cierre su agua con una cubeta y una manopla con boquilla de cierre automático. Meta de Conservación: Hasta el 10%.

Otay Water District Declara Estado de Vigilancia por Sequía Nivel I

En respuesta a la proclamación de sequía del estado de California por el Gobernador Schwarzenegger, Otay Water District (OWD) ha declarado Estado de vigilancia por Sequía Nivel I para su área de servicio. Dentro de este nivel se exhorta a los usuarios reducir su uso del agua por un 10%.

AGENDA ITEM 6d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT / SUBPROJECT:	R2086- DIV. 4 001103 NO.
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief):	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager of Engineering and Operations		
SUBJECT:	Change Order No. 1 to the Contract with Arrieta Construction for the Ralph W. Chapman Water Recycling Facility (RWCWRF) Forcemain Air/Vac Replacements and Access Road Improvements Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve Change Order No. 1 to the existing contract with Arrieta Construction (Arrieta), for construction of the RWCWRF Forcemain Air/Vac Replacements and Access Road Improvements Project in an amount not to exceed \$21,500 (see Exhibit A for project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Change Order No. 1 (see Exhibit B) in an amount not to exceed \$21,500 to the contract with Arrieta for construction of the RWCWRF Forcemain Air/Vac Replacements and Access Road Improvements Project.

ANALYSIS:

At the July 2, 2008 Board Meeting, Arrieta was awarded the construction contract for the RWCWRF Forcemain Air/Vac Replacements and Access Road Improvements Project. Due to

environmental constraints, the project construction began in November 2008. Overall, construction is 85% complete.

Change Order No. 1 provides reimbursement to the Contractor in a net amount not to exceed \$21,500 for additional items in the referenced project. A summary of each item follows.

The first item is for additional linear footage for improvements to the access road. An additional 2,920 linear feet was added to the contract. The amount for this additional work is \$97,786.50.

The second item is for the installation of anodes to protect the copper pipe connection the air/vacs to the forcemain from corrosion. The anodes were not part of the original contract. The amount for this additional work is \$5,000.

The third item is for modifications to valve vault number seven. The proposed valve and steel pipe configuration could not be installed per plan and therefore field modifications were done to the existing pipe inside the vault. The amount of this change is \$2,387.95.

The fourth item is for new couplings on three air vacs where the new air/vacs connect to the forcemain. The existing couplings were corroded and were not usable, therefore new couplings were welded to the existing main. The amount for this additional work is \$4,334.66.

The fifth item is for cleaning out an existing storm drain culvert under the entrance to the RWCWRF. This work was not included in the original contract. The amount for this additional work is \$1,990.89.

The sixth item is a deductive change. There are four allowance items included in the contract documents that are not being used. They include, Rock Excavation, Emergency Startup/Shutdown of the Treatment Plant, Environmental Delays, and Unknown Utilities with a total amount of \$90,000.

The following is a table summarizing the value for each item:

Item	Issue	Amount
1	Access Road	\$97,786.50
2	Anode Installation	\$ 5,000.00
3	Vault 7 Modifications	\$ 2,387.95
4	New Couplings	\$ 4,334.66
5	Storm Drain	\$ 1,990.89
6	Allowance Deduction	(\$ 90,000)
	Total	\$21,500.00

FISCAL IMPACT:



The approved total budget for CIP R2086, as approved in the FY 2009 budget, is \$1,300,000. Expenditures to date are \$618,509. Total commitments to date, including this Change Order, are approximately \$1,293,808. (See Attachment B for budget detail.)

The Project Manager anticipates that based on the attached financial analysis that the budget will be sufficient to support this project. Finance had determined that 100% of the funding for this project is available from the Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner..." This project fulfills the District's Strategic Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing that the District will provide for current and future water needs.

LEGAL IMPACT:

None.



General Manager

P:\WORKING\R2086\Staff Reports\BD 02-04-09, Staff Report, Arrieta C.O. #1 for Air Vac Replacement, (DK-RR).doc

DK/RR:jf

- Attachments: Attachment A
- Attachment B
- Exhibit A
- Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: R2086-001103	Change Order No. 1 to the Contract with Arrieta Construction for the Ralph W. Chapman Water Recycling Facility (RWCWRF) Forcemain Air/Vac Replacements and Access Road Improvements Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 26, 2009. The following comments were made:

- The Change Order consists of six items:
 - The access road required an additional 2,920 linear feet which was added to the contract for an amount of \$97,786.50.
 - The installation of anodes to protect the copper pipe connection from the air/vacs to the forcemains from corrosion was added for a cost of \$5,000.
 - Work for the modifications to a valve vault as the proposed valve and steel pipe configuration could not be installed per plan. This modification cost \$2,387.95.
 - Couplings on three air/vacs needed to be replaced as they were corroded and no longer usable. The cost for the replacement was \$4,334.66.
 - An existing storm drain culvert under the entrance to the RWCWRF required cleaning out. This work was not included in the original contract. The cost for the additional work was \$1,990.89.
 - There are four allowance items included in the contract which will not be used (rock excavation, emergency startup/shutdown of the Treatment Plant, environmental delays, and unknown utilities) for a deductive change of \$90,000.

The total Change Order amount is \$21,500.

- It was indicated that cathodic protection is standard for copper pipe protection.

- The committee discussed that contingency monies were utilized for this project, however, they did not fall under any of the allowance items noted in the deductive change.
- It was discussed that the District received a permit to remove the habitat from the access road area so there are no environmental impacts. The District will need to assure, however, that the habitat does not grow back or it could be returned to protected status.

The committee supported staffs' recommendation and presentation to the full board on the consent calendar.



ATTACHMENT B

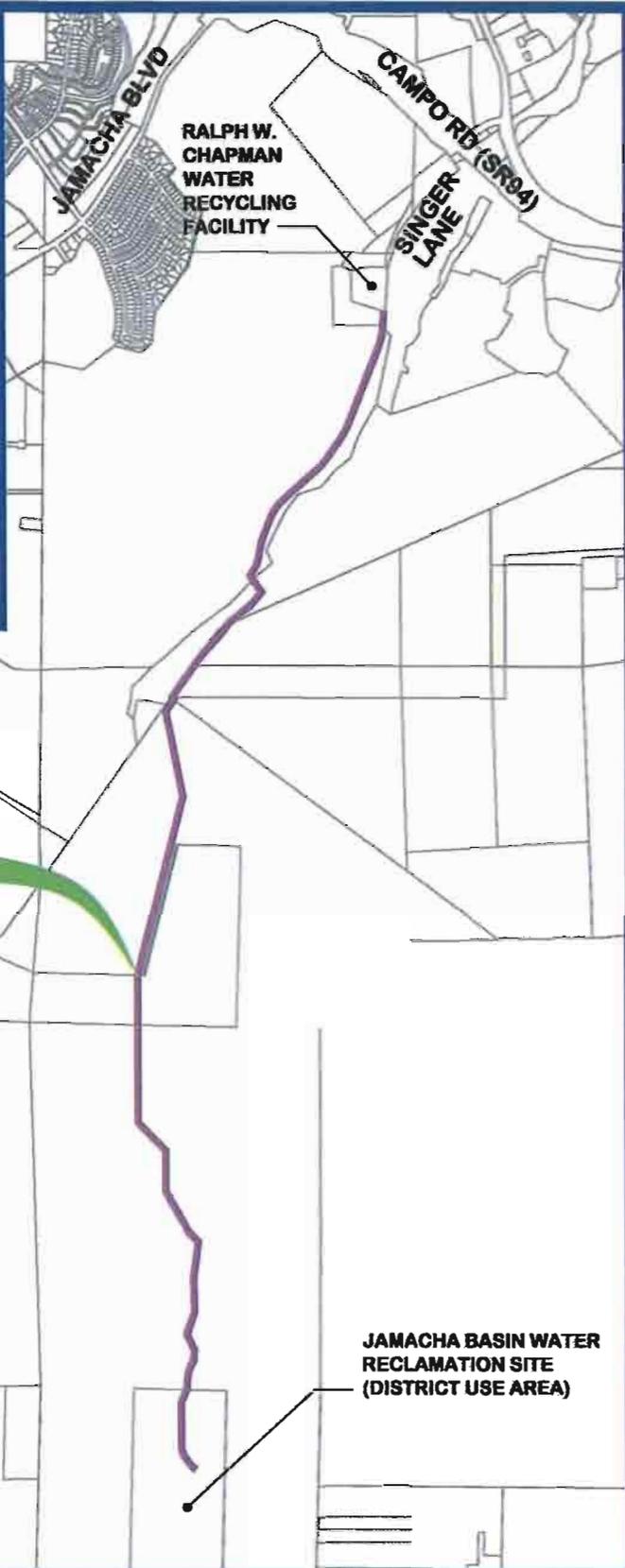
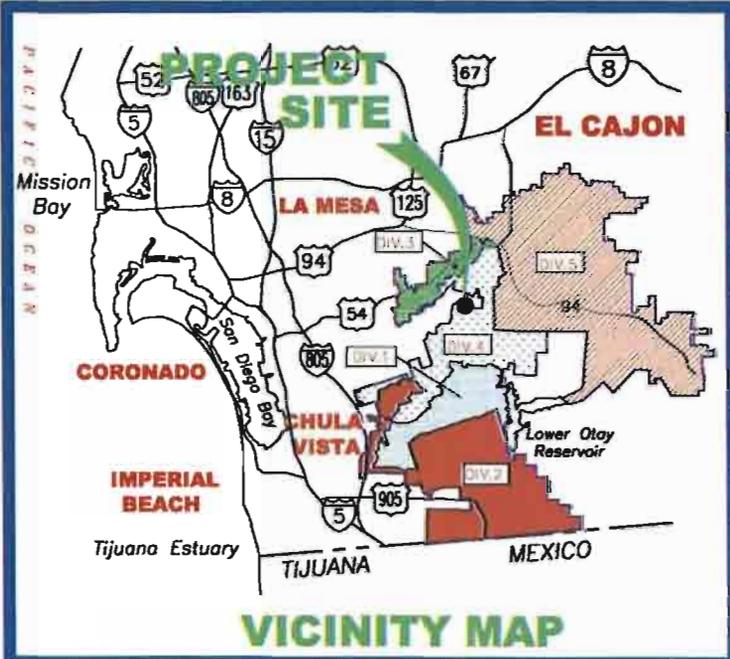
SUBJECT/PROJECT: R2086-001103	Change Order No. 1 to the Contract with Arrieta Construction for the Ralph W. Chapman Water Recycling Facility (RWCWRF) Forcemain Air/Vac Replacements and Access Road Improvements Project
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Otay Water District

Date Updated: January 15, 2009

R2086 -RWCWRF Forc main AirVac Replace & Impro

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$1,300,000					
Planning					
In House/Labor	95,873	95,873		95,873	
Consultant Contracts	82,859	82,859	-	82,859	Jones & Stokes Associates
Service Contracts	675	675	-	675	Jones & Stokes Associates
	355	355	-	355	Garcia, Calderon & Ruiz LLP
Regulatory Agency Fees	100	100	-	100	US Fish & Wildlife Service
Infrastructure, Materails & Supplies	1,778	1,778	-	1,778	Armorcast Products Company
			-	-	
			-	-	
Total Planning	\$ 181,640	\$ 181,640	\$ -	\$ 181,640	
Design					
In House/Labor	119,246	119,246		119,246	
Business Meetings	41	41	-	41	Petty Cash Custodian
Consultant Contracts	19,960	19,960	-	19,960	Jones & Stokes Associates
	44,721	44,721	-	44,721	Lee & Ro Inc.
Service Contracts	66	66	-	66	San Diego Daily Transcripts
	349	349	-	349	Union Tribune Publishing Co.
	2,297	2,297	-	2,297	Mayer Reprographics Inc.
Professional Legal Fees	203	203	-	203	Garcia, Calderon & Ruiz LLP
Inventory	236	236	-	236	Di-Electric Coupling
			-	-	
			-	-	
Total Design	\$ 187,118	\$ 187,118	\$ -	\$ 187,118	
Construction					
In House/Labor	50,000	38,580	11,420	50,000	
Professional Legal Fees	2,330	2,330	-	2,330	Garcia, Calderon & Ruiz LLP
Consultant Contracts	251	251	-	251	Lee & Ro Inc.
Construction Contracts	760,037	186,396	573,641	760,037	Arrieta Construction Inc
Retention	84,449	20,711	63,738	84,449	California Bank & Trust
Change Order No. 1	21,500	-	21,500	21,500	Arrieta Construction Inc
Infrastructure, Materails & Supplies	1,483	1,483	-	1,483	Ferguson Waterworks
Acceptance/Closeout	5,000	-	5,000	5,000	
			-	-	
			-	-	
Total Construction	\$ 925,050	\$ 249,751	\$ 675,299	\$ 925,050	
Grand Total	\$ 1,293,808	\$ 618,509	\$ 675,299	\$ 1,293,808	



OTAY WATER DISTRICT
RWCWRF FORCEMAIN AIR/VAC REPLACEMENTS
AND ACCESS ROAD IMPROVEMENTS

LOCATION MAP

CIP R2086

EXHIBIT A

CONTRACT/P.O. CHANGE ORDER No. 01

PROJECT/ITEM: Ralph W. Chapman Water Recycling Facility (RWCWRF) Forcemain Air/Vac Replacements and Access Road Improvements

CONTRACTOR/VENDOR: Arrieta Construction

REF.CIP No.: R2086-001103

APPROVED BY: Board

REF. P.O. No: 708993

REF. W.O. No.: N/A

DATE: 20-Jan-09

DESCRIPTION:

Six separate items are part of this change order:

1. Additional linear footage for improvements to the access road
2. Installation of anodes for the air/vacs
3. Valve vault modifications.
4. Couplings for air/vacs
5. Storm Drain Cleanout
6. Allowance deduct

See attached Change Order Proposals for each item of work from Arrieta Construction.

REASON:

- 1.) An additional 2,920 linear feet of access road improvements was added to the contract. The amount of this change is \$97,786.50.
- 2.) Anodes were installed to protect the copper pipe on the air/vacs from corrosion. The anodes were not part of the original contract. The amount of this change is \$5,000.00.
- 3.) The proposed valve and steel pipe configuration could not be installed per plan and therefore field modifications were done to the existing pipe inside the vault. The amount of this change is \$2,387.95.
- 4.) The existing couplings on three air/vacs were corroded and not usable, therefore new couplings were welded to the existing main. The amount of this change is \$4,334.66.
- 5.) The existing storm drain culvert under the entrance to the RWCWRF was full of dirt and debris and needed to be cleaned out. This work was not part of the original contract. The amount of this change is \$1,990.89.
- 6.) There are four allowance items included in the contract documents that are not being used. They include Rock Excavation, Emergency Startup/Shutdown of the Treatment Plant, Environmental Delays, and Unknown Utilities. The amount of this deduct is (\$90,000)

CHANGE P.O. TO READ:

Revise contract to add \$21,500 for a total contract amount of \$865,985.90.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	844,485.90
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	0.00
TOTAL COST OF THIS CHANGE ORDER:	\$	21,500.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	865,985.90
ORIGINAL CONTRACT COMPLETION DATE:		01/05/09
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		No

REVISED CONTRACT COMPLETION DATE:

N/A

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

CONTRACTOR/VENDOR:

STAFF APPROVALS:

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

NAME : _____ DIV. MGR : _____ DATE: _____

TITLE: _____ DATE : _____ CHIEF: _____ DATE: _____

ADDRESS: _____ ASST. GM : _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, CHIEF-ENGINEERING, CHIEF-FINANCE, ENGR. MGR.
 ACCTS PAYABLE, INSPECTION, PROJ. MGR., ENGR. SECRETARY, PURCHASING, PROJECT BINDER

CHANGE ORDER LOG

CIP Title - Ralph W. Chapman Water Recycling Facility Forcemain Air/Vac Replacements and Access Road Improvements

Consultant/Contractor: Arrieta Construction

Project: R2086
Subproject: 001103

		APPROVED			
C.O.	AMOUNT	BY	DATE	DESCRIPTION	TYPE C.O.
1	\$21,500.00	Board	1/20/2009	Six items: Additional linear footage on the access road, anodes, valve vault 7 modification, additional couplings, storm drain cleanout, and allowance deduct	Owner
2					
3					
4					
5					
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34					
35					

Total C.O.'s To Date:	\$21,500.00	2.5%
Original Contract Amount:	\$844,485.90	
Current Contract Amount:	\$865,985.90	

Month	Net C.O.\$	Limit	Authorization	C.O. %
1/09	\$21,500.00	\$2,000	Insp	0.0%
		\$10,000	PM/Sr. Engr.	0.0%
		\$20,000	DivM	0.0%
		\$25,000	Chief	0.0%
		\$35,000	AGM	0.0%
		\$50,000	GM	0.0%
		>\$50000	Board	2.5%
			\$21,500.00	

AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	James Peasley Engineering Manager	W.O./G.F. NO:	D0261 DIV. NO. n/a
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager of Engineering and Operations		
SUBJECT:	Approval of Water Supply Assessment and Verification Report (January 2009) for the Otay Ranch L.P. Otay Ranch Preserve and Resort Community Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors (Board) approves the Water Supply Assessment and Verification Report (WSA&V Report) dated January 2009 for the Otay Ranch L.P. Otay Ranch Preserve and Resort Community Project (Resort) development proposal, as required by Senate Bill 610 (SB 610) and Senate Bill 221 (SB 221).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board approval of the January 2009 WSA&V Report for the Resort project, as required by SB 610 and SB 221.

ANALYSIS:

SB 610 mandates that a "city or county" request a water supply assessment from a public water purveyor for certain kinds of "projects" enumerated in Water Code Section 10912. In response to such request, SB 610 requires that the water purveyor of the public water system (i.e., District) prepare the water supply

assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process for such projects.

SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are planned to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are addressed by the January 2009 WSA&V Report for the Resort project. The WSA&V Report was prepared by District staff following receipt of a request received from the County of San Diego (County).

Prior to transmittal to the County, the WSA&V Report for the Resort project must be approved by the District Board of Directors. An additional explanation of the intent of SB 610 and SB 221 is provided in Exhibit A and the Resort project January 2009 WSA&V Report is provided as Exhibit B.

For the Resort project, the County is the responsible land use agency or lead agency that requested the SB 610 and SB 221 water supply assessment and verification from the District, as the water purveyor for the proposed Resort project. Because the requirements of SB 610 and SB 221 are substantially similar, on November 5, 2008 the District received a letter from the County requesting the District to prepare both the water supply assessment and verification report for the Resort project concurrently.

The request for compliance with the SB 610 requirements was made by the County because the Resort project meets or exceeds at least one of the following SB 610 criteria:

- A proposed residential development of more than 500 dwelling units.
- A mixed-use project that includes one or more of the land uses specified in SB 610.
- A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

The request for compliance with SB 221 requirements was made by the County because the Resort project exceeds the SB 221 criteria of a proposed residential development subdivision of more than 500 dwelling units.

The County has publicly announced its intent to initiate the preparation of an Environmental Impact Report (EIR) for the Resort project in conformance with the California Environmental Quality Act (CEQA). The approved WSA&V Report is intended be included as a part of the EIR and used by the County in its evaluation of the Resort project under CEQA.

The Resort project is included within a land use planning document known as the Otay Ranch General Development Plan/Sub-regional Plan (Otay Ranch GDP). The County of San Diego and City of Chula Vista jointly prepared and adopted the Otay Ranch GDP. The Resort project, identified as Village 13 within the Otay Ranch GDP, is located within what is defined as the Proctor Valley Parcel of the Otay Ranch GDP. The Resort project is a part of the designated 14 villages and five planning areas within the Otay Ranch GDP area. The Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch GDP on October 28, 1993, which was accompanied by a Program Environmental Impact Report EIR-90-01 (SCH #89010154).

The Resort project is not currently located within the jurisdictions of the District, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (Metropolitan). The Resort project is required to annex into the jurisdictions of the District, Water Authority, and Metropolitan to be eligible to utilize imported water supply (i.e., to obtain imported water supply service).

The Resort project is approximately 1,869 acres and is planned as a combination of land uses consisting of a resort/hotel and associated facilities, a mix of single-family and multi-family residential neighborhoods, an elementary school, a public safety facilities site, commercial, open space, preserve land, circulation elements, parks, and recreational facilities. The total number of resort hotel units is planned to be 200. Approximately 545 acres of the total project site are designated for 1,738 single-family detached homes and 200 multi-family homes. Typically, a development project of this magnitude is constructed in several phases over many years.

The development and/or acquisition of potential groundwater supplies, recycled water market expansion, and seawater desalination supplies by the District have evolved and are being planned to occur in response to the regional water supply issues related to climatological, environmental, legal, and other challenges that have impacted water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin

Delta and the current on-going western states drought. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and Metropolitan UWMP, IRP, Master Plans, and other planning documents. These local and regional water supply projects will allow for less reliance upon imported water and are considered a new water supply resource.

It is anticipated that the District's expansion of the market areas for the use of recycled water within the watersheds upstream of the Sweetwater Reservoir and the Lower Otay Reservoir will increase recycled water use and decrease dependence on imported water for irrigation purposes. With these objectives in mind, the supply projects and forecasts contained within the Resort project WSA&V Report take into account development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the District.

In evaluating the availability of sufficient water supply, the Resort project proponents are required to participate in the acquisition and development of alternative water supply project(s) to 100% offset their projected potable water supply requirements. This can be achieved through participation in one or more local and/or regional water supply development projects envisioned by the District. These new additional water supply projects are not currently fully developed and are in various stages of the planning process. These water supply projects are planned to be developed and are intended to increase sustainable water supplies to serve the Resort project water supply needs and that of other similar situated development projects that were unanticipated by the Water Authority and Metropolitan. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Seawater Desalination project, and the Rancho del Rey Groundwater Well project. The Water Authority and Metropolitan's next forecast and supply planning documents would capture any increase in water supplies resulting from any new water supply resources developed by the District.

As allowed under SB 610 and SB 221, the WSA&V Report for the Resort project incorporates by reference the current Urban Water Management Plans and other water resources planning documents of the District, the Water Authority, and Metropolitan. The District prepared the Resort WSA&V Report, which demonstrates and documents that sufficient water supplies are planned for and

are intended to be made available over a 20-year planning horizon under normal supply conditions and in single, and multiple dry years to meet the projected demand of the proposed Resort project and the existing and other planned development projects within the District.

Metropolitan's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. Metropolitan's 2004 update to the IRP (2004 IRP Update) includes a planning buffer supply to mitigate against the risks associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of implementation of the planning buffer, Metropolitan periodically evaluates supply development to ensure that the region is not under or over-developing supplies. Managed properly, the planning buffer along with other alternative supplies will help ensure that the southern California region, including San Diego County, will have adequate supplies to meet future demands.

The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority "as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs."

The intent of the SB 610 and SB 221 legislation is that the land use agencies and the water agencies are coordinating their efforts in planning for new development and thus planning for sufficient water supplies to meet the needs.

As per the requirements of SB 610 and SB 221, if the water supply assessment and verification finds that the supply is sufficient, then the governing body of the water supplier (District) must approve the water supply assessment and verification report and deliver it to the lead agency (County) within 120 days (i.e. 90 days plus the 30 day County granted time extension). In the case of the Resort project, the deadline for the District to provide a Board approved WSA&V Report to the County is March 5, 2009.

As per the requirements of SB 610, if the water supply assessment finds overall supplies are insufficient - the water

supplier shall provide to the lead agency "its plans for acquiring additional water supplies, setting forth measures that are being undertaken to acquire and develop those water supplies," and the water supplier governing body must approve the assessment and deliver it to the lead agency within the 120 days. If the water supplier does conclude that additional water supplies are required, the water supplier should indicate the status or stage of development of the actions identified in the plans it provides. Identification of a potential future action in such plans does not by itself indicate that a decision to approve or to proceed with the action has been made.

Once either of the two actions listed above are accomplished the District's SB 610 water supply assessment responsibilities are complete.

As per the requirements of SB 221, if the water supply verification finds overall supplies are insufficient - "the lead agency may bridge any gap from verification's "insufficient" determination with additional supplies not accounted for by the water supplier, based on substantial evidence and findings on record," and the water supplier governing body must approve the verification and deliver it to the lead agency within the 120 days. In bridging any sufficiency gap, whether before or after issuance of verification, the lead agency may coordinate with others to identify and secure sources of supply. The lead agency may also place a condition on the tentative map to comply with a water supply sufficiency requirement.

Once the actions listed above are accomplished the District's SB 221 water supply verification responsibilities are complete.

SB 610 and SB 221 provides that if the water supply assessment and verification report is not received by the lead agency from the water supplier within the prescribed 90 day period, and any requested time extension (the County granted the District a 30 day extension), the lead agency may seek legal relief, such as a writ of mandamus.

Water supply agencies throughout California continue to face climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta issues and the current ongoing drought conditions impacting the western states. Challenges such as these essentially always will be present. The regional water supply agencies, the Water Authority and Metropolitan, along with the District nevertheless fully intend

to have sufficient, reliable supplies to serve the Resort project.

An October 22, 2007 letter from Metropolitan to their member agencies, including the Water Authority, provided notice of a 30 percent reduction in Interim Agricultural Water Program (IAWP) deliveries effective January 1, 2008. A 30 percent water use reduction of the sixteen IAWP District water accounts represents about 26.0 acre feet (ac-ft) based on fiscal year (FY) 2007 or 0.09 percent of the total District 28,353 ac-ft annual purchase from the Water Authority in FY 2007.

With the initiation of the South Bay Water Reclamation Plant (SBWRP) recycled water supply on May 18, 2007 the District has reduced the annual take of potable water from the Water Authority, once used to supplement the recycled water supply shortfall, in excess of 3,000 ac-ft per year. The Resort project demand for potable water is estimated to be 1,340 ac-ft per year and the recycled water demand is estimated to be 417 ac-ft per year. The total Resort project demand is about 59 percent of the 3,000 ac-ft of the potable water saved with the SBWRP supply start up.

The County could be requested to condition the Resort project to use waterless urinals and ultra low flush toilets. The estimated potable water demand reduction would be on the order of maybe 2 to 5 percent. The City of Chula Vista estimates a savings of 4,000 gallons per year per residential unit for dual flush toilets, which would be about a 2 percent reduction of the total estimated water demand.

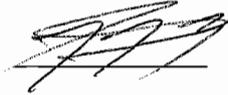
The irrigation water demands were calculated assuming recycled water use of 2.5 ac-ft per acre per year. The City of Chula Vista's Landscape Design Manual estimates that water savings due to using water efficient landscaping can reduce irrigation demands by 30 to 50 percent.

The WSA&V Report demonstrates that the District, the Water Authority, and Metropolitan have all developed plans and are implementing projects, programs, and/or procedures to ensure that there will be adequate supplies to serve the proposed Resort project along with existing and other planned users. In addition, the supplies necessary to serve the Resort project along with existing and other projected future users have been identified in the WSA&V Report for the Resort project. The actions necessary and status to develop these supplies have also

been documented in the various planning documents and in the Resort project WSA&V Report.

Staff recommends that the Board of Directors approve the January 2009 Water Supply Assessment and Verification Report for the Resort project, as required by and consistent with SB 610 and SB 221.

FISCAL IMPACT:



The District has been reimbursed \$28,775 for all costs associated with the preparation of the Resort project WSA&V Report. The reimbursement was accomplished via a \$31,400 deposit the project proponents placed with the District.

STRATEGIC GOAL:

The preparation and approval of the Resort project WSA&V Report supports the District Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced" and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT: _____

Approval of a WSA&V Report for the Resort project in form and content satisfactory to the Board of Directors on or prior to March 5, 2009 would allow the District to comply with the requirements of Senate Bill 610 and Senate Bill 221.



General Manager

P:\jpeasley\BD02-04-09, Staff Report, SB 610 and SB 221 Water Supply Assessment and Verification Report, Otay Ranch Preserve & Resort Community, (JP-RP).doc

JP/RP:jf

Attachments: Attachment A
Exhibit A
Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: D0261	Approval of Water Supply Assessment and Verification Report (January 2009) for the Otay Ranch L.P. Otay Ranch Preserve and Resort Community Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 26, 2009. The following comments were made:

- The Otay Ranch L.P. Resort Project is located to the east of the City of Chula Vista and is included within the County of San Diego and City of Chula Vista Otay Ranch General Development Plan/Sub Regional Plan adopted in October 1993.
- The project will include a Resort/Hotel (200 hotel units) and residential development (1,738 single family homes and 200 multi-family homes).
- The water demand originally planned for the Resort Project was 2000 AF. The developer has reduced the projected demand of the project to approximately 1800 AF.
- The Resort Project will require annexation into the Otay WD, San Diego County Water Authority (CWA), and Metropolitan Water District (MWD) to be eligible to use imported water.
- It was discussed that CWA and MWD would likely require 100% supply offset for the Resort Project's potable water demand as a condition of the annexation.
- The District is pursuing alternative local water supply projects that will exceed the need of the Resort Project and the water supplies are intended to be available through 100% offset. The Water Supply Assessment and Verification

Report indicates that the District intends to develop sufficient reliable supplies to meet the demands of the Resort Project and that the following planned local water supply projects are currently being developed:

- o Middle Sweetwater River Groundwater Well (~1500 AF)
 - o Otay River Groundwater Desalination (~4,500 AF)
 - o Rosarito Ocean Desalination Project (~11,200 AF)
 - o North District Recycled Water Project (~1,200 AF)
 - o Rancho del Rey Groundwater Well (~600 AF)
 - o Otay Mesa Lot 7 Groundwater Well (~600 AF)
- It was discussed due to the current water supply conditions that the District plans to provide sufficient water supplies to the Resort Project, however, it does not guarantee sufficient supplies. Staff has made the developer aware that if a Drought Level III alert is declared, the District will not sell any new meters except under specific conditions. The developer understands that this could occur and had indicated that their plan is to have the entitlements for the development in place once the real estate market recovers.

The committee supported staffs' recommendation and presentation to the full board as an action item.

EXHIBIT A

Background Information

The Otay Water District (District) prepared the January 2009 Water Supply Assessment and Verification Report (WSA&V Report), for the Otay Ranch L.P. Otay Ranch Preserve and Resort Community (Resort) project development proposal at the request of the County of San Diego (County). The District received the County's written request on November 5, 2008 and also received in January 2009 a 30 day extension of time to complete the WSA&V Report and obtain the District Board of Directors approval thereof. The Otay Ranch L.P. submitted an entitlement application to the County for the development of the Resort project.

The Otay Ranch Preserve and Resort Community project also referred to as the Resort Village or Otay Ranch Village 13 is located within the unincorporated area of the County. The Upper and Lower Otay Reservoirs generally bound the Resort project to the west and south. The Resort project is not currently within the jurisdictions of the District, the San Diego County Water Authority (Water Authority), and Metropolitan Water District of Southern California (Metropolitan). The Resort project is required to annex into the jurisdictions of the District, the Water Authority, and Metropolitan to be eligible to utilize imported water supply (i.e. to obtain imported water supply service).

The Resort project is included within a land use planning document known as the Otay Ranch General Development Plan/Sub-regional Plan (Otay Ranch GDP). The County and City of Chula Vista jointly prepared and adopted the Otay Ranch GDP. The Resort project, identified as Village 13 within the Otay Ranch GDP, is located within what is defined as the Proctor Valley Parcel of the Otay Ranch GDP. The Resort project is a part of the designated 14 villages and five planning areas within the Otay Ranch GDP planning area.

The Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch GDP on October 28, 1993, which was accompanied by a Program Environmental Impact Report EIR-90-01 (SCH #89010154).

The WSA&V Report for the Resort project has been prepared by the District in consultation with Dexter Wilson Engineering, Inc., the Water Authority, and the County pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610 and Business and Professions Code Section 11010(b)(6) and Government Code Sections 65867.5, 66455.3, and 66473.7 referred to as SB 221. SB 610 and SB 221 amended state law, effective January 1, 2002, intending to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process

of certain proposed projects. SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are addressed in the January 2009 WSA&V Report for the Resort project.

The County requested, since the requirements of SB 610 and SB 221 are substantially similar, that the District prepare both the water supply assessment and verification concurrently.

The Otay Ranch L.P. proposed development concept for the approximately 1,869 acre Resort project is generally planned as a combination of land uses consisting of a resort/hotel and associated facilities, a mix of single and multi family residential neighborhoods, an elementary school, a public safety facilities site, commercial, open space, preserve land, circulation elements, parks, and recreational facilities. The total number of resort hotel units is planned to be 200. Approximately 545 acres of the total project site are designated for 1,738 single-family detached homes and 200 multi-family homes. Typically a development project of this magnitude is constructed in several phases over many years. The Resort project proposed land uses are substantially consistent with and are in fact less than those as per the zoning and densities contained in the Otay Ranch GDP.

Using the land use demand projection criteria as established in the District's 2002 Water Resources Master Plan (WRMP), the projected potable water demand for the proposed Resort project totals approximately 1.20 million gallons per day (mgd) or about 1,340 acre feet per year (ac-ft/yr). The projected recycled water demand for the proposed Resort project is approximately 0.37 mgd or about 417 ac-ft/yr, representing about 24% of total Resort project demands.

The entire watershed of the proposed Resort project is tributary to the Upper and Lower Otay Reservoirs. Historically, the use of recycled water within watersheds tributary to surface water storage reservoirs that provide supply for potable domestic water uses has been prohibited by the Regional Water Quality Control Board (RWQCB) to protect water quality in the reservoirs. However, the Resort project proponents are required to pursue the use of recycled water for landscape irrigation purposes.

The Resort project proponents are intending to use recycled water for landscape irrigation. The primary benefit of using recycled water is that it will offset an equivalent amount of potable water supply by an estimated 417 ac-ft/yr. If the use of recycled water within the Resort project does not receive the required regulatory approvals than the projected potable water demand for the Resort project will be about 1,757 ac-ft/yr. The District's 2002 WRMP, 2005 Urban Water Management Plan (UWMP), and the Water Authority 2005 Updated Urban Water Management Plan (UWMP) anticipated that the Resort project would use only potable water. This is consistent with the historic constraint of the RWQCB, prohibiting the use of recycled water within watersheds

tributary to surface water storage reservoirs that provide untreated water storage for domestic potable water uses.

The District has in the past depended on the Water Authority and the Metropolitan for all of its potable water supplies and regional water resource planning.

The District's Urban Water Management Plan (UWMP) relies heavily on the UWMP's and Integrated Resources Plans (IRP's) of the Water Authority and Metropolitan for documentation of supplies available to meet projected demands. These plans are developed to manage the uncertainties and variability of multiple supply sources and demands over the long term through preferred water resources strategy adoption and resource development target approvals for implementation.

New uncertainties that could significantly affect California's water resources have come to light over the past few years.

- Federal Court rulings that sets operational limits on Sacramento-San Joaquin Delta pumping from December to June to protect the Delta smelt. Based on initial estimates, Metropolitan could see as much as a 22% reduction in State Water Project supplies in 2008 and beyond. Actual supply curtailments for Metropolitan are contingent upon fish distribution, behavioral patterns, weather, Delta flow conditions, and how water supply reductions are divided between state and federal projects.
- Climate changes due to global warming (i.e. extended drought conditions).

These uncertainties have rightly caused concern among Southern California water supply agencies regarding the validity of the current water supply documentation.

The development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the District have evolved and are planned to occur in response to the regional water supply issues related to climatological, environmental, legal, and other challenges that have impacted water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta and the current ongoing western states drought. These water supply projects are identified in the Resort project WSA&V Report and are in addition to those identified in the current Water Authority and Metropolitan UWMP, IRP, Master Plans, and other planning documents. These local and regional water supply projects will allow for less reliance upon imported water and are considered a new water supply resource.

The District expansion of the market areas for the use of recycled water within the watersheds upstream of the Sweetwater Reservoir and the Lower Otay Reservoir will increase recycled water use and thus require less dependence on imported water for irrigation purposes. The supply forecasts contained within the Resort project WSA&V Report do consider development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the District.

In evaluating the availability of sufficient water supply, the Resort project proponents are required to participate in the acquisition and development of alternative water supply project(s) to 100% offset their projected potable water supply requirements. This can be achieved through participation in one or more local and/or regional water supply development projects envisioned by the District. These new additional water supply projects are not currently fully developed. These water supply projects are planned to be developed and are intended to increase water supplies to serve the Resort project potable water supply needs and that of other similar situated development projects that were unanticipated by the Water Authority and Metropolitan. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Seawater Desalination project, and the Rancho del Rey Groundwater Well project. The Water Authority and Metropolitan next forecast and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the District.

Metropolitan's October 9, 2007 IRP Implementation Report acknowledges that significant challenges in some resource areas will likely require changes in strategies and implementation approaches in order to reach long-term IRP water supply targets. Significant progress in program implementation is being realized in most resource areas. However, a further examination of the uncertainty of State Water Project supplies, among other uncertainties, will be required to assess the ability of achieve the long-term IRP targets.

Metropolitan is currently involved in several proceedings concerning Delta operations to evaluate and address environmental concerns. In addition, at the State level, the Delta Vision and Bay-Delta Conservation Plan processes are defining long-term solutions for the Delta. Metropolitan is actively engaged in these processes and has initiated the next update of their IRP.

The State Water Project (SWP) represents approximately 9% of Metropolitan's 2025 Dry Resources Mix with the supply buffer included. A 22% cutback in SWP supply represents an overall 2% (22% of 9% is 2%) cutback in Metropolitan supplies in 2025.

In Fiscal Year 2005, the Water Authority purchased 518,625 acre feet of water from Metropolitan, or approximately 25% of Metropolitan's water sales. Using the 2% cutback of 25% represents a net 0.5% impact on Water Authority supplies in Fiscal Year 2005. Neither the Water Authority nor Metropolitan has stated that there is insufficient water for future planning in Southern California. Each agency is in the process of reassessing and reallocating their water resources.

Under preferential rights, Metropolitan can allocate water without regard to historic water purchases or dependence on Metropolitan. Therefore the Water Authority and its member agencies are taking measures to reduce dependence on Metropolitan through

development of additional supplies and a water supply portfolio that would not be jeopardized by a preferential rights allocation.

For Fiscal Year 2006 the Water Authority's preferential right was 16.46% of Metropolitan's supply. So Metropolitan could theoretically take an 8.5% cut out of the Water Authority's supply and theoretically, the Water Authority should have alternative water supply sources to make up for the difference.

In the Water Authority's 2005 UWMP, they had already planned to reduce reliance on Metropolitan supplies to 372,922 acre feet per year by 2030, which is a 28% reduction from the Fiscal Year 2005 Water Authority purchase from Metropolitan. This reduction is planned to be achieved through diversification of their water supply portfolio. This reduction would more than compensate for the Metropolitan predicted 22% reduction in water supply available from the State Water Project, which could be an overall 2% cutback in Metropolitan total supplies in 2025.

The Water Authority's Drought Management Plan (May 2006) provides the Water Authority and its member agencies with a series of potential actions to engage when faced with a shortage of imported water supplies due to prolonged drought conditions. Such actions help avoid or minimize impacts of shortages and ensure an equitable allocation of supplies throughout the San Diego County region.

The District's management and Board of Directors acknowledges the ever-present challenge of balancing water supply with demand and the inherent need to possess a flexible and adaptable water supply implementation strategy that can be relied upon during normal and dry weather conditions. The responsible regional water supply agencies have and will continue to adapt their resource plans and strategies to meet climatological, environmental, and legal challenges so that they may continue to provide water supplies to their service areas. The regional water suppliers (i.e. the Water Authority and Metropolitan) along with the District fully intend to maintain sufficient reliable supplies through the 20-year planning horizon under normal, single and multiple dry year conditions to meet projected demand of the Resort project, along with existing and other planned development projects within the District's service area.

If the regional water suppliers determine additional water supplies will be required or in this case, that water supply portfolios need to be reassessed and redistributed with the intent to serve the existing and future water needs throughout Southern California, the agencies must indicate the status or stage of development of actions identified in the plans they provide. Metropolitan's plans to update its IRP which will then cause the Water Authority to update its IRP and UWMP, that will then provide the District with the necessary water supply documentation. Identification of a potential future action in such plans does not by itself indicate that a decision to approve or to proceed with the action has been made. The District's Board approval of the Resort project WSA&V Report does not in any way guarantee water supply to the Resort project.

Alternatively, if the WSA&V is written to state that water supply is or will be insufficient; the District must include, in the assessment, a plan to acquire additional water supplies. At this time, the District should not state there is insufficient water supply.

So the best the District can do right now is to state the current water supply situation clearly, indicating intent to provide supply through reassessment and reallocation by the regional as well as the local water suppliers. In doing so, it is believed that the Board has met the intent of the SB 610 and SB 221 statutes, that the land use agencies and the water agencies are coordinating their efforts in planning water supplies for new development.

With District Board approval of the Resort project WSA&V Report the project proponents can proceed with the draft EIR CEQA review process and water supply issues will be addressed in the EIR, consistent with the WSA&V Report.

The District as well as others can comment on the draft EIR with recommendations that water conservation measures and actions be employed on the Report project.

The WSA&V Report identifies and describes the processes by which water demand projections for the proposed Report project will be fully included in the water demand and supply forecasts of the Urban Water Management Plans and other water resources planning documents of the Water Authority and Metropolitan. Water supplies necessary to serve the demands of the proposed Resort project, along with existing and other projected future users, as well as the actions necessary to develop these supplies, have been identified in the Resort project WSA&V Report and will be included in the future water supply planning documents of the Water Authority and Metropolitan.

The WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, water supply projects, or agreements relevant to the identified water supply needs for the proposed Resort project. The WSA&V Report demonstrates and documents that sufficient water supplies are planned and are intended to be available over a 20-year planning horizon, under normal conditions and in single and multiple dry years to meet the projected demand of the proposed Resort project and the existing and other planned development projects to be served by the District.

Accordingly, following approval of a WSA&V Report for the Resort project by the District Board of Directors, the WSA&V Report may be used to comply with the requirements of the legislation enacted by Senate Bills 610 and 221 as follows:

1. Senate Bill 610 Water Supply Assessment: The District Board approved WSA&V Report may be incorporated into the California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) compliance process for the Resort project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The County as lead agency under CEQA for the Resort project EIR may cite the approved WSA&V Report as evidence that a

sufficient water supply is planned for and is intended to be made available to serve the Resort project.

2. Senate Bill 221 Water Supply Verification: The District Board approved WSA&V Report may be incorporated into the County's Tentative Map approval process for the Resort project as a water supply verification report, consistent with the requirements of the legislation enacted by SB 221. The County, within their process of approving the Resort project's Tentative Map, may cite the approved WSA&V Report as verification of intended sufficient water supply to serve the Resort project.

ITEM 7a

Approve the Water Supply Assessment and Verification Report Dated January 2009 for the Otay Ranch L.P. Otay Ranch Preserve and Resort Community Project (Resort) Development Proposal as Required by Senate Bill 610 and Senate Bill 221

Please reference Attachment 1 “PowerPoint” posted to Otay Water District website.

EXHIBIT B



OTAY WATER DISTRICT

WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT

Otay Ranch Preserve and Resort Community

Prepared by:

**James F. Peasley, P.E.
Engineering Manager
Otay Water District
in consultation with
Dexter Wilson Engineering, Inc.
and
San Diego County Water Authority**

January 2009

Otay Water District Water Supply Assessment and Verification Report January 2009

Otay Ranch Preserve and Resort Community

Table of Contents

Executive Summary:.....	1
Section 1: Purpose.....	5
Section 2: Findings.....	6
Section 3: Project Description.....	9
Section 4: Otay Water District.....	11
4.1 Urban Water Management Plan.....	12
Section 5: Historical and Projected Water Demands.....	13
5.1 Demand Management (Water Conservation).....	18
Section 6: Existing and Projected Supplies.....	20
6.1 Metropolitan Water District of Southern California 2005 Regional Urban Water Management Plan.....	21
6.1.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies.....	21
6.1.2 Metropolitan Capital Investment Plan.....	23
6.2 San Diego County Water Authority Regional Water Supplies.....	23
6.2.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies.....	24
6.2.2 Water Authority Capital Improvement Program and Financial Information.....	34
6.3 Otay Water District.....	35
6.3.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies.....	36
6.3.2 Otay WD Capital Improvement Program.....	51
Section 7: Conclusion - Availability of Sufficient Supplies.....	51
Source Documents.....	56
Appendices.....	
Appendix A: Otay Ranch Preserve and Resort Community Regional Location and Vicinity Map	
Appendix B: Otay Ranch Preserve and Resort Community Proposed Development Plan	

Otay Water District Water Supply Assessment and Verification Report January 2009

Otay Ranch Preserve and Resort Community

Executive Summary

The Otay Water District (WD) prepared this Water Supply Assessment and Verification Report (WSA&V Report) at the request of the County of San Diego (County) for the Otay Ranch Preserve and Resort Community (Resort) project. The Resort project is also known as Otay Ranch Village 13. Otay Ranch L.P. submitted an entitlement application to the County for the development of the Resort project.

The Resort project is not currently located within the jurisdictions of the Otay WD, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (Metropolitan). The Resort project is required to annex into the jurisdictions of the Otay WD, Water Authority, and Metropolitan to be eligible to utilize imported water supply (i.e. to obtain imported water supply service).

The Resort project is included within a land use planning document known as the Otay Ranch General Development Plan/Sub-regional Plan (Otay Ranch GDP). The County of San Diego and City of Chula Vista jointly prepared and adopted the Otay Ranch GDP. The Resort project, identified as Village 13 within the Otay Ranch GDP, is located within what is defined as the Proctor Valley Parcel of the Otay Ranch GDP. The Resort project is a part of the designated 14 villages and five planning areas within the Otay Ranch GDP area. The Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch GDP on October 28, 1993, which was accompanied by a Program Environmental Impact Report EIR-90-01 (SCH #89010154).

The Otay Ranch L.P. proposed development concept for the approximately 1,869 acre Resort project is generally planned as a combination of land uses consisting of a resort/hotel and associated facilities, a mix of single and multi family residential neighborhoods, an elementary school, a public safety facilities site, commercial, open space, preserve land, circulation elements, parks, and recreational facilities. The total number of resort hotel units is planned to be 200. Approximately 545 acres of the total project site are designated for 1,738 single-family detached homes and 200 multi-family homes. Typically a development project of this magnitude is constructed in several phases over many years.

Using the land use demand projection criteria as established in the Otay WD 2002 Water Resources Master Plan (2002 WRMP), the projected potable water demand for the proposed Resort project totals approximately 1.20 million gallons per day (mgd) or about 1,340 acre feet per year (ac-ft/yr). The projected recycled water demand for the proposed Resort project is approximately 0.37 mgd or about 417 ac-ft/yr, representing about 24% of total Resort project water demand.

The entire watershed of the proposed Resort project is tributary to the Upper and Lower Otay Reservoirs. Historically, the use of recycled water within watersheds tributary to surface water storage reservoirs that provide supply for potable domestic water uses has been prohibited by the Regional Water Quality Control Board (RWQCB) to protect water quality in the reservoirs. However, the Resort project proponents are required to pursue the use of recycled water for landscape irrigation purposes.

Prior to being able to implement the use of recycled water within the Resort project, a number of regulatory approvals will be required and a few are as summarized below.

- RWQCB approval regarding any necessary or required Basin Plan revisions and/or addressing any potential surface and groundwater quality impact issues.
- Confirmation from the City of San Diego that the proposed use of recycled water is consistent with their January 2004 Source Water Protection Guidelines as prepared by Brown and Caldwell.
- Approval from the State of California Department of Public Health addressing any potential health related impact issues.

The Resort project proponents intend to use recycled water for landscape irrigation. The primary benefit of using recycled water is that it will offset an equivalent amount of potable water supply by an estimated 417 ac-ft/yr. If the use of recycled water within the Resort project does not receive the required regulatory approvals than the projected potable water demand for the Resort project will be about 1,757 ac-ft/yr. The Otay WD 2002 WRMP, Otay WD revised 2005 Urban Water Management Plan (2005 UWMP), and the Water Authority 2005 Updated Urban Water Management Plan (2005 UWMP) anticipated that the Resort project would use only potable water. This is consistent with the historic constraint of the RWQCB, prohibiting the use of recycled water within watersheds tributary to surface water storage reservoirs that provide untreated water storage for domestic potable water uses.

The Water Authority and Metropolitan have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the San Diego Association of Governments (SANDAG) updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and Metropolitan update their demand forecasts and supply needs based on the most recent SANDAG forecast approximately every five years to coincide with preparation of their urban water management plans. Prior to the next forecast

update, local jurisdictions may require water supply assessment and/or verification reports for proposed land developments that are not within the Otay WD, Water Authority, nor Metropolitan jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations or revised land use plans typically result in creating higher demand and supply requirements than anticipated. The Otay WD, Water Authority, and Metropolitan next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions such as the proposed annexation of the Resort project into Otay WD, Water Authority, and Metropolitan jurisdictions. When the Resort project is annexed into the jurisdictions of the Otay WD, the Water Authority, and Metropolitan water demand and supply planning information for the Resort project will be a permanent part of and incorporated within their water resources planning processes and documents.

Metropolitan's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. The 2004 update to the IRP (2004 IRP Update) includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of implementation of the planning buffer, Metropolitan periodically evaluates supply development to ensure that the region is not under or over developing supplies. Managed properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate water supplies to meet future demands.

Water supply agencies throughout California continue to face climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta issues and the current ongoing drought impacting the western states. Challenges such as these essentially always will be present. The regional water supply agencies, the Water Authority and Metropolitan, along with Otay WD nevertheless fully intend to have sufficient, reliable supplies to serve demands.

In Section II.4 of their 2005 Regional Urban Water Management Plan (2005 RUWMP), Metropolitan states that through effective management of its water supply, they fully expect to be 100 percent reliable in meeting all non-discounted non-interruptible demands throughout the next twenty-five years. Metropolitan's 2005 RUWMP identifies potential reserve supplies in the supply capability analysis (Tables II-7, II-8, and II-9), which could be available to meet the unanticipated demands such as those of the Resort project.

In evaluating the availability of sufficient water supply, the Resort project proponents are required to acquire/participate in the development of alternative water supply project(s). This can be achieved through participation in one or more local and/or regional water supply

development projects envisioned by the Otay WD. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and Metropolitan UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues. These new additional water supply projects are not currently developed and are in various stages of the planning process. These water supply projects are planned to be developed and are intended to increase water supplies to serve the Resort project water supply needs and that of other similar situated development projects. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Ocean Desalination Facility project, and the Rancho del Rey Groundwater Well project. The Water Authority and Metropolitan next forecast and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the Otay WD.

The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority “as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs.”

As part of preparation of a written water supply assessment and verification report, an agency’s shortage contingency analysis should be considered in determining sufficiency of supply. Section 9 of the Water Authority’s 2005 UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, completed in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from Metropolitan due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

The WSA&V Report identifies and describes the processes by which water demand projections for the proposed Report project will be fully included in the water demand and supply forecasts of the Urban Water Management Plans and other water resources planning documents of the Water Authority and Metropolitan. Water supplies necessary to serve the demands of the proposed Resort project, along with existing and other projected future users, as well as the actions necessary and status to develop these supplies, have been identified in the Resort project WSA&V Report and will be included in the future water supply planning documents of the Water Authority and Metropolitan. The current potable water demand projections and supply requirements for the proposed Resort project are less than those included in the Otay WD 2005 UWMP, Otay WD 2002 WRMP, and other water resources planning documents of the Otay WD.

To fully quantify probable demands to be served by the Water Authority, lands with impending or proposed applications for annexation to the Otay WD, Water Authority, and Metropolitan service areas were identified in the Water Authority 2005 UWMP. The Water Authority included the Resort project potable water demands within their 2005 UWMP to provide for more comprehensive supply planning and assist in complying with the requirements of Senate Bills 610 and 221. Estimated water demands for the Resort project that were provided to the Water Authority and added to the Water Authority forecast are greater than the current demand estimate for the Resort project.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, water supply projects, or agreements relevant to the identified water supply needs for the proposed Resort project. The WSA&V Report demonstrates and documents that sufficient water supplies are planned for and are intended to be available over a 20-year planning horizon, under normal conditions and in single and multiple dry years to meet the projected demand of the proposed Resort project and the existing and other planned development projects to be served by the Otay WD.

Accordingly, after approval of a WSA&V Report for the Resort project by the Otay WD Board of Directors (Board), the WSA&V Report may be used to comply with the requirements of the legislation enacted by Senate Bills 610 and 221 as follows:

1. Senate Bill 610 Water Supply Assessment: The Otay WD Board approved WSA&V Report may be incorporated into the California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) compliance process for the Resort project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The County as lead agency under CEQA for the Resort project EIR may cite the approved WSA&V Report as evidence that a sufficient water supply is planned for and is intended to be made available to serve the Resort project.
2. Senate Bill 221 Water Supply Verification: The Otay WD Board approved WSA&V Report may be incorporated into the County's Tentative Map approval process for the Resort project as a water supply verification report, consistent with the requirements of the legislation enacted by SB 221. The County, within their process of approving the Resort project's Tentative Map, may cite the approved WSA&V Report as verification of intended sufficient water supply to serve the Resort project.

Section 1 - Purpose

Otay Ranch L.P. submitted an entitlement application to the County of San Diego (County) for the development of the Otay Ranch Preserve and Resort Community (Resort) project. The County requested that Otay Water District (WD) prepare a Water Supply Assessment and

Verification Report (WSA&V Report) for the Resort project. The Resort project description is provided in Section 3 of this WSA&V Report.

This WSA&V Report for the Resort project has been prepared by the Otay WD in consultation with Dexter Wilson Engineering, Inc., the San Diego County Water Authority (Water Authority), and the County pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610 and Business and Professions Code Section 11010 and Government Code Sections 65867.5, 66455.3, and 66473.7 referred to as SB 221. SB 610 and SB 221 amended state law, effective January 1, 2002, intending to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are being addressed by this WSA&V Report.

The County also requested, since the requirements of SB 610 and SB 221 are substantially similar, that Otay WD prepare both the water supply assessment and verification concurrently.

This WSA&V Report evaluates water supplies that are planned to be available during normal, single dry year, and multiple dry water years during a 20-year planning horizon to meet existing demands, expected demands of the Resort project, and reasonably foreseeable planned future water demands served by Otay WD. The Otay WD Board of Directors approved WSA&V Report is planned to be used by the County in its evaluation of the Resort project under the CEQA and Tentative Map approval processes.

Section 2 - Findings

The Otay WD prepared this WSA&V Report at the request of the County for the Otay Ranch Preserve and Resort Community project. The Resort project is also known as Otay Ranch Village 13. Otay Ranch L.P. submitted an entitlement application to the County for the development of the Resort project.

The Resort project is not currently located within the jurisdictions of the Otay WD, the Water Authority, and the Metropolitan Water District of Southern California (Metropolitan). The Resort project is required to annex into the jurisdictions of the Otay WD, the Water Authority, and Metropolitan to be eligible to utilize imported water supply (i.e. to obtain imported water supply service).

The Water Authority and Metropolitan have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the San Diego Association of Governments (SANDAG) updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and Metropolitan update their demand forecasts and supply needs based on the most recent SANDAG forecast approximately every five years to coincide with preparation of their urban water management plans. Prior to the next forecast update, local jurisdictions may require water supply assessment and/or verification reports for proposed land developments that are not within the Otay WD, Water Authority, nor Metropolitan jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations or revised land use plans typically result in creating higher demand and supply requirements than anticipated. The Otay WD, the Water Authority, and Metropolitan next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions such as the proposed annexation of the Resort project into Otay WD, Water Authority, and Metropolitan jurisdictions. When the Resort project is annexed into the jurisdictions of the Otay WD, the Water Authority, and Metropolitan water demand and supply planning information for the Resort project will be a permanent part of and incorporated within their water resources planning processes and documents.

This process is utilized by the Water Authority and Metropolitan to document the water supplies necessary to serve the demands of the proposed Resort project, along with existing and other projected future users, as well as the actions necessary to develop these supplies. Through this process the necessary demand and supply information is thus assured to be identified and incorporated within the water supply planning documents of the Water Authority and Metropolitan.

To fully quantify probable demands to be served by the Water Authority, lands with impending or proposed applications for annexation into the Otay WD, Water Authority, and Metropolitan service areas are identified in the Water Authority 2005 UWMP. Working with its member agencies, the Water Authority identified potential near-term annexations as being parcels that may be annexed to the Otay WD, Water Authority, and Metropolitan within the next five years. Estimated water demands for those parcels, which included the Resort project, were provided to the Water Authority by the member agency or project proponent and were then added to the Water Authority forecast. The Water Authority included the sum of the projected potable and recycled water demands for the Resort project as a potable water demand within their 2005 UWMP to provide for more comprehensive supply planning and assist member agencies such as Otay WD in complying with Senate Bills 610 and 221. Tables 2-2 and 2-9 within the Water Authority 2005 UWMP provides projected demand information for the anticipated pending annexations, which includes the Resort project. The potable water demand projections and supply requirements for the proposed Resort project are

also currently within the Otay WD 2005 UWMP and other water resources planning documents of the Otay WD. The current Resort project demand and supply requirements are less than those contained with the Otay WD 2002 WRMP, the Otay WD 2005 UWMP, and the Water Authority 2005 UWMP.

In evaluating the availability of sufficient water supply, the Resort project proponents are required to acquire/participate in the development of alternative water supply project(s). This can be achieved through participation in one or more local and/or regional water supply development projects envisioned by the Otay WD. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and Metropolitan UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues related to the Sacramento-San Joaquin Delta and the current ongoing western states drought conditions. These new additional water supply projects are not currently developed and are in various stages of the planning process. These water supply projects are planned to be developed and are intended to increase water supplies to serve the Resort project water supply needs and that of other similar situated development projects. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Ocean Desalination Facility project, and the Rancho del Rey Groundwater Well project. The Water Authority and Metropolitan next forecast and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the Otay WD.

Water supplies necessary to serve the demands of the proposed Resort project, along with existing and other reasonably foreseeable projected future users, as well as the actions necessary and status to develop these supplies, will be identified and included within the water supply planning documents of the Water Authority and Metropolitan. This WSA&V Report demonstrates and verifies that with development of the resources currently identified and those that may be additional acquired, that there is sufficient water supplies being planned for and is intended to be developed over the next 20-year planning horizon to meet the projected demand of the proposed Resort project and the existing and other reasonably foreseeable planned development projects within the Otay WD.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, proposed water supply projects, or agreements relevant to the identified water supply needs for the proposed Resort project. This WSA&V Report incorporates by reference the current Urban Water Management Plans and other water resources planning documents of the Otay WD, the Water Authority, and Metropolitan. The Otay WD prepared this WSA&V to verify and document that sufficient water supplies are being planned for and are intended to be acquired to meet projected water demands of the Resort project and the existing and other reasonably foreseeable planned development projects within the Otay WD for a 20-year planning horizon, in normal supply years, and in single dry and multiple dry years.

Based on a normal water supply year, the five-year increments for a 20-year projection indicate projected water supply is being planned for and is intended to be acquired to meet the estimated water demand of the Otay WD (38,774 acre-feet (ac-ft) in 2005 to 72,853 ac-ft in 2025 per the Otay WD 2005 UWMP). Based on dry year forecasts, the estimated water supply is also being planned for and is intended to be acquired to meet the projected water demand, during single dry and multiple dry year scenarios. On average, the dry-year demands are about 7% higher than the normal demands. Using this model, the projected single dry year necessary supply requirement for 2010 is 53,299 ac-ft and for multiple dry years beginning in 2007 46,212 ac-ft, 48,574 ac-ft, and 50,936 ac-ft, respectively, is necessary to meet demand. The Otay WD recycled water supply is assumed to be drought-proof and not subject to reduction during dry periods.

Together, these findings demonstrate and verify that sufficient water supplies are being planned for and are intended to be acquired, as well as the actions necessary and status to develop these supplies are and will be further documented, to serve the proposed Resort project and the existing and other reasonably foreseeable planned projects within the Otay WD in both normal and single and multiple dry year forecasts for a 20-year planning horizon.

Section 3 - Project Description

The Otay Ranch Preserve and Resort Community project also referred to as the Resort Village or Otay Ranch Village 13 is located within the unincorporated area of the County of San Diego, California. Refer to Appendix A for a regional location and vicinity map of the proposed Resort project. The Upper and Lower Otay Reservoirs generally bound the Resort project to the west and south. The Resort project is not currently within the jurisdictions of the Otay WD, the Water Authority, and Metropolitan.

The Resort project is included within a land use planning document known as the Otay Ranch General Development Plan/Sub-regional Plan (Otay Ranch GDP). The County of San Diego and City of Chula Vista jointly prepared and adopted the Otay Ranch GDP. The Resort project, identified as Village 13 within the Otay Ranch GDP, is located within what is defined as the Proctor Valley Parcel of the Otay Ranch GDP. The Resort project is a part of the designated 14 villages and five planning areas within the Otay Ranch GDP area.

The Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch GDP on October 28, 1993, which was accompanied by a Program Environmental Impact Report EIR-90-01 (SCH #89010154).

The approximately 23,000 acre Otay Ranch is a master-planned community that includes a broad range of residential, commercial, retail, and industrial development interwoven with civic and community uses, such as libraries, parks, and schools, together with an open space preserve system consisting of approximately 11,375 acres.

The Otay Ranch L.P. proposed development concept for the approximately 1,869 acre Resort project is planned as a combination of land uses as shown in Table 1.

**Table 1
 Otay Ranch Preserve and Resort Community Proposed Land Uses¹**

Location	Land Use Description	Area	Dwelling Units
Otay Ranch Preserve and Resort	Single-Family Residential	534.5 acres	1,738 units
Otay Ranch Preserve and Resort	Multi-Family Residential	10.3 acres	200 units
Otay Ranch Preserve and Resort	Elementary School	10.1 acres	
Otay Ranch Preserve and Resort	Public Safety	3.4 acres	
Otay Ranch Preserve and Resort	Resort/Hotel	17.4 acres	200 units
Otay Ranch Preserve and Resort	Commercial	8.5 acres	
Otay Ranch Preserve and Resort	Parks	26.0 acres	
Otay Ranch Preserve and Resort	Irrigated Open Space	138.7 acres	
Otay Ranch Preserve and Resort	Circulation	41.6 acres	
Otay Ranch Preserve and Resort	Natural Open Space Preserve	1,078.1 acres	
Totals		1,868.6 acres	2,138 units

¹Source: Dexter Wilson Engineering, Inc., "Overview of Water Service for Otay Ranch Village 13," December 2008 (i.e. Otay Ranch Preserve and Resort Community Project).

The resort/hotel is on approximately 17.4 acres and is planned to include restaurants, guest rooms, a conference center, specialty shops, and recreational facilities. The total number of resort guest rooms is planned to be 200. Approximately 544.8 acres of the total project site are designated for residential use consisting of 1,938 units that includes 534.5 acres for 1,738 single-family detached units and 10.3 acres for 200 multi-family homes. Also, the Resort project includes a 10.1 acre elementary school site, 26.0 acres for neighborhood parks, 3.4 acre public safety site, 8.5 acres of commercial sites, 41.6 acres for circulation elements, 138.7 acres of irrigated open space, and 1,078.1 acres of natural open space preserve. Typically a development project of this magnitude is constructed in several phases over many years. Refer to Appendix B for the proposed development plan of the Resort project.

The County of San Diego has identified discretionary actions and/or permit approval requirements for the Resort project. The projected potable and recycled water demands and resulting water supply requirements associated with the Resort project have considered the discretionary actions and/or permit approvals and are incorporated into and used in this WSA&V Report. The water demands for the proposed Resort project are provided in Section 5 – Historical and Projected Water Demands.

Section 4 – Otay Water District

The Otay WD is a municipal water district formed in 1956 pursuant to the Municipal Water District Act of 1911 (Water Code §§ 71000 et seq.). The Otay WD joined the Water Authority as a member agency in 1956 to acquire the right to purchase and distribute imported water throughout its service area. The Water Authority is an agency responsible for the wholesale supply of water to its 24 public agency members in San Diego County.

The Otay WD currently relies on the Water Authority for 100 percent of its treated water supply. The Water Authority is the agency responsible for the supply of imported water into San Diego County through its membership in Metropolitan. The Water Authority currently obtains the vast majority of its imported supply from Metropolitan, but is in the process of diversifying its available supplies.

The Otay WD provides water service to residential, commercial, industrial, and agricultural customers, and for environmental and fire protection uses. In addition to providing water throughout its service area, Otay WD also provides sewage collection and treatment services to a portion of its service area known as the Jamacha Basin. The Otay WD also owns and operates the Ralph W. Chapman Water Recycling Facility (RWCWRF) which has an effective treatment capacity of 1.2 million gallons per day (mgd) or about 1,300 acre feet per year (ac-ft/yr) to produce recycled water. On May 18, 2007 an additional source of recycled water supply, at least 6 mgd or about 6,720 ac-ft/yr, became available to Otay WD from the City of San Diego's South Bay Water Reclamation Plant (SBWRP).

The Otay WD jurisdictional area is generally located within the south central portion of San Diego County and includes approximately 125 square miles. The Otay WD serves portions of the unincorporated communities of southern El Cajon, La Mesa, Rancho San Diego, Jamul, Spring Valley, Bonita, and Otay Mesa, the eastern portion of the City of Chula Vista and a portion of the City of San Diego on Otay Mesa. The Otay WD jurisdiction boundaries are roughly bounded on the north by the Padre Dam Municipal Water District, on the northwest by the Helix Water District, and on the west by the South Bay Irrigation District (Sweetwater Authority) and the City of San Diego. The southern boundary of Otay WD is the international border with Mexico.

The planning area addressed in the Otay WD 2002 Water Resources Master Plan (2002 WRMP) and the Otay WD revised 2005 Urban Water Management Plan (2005 UWMP) includes the land within the jurisdictional boundary of the Otay WD and those areas outside of the present Otay WD boundaries considered to be in the Area of Influence of the Otay WD. Figure 3-1 contained within the Otay WD 2002 WRMP shows the jurisdictional boundary of the Otay WD and the Area of Influence which includes the Resort project area. The planning area is approximately 143 square miles, of which approximately 125 square miles are within the Otay WD current boundaries and approximately 18 square miles are in the Area of Influence. The area east of Otay WD is rural and currently not within any water purveyor

jurisdiction and potentially could be served by the Otay WD in the future if the need for imported water becomes necessary, as is the case for the Area of Influence.

The City of Chula Vista, the City of San Diego, and the County of San Diego are the three land use planning agencies within the Otay WD jurisdiction. Data on forecasts for land use planning, demographics, economic projections, population, and the future rate of growth within Otay WD were obtained from the San Diego Association of Governments (SANDAG). SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information through the year 2030. Population growth within the Otay WD service area is expected to increase from the 2005 figure of approximately 179,000 to an estimated 268,000 by 2025, and is estimated to be 277,000 at ultimate build out. Land use information used to develop water demand projections are based upon Specific or Sectional Planning Areas, the Otay Ranch General Development Plan/Sub-regional Plan, East Otay Mesa Specific Plan Area, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans.

The Otay WD long-term historic growth rate has been approximately 3% per year. In recent past years, growth has occurred at a faster rate due to accelerated residential development in the eastern portion of the City of Chula Vista. The SANDAG forecast predicts this accelerated growth to continue for another five to ten years. The growth rate has significantly slowed and it is expected to slow as the inventory of developable land is diminished.

Climatic conditions within the Otay WD service area are characteristically Mediterranean near the coast, with mild temperatures year round. Inland areas are both hotter in summer and cooler in winter, with summer temperatures often exceeding 90 degrees and winter temperatures occasionally dipping to below freezing. Most of the region's rainfall occurs during the months of December through March. Average annual rainfall is approximately 9.4 inches per year.

Historic climate data were obtained from the Western Regional Climate Center for Station 042706 (El Cajon). This station was selected because its annual temperature variation is representative of most of the Otay WD service area. While there is a station in the City of Chula Vista, the temperature variation at the City of Chula Vista station is more typical of a coastal environment than the conditions in most of the Otay WD service area.

4.1 Urban Water Management Plan

In accordance with the California Urban Water Management Planning Act, the Otay WD Board of Directors adopted an Urban Water Management Plan in December 2005 and it was subsequently submitted to the California Department of Water Resources (DWR). DWR required Otay WD to make revisions to the submitted plan. The Otay WD Board of Directors adopted the revised Otay WD 2005 UWMP in July 2007. As required by law, the Otay WD 2005 UWMP includes projected water supplies required to meet future demands through 2030. In accordance with Water Code Section 10910 (c)(2) and Government Code Section

66473.7 (c)(3), information from the Otay WD 2005 UWMP along with supplemental information from the Otay WD 2002 WRMP have been utilized to prepare this WSA&V Report and are incorporated herein by reference.

Section 5 – Historical and Projected Water Demands

The projected demands for Otay WD are based on Specific or Sectional Planning Areas, the Otay Ranch General Development Plan/Sub-regional Plan, the East Otay Mesa Specific Plan Area, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans. This land use information is also used by SANDAG as the basis for its most recent forecast data. This land use information is utilized in the preparation of the Otay WD 2002 WRMP and Otay WD 2005 UWMP to develop the forecasted demands and supply requirements.

In 1994, the Water Authority selected the Institute for Water Resources-Municipal and Industrial Needs (MAIN) computer model to forecast municipal and industrial water use for the San Diego region. The MAIN model uses demographic and economic data to project sector-level water demands (i.e. residential and non-residential demands). This econometric model has over a quarter of a century of practical application and is used by many cities and water agencies throughout the United States. The Water Authority's version of the MAIN model was modified to reflect the San Diego region's unique parameters and is known as CWA-MAIN.

The foundation of the water demand forecast is the underlying demographic and economic projections. This was a primary reason, why, in 1992 the Water Authority and SANDAG entered into a Memorandum of Agreement (MOA), in which the Water Authority agreed to use the SANDAG current regional growth forecast for water supply planning purposes. In addition, the MOA recognizes that water supply reliability must be a component of San Diego County's regional growth management strategy required by Proposition C, as passed by the San Diego County voters in 1988. The MOA ensures a strong linkage between local general plan land use forecasts and water demand projections and resulting supply needs for the San Diego region.

Consistent with the previous CWA-MAIN modeling efforts, the 2005 water demand forecast update utilized the latest official SANDAG demographic projections. The SANDAG 2030 Forecast, released in December 2003, extended the projection horizon an additional ten years to 2030. Member agency-level demographic and economic projections were compiled from this SANDAG forecast and incorporated into the CWA-MAIN model.

The municipal and industrial forecast also included an updated accounting of projected conservation savings based on projected regional implementation of the California Urban Water Conservation Council (CUWCC) Best Management Practices and SANDAG

demographic information for the period 2005 through 2030. These savings estimates were then factored into the baseline municipal and industrial demand forecast.

A separate agricultural model, also used in prior modeling efforts, was used to forecast agricultural water demands within the Water Authority service area. This model estimates agricultural demand to be met by the Water Authority's member agencies based on agricultural acreage projections provided by SANDAG, crop distribution data derived from the Department of Water Resources and the California Avocado Commission, and average crop-type watering requirements based on California Irrigation Management Information System data.

The Water Authority and Metropolitan update their water demand and supply projections within their jurisdictions utilizing the SANDAG most recent growth forecast to project future water demands. This provides for the important strong link between demand and supply projections to the land use plans of the cities and the county. This provides for consistency between the retail and wholesale agencies water demand projections, thereby ensuring that adequate supplies are and will be planned for the Otay WD existing and future water users. Existing land use plans, any revisions to land use plans, and annexations are captured in the SANDAG updated forecasts. The Water Authority and Metropolitan will update their demand forecasts based on the SANDAG most recent forecast approximately every five years to coincide with preparation of their urban water management plans. Prior to the next forecast update, local jurisdictions may require water supply assessment and/or verification reports consistent with Senate Bills 610 and 221 for proposed land use developments that either have pending or proposed annexations into the Otay WD, Water Authority, and Metropolitan or that have revised land use plans than originally anticipated. The Water Authority and Metropolitan next forecast and supply planning documents would then capture any increase or decrease in demands caused by annexations or revised land use plans.

In evaluating the availability of sufficient water supply, the Resort project proponents are required to acquire/participate in the development of alternative water supply project(s). This can be achieved through participation in one or more local and/or regional water supply development projects envisioned by the Otay WD. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and Metropolitan UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues related to climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta and the current ongoing western states drought conditions. These new additional water supply projects are not currently developed and are in various stages of the planning process. These water supply projects are planned to be developed and are intended to increase water supplies to serve the Resort project water supply needs and that of other similar situated development projects. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Ocean Desalination Facility project, and the Rancho del Rey Groundwater Well

project. The Water Authority and Metropolitan next forecast and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the Otay WD.

In addition, Metropolitan's 2005 Regional Urban Water Management Plan identified potential reserve supplies in the supply capability analysis (Tables II-7, II-8, and II-9), which could be available to meet any unanticipated demands. The Water Authority and Metropolitan next forecast and supply planning documents would capture any increase in necessary supply resources resulting from any new water supply resources.

To fully quantify probable demands served by the Water Authority, lands with impending or proposed applications for annexation to the Otay WD, Water Authority, and Metropolitan service areas are identified in the Water Authority 2005 Updated Urban Water Management Plan (2005 UWMP). Working with its member agencies, the Water Authority identified potential near-term annexations as being parcels that may be annexed to the Otay WD, Water Authority, and Metropolitan within the next five years. Estimated water demands for those parcels, which included the Resort project, were provided to the Water Authority by the member agency or project proponent and then added to the Water Authority forecast. The Water Authority included the potential near-term annexation land areas projected potable water demands, such as the Resort project, within their 2005 UWMP to provide for more comprehensive supply planning and assist member agencies such as Otay WD in complying with Senate Bills 610 and 221. Tables 2-2 and 2-9 within the Water Authority 2005 UWMP provides projected demand information for the anticipated pending annexations, which included the Resort project. The current Resort project demand and supply requirements are less than those contained with the Water Authority 2005 UWMP.

The Otay WD water demand projection methodology utilizes a component land use approach. This is done by applying representative values of water use to the acreage of each land use type and then aggregating these individual land use demand projections into an overall total demand for the Otay WD. This is called the water duty method, and the water duty is the amount of water used in acre-feet per acre per year. This approach is used for all the land use types except residential development where a demand per dwelling unit was applied. In addition, commercial and industrial water use categories are further subdivided by type including separate categories for golf courses, schools, jails, prisons, hospitals, etc. where specific water demands are established.

To determine water duties for the various types of land use, the entire water meter database of the Otay WD is utilized and sorted by the appropriate land use types. The metered consumption records are then examined for each of the land uses, and water duties are determined for the various types of residential, commercial, industrial, and institutional land uses. For example the water duty factors for commercial and industrial land uses are estimated using 1,785 and 893 gallons per day per acre respectively. Residential water demand is established based on the same data but computed on a per-dwelling unit basis. The focus is to ensure that for each of the residential land use categories (very low, low, medium, and high densities), the demand criteria used is adequately represented

based upon actual data. This method is used because residential land uses constitute a substantial percentage of the total developable planning area of the Otay WD.

By applying the established water duties to the proposed land uses, the projected water demand for the entire Otay WD planning area at ultimate development is determined. Projected water demands for the intervening years were determined using growth rate projections consistent with data obtained from SANDAG and the experience of the Otay WD.

The historical and projected potable water demands for Otay WD are shown in Table 2.

Table 2
Historical and Projected Potable Water Fiscal Year Demands (acre-feet)
Incorporating Water Conservation BMP Efforts¹

Water Use Sectors	1995	2000	2005	2010	2015	2020	2025	2030
Single Family Residential	10,604	15,331	19,850	25,442	29,130	33,316	37,211	42,089
Multi-Family Residential	1,880	1,986	2,893	3,708	4,245	4,855	5,423	6,134
Commercial & Industrial	1,650	3,043	1,549	1,986	2,274	2,600	2,904	3,285
Institutional & Governmental	1,680	2,089	2,115	2,711	3,104	3,550	3,965	4,485
Landscape	3,983	6,256	8,512	10,910	12,491	14,286	15,956	18,048
Agricultural	487	171	2,268	2,907	3,328	3,806	4,251	4,809
Known Losses	*	*	511	655	749	857	957	1,083
System Losses	*	1,733	1,076	1,494	1,711	1,957	2,186	2,472
Totals	20,284	30,609	38,774	49,813	57,032	65,227	72,853	82,405

¹ Source: The Otay WD 2005 UWMP.

* Known losses (i.e. unaccounted for water in the Otay WD 2005 UWMP) and system losses unavailable.

The historical and projected recycled water demands for Otay WD are shown in Table 3.

Table 3
Historical and Projected Recycled Water Fiscal Year Demands (acre-feet)
Incorporating Water Conservation BMP Efforts¹

Water Use Sector	1995	2000	2005	2010	2015	2020	2025	2030
Landscape	614	1,274	1,155	4,040	4,684	5,430	6,294	7,297
Totals	614	1,274	1,155	4,040	4,684	5,430	6,294	7,297

¹ Source: The Otay WD 2005 UWMP.

Using the land use demand projection criteria as established in the Otay WD 2002 WRMP, the current projected potable water demand for the proposed Resort project is shown in Table 4, which totals approximately 1.20 mgd or about 1,340 ac-ft/yr.

**Table 4
 Otay Ranch Preserve and Resort Community Projected Potable
 Water Annual Average Demands¹**

Location	Land Use Description	Dwelling Units	Demand (gpd)
Otay Ranch Preserve and Resort	Single-Family Residential	1,738 units	1,023,700
Otay Ranch Preserve and Resort	Multi-Family Residential	200 units	60,000
Otay Ranch Preserve and Resort	Elementary School		18,030
Otay Ranch Preserve and Resort	Public Safety		6,070
Otay Ranch Preserve and Resort	Resort/Hotel	200 units	60,000
Otay Ranch Preserve and Resort	Resort Complex		13,350
Otay Ranch Preserve and Resort	Parks		0
Otay Ranch Preserve and Resort	Commercial		15,170
Otay Ranch Preserve and Resort	Irrigated Open Space		0
Otay Ranch Preserve and Resort	Circulation		0
Otay Ranch Preserve and Resort	Natural Open Space Preserve		0
Totals		2,138 units	1,196,320

¹ Source: Dexter Wilson Engineering, Inc., "Overview of Water Service for Otay Ranch Village 13," December 2008 (i.e. Otay Ranch Preserve and Resort Community Project).

Historically, the use of recycled water within watersheds tributary to surface water storage reservoirs that are used to store untreated water for eventual treatment to potable standards for domestic water uses has been prohibited by the Regional Water Quality Control Board (RWQCB) in an effort to protect untreated water quality in the reservoirs. The entire watershed of the proposed Resort project is tributary to the Upper and Lower Otay Reservoirs. However, the Resort project proponents are required to pursue the use of recycled water.

Prior to being able to implement the use of recycled water within the Resort project, a number of regulatory approvals will be required and a few are as summarized below.

- RWQCB approval regarding any necessary or required Basin Plan revisions and/or addressing any potential surface and groundwater quality impact issues.
- Confirmation from the City of San Diego that the proposed use of recycled water is consistent with their January 2004 Source Water Protection Guidelines as prepared by Brown and Caldwell.

- Approval from the State of California Department of Public Health addressing any potential health related impact issues.

The current projected recycled water demand for the proposed Resort project is provided in Table 5, which totals approximately 0.37 mgd or about 417 ac-ft/yr, representing about 24% of total Resort project demand. The sum of the current potable and recycled water demand projections are lower than, yet consistent with the Resort project total projected potable water demand included in the Otay WD 2005 UWMP, the Otay WD 2002 WRMP, and the Water Authority 2005 UWMP.

**Table 5
 Otay Ranch Preserve and Resort Community Projected Recycled
 Water Annual Average Demands¹**

Location	Land Use Description	Area	Demand (gpd)
Otay Ranch Preserve and Resort	Multi-Family Residential	10.3 acres	3,230
Otay Ranch Preserve and Resort	Resort/Hotel	17.4 acres	7,540
Otay Ranch Preserve and Resort	Commercial	8.5 acres	1,940
Otay Ranch Preserve and Resort	Parks	26.0 acres	56,030
Otay Ranch Preserve and Resort	Elementary School	10.1 acres	4,310
Otay Ranch Preserve and Resort	Irrigated Open Space	138.7 acres	298,900
Totals		211.0 acres	371,950

¹ Source: Dexter Wilson Engineering, Inc., “Overview of Water Service for Otay Ranch Village 13,” December 2008 (i.e. Otay Ranch Preserve and Resort Community Project).

The Resort project proponents are intending to use recycled water for landscape irrigation. The primary benefit of using recycled water is that it will offset an equivalent amount of potable water supply by an estimated 417 ac-ft/yr. If the use of recycled water within the Resort project does not receive the required regulatory approvals than the projected potable water demand for the Resort project will be about 1,757 ac-ft/yr. The Otay WD 2002 WRMP, Otay WD 2005 UWMP, and the Water Authority 2005 UWMP anticipated that the Resort project would use only potable water. This is consistent with the historic constraint of the RWQCB, prohibiting the use of recycled water within watersheds tributary to surface water storage reservoirs that provide untreated water storage for domestic potable water uses.

5.1 Demand Management (Water Conservation)

Demand management, or water conservation is a critical part of the Otay WD 2005 UWMP and its long term strategy for meeting water supply needs of the Otay WD customers. Water conservation, is frequently the lowest cost resource available to any water agency. The goals of the Otay WD water conservation programs are to:

- Reduce the demand for more expensive, imported water.
- Demonstrate continued commitment to the Best Management Practices (BMP).
- Ensure a reliable water supply.

The Otay WD is signatory to the Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California, which created the California Urban Water Conservation Council (CUWCC) in 1991 in an effort to reduce California's long-term water demands. Water conservation programs are developed and implemented on the premise that water conservation increases the water supply by reducing the demand on available supply, which is vital to the optimal utilization of a region's water supply resources. The Otay WD participates in many water conservation programs designed and typically operated on a shared cost participation program basis among the Water Authority, Metropolitan, and their member agencies. The demands shown in Tables 2, 3, 4, and 5 take into account implementation of water conservation measures within Otay WD.

As one of the first signatories to the MOU Regarding Urban Water Conservation in California, the Otay WD has made BMP implementation for water conservation the cornerstone of its conservation programs and a key element in its water resource management strategy. As a member of the Water Authority, Otay WD also benefits from regional programs performed on behalf of its member agencies. The BMP programs implemented by Otay WD and regional BMP programs implemented by the Water Authority that benefit all their member agencies are addressed in the Otay WD 2005 UWMP. In partnership with the Water Authority, the County of San Diego, City of San Diego, City of Chula Vista, and developers, the Otay WD water conservation efforts are expected to grow and expand. The resulting savings directly relate to additional available water in the San Diego County region for beneficial use within the Water Authority service area, including the Otay WD.

Additional conservation or water use efficiency measures or programs practiced by the Otay WD include the following:

- Supervisory Control and Data Acquisition System

The Otay WD implemented and has operated for many years a Supervisor Control and Data Acquisition (SCADA) system to control, monitor, and collect data regarding the operation of the water system. The major facilities that have SCADA capabilities are the water flow control supply sources, transmission network, pumping stations, and water storage reservoirs. The SCADA system allows for many and varied useful functions. Some of these functions provide for operating personnel to monitor the water supply source flow rates, reservoir levels, turn on or off pumping units, etc. The SCADA system aids in the prevention of water reservoir overflow events and increases energy efficiency.

- Water Conservation Ordinance

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving water supplies of such public entity. The Otay WD Board of Directors established a comprehensive water conservation program pursuant to California Water Code Sections 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. A water shortage could exist based upon the occurrence of one or more of the following conditions:

1. A general water supply shortage due to increased demand or limited supplies.
2. Distribution or storage facilities of the Water Authority or other agencies become inadequate.
3. A major failure of the supply, storage, and distribution facilities of Metropolitan, Water Authority, and/or Otay WD.

The Otay WD water conservation ordinance finds and determines that the conditions prevailing in the San Diego County area require that the available water resources be put to maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water be encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the people of the Otay WD and for the public welfare.

As a signatory to the MOU Regarding Urban Water Conservation in California, the Otay WD is required to submit biannual reports that detail the implementation of current water conservation practices. The Otay WD voluntarily agreed to implement the fourteen water conservation Best Management Practices beginning in 1992. The Otay WD submits its report to the CUWCC every two years. The Otay WD BMP Reports for 2001 to 2004, as well as the BMP Coverage Report for 2003-04, are included in the Otay WD 2005 UWMP.

The Resort project will implement the CUWCC Best Management Practices for water conservation such as installation of ultra low flow toilets, development of a water conversation plan, and potential beneficial use of recycled water, all of which are typical requirements of development projects within the County of San Diego.

Section 6 - Existing and Projected Supplies

The Otay WD currently does not have an independent raw or potable water supply source. The Otay WD is a member public agency of the Water Authority. The Water Authority is a member public agency of Metropolitan. The statutory relationships between the Water Authority and its member agencies, and Metropolitan and its member agencies, respectively, establish the scope of the Otay WD entitlement to water from these two agencies.

The Water Authority through two delivery pipelines, referred to as Pipeline No. 4 and the La Mesa Sweetwater Extension Pipeline, currently supply the Otay WD with 100 percent of its potable water. The Water Authority in turn, currently purchases the majority of its water from Metropolitan. Due to the Otay WD reliance on these two agencies, this WSA&V Report includes referenced documents that contain information on the existing and projected supplies, supply programs, and related projects of the Water Authority and Metropolitan. The Otay WD, Water Authority, and Metropolitan are actively pursuing programs and projects to diversify their water supply resources.

The description of local recycled water supplies available to the Otay WD is also discussed below.

6.1 Metropolitan Water District of Southern California 2005 Regional Urban Water Management Plan

In November 2005, Metropolitan adopted its 2005 Regional Urban Water Management Plan (RUWMP). The 2005 RUWMP provides Metropolitan's member agencies, retail water utilities, cities, and counties within its service area with, among other things, a detailed evaluation of the supplies necessary to meet future demands, and an evaluation of reasonable and practical efficient water uses, recycling, and conservation activities. During the preparation of the 2005 RUWMP, Metropolitan also utilized the current SANDAG regional growth forecast in calculating regional water demands for the Water Authority service area.

6.1.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

Metropolitan is a wholesale supplier of water to its member public agencies and obtains its supplies from two primary sources: the Colorado River, via the Colorado River Aqueduct (CRA), which it owns and operates, and Northern California, via the State Water Project (SWP). The 2005 RUWMP documents the availability of these existing supplies and additional supplies necessary to meet future demands.

6.1.1.1 Metropolitan Supplies

Metropolitan's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. The 2004 update to the IRP (2004 IRP Update) includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of implementation of the planning buffer, Metropolitan periodically evaluates supply development to ensure that the region is not under or over-developing supplies. Managed

properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate supplies to meet future demands.

In November 2005, Metropolitan adopted its 2005 RUWMP in accordance with state law. The resource targets included in the 2004 IRP Update serve as the foundation for the planning assumptions used in the 2005 RUWMP. Metropolitan's 2005 RUWMP contains a water supply reliability assessment that includes a detailed evaluation of the supplies necessary to meet demands over a 25-year period in average, single dry year, and multiple dry year periods. As part of this process, Metropolitan also uses the current SANDAG regional growth forecast in calculating regional water demands for the Water Authority's service area.

As stated in Metropolitan's 2005 RUWMP, that plan may be used as a source document for meeting the requirements of SB 610 and SB 221 until the next scheduled update is completed in 2010. The 2005 RUWMP includes a "Justifications for Supply Projections" in Appendix A.3, that provides detailed documentation of the planning, legal, financial, and regulatory basis for including each source of supply in the plan. A copy of Metropolitan's 2005 RUWMP can be found on the World Wide Web at the following site address: www.mwdh2o.com/mwdh2o/pages/yourwater/RUWMP/RUWMP_2005.pdf.

Water supply agencies throughout California continue to face climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta and the current western states drought conditions. Challenges such as these essentially always will be present. The regional water supply agencies, the Water Authority and Metropolitan, along with Otay WD nevertheless fully intend to have sufficient, reliable supplies to serve demands.

6.1.1.2 Pipeline 6

Metropolitan completed its System Overview Study (SOS) in fall 2005. The SOS determines if Metropolitan's current system is capable of delivering the supplies to meet the demands shown in its 2004 IRP Update.

Pipeline 6 is included in the SOS as an untreated water pipeline to deliver additional Metropolitan supplies to the San Diego County region. The addition of Pipeline 6 would allow the Water Authority and Metropolitan to convert one of the existing untreated water pipelines to a treated water pipeline. With the conversion, the capacity to import both treated and untreated water would increase significantly, thereby enabling Metropolitan to increase both treated and untreated imported water delivery capacity to the San Diego County region.

Based on current planning assumptions of the Water Authority and Metropolitan, new imported supplies delivered through Pipeline 6 would be required no earlier than 2018, absent development of new supplies from seawater desalination or some combination of new local supplies, totaling 56,000 ac-ft/yr (see Section 6.2.1 below). With development of 56,000 ac-ft/yr, Pipeline 6 would not be needed until 2023. Based on a nine-year lead time requested by

Metropolitan, a decision to proceed with Pipeline 6 would need to be communicated to Metropolitan by 2009. Activities associated with implementation of Pipeline 6 include the following:

- Coordination between Metropolitan and the Water Authority regarding planning and design of Pipeline 6 is ongoing.
- An alignment for the entire approximately 30-mile pipeline was identified in the original 1993 Environmental Impact Report. Metropolitan is conducting a feasibility study to revisit the 1993 alignment and evaluate alternative alignments north of the San Luis Rey River in light of changed conditions since 1993. The Water Authority plans to conduct a similar feasibility study of Pipeline 6 alignments south of the San Luis Rey River. Based on these updated feasibility studies, an updated environmental analysis for the project is also planned.

6.1.2 Metropolitan Capital Investment Plan

As part of Metropolitan's annual budget approval process, a Capital Investment Plan is prepared. The cost, purpose, justification, status, progress, etc. of Metropolitan's infrastructure projects to deliver existing and future supplies are documented in the Capital Investment Plan. The financing of these projects is addressed as part of the annual budget approval process.

Metropolitan's Capital Investment Plan includes a series of projects identified from Metropolitan studies of projected water needs, which, when considered along with operational demands on aging facilities and new water quality regulations, identify the capital projects needed to maintain infrastructure reliability and water quality standards, improve efficiency, and provide future cost savings. All projects within the Capital Investment Plan are evaluated against an objective set of criteria to ensure they are aligned with the Metropolitan's goals of supply reliability and quality.

6.2 San Diego County Water Authority Regional Water Supplies

The Water Authority has adopted plans and is taking specific actions to develop adequate water supplies to help meet existing and future water demands within the San Diego region. This section contains details on the supplies being developed by the Water Authority. A summary of recent actions pertaining to development of these supplies includes:

- In accordance with the Urban Water Management Planning Act, the Water Authority adopted their 2005 UWMP in November 2005 and updated the 2005 UWMP in April 2007 that identifies a diverse mix of local and imported water supplies to meet future demands. A copy of the updated Water Authority 2005 UWMP can be found on the World Wide Web at www.sdcwa.org.

- Deliveries of conserved agricultural water from the Imperial Irrigation District (IID) to San Diego County have increased annually since 2003, with 35,000 ac-ft of deliveries in Fiscal Year (FY) 2006.
- As part of the October 2003 Quantification Settlement Agreement (QSA), the Water Authority was assigned Metropolitan's rights to 77,700 ac-ft/yr of conserved water from the All-American Canal (AAC) and Coachella Canal (CC) lining projects. The Water Authority has begun implementation of these projects, with the CC project now complete and deliveries being made to the San Diego County region.

Through implementation of the Water Authority and member agency planned supply projects, along with reliable imported water supplies from Metropolitan, the region anticipates having adequate supplies to meet existing and future water demands.

To ensure sufficient supplies to meet projected growth in the San Diego region, the Water Authority uses the SANDAG most recent regional growth forecast in calculating regional water demands. The SANDAG regional growth forecast is based on the plans and policies of the land-use jurisdictions with San Diego County. The existing and future demands of the member agencies are included in the Water Authority's projections.

6.2.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The Water Authority currently obtains imported supplies from Metropolitan, conserved water from the CC lining project, and an increasing amount of conserved agricultural water from IID. Of the twenty-seven member agencies that purchase water supplies from Metropolitan, the Water Authority is Metropolitan's largest customer. In FY 2006, the Water Authority purchased 577,944 ac-ft from Metropolitan, an increase of approximately 4,000 ac-ft over the FY 2005 amount.

Section 135 of Metropolitan's Act defines the preferential right to water for each of its member agencies. As calculated by Metropolitan, the Water Authority's FY 2006 preferential right is 16.46% of Metropolitan's supply, while the Water Authority accounted for approximately 25% of Metropolitan's water sales. Under preferential rights, Metropolitan could allocate water without regard to historic water purchases or dependence on Metropolitan. The Water Authority and its member agencies are taking measures to reduce dependence on Metropolitan through development of additional supplies and a water supply portfolio that would not be jeopardized by a preferential rights allocation. Metropolitan has stated, consistent with Section 4202 of its Administrative Code that it is prepared to provide the Water Authority's service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. When and as additional water resources are required to meet increasing needs, Metropolitan stated it will be prepared to deliver such supplies. In Section II.4 of their 2005 RUWMP, Metropolitan states that through effective management of

its water supply, they fully expect to be 100 percent reliable in meeting all non-discounted non-interruptible demands throughout the next twenty-five years.

The Water Authority has made large investments in Metropolitan’s facilities and will continue to include imported supplies from Metropolitan in the future resource mix. As discussed in the Water Authority’s 2005 UWMP, the Water Authority and its member agencies are planning to diversify the San Diego regions supply portfolio and reduce purchases from Metropolitan.

As part of the Water Authority’s diversification efforts, the Water Authority is now taking delivery of conserved agricultural water from IID and water saved from the CC lining project. The Water Authority is currently implementing the AAC lining projects. Table 6 summarizes the planned yields from these supply projects, with detailed information included in the sections to follow. Deliveries from Metropolitan are also included in Table 6, which is further discussed in Section 6.1 above. The Water Authority’s member agencies provided the verifiable local supply targets for groundwater, groundwater recovery, recycled water, and surface water, which are discussed in more detail in Section 5 of the Water Authority’s 2005 UWMP.

Table 6
Projected Verifiable Water Supplies – Water Authority Service Area
Normal Year (acre feet)

Water Supply Sources	2010	2015	2020	2025	2030
Water Authority Supplies					
Metropolitan Supplies	445,858	399,855	331,374	342,870	372,922
Water Authority/IID Transfer	70,000	100,000	190,000	200,000	200,000
AAC and CC Lining Projects	77,700	77,700	77,700	77,700	77,700
Member Agency Supplies					
Local Surface Water	59,649	59,649	59,649	59,649	59,649
Recycled Water	33,668	40,662	45,548	46,492	47,584
Seawater Desalination	0	34,689	36,064	37,754	40,000
Groundwater	17,175	18,945	19,775	19,775	19,775
Groundwater Recovery	11,400	11,400	11,400	11,400	11,400
Total Projected Supplies	715,450	742,900	771,510	795,640	829,030

Source: The Water Authority 2005 Urban Water Management Plan.

Section 5 of the Water Authority’s 2005 UWMP also includes a discussion on the local supply target for seawater desalination. Seawater desalination supplies represent a significant future local resource in the Water Authority’s service area. Poseidon Resources is pursuing the development of a local, privately owned desalination project located adjacent to the Encina Power Station. As of June 2007, Poseidon has contracted with the Carlsbad Municipal Water District (MWD) (up to 28,000 ac-ft/yr depending on demands), Valley Center MWD (7,500 ac-ft/yr), Rincon Del Diablo MWD (4,000 ac-ft/yr), and Sweetwater Authority (2,400

ac-ft/yr) to supply up to 41,900 ac-ft/yr of desalinated seawater. The verifiable seawater desalination figure is based on the contract amounts and projected seawater desalination deliveries to Carlsbad MWD. As shown in Table 6, the verifiable projected local seawater desalination supplies vary each year based on the Carlsbad MWD demands (which are less than their desalinated seawater contract amount of 28,000 ac-ft/yr). There are several contingencies related to Poseidon's agreements with these member agencies that must be satisfied before implementation of the project and its ultimate yield can be determined. These contingencies include obtaining legal entitlements for construction of the project, determination of a mutually acceptable delivery interconnection points and delivery charge, and engagement of a third party exchange agency partner where physical delivery to the contracting agency is not practical.

No large-scale seawater desalination facility has ever been fully permitted and constructed in California. Perhaps the most significant issue facing this desalination project as well as others proposed along the California coastline is the ability to permit the facility, including obtaining a Coastal Development Permit from the California Coastal Commission. This project must also secure arrangements for the delivery of product water from the facility to the local water agencies. These arrangements are currently in the planning stage.

The Water Authority's existing and planned supplies from the IID transfer and canal lining projects are considered "drought-proof" supplies and should be available at the yields shown in Table 6 in normal, single dry, and multi dry year scenarios. For dry year yields from Metropolitan supplies, refer to Metropolitan's 2005 RUWMP, discussed in Section 6.1 above.

As part of preparation of a written water supply assessment and/or verification report, an agency's shortage contingency analysis should be considered in determining sufficiency of supply. Section 9 of the Water Authority's 2005 UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, completed in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from Metropolitan due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

6.2.1.1 Water Authority-Imperial Irrigation District Water Conservation and Transfer Agreement

The QSA was signed in October 2003, and resolves long-standing disputes regarding priority and use of Colorado River water and creates a baseline for implementing water transfers. With approval of the QSA, the Water Authority and IID were able to implement their Water Conservation and Transfer Agreement. This agreement not only provides reliability for the San

Diego region, but also assists California in reducing its use of Colorado River water to its legal allocation.

On April 29, 1998, the Water Authority signed a historic agreement with IID for the long-term transfer of conserved Colorado River water to San Diego County. The Water Authority-IID Water Conservation and Transfer Agreement (Transfer Agreement) is the largest agriculture-to-urban water transfer in United States history. Colorado River water will be conserved by Imperial Valley farmers who voluntarily participate in the program and then transferred to the Water Authority for use in San Diego County.

Implementation Status

On October 10, 2003, the Water Authority and IID executed an amendment to the original 1998 Transfer Agreement. This amendment modified certain aspects of the 1998 Agreement to be consistent with the terms and conditions of the QSA and related agreements. It also modified other aspects of the agreement to lessen the environmental impacts of the transfer of conserved water. The amendment was expressly contingent on the approval and implementation of the QSA, which was also executed on October 10, 2003.

On November 5, 2003, IID filed a complaint in Imperial County Superior Court seeking validation of 13 contracts associated with the Transfer Agreement and the QSA. Imperial County and various private parties filed additional suits in Superior Court, alleging violations of the California Environmental Quality Act (CEQA), the California Water Code, and other laws related to the approval of the QSA, the water transfer, and related agreements. The lawsuits have been coordinated for trial. The IID, Coachella Valley Water District, Metropolitan, the Water Authority, and State are defending these suits and coordinating to seek validation of the contracts. Implementation of the transfer provisions is proceeding during litigation. For further information regarding the litigation and current progress, please contact the Water Authority's General Counsel.

Expected Supply

Deliveries into San Diego County from the transfer began in 2003 with an initial transfer of 10,000 ac-ft. The Water Authority received 20,000 ac-ft in 2004, 30,000 in 2005, and 40,000 in 2006. The quantities will increase annually to 200,000 ac-ft by 2021 then remain fixed for the duration of the Transfer Agreement. The initial term of the Transfer Agreement is 45 years, with a provision that either agency may extend the agreement for an additional 30-year term.

During dry years, when water availability is low, the conserved water will be transferred under the IID Colorado River rights, which are among the most senior in the Lower Colorado River Basin. Without the protection of these rights, the Water Authority could suffer delivery cutbacks. In recognition for the value of such reliability, the 1998 contract required the Water Authority to pay a premium on transfer water under defined regional shortage circumstances. The shortage premium period duration is the period of consecutive days during which any of the

following exist: 1) a Water Authority shortage; 2) a shortage condition for the Lower Colorado River as declared by the Secretary; and 3) a Critical Year. Under terms of the October 2003 amendment, the shortage premium will not be included in the cost formula until Agreement Year 16.

Transportation

The Water Authority entered into a water exchange agreement with Metropolitan on October 10, 2003, to transport the Water Authority-IID transfer water from the Colorado River to San Diego County. Under the exchange agreement, Metropolitan will take delivery of the transfer water through its Colorado River Aqueduct. In exchange, Metropolitan will deliver to the Water Authority a like quantity and quality of water. The Water Authority will pay Metropolitan's applicable wheeling rate for each acre-foot of exchange water delivered. According to the water exchange agreement, Metropolitan will make delivery of the transfer water for 35 years, unless the Water Authority elects to extend the agreement another 10 years for a total of 45 years.

Cost/Financing

The costs associated with the transfer are proposed to be financed through the Water Authority's rates and charges. In the agreement between the Water Authority and IID, the price for the transfer water started at \$258 per acre-foot and increases by a set amount for the first five years. The 2005 price for transfer water is \$276 per acre-foot. Procedures are in place to evaluate and determine market-based rates following the first five-year period.

In accordance with the October 2003 amended exchange agreement between Metropolitan and the Water Authority, the initial cost to transport the conserved water was \$253 per acre-foot. Thereafter, the price would be equal to the charge or charges set by Metropolitan's Board of Directors pursuant to applicable laws and regulation, and generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies. The transportation charge in 2005 is \$258 per acre-foot.

The Water Authority is providing \$10 million to help offset potential socioeconomic impacts associated with temporary land fallowing. IID will credit the Water Authority for these funds during years 16 through 45. At the end of the fifth year of the transfer agreement (2007), the Water Authority will prepay IID an additional \$10 million for future deliveries of water. IID will credit the Water Authority for this up-front payment during years 16 through 30.

As part of implementation of the QSA and water transfer, the Water Authority also entered into an environmental cost sharing agreement. The agreement specifies that the Water Authority will contribute \$64 million for the purpose of funding environmental mitigation costs and contributing to the Salton Sea Restoration Fund.

Written Contracts or Other Proof

The supply and costs associated with the transfer are based primarily on the following documents:

Agreement for Transfer of Conserved Water by and between IID and the Water Authority (April 29, 1998). This Agreement provides for a market-based transaction in which the Water Authority would pay IID a unit price for agricultural water conserved by IID and transferred to the Water Authority.

Revised Fourth Amendment to Agreement between IID and the Water Authority for Transfer of Conserved Water (October 10, 2003). Consistent with the executed Quantification Settlement Agreement (QSA) and related agreements, the amendments restructure the agreement and modify it to minimize the environmental impacts of the transfer of conserved water to the Water Authority.

Amended and Restated Agreement between Metropolitan and Water Authority for the Exchange of Water (October 10, 2003). This agreement was executed pursuant to the QSA and provides for delivery of the transfer water to the Water Authority.

Environmental Cost Sharing, Funding, and Habitat Conservation Plan Development Agreement among IID, Coachella Valley Water District (CVWD), and Water Authority (October 10, 2003). This Agreement provides for the specified allocation of QSA-related environmental review, mitigation, and litigation costs for the term of the QSA, and for development of a Habitat Conservation Plan.

Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement (October 10, 2003). The purpose of this agreement is to create and fund the QSA Joint Powers Authority and to establish the limits of the funding obligation of CVWD, IID, and Water Authority for environmental mitigation and Salton Sea restoration pursuant to SB 654 (Machado).

Federal, State, and Local Permits/Approvals

Federal Endangered Species Act Permit. The U.S. Fish and Wildlife Service (USFWS) issued a Biological Opinion on January 12, 2001, that provides incidental take authorization and certain measures required to offset species impacts on the Colorado River regarding such actions.

State Water Resources Control Board (SWRCB) Petition. SWRCB adopted Water Rights Order 2002-0016 concerning IID and Water Authority's amended joint petition for approval of a long-term transfer of conserved water from IID to the Water Authority and to change the point of diversion, place of use, and purpose of use under Permit 7643.

Environmental Impact Report (EIR) for Conservation and Transfer Agreement. As lead agency, IID certified the Final EIR for the Conservation and Transfer Agreement on June 28, 2002.

U. S. Fish and Wildlife Service Draft Biological Opinion and Incidental Take Statement on the Bureau of Reclamation's Voluntary Fish and Wildlife Conservation Measures and Associated Conservation Agreements with the California Water Agencies (12/18/02). The U. S. Fish and Wildlife Service issued the biological opinion/incidental take statement for water transfer activities involving the Bureau of Reclamation and associated with IID/other California water agencies' actions on listed species in the Imperial Valley and Salton Sea (per the June 28, 2002 EIR).

Addendum to EIR for Conservation and Transfer Agreement. IID as lead agency and Water Authority as responsible agency approved addendum to EIR in October 2003.

Environmental Impact Statement (EIS) for Conservation and Transfer Agreement. Bureau of Reclamation issued a Record of Decision on the EIS in October 2003.

CA Department of Fish and Game California Endangered Species Act Incidental Take Permit #2081-2003-024-006). The California Department of Fish and Game issued this permit (10/22/04) for potential take effects on state-listed/fully protected species associated with IID/other California water agencies' actions on listed species in the Imperial Valley and Salton Sea (per the June 28, 2002 EIR).

California Endangered Species Act (CESA) Permit. A CESA permit was issued by California Department of Fish and Game (CDFG) on April 4, 2005, providing incidental take authorization for potential species impacts on the Colorado River.

6.2.1.2 All-American Canal and Coachella Canal Lining Projects

As part of the QSA and related contracts, the Water Authority was assigned Metropolitan's rights to 77,700 ac-ft/yr of conserved water from projects that will line the All-American Canal (AAC) and Coachella Canal (CC). The projects will reduce the loss of water that currently occurs through seepage, and the conserved water will be delivered to the Water Authority. This conserved water will provide the San Diego region with an additional 8.5 million acre-feet over the 110-year life of the agreement.

Implementation Status

Earthwork for the Coachella Canal lining project began in November 2004 and involves approximately 37 miles of canal. National Environmental Policy Act (NEPA) and CEQA documentation is complete, including an amended Record of Decision by the U.S. Bureau of Reclamation (USBR). The amendment was required after revising the project design: instead of lining the canal in place, the project entailed the construction of a parallel canal. The project was completed in 2006, and deliveries of conserved water started in 2007.

Preliminary design-related activities have begun on the AAC lining project, including ground and aerial surveying, mapping cultural resources, and geotechnical investigations. The lining project consists of constructing a concrete-lined canal parallel to 24 miles of the existing AAC from Pilot Knob to Drop 3. NEPA and CEQA documentation is complete, environmental mitigation measures have been identified, and Endangered Species Act consultations are pending. Construction of the project has begun and construction is expected to be complete in 2010.

In July 2005, a lawsuit (*CDEM v United States*, Case No. CV-S-05-0870-KJD-PAL) was filed in the U. S. District Court for the District of Nevada on behalf of U.S. and Mexican groups challenging the lining of the AAC. The lawsuit, which names the Secretary of the Interior as a defendant, claims that seepage water from the canal belongs to water users in Mexico. California water agencies note that the seepage water is actually part of California's Colorado River allocation and not part of Mexico's allocation. The plaintiffs also allege a failure by the United States to comply with environmental laws. Federal officials have stated that they intend to vigorously defend the case.

Expected Supply

The AAC lining project will yield 67,700 acre-feet per year of Colorado River water for allocation upon completion of construction. The CC lining project will yield 26,000 acre-feet of Colorado River water each year available for allocation upon completion of construction. The October 10, 2003, Allocation Agreement states that 16,000 acre-feet per year of conserved CC lining water will be allocated to the San Luis Rey Indian Water Rights Settlement Parties. The remaining amount, 10,000 acre-feet per year from the CC lining conserved water plus the 67,700 acre-feet per year AAC lining conserved water totaling 77,700 acre-feet per year, will be available to the Water Authority. According to the Allocation Agreement, IID has call rights to a portion (5,000 acre-feet per year) of the conserved water upon termination of the QSA for the remainder of the 110 years of the Allocation Agreement and upon satisfying certain conditions. The term of the QSA is for up to 75 years.

Transportation

The October 10, 2003, Exchange Agreement between the Water Authority and Metropolitan also provides for the delivery of the conserved water from the canal lining projects. The Water Authority will pay Metropolitan's applicable wheeling rate for each acre-foot of exchange water delivered. In the Agreement, Metropolitan will deliver the canal lining water for the term of the Allocation Agreement (110 years).

Cost/Financing

Under California Water Code Section 12560 et seq., the Water Authority will receive \$200 million in state funds for construction of the projects. In addition, under California Water Code Section 79567, \$20 million from Proposition 50 is also available for the lining projects. Additionally, the Water Authority will receive \$35 million for groundwater conjunctive use projects as part of the agreement. The Water Authority would be responsible for additional expenses above the funds provided by the state.

The rate to be paid to transport the canal lining water will be equal to the charge or charges set by Metropolitan's Board of Directors pursuant to applicable law and regulation and generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies.

In accordance with the Allocation Agreement, the Water Authority will also be responsible for a portion of the net additional Operation, Maintenance, and Repair (OM&R) costs for the lined canals. Any costs associated with the lining projects as proposed, are to be financed through the Water Authority's rates and charges.

Written Contracts or Other Proof

The expected supply and costs associated with the lining projects are based primarily on the following documents:

U.S. Public Law 100-675 (1988). Authorized the Department of the Interior to reduce seepage from the existing earthen AAC and CC. The law provides that conserved water will be made available to specified California contracting water agencies according to established priorities.

California Department of Water Resources - Metropolitan Funding Agreement (2001). Reimburse Metropolitan for project work necessary to construct the lining of the CC in an amount not to exceed \$74 million. Modified by First Amendment (2004) to replace Metropolitan with the Authority. Modified by Second Amendment (2004) to increase funding amount to \$83.65 million, with addition of funds from Proposition 50.

California Department of Water Resources - IID Funding Agreement (2001). Reimburse IID for project work necessary to construct a lined AAC in an amount not to exceed \$126 million.

Metropolitan - CVWD Assignment and Delegation of Design Obligations Agreement (2002). Assigns design of the CC lining project to CVWD.

Metropolitan - CVWD Financial Arrangements Agreement for Design Obligations (2002). Obligates Metropolitan to advance funds to CVWD to cover costs for CC lining project design and CVWD to invoice Metropolitan to permit the Department of Water Resources to be billed for work completed.

Allocation Agreement among the United States of America, The Metropolitan Water District of Southern California, Coachella Valley Water District, Imperial Irrigation District, San Diego County Water Authority, the La Jolla, Pala, Pauma, Rincon, and San Pasqual Bands of Mission Indians, the San Luis Rey River Indian Water Authority, the City of Escondido, and Vista Irrigation District (October 10, 2003). This agreement includes assignment of Metropolitan's rights and interest in delivery of 77,700 acre-feet of Colorado River water previously intended to be delivered to Metropolitan to the Water Authority. Allocates water from the AAC and CC lining projects for at least 110 years to the Water Authority, the San Luis Rey Indian Water Rights Settlement Parties, and IID, if it exercises its call rights.

Amended and Restated Agreement between Metropolitan and Water Authority for the Exchange of Water (October 10, 2003). This agreement was executed pursuant to the QSA and provides for delivery of the conserved canal lining water to the Water Authority.

Agreement between Metropolitan and Water Authority regarding Assignment of Agreements related to the AAC and CC Lining Projects. This agreement was executed in April 2004 and assigns Metropolitan's rights to the Water Authority for agreements that had been executed to facilitate funding and construction of the AAC and CC lining projects:

Assignment and Delegation of Construction Obligations for the Coachella Canal Lining Project under the Department of Water Resources Funding Agreement No. 4600001474 from the San Diego County Water Authority to the Coachella Valley Water District, dated September 8, 2004.

Agreement Regarding the Financial Arrangements between the San Diego County Water Authority and Coachella Valley Water District for the Construction Obligations for the Coachella Canal Lining Project, dated September 8, 2004.

Agreement No. 04-XX-30-W0429 Among the United States Bureau of Reclamation, the Coachella Valley Water District, and the San Diego County Water Authority for the Construction of the Coachella Canal Lining Project Pursuant to Title II of Public Law 100-675, dated October 19, 2004.

California Water Code Section 12560 et seq. This Water Code Section provides for \$200 million to be appropriated to the Department of Water Resources to help fund the canal lining projects in furtherance of implementing California's Colorado River Water Use Plan.

California Water Code Section 79567. This Water Code Section identifies \$20 million as available for appropriation by the California Legislature from the Water Security, Clean Drinking Water, Coastal, and Beach Protection Fund of 2002 (Proposition 50) to DWR for grants for canal lining and related projects necessary to reduce Colorado River water use. According to the Allocation Agreement, it is the intention of the agencies that those funds will be available for use by the Water Authority, IID, or CVWD for the AAC and CC lining projects.

California Public Resources Code Section 75050(b)(1). This section identifies up to \$36 million as available for water conservation projects that implement the Allocation Agreement as defined in the Quantification Settlement Agreement.

Federal, State, and Local Permits/Approvals

AAC Lining Project Final EIS/EIR (March 1994). A final EIR/EIS analyzing the potential impacts of lining the AAC was completed by the Bureau of Reclamation (Reclamation) in March 1994. A Record of Decision was signed by Reclamation in July 1994, implementing the preferred alternative for lining the AAC. A re-examination and analysis of these environmental compliance documents by Reclamation in November 1999 determined that these documents continued to meet the requirements of the NEPA and the CEQA and would be valid in the future.

CC Lining Project Final EIS/EIR (April 2001). The final EIR/EIS for the CC lining project was completed in 2001. Reclamation signed the Record of Decision in April 2002. An amended Record of Decision has also been signed to take into account revisions to the project description.

Mitigation, Monitoring, and Reporting Program for Coachella Canal Lining Project, SCH #1990020408; prepared by Coachella Valley Water District, May 16, 2001.

Environmental Commitment Plan for the Coachella Canal Lining Project, approved by the US Bureau of Reclamation (Boulder City, NV) on March 4, 2003.

Environmental Commitment Plan and Addendum to the All-American Canal Lining Project EIS/EIR California State Clearinghouse Number SCH 90010472 (June 2004, prepared by IID).

Addendum to Final EIS/EIR and Amendment to Environmental Commitment Plan for the All-American Canal Lining Project (approved June 27, 2006, by IID Board of Directors).

6.2.2 Water Authority Capital Improvement Program and Financial Information

The Water Authority's capital improvement program (CIP) budget document includes a description of each of the projects and programs being implemented to ensure existing and future facilities are adequate to deliver water supplies throughout the region. The project costs, along with information on the activities that need to be completed, are included in the CIP document. The Water Authority's Master Plan identifies future facilities and other improvements to the Water Authority's system that are necessary to maintain reliability throughout the region. A programmatic environmental impact report was certified by the Water Authority Board of Directors for the Master Plan in November 2003. Projects identified in the Master Plan will be included in the CIP based on Water Authority Board of Directors' approval. Information on the Water Authority's most recent CIP can be found on the World Wide Web at www.sdcwa.org/infra/cip.phtml.

One of the highest priority projects identified in the Master Plan is the development of additional treatment capacity within the region. During recent summers, the Water Authority experienced peak-demand conditions that have exceeded the region's rated treatment capacity. The Master Plan recommended development of an additional 50 mgd of treatment capacity immediately and another 50 mgd capacity by 2010. In response to this recommendation, the Water Authority board of directors in September 2005, approved construction of a 100 mgd water treatment plant. The water treatment plant was completed and placed into operation in 2008. For the near-term, the Water Authority and its member agencies implemented short-term conservation programs and operational procedures to ensure adequate supplies during peak summer periods.

The Master Plan also identified carryover storage as a way to improve water supply reliability for the region. The Water Authority identified the three main benefits of carryover storage as: 1) enhance water supply reliability by providing a reliable and readily available source of water during periods of potential shortage, such as during dry years; 2) increase system efficiency by providing operational flexibility to serve above normal demands, such as those occurring in dry years, from storage rather than by the over-sizing of the Water Authority's imported water transmission facilities; and 3) better management of water supplies to allow the Water Authority to accept additional imported deliveries during periods of availability, such as during wet years, to ensure water availability during dry years. The Water Authority prepared an EIR/EIS for a carryover storage project, with the preferred alternative being an expansion of the San Vicente Reservoir.

The Water Authority Board of Directors is provided a semi-annual and annual report on the status of development of the CIP projects. As described in the Water Authority's biennial budget, a combination of long and short term debt and cash (pay-as-you-go) will provide funding for capital improvements. Additional information is included in the Water Authority's biennial budget, which also contains selected financial information and summarizes the Water Authority's investment policy.

6.3 Otay Water District

The Otay WD 2002 Water Resources Master Plan and revised 2005 Urban Water Management Plan contain comparisons of projected supply and demands through the year 2030. Projected potable water resources to meet planned demands as documented were planned to be supplied entirely with imported water received from the Water Authority. Recycled water resources to meet projected demands are planned to be supplied from local wastewater treatment plants. The Otay WD currently has no local supply of raw water, potable water, or groundwater resources.

The development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the Otay WD have evolved and are planned to occur in response to the regional water supply issues. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and

Metropolitan UWMP, IRP, Master Plans, and other planning documents. These new additional water supply projects are not currently developed and are in various stages of the planning process. These local and regional water supply projects will allow for less reliance upon imported water and are considered a new water supply resource for the Otay WD.

The Otay WD expansion of the market areas for the use of recycled water within the watersheds upstream of the Sweetwater Reservoir and the Lower Otay Reservoir will increase recycled water use and thus require less dependence on imported water for irrigation purposes.

The supply forecasts contained within this WSA&V Report do consider development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the Otay WD.

6.3.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The availability of sufficient potable water supplies and plans for acquiring additional potable water supplies to serve existing and future demands of the Otay WD is founded upon the preceding discussions regarding Metropolitan's and the Water Authority's water supply resources and water supplies to be acquired by the Otay WD. Historic imported water deliveries from the Water Authority to Otay WD and recycled water deliveries from the Otay WD Ralph W. Chapman Water Recycling Facility (RWCWRF) are shown in Table 7. Since the year 2000 through mid May 2007, recycled water demand has exceeded the recycled water supply capability typically in the summer months. The RWCWRF is limited to a maximum production of about 1,300 ac-ft/yr. The recycled water supply shortfall had been met by supplementing with potable water into the recycled water storage system as needed by adding potable water supplied by the Water Authority. On May 18, 2007 an additional source of recycled water supply from the City of San Diego's South Bay Water Reclamation Plant (SBWRP) became available. The supply of recycled water from the SBWRP is a result of essentially completing construction and commencement of operations of the transmission, storage, and pump station systems necessary to link the SBWRP recycled water supply source to the existing Otay WD recycled water system.

**Table 7
 Historic Imported and Local Water Supplies
 Otay Water District**

Calendar Year	Imported Water (acre-feet)	Recycled Water (acre-feet)	Total (acre-feet)
1980	12,558	0	12,558
1985	14,529	0	14,529
1990	23,200	0	23,200
1995	20,922	614	21,536
2000	30,936	948	31,884
2005	40,322	1,227	41,549

Source: Otay WD operational records.

6.3.1.1 Imported and Regional Supplies

The availability of sufficient imported and regional potable water supplies to serve existing and planned uses within Otay WD is demonstrated in the above discussion on Metropolitan and the Water Authority’s water supply reliability. The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority “as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs.” The Water Authority provides between 75 to 95 percent of the total supplies used by its 24 member agencies, depending on local weather and supply conditions. In calendar year 2006 the Otay WD received delivery of about 41,700 ac-ft of supply from the Water Authority, which includes the potable water supplement for the recycled water system supply needs. The demand for potable water within the Otay WD is expected to increase to about 72,900 ac-ft by 2025 as per the Otay WD 2005 UWMP. These figures take into account the amount of local supply (i.e. groundwater, conservation, recycling, etc.) that is expected to meet demands within Otay WD service area.

Potable Water System Facilities

The Otay WD continues to pursue diversification of its water supply resources to increase reliability and flexibility. The Otay WD also continues to plan, design, and construct potable water system facilities to obtain these supplies and to distribute potable water to meet customer demands. The Otay WD has successfully negotiated two water supply diversification agreements that enhance reliability and flexibility, which are briefly described as follows.

- The Otay WD entered into an agreement with the City of San Diego, known as the Otay Water Treatment Plant (WTP) Agreement. The Otay WTP Agreement provides for raw water purchase from the Water Authority and treatment by the City of San Diego at their Otay WTP for delivery to Otay WD. The supply system link to implement the Otay WTP Agreement to access the regions raw water supply system and the local water

treatment plant became fully operational in August 2005. This supply link consists of the typical storage, transmission, pumping, flow measurement, and appurtenances to receive and transport the treated water to the Otay WD system. The City of San Diego obligation to supply 10 mgd of treated water under the Otay WTP Agreement is contingent upon there being available 10 mgd of surplus treatment capacity in the Otay WTP until such time as Otay WD pays the City of San Diego to expand the Otay WTP to meet the Otay WD future needs. In the event that the City of San Diego's surplus is projected to be less than 10 mgd the City of San Diego will consider and not unreasonably refuse the expansion of the Otay WTP to meet the Otay WD future needs. The Otay WTP existing rated capacity is 40 mgd with an actual effective capacity of approximately 34 mgd. The City of San Diego's typical demand for treated water from the Otay WTP is approximately 20 mgd. It is at the City of San Diego's discretion to utilize either imported raw water delivered by the Water Authority Pipeline No. 3 or local water stored in Lower Otay Reservoir for treatment to supply the Otay WD demand.

- The Otay WD entered into an agreement with the Water Authority, known as the East County Regional Treated Water Improvement Program (ECRTWIP Agreement). The ECRTWIP Agreement provides for transmission of raw water to the Helix WD R. M. Levy WTP for treatment and delivery to Otay WD. The supply system link to implement the ECRTWIP Agreement is currently under development to access the regions raw water supply system and the local water treatment plant. This supply link consists of the typical transmission, pumping, storage, flow control, and appurtenances to receive and transport the potable water from the R. M. Levy WTP to Otay WD. The necessary supply link facilities are in various stages of development from design to facilities that are currently under construction. The required supply link facilities are scheduled to be fully operational by March 2010.. The Otay WD is required to take a minimum of 10,000 ac-ft/yr of treated water from the R.M. Levy WTP supplied from the regions raw water system.

Cost and Financing

The capital improvement costs associated with water supply and delivery are financed through the Otay WD water meter capacity fee and user rate structures. The Otay WD potable water sales revenue are used to pay for the wholesale cost of the treated water supply and the operating and maintenance expenses of the potable water system facilities.

Written Agreements, Contracts, or Other Proof

The supply and cost associated with deliveries of treated water from the Otay WTP and the R.M. Levy WTP is based on the following documents.

Agreement for the Purchase of Treated Water from the Otay Water Treatment Plant between the City of San Diego and the Otay Water District. The Otay WD entered into an agreement dated January 11, 1999 with the City of San Diego that provides for 10 mgd of surplus treated water to

the Otay WD from the existing Otay WTP capacity. The agreement allows for the purchase of treated water on an as available basis from the Otay WTP. The Otay WD pays the Water Authority at the prevailing raw water rate for raw water and pays the City of San Diego at a rate equal to the actual cost of treatment to potable water standards.

Agreement between the San Diego County Water Authority and Otay Water District Regarding Implementation of the East County Regional Treated Water Improvement Program. The ECRTWIP Agreement requires the purchase of at least 10,000 ac-ft per year of potable water from the Helix WD R.M. Levy WTP at the prevailing Water Authority treated water rate. The ECRTWIP Agreement is dated April 27, 2006.

Agreement between the San Diego County Water Authority and Otay Water District for Design, Construction, Operation, and Maintenance of the Otay 14 Flow Control Facility Modification. The Otay WD entered into the Otay 14 Flow Control Facility Modification Agreement dated January 24, 2007 with the Water Authority to increase the physical capacity of the Otay 14 Flow Control Facility. The Water Authority and Otay WD to 50% share the capital cost to expand its capacity from 8 mgd to 16 mgd.

Federal, State, and Local Permits/Approvals

The Otay WD has acquired all the permits for the construction of the pipeline and pump station associated with the Otay WTP supply source and for the 640-1 and 640-2 water storage reservoirs project associated with the ECRTWIP Agreement through the typical planning, environmental approval, design, and construction processes.

Preliminary design-related activities have begun on the transmission main and Otay 14 Flow Control Facility associated with the ECRTWIP Agreement, including ground and aerial surveying, mapping cultural resources, and other environmental documentation investigations. The transmission main project consists of constructing about 26,000 feet of a 36-inch diameter steel pipeline from the Otay 14 Flow Control Facility to the 640-1 and 640-2 Reservoirs project. The Otay 14 Flow Control Facility modification consists of increasing the capacity of the existing systems from 8 mgd to 16 mgd. CEQA documentation has been prepared and is complete for both projects. Construction of both of these projects is expected to be complete prior to January 2010.

The City of San Diego and the Helix Water District are required to meet all applicable federal, state, and local health and water quality requirements for the potable water produced at the Otay WTP and the R.M. Levy WTP respectively.

6.3.1.2 Recycled Water Supplies

Wastewater collection, treatment, and disposal services provided by the Otay WD is limited to a relatively small area within what is known as the Jamacha Basin, located within the Middle Sweetwater River Basin watershed upstream of the Sweetwater Reservoir and downstream of

Loveland Reservoir. Water recycling is defined as the treatment and disinfection of municipal wastewater to provide a water supply suitable for non-potable reuse. The Otay WD owns and operates the Ralph W. Chapman Water Recycling Facility, which produces recycled water treated to a tertiary level for landscape irrigation purposes. The recycled water market area of the Otay WD is located primarily within the eastern area of the City of Chula Vista and on the Otay Mesa. The Otay WD distributes recycled water to a substantial market area that includes but is not limited to the U.S. Olympic Training Center, the EastLake Golf Course, and other development projects.

The Otay WD projects that annual average demands for recycled water will increase to about 6,294 ac-ft/yr by 2025 and are estimated to approach 10,000 ac-ft/yr at ultimate build out. About 1,300 ac-ft/yr of supply is generated by the RWCWRF, with the remainder planned to be supplied to Otay WD by the City of San Diego's SBWRP.

North District Recycled Water Concept

The Otay WD is a recognized leader in the use of recycled water for irrigation and other commercial uses. The Otay WD continues the quest to investigate all viable opportunities to expand the successful recycled water program into areas that are not currently served. One of these areas is in the portion of the service area designated as the North District, located within the Middle Sweetwater River Basin watershed upstream of the Sweetwater River. The close proximity of the recycled water markets in the North District to the Otay WD's source of recycled water, the RWCWRF, means that the distribution system to serve this area could be constructed relatively cost effectively. This makes the North District a logical location for the expansion of the Otay WD's recycled water system and market area.

The purpose of the North District Recycled Water System Development Project, Phase I Concept Study, is to identify the feasibility of using recycled water in the North District and to investigate and assess any limitations or constraints to its use. The Phase I study components of the North District Recycled Water Concept encompassed the preparation of six technical memorandums including the project definition, a discussion of the regulatory process, a discussion of the protection of the watershed that would be affected by recycled water use in the North District, identification of stakeholders, public outreach, and an implementation plan.

Several opportunities that could be realized with the implementation of the use of recycled water in the North District were identified. These include a reduction of demand on the potable water system and maximizing recycled water resources which in turn minimizes treated wastewater discharges to the local ocean outfall. Other opportunities are a possible partnership with Sweetwater Authority to monitor any benefits and impacts of increased recycled water use in the watershed and stakeholder outreach to resolve any water quality concerns and to retain consumer confidence. Also identified were two major constraints associated with the North District Recycled Water System Development Project. One constraint is the water quality objectives for the Middle Sweetwater Basin that will affect the

effluent limitations for the recycled water produced at the RWCWRF. At this time, the effluent limit that is of concern is total nitrogen. An examination as to how the treatment process might be modified to enhance nitrogen removal and an action plan is being developed. The other major constraint is the cost of the infrastructure needed to convey and store recycled water in the North District. These costs are estimated to be in the range of \$14 to \$15 million dollars.

There are two additional phases proposed for the North District Recycled Water System Development Project. Phase II would include further investigation of the issues identified in Phase I as requiring further study. These include stakeholder outreach, regulatory issues, and facility planning. The third phase of the effort would include the facility planning, permitting, environmental compliance, design, and construction of the improvements necessary for delivery of recycled water to the North District markets.

The estimated amount of imported water saved at full implementation of the North District Recycled Water System Development Project is 1,200 ac-ft/yr. This saved imported water could than be used to offset new potable water demands.

Recycled Water System Facilities

The Otay WD has and continues to construct recycled water storage, pumping, transmission, and distribution facilities to meet projected recycled water market demands. For nearly 20 years, millions of dollars of capital improvements have been constructed. The supply link consisting of a transmission main, storage reservoir, and a pump station to receive and transport the recycled water from the City of San Diego's SBWRP are complete and recycled water deliveries began on May 18, 2007.

Cost and Financing

The capital improvement costs associated with the recycled water supply and distribution systems are financed through the Otay WD water meter capacity fee and user rate structures. The Otay WD recycled water sales revenue, along with Metropolitan and the Water Authority's recycled water sales incentive programs are used to help offset the costs for the wholesale purchase and production of the recycled water supply, the operating and maintenance expenses, and the capital costs of the recycled water system facilities.

Written Agreements, Contracts, or Other Proof

The supply and cost associated with deliveries of recycled water from the SBWRP is based on the following document.

Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant. The agreement provides for the purchase of at least 6,721 ac-ft per year of recycled water from the SBWRP at an initial price of

\$350 per acre-foot. The Otay WD Board of Directors approved the final agreement on June 4, 2003 and the San Diego City Council approved the final agreement on October 20, 2003.

Federal, State, and Local Permits/Approvals

The Otay WD has in place an agreement with Metropolitan for their recycled water sales incentive program for supplies from the RWCWRF and the SBWRP. Also, the Otay WD has in place an agreement with the Water Authority for their recycled water sales incentive program for supplies from the RWCWRF and the SBWRP. The Water Authority sales incentive agreement was approved by Water Authority on July 26, 2007 and by Otay WD on August 1, 2007. All permits for the construction of the recycled water facilities to receive, store, and pump the SBWRP supply have been acquired through the typical planning, environmental approval, design, and construction processes.

The California Regional Water Quality Control Board San Diego Region (RWQCB) “Master Reclamation Permit for Otay Water District Ralph W. Chapman Reclamation Facility” was adopted on May 9, 2007 (Order No. R9-2007-0038). This order establishes master reclamation requirements for the production, distribution, and use of recycled water in the Otay WD service area. The order includes the use of tertiary treated water produced and received from the City of San Diego’s SBWRP. Recycled water received from and produced by the SBWRP is regulated by Regional Board Order No. 2000-203 and addenda. The City of San Diego is required to meet all applicable federal, state, and local health and water quality requirements for the recycled water produced at the SBWRP and delivered to Otay WD in conformance with Order No. 2000-203.

6.3.1.3 Potential Groundwater Supplies

The Otay WD 2005 UWMP and the Otay WD March 2007 Integrated Water Resources Plan (2007 IRP) both contain a description of the development of potential groundwater supplies. Over the past several years, Otay WD has studied numerous potential groundwater supply options that have shown, through groundwater monitoring well activities, poor quality water and/or insufficient yield from the basins at a cost effective level. The Otay WD has a few capital improvement program projects to continue the quest to develop potential groundwater resources. Local Otay WD groundwater supply development is currently considered as a viable water supply resource to meet projected demands.

The development and/or acquisition of potential groundwater supply projects by the Otay WD have evolved and have been resurrected in response to the regional water supply issues related to water source supply conditions. Local ground water supply projects will allow for less reliance upon imported water, achieve a level of independence of the regional wholesale water agencies, and diversify the Otay WD’s water supply portfolio consistent the Otay WD 2007 IRP.

Also, proposed land use development projects to be served by the Otay WD, such as the Resort project, that are not currently within the jurisdictions of Water Authority and the Metropolitan, will likely be required, as a condition of annexation, to be supplied by alternative water resources to 100% offset their projected potable water supply requirements.

In recognition of the need to develop sufficient alternative water supplies, the Otay WD is planning to take the next step towards development of production groundwater well projects.

There are four groundwater well projects that the Otay WD is actively pursuing to develop as new local water supplies. They are known as the Middle Sweetwater River Basin Groundwater Well, the Otay Mesa Lot 7 Groundwater Well, the Rancho del Rey Groundwater Well, and the Otay River Groundwater Well Desalination project.

Middle Sweetwater River Basin Groundwater Well

The Middle Sweetwater River Basin Groundwater Well is a new additional water supply project had been thoroughly studied and documented in the 1990's. The Middle Sweetwater River Basin is located within the Sweetwater River watershed and is that reach of the river from Sweetwater Reservoir to the upstream Loveland Reservoir. The next step in development of the Middle Sweetwater River Basin Groundwater Well is the implementation of a pilot well project.

The Otay WD in cooperation with Sweetwater Authority and the Water Authority prepared a water resources audit for the Middle Sweetwater River Groundwater Basin in June 1991. The document was prepared by NBS Lowry and is entitled "Middle Sweetwater River System Study Water Resources Audit". The report was prepared as part of an overall study to identify and evaluate water management alternatives within the Middle Sweetwater River System (MSRS). The report graphically summaries water resources data for the MSRS.

The Otay WD in cooperation with Sweetwater Authority and the Water Authority prepared an alternatives evaluation study of the Middle Sweetwater River System Study Water Resources Audit in May 1993. The document was prepared by Michael R. Welch and is entitled "Middle Sweetwater River System Study Alternatives Evaluation". The overall goal of the study was to identify physical projects and/or management strategies which could enhance the availability and quality of surface and ground waters within the MSRS.

The Otay WD prepared potential conjunctive use strategies for the Middle Sweetwater River Basin in September 1994. A report was prepared by Michael R. Welch and is entitled "Middle Sweetwater River Basin Conjunctive Use Alternatives". The report was prepared for the consideration of the Otay WD and Sweetwater Authority. The conceptual level planning information within report identifies and evaluates eight conjunctive use alternatives within the Middle Sweetwater River Basin.

The ultimate objective of the Otay WD is to develop a groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of potable water as a local supply.

The purpose of the Middle Sweetwater River Basin Groundwater Well Pilot project is to identify the feasibility of developing a groundwater resource production system and to determine and assess any limitations or constraints that may arise.

The Middle Sweetwater River Basin Groundwater Well Pilot Project scope of work will accomplish six primary goals as follows:

- Update project setting
- Update applicable project alternatives analysis
- Prepare groundwater well pilot project implementation plan
- Construct and test pilot monitoring and extraction wells
- Provide recommendations regarding costs and feasibility to develop a groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of potable water
- Prepare groundwater well production project implementation plan and scope of work

The groundwater conjunctive use concept planned to be developed is described as the extraction of the quantity of water from the groundwater basin that was placed there by customers of the Otay WD by means of their use of imported treated water that contributed to the overall volume of groundwater within the basin. This quantity has been estimated to be on the order of 12.5% of the total consumption of the Otay WD customers within that basin as measured by their water meters. In the 1994/1995 time frame 810 ac-ft/yr was the estimated quantity that was placed into the groundwater basin. Currently, that 12.5% quantity could be on the order of 1,000 ac-ft/yr. The scope of work is planned to address this Phase I concept while further development of the groundwater basin as an additional supply resource is appropriately considered.

Further development of the groundwater basin to enhance the total groundwater production could be accomplished by the Otay WD by means of additional extraction of water from the basin that is placed there by means of either injection and/or spreading basins using imported untreated water as the resource supply (Phase II). The existing La Mesa Sweetwater Extension Pipeline, owned by the Water Authority, once converted to an untreated water deliver system, could be the conveyance system to transport untreated water for this conjunctive use concept.

These two distinct water resource supply conjunctive use concepts will be addressed so they may coexist and to allow for their development as separate phases.

The scope of work to complete Middle Sweetwater River Basin Groundwater Well Pilot Project consists of many major tasks and is to address the groundwater supply concepts

outlined above. The detailed scope of work and draft request for proposal has been prepared. It is anticipated that the consultant fee for the entire scope of work, could cost an estimated \$2,000,000, which includes a contingency and may take up to two years to complete.

The primary desired outcome of the Middle Sweetwater River Basin Groundwater Well Pilot Project is for an engineering consultant to determine and make recommendations if it is financially prudent and physically feasible to develop a Phase I groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of up to 1,500 ac-ft/yr of potable water for the Otay WD. If it is deemed that a Middle Sweetwater River Basin Groundwater Well Production Project is viable then the consultant will develop and provide a groundwater well production project implementation plan and related scope of work.

Otay Mesa Lot 7 Groundwater Well

In early 2001 the Otay WD was approached by a landowner representative about possible interest in purchasing an existing well or alternatively, acquiring groundwater supplied from the well located on Otay Mesa. The landowner, National Enterprises, Inc., reportedly stated that the well could produce 3,200 ac-ft/yr with little or no treatment required prior to introducing the water into the Otay WD potable water system or alternatively, the recycled water system. In March 2001 authorization to proceed with testing of the Otay Mesa Lot 7 Groundwater Well was obtained and the Otay WD proceeded with the investigation of this potential groundwater supply opportunity.

The May 2001 Geoscience Support Services, Inc. completed for the Otay WD the preparation of a report entitled, "Otay Mesa Lot 7 Well Investigation," to assess the Otay Mesa Lot 7 Well. The scope of work included a geohydrologic evaluation of the well, analyses of the water quality samples, management and review of the well video log, and documentation of well pump testing.

The primary findings, as documented in the report, formed the basis of the following recommendations:

- For the existing well to be use as a potable water supply resource, a sanitary seal must be installed in accordance with the CDPH guidelines.
- Drawdown in the well must be limited to avoid the possibility of collapsing the casing.
- Recover from drawdown from pumping is slow and extraction would need to be terminated for up to 2 days to allow for groundwater level recovery.
- The well water would need to be treated and/or blended with potable water prior to introduction into the potable water distribution system.

In October 2001, the outcome and recommendations of the Geoscience Support Services, Inc. Otay Mesa Lot 7 Well efforts were presented to the Otay WD Board of Directors. The existing Otay Mesa Lot 7 Well, based upon the above findings, was determined not to be a

reliable municipal supply of potable water and that better water quality and quantity perhaps could be discovered deeper or at an alternative location within the San Diego Formation.

The Otay WD is continuing to pursue the Otay Mesa groundwater well opportunity with due consideration of the recommendations of the existing report and plans to develop a groundwater well production facility to extract perhaps at least 600 ac-ft/yr. The steps necessary to put such a well into production are as follows:

- Review the results of available water quality data, video survey for casing and screen condition, and pump testing.
- Investigate, discover, and confirm a reliable sufficient quality and quantity of source water.
- Establish feasibility and cost effectiveness of a production well system.
- Negotiate the purchase of a well site.
- Proceed with the planning, environmental compliance, permitting, design, and construction of a groundwater well production system.

Rancho del Rey Groundwater Well

In 1991, the McMillin Development Company drilled the Rancho del Rey Groundwater Well to augment grading water supplies for their Rancho del Rey development projects. Although the well was considered a “good producer,” little was known regarding its water quality and sustainable yield for the water was used solely for earthwork (i.e. dust control and soil compaction). The well was drilled to 865 feet, with a finished depth of 830 feet and produced approximately 400 ac-ft/yr of low quality water for four years until its use was discontinued in April 1995 as McMillin Development Company no longer needed the well. McMillin Development Company had previously notified the Otay WD of its intent to sell off the groundwater well asset.

The Otay WD continued discussions with McMillin Development Company and decided to determine if the Otay WD could use the water from the well and establish if purchase the property along with the existing well were appropriate. The Otay WD retained Quality Assurance Laboratories to conduct water quality testing in February 1995. It was established that the water from the well had a high total dissolved solids levels that exceeded well over 2,000 milligrams per liter. The Otay WD also retained engineering and well drilling firms, Barrett Consulting Group and Multi Water Systems respectively, which performed pump draw down tests in December 1995. The results of these efforts established the well’s long term yield to be about 629 ac-ft/yr. In February 1996 the Otay WD retained Boyle Engineering Corporation to prepare a feasibility study to compare alternatives for treating and using the groundwater and to provide a benefit/cost analysis. The September 1996 Boyle Engineering Corporation, “Groundwater Treatment Feasibility Study Ranch del Ray Well Site,” report concluded that a Rancho del Rey Groundwater Well project could be feasible. It was established that both capital and operation and maintenance costs would require the well

to produce at least 700 ac-ft/yr for a minimum of ten years to make the project economically viable. In October 1997 the Otay WD became owners of the property and well.

In May 1997 the Otay WD prepared and submitted to CDPH an Application for an Amended Operating Permit to add as a source water supply the Rancho del Rey Groundwater Well. The CDPH established that it would not issue an amended permit for the operation of the Rancho del Rey Groundwater Well and any related treatment facilities until the system design and specifications have reviewed and approved and the facilities must pass field inspection following construction.

In April 1998 the Otay WD received four proposals from consultants interested in designing the project. These proposals came in at almost double the estimated cost and in March 2000 the Otay WD decided to suspend further work on the developing the Rancho del Rey Groundwater Well until the project becomes economically viable or other circumstance would make it desirable to pursue development of the well.

In 2008 the Otay WD decided to reestablish the pursuit of the Rancho del Rey Groundwater Well project based upon the current water supply and water pricing conditions. The steps necessary to put such a well into production are as follows:

- Review the results of available data, tests, reports, etc.
- Reevaluate the cost effectiveness of a production well system.
- Proceed with the planning, environmental compliance, permitting, design, and construction of a groundwater well production system.

Otay River Groundwater Desalination Facility

Many local entities in San Diego County have studied the San Diego Formation and are interested in its potable water supply potential. These include the Sweetwater Authority, the Water Authority, City of San Diego, Otay WD, and the United States Geological Service. The San Diego Formation extends from the California-Mexico border to near Mission Bay in San Diego County, a distance of approximately 16 miles and from the coast to approximately six miles inland.

What is known about the San Diego Formation is that the geology is complex, and at present, only partly understood. The heterogeneity of the aquifer makes it extremely difficult to accurately predict groundwater flow or well performance. Few, if any, investigations have been performed on the San Diego Formation in the Otay River Valley. Most of the knowledge is based in the Sweetwater River Valley and the Tijuana River Valley. Therefore, the Otay River Groundwater Desalination Facility (Otay River) project would produce valuable and useful data to aid in characterizing the San Diego Formation that could ultimately lead to the production of potable water.

The objective of Otay WD and Sweetwater Authority is to plan, and potentially permit, design, and construct an Otay River project within the Lower Otay River Basin capable of producing a sustainable yield of potable water as a local supply. The Lower Otay River Basin is located within the Otay River watershed and is that reach of the river below the Lower Otay Reservoir. The San Diego Formation is the principal aquifer in the South San Diego Bay area and underlies the Otay River Basin and other river basins.

The purpose of the Otay River project is to increase the quantity of local water supply within the South San Diego Bay region by development of a brackish groundwater well and desalination production system to extract, to the maximum extent practical, groundwater from the San Diego Formation; thereby, reducing imported and treated water demand from the Water Authority and Metropolitan.

The development of the Otay River project is being developed in a phased approach. The Sweetwater Authority and Otay WD are proceeding with the Otay River project and are participating in all phases of development and intend share equally all aspects and outcomes such as costs, risks, water supply, benefits, etc.

The Otay River project effort is currently being accomplished in two phases. Phase I, which is well underway, is envisioned as the planning and feasibility aspects of the project intended to determine the viability of extracting brackish groundwater from the San Diego Formation with the purpose to eventually construct brackish groundwater desalination treatment and transport facilities. Phase II is envisioned as proceeding with a pilot project, environmental compliance, permitting, design, construction, operation, maintenance, and other requirements of the Otay River project production and transport facilities to treat the groundwater and deliver the produced potable water to customers of both Sweetwater Authority and Otay WD. Proceeding with Phase II is dependent upon the outcomes of the Phase I efforts.

In 2006, Sweetwater Authority, in partnership with Otay WD received notification from the California Department of Water Resources (DWR) that Sweetwater Authority had been selected to receive a matching grant for the Otay River Basin Brackish Groundwater Desalination Study. The grant amount from DWR is \$242,000. The combined Sweetwater Authority and Otay WD contribution is \$357,000, for a total of \$599,000 to accomplish the DWR grant study. Through the Otay River Basin Brackish Groundwater Desalination Study, Sweetwater Authority and Otay WD will determine the feasibility of extracting brackish groundwater from the San Diego Formation. A portion of the work involves the United States Geological Society (USGS) services to construct multi-depth monitoring wells near the Otay River. The monitoring wells have been constructed.

In 2007, Sweetwater Authority, in partnership with Otay WD received notification from the Water Authority that Sweetwater Authority had been selected to receive a matching grant from the Water Authority Local Investigations and Studies Assistance (LISA) grant funding program for the USGS Study of the San Diego Formation for Potential In-lieu Conjunctive Use concept. The grant amount is \$1,500,000. The combined Sweetwater Authority and

Otay WD contribution is \$1,500,000, for a total of \$3,000,000 to complete the LISA grant study.

The USGS Study of the San Diego Formation for Potential In-lieu Conjunctive Use effort has two primary objectives as follows.

- Develop an integrated, comprehensive understanding of the geology and hydrology of the San Diego Formation and the overlying alluvial deposits. With this understanding, the sustainable yield of the San Diego Formation can be determined founded upon good science.
- Use this understanding to evaluate use of the alluvial deposits and the San Diego Formation for an in-lieu conjunctive use project for expanded extraction.

The study phase, Phase I, of the Otay River project is to collect necessary geologic, groundwater, and water quality data that can be used to determine the safe yield from the aquifer and to develop a solidified plan for completing a Otay River project that could potentially yield at least 4,500 ac-ft/yr of desalinated potable water.

The achievable goals of the Otay River project are as follows:

- Obtain valuable well data that can be used to determine the hydro geological condition of the San Diego Formation in the Otay River Basin.
- Determine the water quality of the aquifer in this region.
- Conceptually layout the facilities needed to collect, treat, and deliver desalinated water to potable water customers of Sweetwater Authority and Otay WD.
- Develop a long-range monitoring program for well development and an implementation plan that clearly identifies the steps needed to complete the ultimate project.

The Otay River project will allow the partnering each agency to complete a significant step towards developing a new potable water source from brackish groundwater that is currently not used.

6.3.1.4 Potential Ocean Desalination Supplies

The Otay WD is currently investigating the feasibility of purchasing desalinated water from a seawater reverse osmosis plant that is planned to be located in Rosarito, Mexico. This project is known as the Rosarito Ocean Desalination Facility (Rosarito) project. The treatment facility is intended to be designed, constructed, and operated in Mexico by a third party. In June 2008 a report has been prepared for the Otay WD by Camp Dresser & McKee, Inc. entitled Draft Otay Water District Binational Ocean Rosarito Desalination Feasibility Study.

The draft Binational Ocean Rosarito Desalination Feasibility Study discusses the likely issues to be considered in terms of water treatment and monitoring, potential conveyance options

within the United States from the international border to potential delivery points, and environmental, institutional, and permitting considerations for Otay WD to import the Rosarito project product water as a new local water supply resource.

The three main treatment considerations addressed are:

- Treatment required for a reliable, high quality source, which blends effectively with the existing water supply.
- Treatment and monitoring required for compliance with the California Department of Public Health (CDPH) regulations.
- Treatment required for public perception concerns.

While the treatment facility for the Rosarito project will likely not be designed or operated by the Otay WD as the lead agency, it is important that Otay WD maintain involvement with the planning, design, and construction of the facility to ensure that the implemented processes provide a product water of acceptable quality for distribution and use within the Otay WD system as well as in other agencies' systems in the region that may use the product water, e.g. City of San Diego, the Water Authority, etc. A seawater reverse osmosis treatment plant removes constituents of concern from the seawater, producing a water quality that far exceeds established United States and California drinking water regulations for most parameters, however, a two-pass treatment system may be required to meet acceptable concentrations of boron and chlorides, similar to the levels seen within the existing Otay WD supply sources. The Binational Ocean Rosarito Desalination Feasibility Study addresses product water quality that is considered acceptable for public health and distribution.

The Otay WD, or any other potential participating agencies, will be required to get approval from the CDPH in order to use the desalinated seawater as a water source. Three alternatives approaches are identified for getting this approval: 1) Certification of the Rosarito project in Mexico by CDPH; 2) Disinfection treatment only in the United States, receiving a waiver of specific filtration requirements through CDPH; and 3) Full filtration and disinfection treatment of water entering the United States with waiver of certain typical Watershed Sanitary Survey requirements. These alternatives vary in their cost and their likelihood of meeting CDPH approval.

The Binational Ocean Rosarito Desalination Feasibility Study addresses two supply targets for the desalinated water (i.e. local and regional). The local alternative assumes that only Otay WD would participate and receive desalinated water, while the regional alternative assumes that other regional and/or local agencies would also participated in the Rosarito project.

For the local alternative, the supply target is assumed to be 10 mgd or 11,200 ac-ft/yr. This is based on the Otay WD 2007 IRP, which identified a 5 to 10 mgd of ocean desalination as part of Otay WD's preferred supply strategy.

The regional alternative assumes a total supply target of 25 mgd or 28,000 ac-ft/yr based upon the projected maximum available desalinated water supply from the Rosarito project. Of the 25 mgd, Otay WD would receive 10 mgd. The remainder would go to other partnering regional and/or local agencies within the United States. Potential partners include the City of San Diego, the Water Authority, Helix Water District, Padre Dam Municipal Water District, and/or Sweetwater Authority. It is expected that supply requirements for these agencies will exceed 15 mgd and there will be a need to develop local water supply options.

The Otay WD is proceeding with negotiations among the parties to establish water supply resource acquisition terms through development of a Principles of Understanding document.

6.3.2 Otay WD Capital Improvement Program

The Otay WD plans, designs, constructs, and operates water system facilities to acquire sufficient supplies and to meet projected ultimate demands placed upon the potable and recycled water systems. In addition, the Otay WD forecasts needs and plans for water supply requirements to meet projected demands at ultimate build out. The necessary water facilities and water supply projects are implemented and constructed when development activities proceed and require service to achieve timely and adequate cost effective water service.

New water facilities that are required to accommodate the forecasted growth within the entire Otay WD service area are defined and described within the Otay WD 2002 WRMP. These facilities are incorporated into the annual Otay WD Six Year Capital Improvement Program (CIP) for implementation when required to support development activities. As major development plans are formulated and proceed through the land use jurisdictional agency approval processes, Otay WD prepares water system requirements specifically for the proposed development project consistent with the Otay WD 2002 WRMP. These requirements document, define, and describe all the potable water and recycled water system facilities to be constructed to provide an acceptable and adequate level of service to the proposed land uses, as well as the financial responsibility of the facilities required for service. The Otay WD funds the facilities identified as CIP projects. Established water meter capacity fees and user rates are collected to fund the CIP project facilities. The developer funds all other required water system facilities to provide water service to their project.

Section 7 – Conclusion: Availability of Sufficient Supplies

The Resort project is not currently located within the jurisdictions of the Otay WD, the Water Authority, and Metropolitan. The Resort project is required to annex into the jurisdictions of the Otay WD, Water Authority, and Metropolitan to be eligible to utilize imported water supply (i.e. to obtain imported water supply service).

The Water Authority and Metropolitan have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the SANDAG updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and Metropolitan update their demand forecasts and supply needs approximately every five years to coincide with preparation of their urban water management plans based on the most recent SANDAG forecast. Prior to the next forecast update, local jurisdictions may require water supply assessment and/or verification reports for proposed land developments that are not within the Otay WD, Water Authority, nor Metropolitan jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations or revised land use plans typically result in creating higher demand and supply requirements than anticipated. The Water Authority and Metropolitan next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions such as the proposed annexation of the Resort project into Otay WD, Water Authority, and Metropolitan jurisdictions. When the Resort project is annexed into the jurisdictions of the Otay WD, the Water Authority, and Metropolitan water demand and supply planning information for the Resort project will be a permanent part of and incorporated within their water resources planning processes and documents.

Metropolitan's Integrated Resources Plan identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. The 2004 IRP Update includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of implementation of the planning buffer, Metropolitan periodically evaluates supply development to ensure that the region is not under or over-developing supplies. Managed properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate supplies to meet future demands.

In Section II.4 of their 2005 Regional Urban Water Management Plan, Metropolitan states that through effective management of its water supply, they fully expect to be 100 percent reliable in meeting all non-discounted non-interruptible demands throughout the next twenty-five years. Metropolitan's 2005 RUWMP identifies potential reserve supplies in the supply capability analysis (Tables II-7, II-8, and II-9), which could be available to meet the unanticipated demands such as those of the Resort project.

The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority “as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs.”

As part of preparation of a written water supply assessment and/or verification report, an agency’s shortage contingency analysis should be considered in determining sufficiency of supply. Section 9 of the Water Authority’s 2005 UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, completed in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from Metropolitan due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

This WSA&V Report identifies and describes the processes by which water demand projections for the proposed Report project will be fully included in the water demand and supply forecasts of the Urban Water Management Plans and other water resources planning documents of the Water Authority and Metropolitan. Water supplies necessary to serve the demands of the proposed Resort project, along with existing and other projected future users, as well as the actions necessary and status to develop these supplies, have been identified in the Resort project WSA&V Report and will be included in the future water supply planning documents of the Water Authority and Metropolitan.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, water supply projects, or agreements relevant to the identified water supply needs for the proposed Resort project. The WSA&V Report demonstrates and documents that sufficient water supplies are planned for and are intended to be available over a 20-year planning horizon, under normal conditions and in single and multiple dry years to meet the projected demand of the proposed Resort project and the existing and other planned development projects to be served by the Otay WD.

Table 8 presents the forecasted balance of water demands and required supplies for the Otay WD service area under average or normal year conditions.

Table 8
Projected Balance of Water Supplies and Demands
Normal Year Conditions (acre feet)

Description	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority Supply	45,772	52,349	59,799	66,560	75,108
Recycled Water Supply	4,040	4,684	5,430	6,294	7,297
Groundwater Supply	0	0	0	0	0
Total Required Supply	49,812	57,033	65,229	72,854	82,405
Total Projected Demand	49,812	57,033	65,229	72,854	82,405
Supply Deficit	0	0	0	0	0

Table 9 presents the forecasted balance of water demands and supplies for the Otay WD service area under single dry year conditions.

Table 9
Projected Balance of Water Supplies and Demands
Single Dry Year Conditions (acre feet)

Description	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority Supply	49,259	56,341	64,365	71,660	80,876
Recycled Water Supply	4,040	4,684	5,430	6,294	7,297
Groundwater Supply	0	0	0	0	0
Total Required Supply	53,299	61,025	69,795	77,954	88,173
Total Projected Demand	53,299	61,025	69,795	77,954	88,173
Supply Deficit	0	0	0	0	0

Dry year demands assumed to generate a 7% increase in demand over normal conditions for each year in addition to new demand growth.

Table 10 presents the forecasted balance of water demands and supplies for the Otay WD service area under multiple dry year conditions for the five year period ending in 2015. Multiple dry year conditions for periods ending 2020, 2025, and 2030 are provided in the Otay WD 2005 UWMP.

Table 10
Projected Balance of Water Supplies and Demands
Multiple Dry Year Conditions (acre feet)

Description	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Water Authority Supply	50,675	52,091	53,509	54,925	56,341
Recycled Water Supply	4,169	4,298	4,426	4,555	4,684
Groundwater Supply	0	0	0	0	0
Total Required Supply	54,844	56,389	57,935	59,480	61,025
Total Projected Demand	54,844	56,389	57,935	59,480	61,025
Supply Deficit	0	0	0	0	0

Dry year demands assumed to generate a 7% increase in demand over normal conditions for each year in addition to new demand growth.

The projected potable demand and supply requirements shown the Tables 8, 9, and 10 are from the Otay WD 2005 UWMP and include those of the Resort project. Hot, dry weather may generate urban water demands that are about 7 percent greater than normal. This percentage was utilized to generate the dry year demands shown in Tables 9 and 10. The recycled water supplies are assumed to experience no reduction in a dry year.

This WSA&V Report demonstrates and verifies that sufficient water supplies are planned for and are intended to be acquired as well as the actions necessary and status to develop these supplies are documented to meet projected water demands of the Resort project and the existing and other reasonably foreseeable planned development projects within the Otay WD for a 20-year planning horizon, in normal and in single and multiple dry years.

Source Documents

County of San Diego, November 4, 2008, Otay Ranch Preserve and Resort Community SB 610 and SB 221 Compliance request letter received November 5, 2008.

County of San Diego, January 20, 2009, Otay Ranch Preserve and Resort Community SB 610 and SB 221 Compliance time extension letter.

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County of San Diego, "East Otay Mesa Specific Plan Area," adopted July 27, 1994.

Otay Water District, "2002 Water Resources Master Plan," August 2002.

MWH Americas, Inc. and Otay Water District, "Otay Water District 2005 Urban Water Management Plan," December 2005 amended July 2007.

Camp Dresser & McKee, Inc., "Otay Water District Integrated Water Resources Plan," March 2007

San Diego County Water Authority, "Urban Water Management Plan 2005 Update," November 2005 amended May 2007.

Metropolitan Water District of Southern California, "Regional Urban Water Management Plan," November 2005.

Dexter Wilson Engineering, Inc., "Overview of Water Service for Otay Ranch Village 13," December 2008.

Dexter Wilson Engineering, Inc., "Otay Ranch Village 13 Water Conservation Plan," May 2006.

Camp Dresser & McKee, Inc., "Draft Otay Water District Binational Ocean Rosarito Desalination Feasibility Study," June 2008.

PBS&J, "Draft Otay Water District North District Recycled Water System Development Project, Phase I Concept Study," December 2008.

NBS Lowry, "Middle Sweetwater River System Study Water Resources Audit," June 1991.

Michael R. Welch, "Middle Sweetwater River System Study Alternatives Evaluation," May 1993.

Michael R. Welch, "Middle Sweetwater River Basin Conjunctive Use Alternatives," September 1994.

Geoscience Support Services, Inc., "Otay Mesa Lot 7 Well Investigation," May 2001.

Boyle Engineering Corporation, "Groundwater Treatment Feasibility Study Ranch del Ray Well Site," September 1996.

Agreement for the Purchase of Treated Water from the Otay Water Treatment Plant between the City of San Diego and the Otay Water District.

Agreement between the San Diego County Water Authority and Otay Water District regarding Implementation of the East County Regional Treated Water Improvement Program.

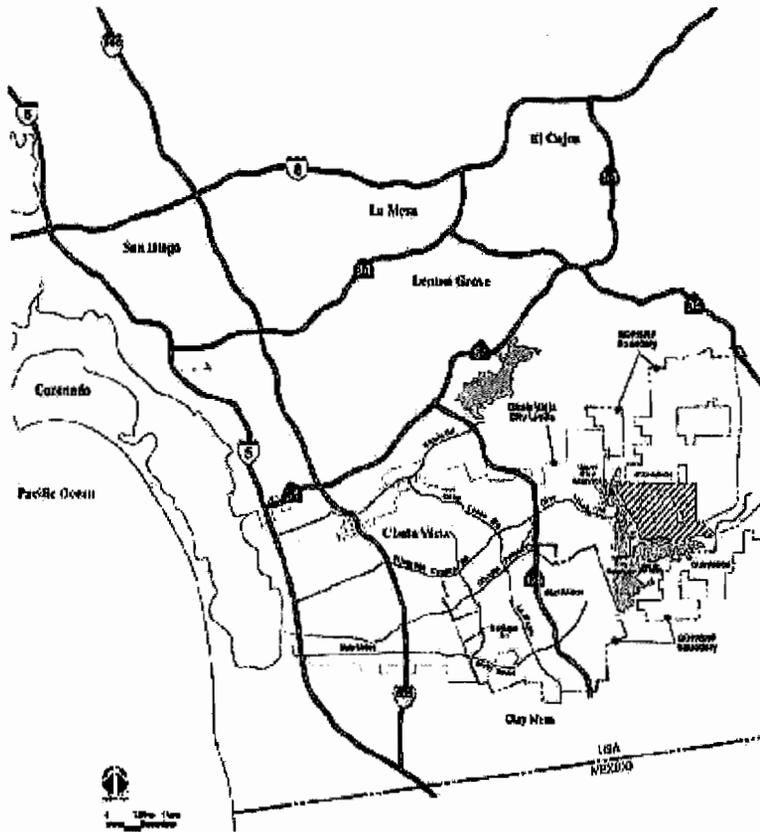
Agreement between the San Diego County Water Authority and Otay Water District for Design, Construction, Operation, and Maintenance of the Otay 14 Flow Control Facility Modification.

Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant.

Appendix A

Otay Ranch Preserve and Resort Community Regional Location and Vicinity Map

Otay Water District
Water Supply Assessment and Verification Report
Eastern Urban Center Sectional Planning Area



 The Otay Ranch
Preserve & Resort
Specific Plan Area

RECEIVED
SEP 14 2004
DEPARTMENT OF PLANNING
AND LAND USE

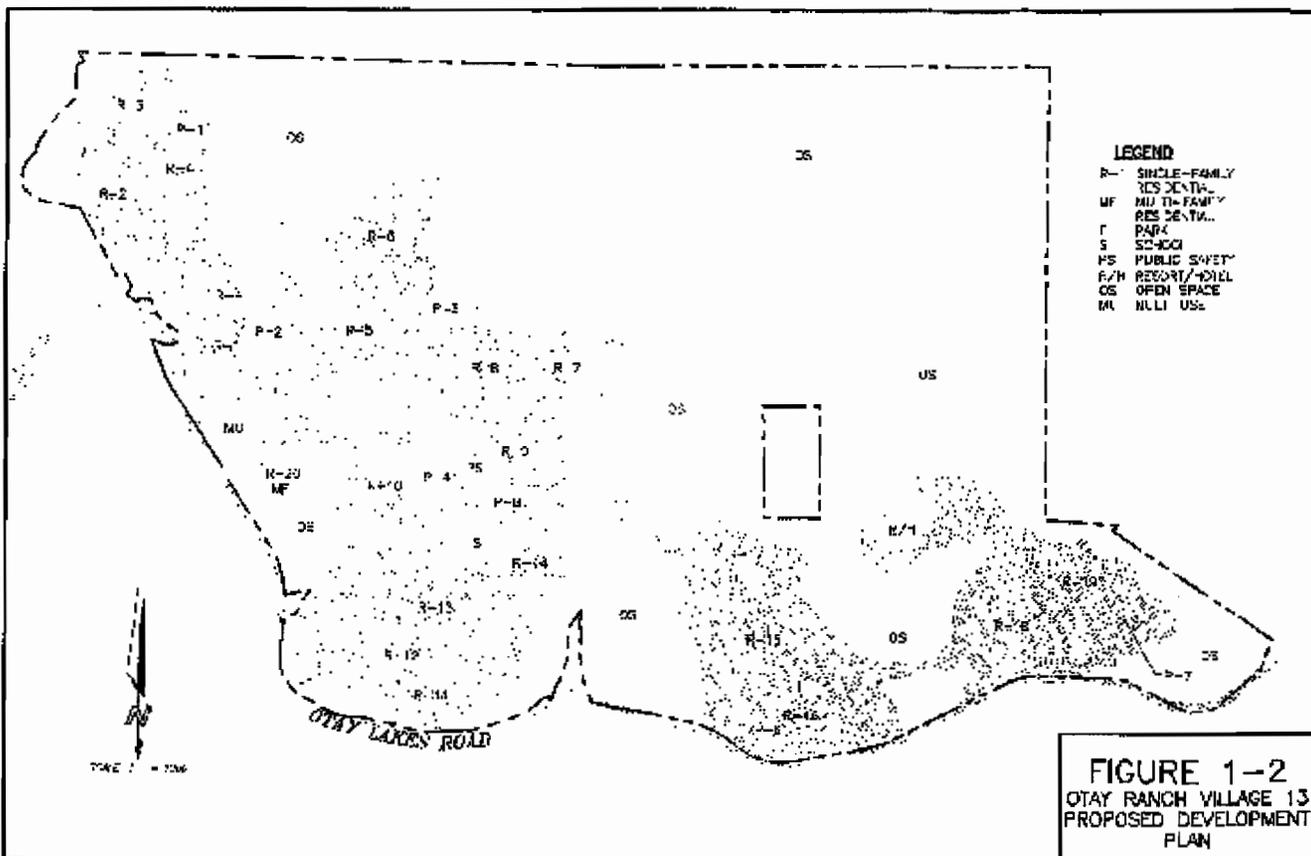
Figure 1

SP04-02; TMS361; ER LDG 04-19-005

Regional Location and Vicinity Map

Appendix B

Otay Ranch Preserve and Resort Community Proposed Development Plan





AGENDA ITEM 8a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Kelli Williamson <i>[Signature]</i> Human Resources Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez <i>[Signature]</i> , Assistant General Manager, Finance and Administration		
SUBJECT:	Approve Change in Hiring Authority for Assistant District Secretary Position		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors approve a change in hiring authority for vacant Assistant District Secretary position.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To request that the Board approve a change in hiring authority for the Assistant District Secretary position.

ANALYSIS:

The District currently has two administrative positions in the General Manager's office that are appointed by the Board of Directors: District Secretary and Assistant District Secretary.

The Assistant District Secretary position is currently vacant. The District's standard practice is to review all vacant positions prior to posting and filling them. After a review of the Assistant District Secretary position, staff is recommending holding the position of the Assistant District Secretary and filling the vacancy with a Confidential Executive Secretary. This position will not be a Board-appointed position as was the Assistant District Secretary and will continue to report and be supervised by the District Secretary. Staff believes this will ensure a clear reporting relationship for the incumbent in the position.

The District conducted a survey of other water agencies and found only one of 17 employers had more than one Board-appointed Secretary.

The District will conduct the same competitive recruitment process as conducted for other positions at the District.

FISCAL IMPACT: _____

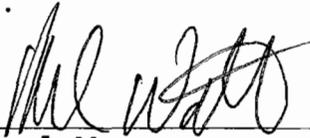
None.

STRATEGIC GOAL:

District's FY 09-11 Strategic Plan related to retaining a dedicated workforce.

LEGAL IMPACT: _____

None.



General Manager

Attachment A - Committee Action



ATTACHMENT A

SUBJECT/PROJECT:

Approve Change in Hiring Authority for Assistant District Secretary Position

COMMITTEE ACTION:

This item was reviewed by the Finance, Administration and Communications Committee at a meeting held on January 23, 2009. The following comments were made:

- The District currently has a vacancy in the Assistant District Secretary position.
- It is the District's practice to review all vacant positions prior to posting and filling the position. Staff recommended that the position be re-titled to Confidential Executive Secretary and be an appointment made by the General Manager. The position would continue to report and be supervised by the District Secretary.
- Staff surveyed other agencies and found that only one of 17 agencies had more than one Board-appointed Secretary. Staff believes that the appointment by the General Manager would ensure a clear reporting relationship for the incumbent in the position.
- Generally, the review of recruitment is not presented to the board. However, as the previous incumbent was a board appointment, staff wished to review the recruitment for this position with the board.
- The committee indicated that they supported the position being appointed by the General Manager, but would like the board to have an opportunity to approve and review the resumes of the top candidates. The committee felt that because of the confidential nature of the position the Board should at least be presented with a list of finalist being considered. The committee was very clear that the intent would not be to participate in the selection of an individual over another, merely to see who is being considered. Several options were discussed to have Board

involvement including having the candidates' resumes be presented to the board in closed session under personnel matters.

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



AGENDA ITEM 9a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Consideration to Nominate Representative to San Diego Local Agency Formation Commission (LAFCO)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors consider nominating a District Representative for a Regular District Member and an Alternate Member on the San Diego Local Agency Formation Commission (LAFCO).

PURPOSE:

To bring to the Board of Directors attention that LAFCO is requesting nominations to fill a Regular District Member seat and an Alternate Member seat on their commission (please see Attachment B).

COMMITTEE ACTION: _____

Please see Attachment A.

ANALYSIS:

LAFCO commissioners serve four-year terms and the term of the Regular District Member, currently held by Andy Menshek, will expire in May 2009. Mr. Menshek has indicated that he will not seek a new term on LAFCO. Mr. John Ingalls, currently an Alternate Member, is interested in seeking the Regular District Member seat whose term will expire in May 2013. Mr. Ingalls intends to resign from his Alternate Member seat to allow LAFCO to hold one election for both the Regular District Member and Alternate Member seats.

The Board may nominate a board member representative for the Regular Member and Alternate Member seats. LAFCO rules indicate that nominees must be a District officer, but cannot be a member of the legislative body of a city or county. The deadline for submitting nominations is February 27, 2009. Nominations must be submitted via the attached nomination form.

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

Attachment A - Committee Action

Attachment B - LAFCO Correspondence and Nomination Form



ATTACHMENT A

SUBJECT/PROJECT:	Consideration to Nominate Representatives to San Diego Local Agency Formation Commission (LAFCO)
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COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on January 26, 2009. The committee recommended nominating President Gary Croucher to the Alternate Member Seat on the San Diego Local Agency Formation Commission and presenting the item to the board as an action item.

ATTACHMENT B



1600 Pacific Highway • Room 452 • San Diego, CA 92101
(619) 531-5400 • FAX (619) 557-4190

San Diego Local Agency Formation Commission

Website: www.sdlafco.org

Chairman

Bill Horn
County Board of
Supervisors

January 16, 2009

Vice Chairman

Bud Pocklington
South Bay Irrigation District

TO: Independent Special Districts in San Diego County

Members

Dianne Jacob
County Board of
Supervisors

FROM: Executive Officer
Administrative Assistant

Donna Frye
Councilmember
City of San Diego

SUBJECT: Call for Nominations to the Local Agency Formation
Commission

Carl Hilliard
Councilmember
City of Del Mar

Nominations are being solicited for one regular district member and one alternate member on the Local Agency Formation Commission (LAFCO). **The deadline for receipt of all nominations is February 27, 2009.**

Betty Rexford
Councilmember
City of Poway

LAFCO commissioners serve four-year terms. The term of the incumbent LAFCO regular district member, Andy Menshek, will expire in May 2009. Mr. Menshek has announced that he will not seek a new term on LAFCO. John Ingalls, the incumbent alternate district member on LAFCO has announced that he will seek the regular position being vacated by Mr. Menshek. The new term of the regular district member position will expire in May 2013. Mr. Ingalls has indicated that he intends on resigning from the alternate position he now occupies upon the conclusion of the LAFCO election, so that one election can be held concurrently for both the regular and alternate positions. While not required to resign from his alternate position, the voluntary action taken by Mr. Ingall's will simplify the election process by avoiding the necessity to conduct a second election immediately following the regular district member election.

Andrew J. Menshek
Padre Dam
Municipal Water District

Andrew L. Vanderlaan
Public Member

Alternate Members

Greg Cox
County Board of
Supervisors

Brian Maienschein
Councilmember
City of San Diego

Mark Lewis
Mayor
City of El Cajon

John S. Ingalls
Santa Fe
Irrigation District

Candidates and voters should be aware that according to State Law, regular and alternate district members of LAFCO must be officers of independent special districts (members of the board of directors) who reside within San Diego County. The regular and alternate district LAFCO members may not be members of the legislative body of a city or county.

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

William D. Smith

After the LAFCO regular and special district nominations are received by February 27, 2009, a candidates forum will be held on March 26, 2009, in conjunction with a California Special Districts Association (CSDA) Dinner.

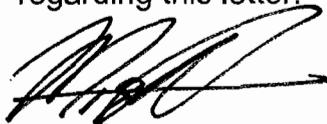
All districts are encouraged to submit nominations. **Please use the attached nomination/resume form (Attachment 2), and be sure that the form specifies whether the nomination is for the LAFCO regular or alternate district member position. Only the one-page nomination/resume form will be distributed with the official voting ballot.** The nomination form should be signed by, or with authority of, the district presiding officer. Facsimile (FAX) copies of nominations are permitted, if necessary, to meet the submission deadline, but an original form must be furnished as soon as possible thereafter. Again, **the deadline for receipt of nominations is February 27, 2009.** Please send nominations to:

Executive Officer
Local Agency Formation Commission
1600 Pacific Highway, Room 452
San Diego, CA 92101

All nominations received by the deadline will be reviewed by a nominating committee. The nominating committee's report and copies of all nomination forms submitted will be included with the ballots and voting instructions. These materials will be mailed on April 3, 2009.

As required by the Rules, please acknowledge receipt of this letter calling for nominations by completion and return of the form attached (Attachment 3).

Please call Tita Jacque Mandapat at (619) 531-5400 if you have any questions regarding this letter.



MICHAEL D. OTT
Executive Officer



TITA JACQUE MANDAPAT
Administrative Assistant

MDO:tjm

Attachments (3)

- No. 1: List of Incumbents
- No. 2: Nominations/Resume Form
- No. 3: Acknowledgement of Receipt Form

**2009 LAFCO CALL FOR NOMINATIONS
LIST OF INCUMBENTS**

Regular LAFCO Special District Member Term Expires

(VACANT) May 2013

Incumbent Alternate LAFCO Special District Member Term Expires

John Ingalls May 2011 *
Santa Fe Irrigation District

* *The term of the alternate member expires in May 2011, but the incumbent has indicated that he will seek the regular LAFCO Special District member position and resign from the alternate position upon the conclusion of the LAFCO election.*

**2009 SPECIAL DISTRICTS
NOMINATION/RESUME**

Date Received by LAFCO _____

NOMINATED BY: _____
District

NAME OF NOMINEE: _____
Address: _____
Phone: _____
E-mail: _____

NOMINATED FOR: LAFCO REGULAR MEMBER ()
 LAFCO ALTERNATE MEMBER ()

DISTRICT EXPERIENCE:

LAFCO EXPERIENCE:

ADDITIONAL INFORMATION:

(Authorized Signature)

**2009 SPECIAL DISTRICTS MAILED-BALLOT ELECTION
ACKNOWLEDGMENT OF RECEIPT FORM**

(Name of District)

has received notification of LAFCO's intention to conduct the 2009 Special Districts election by mailed ballot.

(Authorized Signature)

(Print Name)

Date: _____

Return this form to:

Executive Officer
Local Agency Formation Commission
1600 Pacific Hwy, Room 452
San Diego CA 92101



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2009 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2009 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2009 Board of Director's meeting calendars and amend the schedules as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

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

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

Attachments: Calendar of Meetings for 2009

**Board of Directors, Workshops
and Committee Meetings
2009**

Regular Board Meetings:

January 7, 2009
February 4, 2009
March 4, 2009
April 1, 2009
May 6, 2009
June 3, 2009
July 1, 2009
August 5, 2009
September 2, 2009
October 7, 2009
November 4, 2009
December 2, 2009

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

January 21, 2009
February 18, 2009
March 18, 2009
April 22, 2009
May 20, 2009
June 17, 2009
July 22, 2009
August 19, 2009
September 23, 2009
October 21, 2009
November 18, 2009
December 16, 2009

Board Workshops:

Budget Workshop, TBD
Board Retreat Workshop, TBD



AGENDA ITEM 10a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	R2089- DIV.NO. N/A 001101
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>RPosada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item Regarding the North District Recycled Water Regulatory Compliance System Development Project, Phase I Concept Study		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To provide the Otay Water District (District) Board with information regarding the North District Recycled Water Regulatory Compliance System Development Project, Phase I Concept Study (Study).

ANALYSIS:

The District is a recognized leader in the use of recycled water for irrigation and other commercial uses. This fact, combined with our primary mission to deliver a safe and reliable water supply to a water-scarce region in south San Diego County, has stimulated the District's investigation of opportunities to expand our successful recycled water program into areas that are not currently served. One of these areas is in the portion of

our service area designated as the North District, located in the Middle Sweetwater watershed basin (see Attachment B). The close proximity of the recycled water markets in the North District to the District's source of recycled water, the Ralph W. Chapman Water Reclamation Facility (RWCWRF), means that the distribution system to serve this area could be constructed relatively cost effectively. This makes the North District a logical location for the expansion of the District's recycled water system.

The purpose of the Study is to identify the feasibility of using recycled water in the North District and to investigate and assess any limitations or constraints to its use. A Request for Proposal was generated for the preparation of the Study and PBS&J was chosen as the consultant in November, 2007 to work with the District on the preparation of the North District Study. The components of the Study included the preparation of six technical memorandums including the project definition, a discussion of the regulatory process, a discussion of the protection of the watershed that would be affected by recycled water use in the North District, identification of stakeholders and public outreach, and an implementation plan.

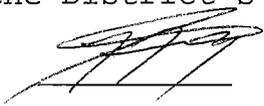
The Study identified several opportunities that would be realized with the implementation of the use of recycled water in the North District. These include a reduction of demand on the potable water system and maximizing recycled water resources which in turn minimizes treated wastewater discharges to the local ocean outfall. Other opportunities are a possible partnership with Sweetwater Authority to monitor any benefits and impacts of increased recycled water use in the watershed and stakeholder outreach to resolve any water quality concerns and to retain consumer confidence. The Study also identified two major constraints associated with the project. One constraint is the water quality objectives for the Middle Sweetwater Basin that will affect the effluent limitations for the recycled water produced at the RWCWRF. At this time, the effluent limit that is of concern is for total nitrogen since the RWCWRF plant is not meeting the current effluent limit at this time. A study has begun to examine how the treatment process might be modified to enhance nitrogen removal and an action plan is being developed. The other major constraint is the cost of the infrastructure needed to convey and store recycled water in the North District. These costs are estimated to be in the range of \$14 to \$15 million dollars.

The results of the Phase I Concept Study have been discussed with Sweetwater Authority staff and they are currently reviewing the Study. Sweetwater Authority staff plans to prepare an

informational report to share the intent of the North District Recycled Water Regulatory Compliance System Development Project, Phase I Concept Study with their Board, currently planned for February 11, 2009. The Regional Water Quality Control Board (RWQCB) and the California Department of Public Health (DPH) have also been provided with the Study for review and comment.

There are two additional phases proposed for the North District Recycled Water Regulatory Compliance System Development Project. Phase II would include further investigation of the issues identified in Phase I as requiring further study. These include stakeholder outreach, regulatory issues, and facility planning. The third phase of the Study would include the design of the plans and specifications for the improvements necessary for bringing recycled water to the North District and the associated environmental documents required, the implementation of any required monitoring and mitigation measures, and the preparation of a revised Engineering Report and application for an amendment to the District's master Reclamation Permit.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

None.

LEGAL IMPACT:

None.



General Manager

P:\WORKING\R2089\BD 02-04-09, Staff Report, Informational Item, North District Recycled Water Regulatory Compliance System Development Project, Phase I Concept Study.doc

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT: R2089-001101	Informational Item Regarding the North District Recycled Water Regulatory Compliance System Development Project, Phase I Concept Study
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 26, 2009. The following comments were made:

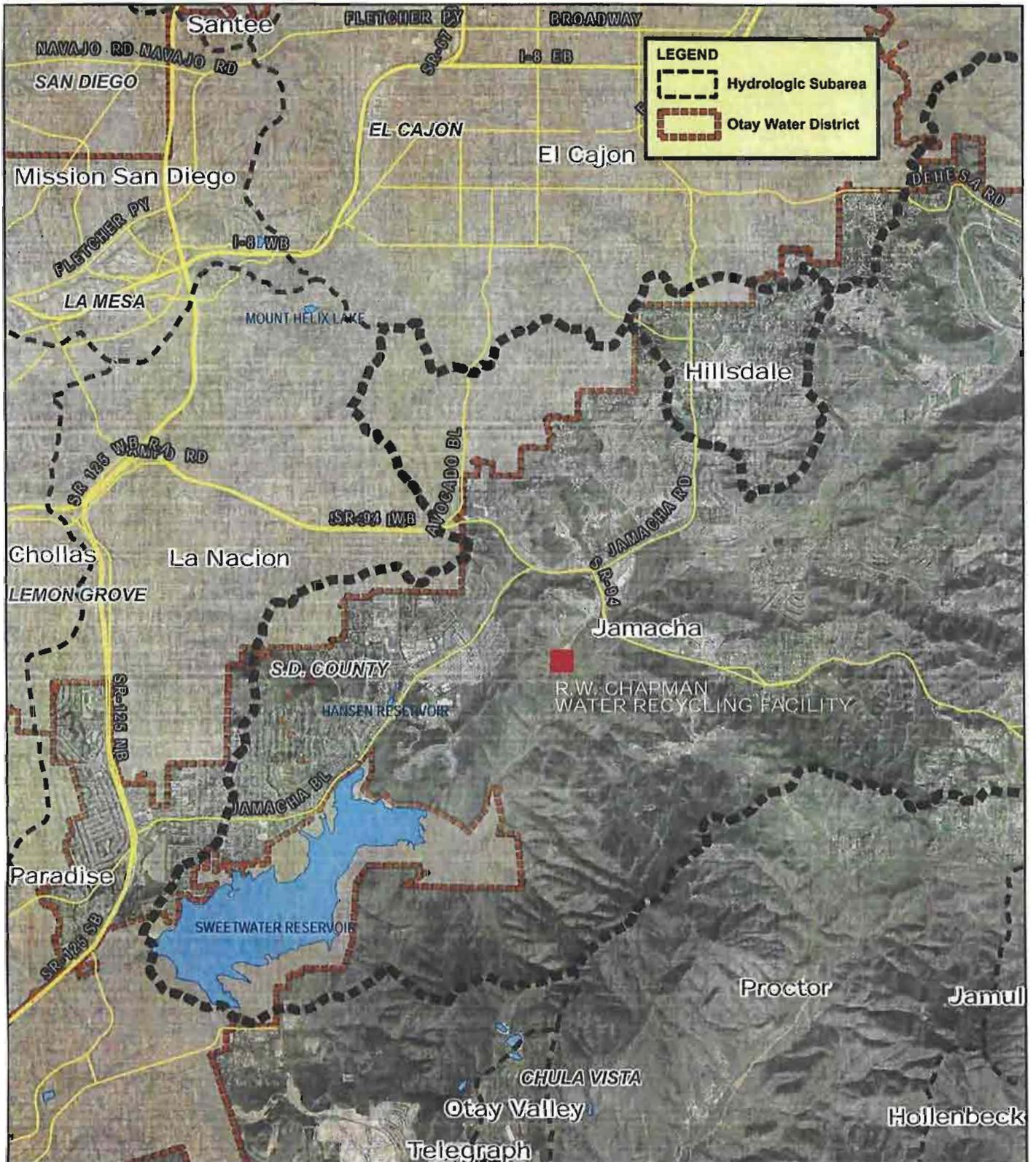
- It was indicated that the purpose of the study is to investigate the feasibility of expanding the District's recycled water program into the North District.
- As the District has a recycled water source, Ralph W. Chapman Water Reclamation Facility (RWCWRF), in close proximity to the North District, it would be cost effective to expand recycled facilities within the area.
- The District retained the services of PBS&J in November 2007 to prepare the feasibility study. The components of the study includes the preparation of six technical memorandums including the project definition/description, discussion of the regulatory process and issues, discussion of the protection of the watershed that would be affected by recycled water use in the North District, identification of stakeholders and public outreach, and an implementation plan.
- Staff has discussed the feasibility study with Sweetwater Authority and the possibility of utilizing recycled water in the Middle Sweetwater Basin. Sweetwater Authority will be presenting the Concept Study to their Board on February 11, 2009.
- Sweetwater Authority has two concerns regarding the use of recycled water in the Middle Sweetwater Basin:
 - The total nitrogen from the effluent from the RWCWRF plant is not meeting the current effluent limit at this time.
 - The TDS levels are too high.

- A study is underway to determine the cost of updating the system at the RWCWRF plant.
- District staff also shared the concept study with the Regional Water Quality Control Board and the California Department of Public Health to receive their review and feedback.
- It was discussed that there are two additional phases proposed for the North District Recycled Water Regulatory Compliance System Development Project. Phase II would include further investigation of the issues identified in Phase I as requiring further study such as stakeholder outreach, regulatory issues and facility planning. Phase III of the study would include the design of the plans and specifications for the improvements necessary for bringing recycled water to the North District and the environmental documents that will be required.
- It was indicated that Sweetwater Authority may want a referendum to receive the community's feedback on the project. It was discussed that a vote has never been done in the past and if the public is educated about the project, a vote may not be needed.
- At this time, the project looks feasible, but the study will verify the cost effectiveness of the project. It was discussed that the project is not yet included in the CIP budget as the study is not yet complete. If/When it is included in the CIP budget, funding would be provided through the Improvement/Betterment fund. The estimated cost of the project is approximately \$15 million. The project would offset approximately 1000 AF of potable water.
- It was discussed that the District would research if there would be any issues for the District to return to pumping recycled water back to the use area in future once recycled water from the RWCWRF is redirected to the North District (research if the facilities would be considered abandoned). It was discussed that the District would continue to hold the existing right-of-ways, continue to use the pumps in the use area, and would utilize the pipe once a year.
- It was noted that there would be no affect to the recycled water agreement with the City of San Diego as it is a "take or pay" agreement.

Following the discussion, the committee supported presentation to the full board as an informational item.

ATTACHMENT B

Study Area



ITEM 10a

Informational Report Regarding the North District
Recycled Water Regulatory Compliance System
Development Project, Phase I Concept Study

Please reference Attachment 2 “Study” posted to
Otay Water District website.

ITEM 10a

Informational Report Regarding the North District
Recycled Water Regulatory Compliance System
Development Project, Phase I Concept Study

Please reference Attachment 3 “PowerPoint” posted to
Otay Water District website.

AGENDA ITEM 10b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	James Peasley <i>J.P.</i> Engineering Manager	W.O./G.F. NO:	P2129 DIV. NO. n/a
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>M. Magaña</i> Assistant General Manager of Engineering and Operations		
SUBJECT:	Informational Item Regarding the Middle Sweetwater River Basin Groundwater Well Pilot Project		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To provide the Otay Water District (District) Board of Directors with information regarding the proposed Middle Sweetwater River Basin Groundwater Well Pilot Project.

ANALYSIS:

The development and/or acquisition of potential groundwater supply projects by the District have evolved and has been resurrected in response to the regional water supply issues related to climatological, environmental, legal, and other challenges that have impacted regional water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta, the current on-going western states drought, and the spiraling water pricing pressures. Local ground water

supply projects will allow for less reliance upon imported water, achieve a level of independence of the regional wholesale water agencies, and diversify the District's water supply portfolio consistent the District's March 2007 Integrated Water Resources Plan.

Also, proposed land use development projects to be served by the District, that are not currently within the jurisdictions of the San Diego County Water Authority (Water Authority) and the Metropolitan Water District of Southern California, will likely be required, as a condition of annexation, to be supplied by alternative water resources to 100% offset their projected potable water supply requirements.

As a result, and in recognition of the need to develop sufficient alternative water supplies, the District is planning to take the next step towards development of a production groundwater well within the Middle Sweetwater River Basin. The next step is the implementation of a pilot well project. The Middle Sweetwater River Basin is located within the Sweetwater River watershed and is that reach of the river from Sweetwater Reservoir to the upstream Loveland Reservoir. See Attachment B for a map of the Middle Sweetwater River Basin. It is known that the higher quality groundwater is located in the vicinity of what was once called the Singing Hills Golf Course (i.e., in the upper portion of the Middle Sweetwater River Basin).

This new additional water supply project had been thoroughly studied and documented in the 1990's in cooperation with Sweetwater Authority. The three studies are as follows:

- NBS Lowry, "Middle Sweetwater River System Study Water Resources Audit," June 1991
- Michael R. Welch, "Middle Sweetwater River System Study Alternatives Evaluation," May 1993
- Michael R. Welch, "Middle Sweetwater River Basin Conjunctive Use Alternatives," September 1994

The ultimate objective of the District is to develop a groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of potable water as a local supply.

The purpose of the Middle Sweetwater River Basin Groundwater Well Pilot project is to identify the feasibility of developing a groundwater resource production system and to determine and assess any limitations or constraints that may arise.

The Middle Sweetwater River Basin Groundwater Well Pilot Project scope of work will accomplish six primary goals as follows:

- Update project setting.
- Update applicable project alternatives analysis.
- Prepare groundwater well pilot project implementation plan.
- Construct and test pilot monitoring and extraction wells.
- Provide recommendations regarding if treatment facilities are required, projected costs, and feasibility to develop a groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of potable water.
- Prepare groundwater well production project implementation plan and scope of work.

The groundwater conjunctive use concept planned to be developed is described as the extraction of the quantity of water from the groundwater basin that was placed there by customers of the District by means of their use of imported treated water that contributed to the overall volume of groundwater within the basin. This quantity has been estimated to be on the order of 12.5% of the total consumption of the District customers within that basin, as measured by their water meters. In the 1994/1995 timeframe 810 acre-feet per year was the estimated quantity that was placed into the groundwater basin. Currently, that 12.5% quantity could be on the order of 1,000 acre-feet per year. The scope of work is planned to address this Phase I Concept while further development of the groundwater basin as an additional supply resource is appropriately considered.

Further development of the groundwater basin to enhance the total groundwater production, could be accomplished by the District by means of additional extraction (i.e., a quantity of water from the groundwater basin that is placed there by means of either injection and/or spreading basins using imported untreated water as the resource supply (Phase II)). The existing La Mesa Sweetwater Extension Pipeline, owned and operated by the Water Authority, once converted to an untreated water deliver system, could be the conveyance system to transport untreated water for this Phase II conjunctive use concept.

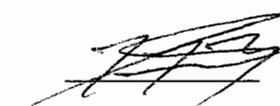
These two distinct water resource supply conjunctive use concepts are to be addressed so they may coexist and to allow for their development in separate phases.

The scope of work to complete the Middle Sweetwater River Basin Groundwater Well Pilot Project consists of many major tasks and is to address the groundwater supply concepts outlined above. The detailed scope of work and draft request for proposal has been prepared. Staff plans to return to the Board with a recommendation to award a consultant contract for the project following completion of the consultant selection process. It is anticipated that the consultant fee for the entire scope of work could cost an estimated \$2,000,000, which includes a contingency, and may take up to two years to complete. The current capital improvement program (CIP) project budget is \$2,530,000 for the Groundwater Exploration Program CIP project, which is planned to be used for the Middle Sweetwater River Basin Groundwater Well Pilot Project this fiscal year. As a part of the fiscal year 2010 budget cycle development and approval process, a CIP project, the Middle Sweetwater River Basin Groundwater Well project, will be developed for Board consideration.

The primary desired outcome of the Middle Sweetwater River Basin Groundwater Well Pilot Project is for an engineering consultant to determine and make recommendations if it is financially prudent and physically feasible to develop a Phase I groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of up to 1,500 acre-feet per year of potable water for the District. If it is deemed that a Middle Sweetwater River Basin Groundwater Well Production Project is viable than the consultant will develop and provide a groundwater well production project implementation plan and related scope of work.

The project concept and scope of work has been discussed with Sweetwater Authority staff and they have provided comments which have been incorporated into the scope of work. Sweetwater Authority staff plans to prepare an information report to share the intent of the Middle Sweetwater River Basin Groundwater Well project with their Board currently planned for February 11, 2009.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

Development of the Middle Sweetwater River Basin Groundwater Well project supports the District's Mission statement, "To

provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced" and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT: _____

None.



General Manager

P:\jpeasley\BD 02-04-09, Staff Report, Middle Sweetwater River Groundwater Development Project, (JP-RP).doc

JP/RP:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT: P2129	Informational Item Regarding the Middle Sweetwater River Basin Groundwater Well Pilot Project
----------------------------------	---

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 26, 2009. The following comments were made:

- This groundwater project was initially started in the mid-1990's and is being resurrected in response to the regional water supply issues.
- The pilot project would determine the feasibility of developing a production groundwater well within the Middle Sweetwater River Basin.
- The project would allow for less reliance on imported water and could provide between 1,000-1,500 AF of potable water.
- Sweetwater Authority staff is scheduled to present an informational report to their board on February 11, 2009 on the District's concept of developing a groundwater well within the Middle Sweetwater River Basin. A draft RFP is ready for publishing and will be held until staff hears Sweetwater Authority's board comments regarding the concept.
- It was indicated that the approximate cost of the pilot project is between \$1.5 million and \$2 million. The cost is dependent on what is discovered during the study. The cost of the study will include, but may not be limited to:
 - Drilling cost
 - Laboratory Analysis of the Water
 - Analysis of where to drill to access the water
 - CEQA compliance
 - Community Outreach

- It was discussed that the groundwater pilot study effort will incorporate groundwater well impacts in the basin including that of the Steele Canyon Golf Course. The committee requested an update on the Steele Canyon Golf Course and how its use of groundwater is affecting the District. Staff will be researching this and confirm if the Steele Canyon Golf Course has utilized any groundwater for irrigating their golf course and any revenue impacts as part of the study.

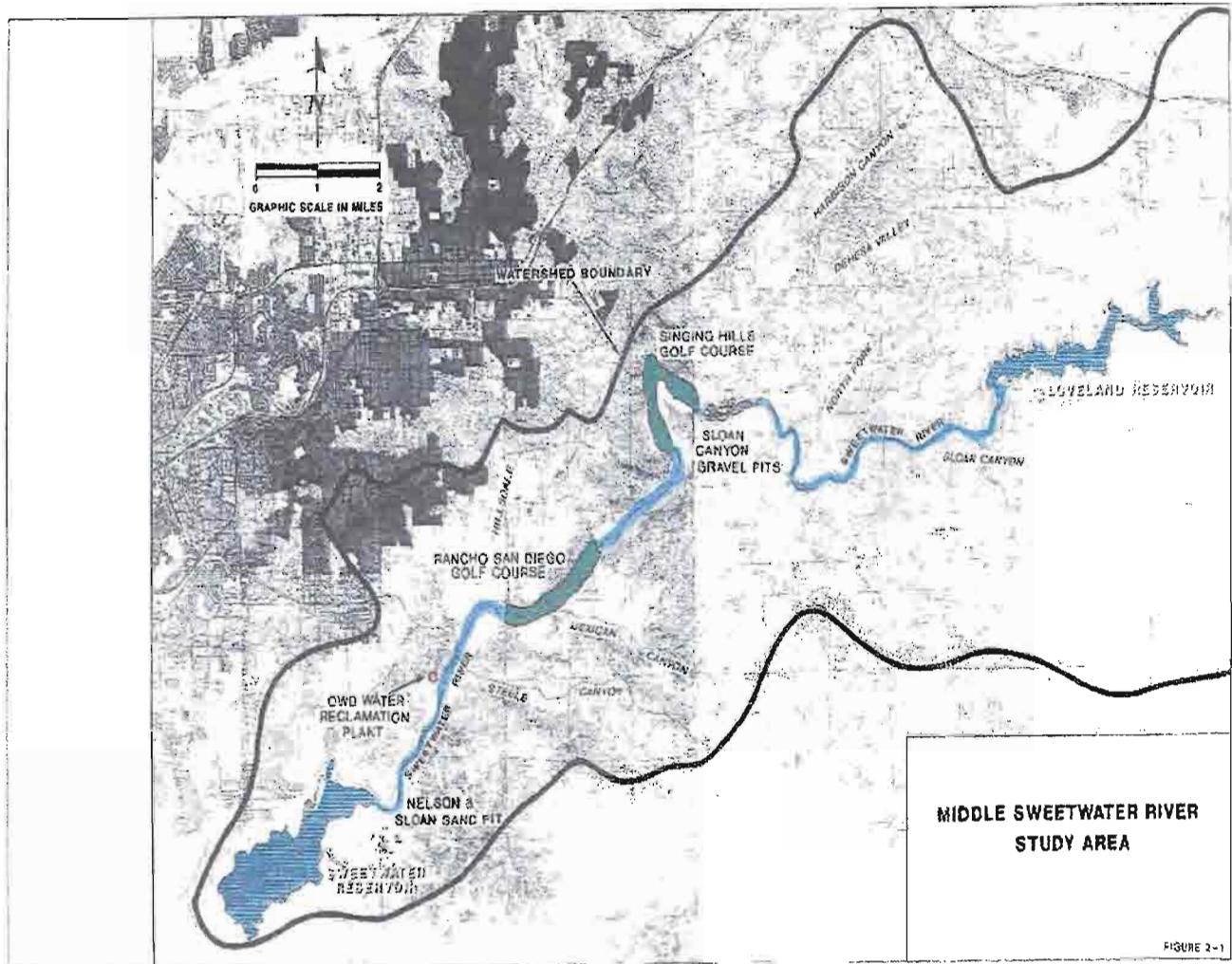
- It was indicated that this was only an informational report to update the board on the status of the project and staff will bring to the board a recommendation to award a contract to a consultant for the pilot study.

The committee supported staffs' recommendation and presentation to the full board as informational item.



ATTACHMENT B

Middle Sweetwater River Basin Map



AGENDA ITEM 11



STAFF REPORT

TYPE	Regular Board Meeting	MEETING	February 4, 2009		
MEETING:		DATE:			
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F.	N/A	DIV.	N/A
		NO:		NO.	
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

FLAGSHIP PROJECTS:

Update on the design of the **36-Inch Potable Water Pipeline from FCF #14 to Regulatory Site** (CIP P2009) for the month of December 2008:

- Lee & Ro submitted the 100% design plans to the District for review.
- Staff worked on a letter agreement with the San Diego County Water Authority to allow the District to make a temporary reconnection from Flow Control Facility #14 (FCF) to the La Mesa Sweetwater Extension (LMSE) to maintain service until the 36-inch pipeline is connected. This letter agreement was signed by the General Manager in December.
- The District is working with Caltrans to obtain final approval on permit. Some delay has been experienced due to Caltrans' concerns regarding the project. Submittals and communication by District staff and Lee & Ro have given Caltrans a better understanding of the project. After Caltrans' concerns are met, the project will be advertised for bids.

ADMINISTRATIVE SERVICES, INFORMATION TECHNOLOGY AND FINANCE:

Administrative Services:

Human Resources:

- The District held its annual Employee Recognition Luncheon on January 21, 2009, at the Cottonwood Golf Club.
- The District kicked off the 2009 year with the second year of our Wellness Program. The year began with an 8-week challenge for employees who want to lose either weight or body fat. Employees can work individually or with a partner. Approximately 50 employees are participating. The program consists of four different lunch sessions covering topics such as diet, exercise, supplements and cleaning, relaxation, stress management and sleep.
- Human Resources held our kick-off meeting on January 22, 2009, to implement an on-line application process. The District contracted to work with NeoGov, which is used by several public sector employers including the City of Poway and San Diego County Water Authority.
- New Hires - There was one new hire in the month of January: Water Conservation Specialist.

Purchasing:

- Work continues in review and retrofit of landscaping and irrigation systems at District facilities. The goal is to make sure the District is setting an example in conserving water at District facilities.
- There were 99 purchase orders processed in January 2009 for a total amount of \$221,261.44.

Water Conservation:

- The District hosted and presented at the Water Conservation a workshop for Homeowners Associations from 9:00 a.m. to 12:00 p.m. on January 16th. The workshop was well received and over 30 people attended. We are working with CWA staff to plan future workshops and distribute HOA specific conservation materials.

- School Education Program - To date, 16 tours have been conducted and four more are scheduled. Letters were sent out in mid-January to promote the tours again and other District school education programs, including the District's CSDA Scholarship.
- District staff attended the AWWA Water Conservation workshop held in Portland in late January and actively participated in the committee meetings within the Water Conservation Division.
- Water use is down approximately 6 percent for the first six months of FY 09 compared to the same period in FY 08. The District is currently using this number as an indication as to how well it is doing on the 10 percent voluntary 20 Gallon Challenge target. By early February, the District expects to receive its baseline data from the Water Authority and will thereafter begin comparing monthly water use to its Water Authority determined baseline. The baseline will be a percentage of the District's total demand from the Water Authority, using FY 05, 06, and 07 water use, water conservation, recycled water demand, and new meter sales data. The District expects to be much closer to the savings target once it is able to compare itself to the baseline, since it will get credit for investments in water conservation and recycling as well as meter sales.

Information Technology and Strategic Planning:

- IT completed the rate change process implementing nearly 250,000 changes in the billing system to accommodate the significantly revised customer billing rates. This process also included rate and bill simplification efforts - like reducing the number of pressure zones we use. As part of this process, IT has developed a prototype for a new INET design called SharePoint - which will allow us to improve our automated business processes. For example - billing processes have been streamlined and automated in the new interface. The next area of emphasis for new process improvements will likely be the meter reading and meter change-out processes including the improvement of the meter tag and lock-out process.
- IT is testing a new field laptop to replace the District's tablet computers, which are at the end of useful life.

- IT assisted in the completion of the Treatment Plant Automation Study. The study identified many improvements in efficiency that could be realized at the treatment plant.
- IT is in the final phase of releasing the IMS (Infrastructure Management System) for Survey and Inspection in the Engineering Department.
- Wireless Infrastructure - IT has finalized agreements to begin implementing wireless connectivity to the treatment plant. We are also exploring economical options for Cox Communications to provide bandwidth to remote District facilities.

Finance:

- 2010 Budget - As staff gears up for the 2010 budget build, news on most fronts is negative. The drought concerns are worsening, the negative economic outlook extends further, and the rate challenges are more serious. On the other hand, a positive force that continues to bolster the District is the fiscal discipline and planning that has been employed here for many years. The District's Board and Management continue on a fiscally strategic course that will help us manage through this serious economic downturn. As the budget process proceeds, staff will keep the Board apprised of the unique challenges facing the District in the coming year.
- Red Flag Rules - The Federal Trade Commission has set down new requirements to protect against identity theft. Staff is looking into what procedural changes, if any, need to be implemented to comply with these new requirements.
- Auditor Selection - Staff has issued RFP's for audit services and proposals are beginning to come in. Staff will be reviewing these and preparing a recommendation to the Finance, Administration and Communications Committee in February and to the Board in March.

The financial reporting for December 31, 2008 is as follows:

- For the six months ended December 31, 2008, there are total revenues of \$33,186,937 and total expenses of \$32,008,276. The revenues exceeded expenses by \$1,178,661.

The financial reporting for investments for December 31, 2008 is as follows:

- The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of December 31, 2008 total \$81,108,947.03 with an average yield to maturity of 2.970%. The total earnings year-to-date are \$1,366,388.70.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **850-4 Reservoir** - RSH completed the installation of underground water and storm drain piping. RSH started the construction of the ring wall. The reservoir is for increased capacity in the 850 Pressure Zone, as required by the 2002 Water Resource Master Plan. This project is expected to be completed in May 2009. Project is on schedule and on budget. (P2191)
- **20-Inch Recycled Pipeline Conversion** - ARB, Inc. (ARB) continues with the conversion of a 20-inch potable pipeline to a recycled pipeline in Chula Vista within the District's use area. Project is 93% complete. This project is expected to be completed in February 2009. This project is on schedule and on budget. (R2081)
- **Calavo Sewer Lift Station** - NEWest Construction continues with the replacement of the Calavo Sewer Lift Station. The project is 95% complete. A total of sixty (60) calendar days have been added to this project due to SDG&E's delay to relocate an existing conflicting electrical line. This project is expected to be complete by January 31, 2009. This project is currently within budget. (S2015)
- **RWCWRF Forcemain/Air Vac and Road Improvement Project** - Arrieta Construction has completed the access road improvements and is currently replacing the air/vacs and section valves of the RWCWRF forcemain. The project is

expected to be complete by February 15, 2009. The project is on schedule and on budget. (R2086)

- For the month of December 2008, the District sold 13 meters (74.5 EDUs) generating \$353,307 in revenue. Accumulated revenue through December 31, 2008 was \$1,194,507 for 249.0 EDUs and 72 meters. Projection for this period was 168 meters (259.7 EDUs) with a budgeted revenue of \$1,420,300. Projected revenue from July 1, 2008 through June 30, 2009 is \$2,840,600.
- Approximately 87 linear feet of both CIP and developer project pipeline was installed in December 2008. The Construction Division performed quality control for these pipelines.
- The following table summarizes Engineering's Project purchases and change orders issued during the period of December 1, 2008 thru December 31, 2008 that were within Staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
12/2/08	Check Request	\$9,400	San Diego County Water Authority	Deposit for FCF 14 Work (P2009)
12/4/08	P.O. 709625	\$5,000	J C Heden and Associated, Inc.	Engineering Construction Services for Pump Station 1485-1 Replacement (P2172)
12/9/08	Check Request	\$7,500	Keagy Real Estate	Appraisal Reports (P2009)
12/11/08	P.O. 709686	\$7,870	Moreno Arial Photo	Arial Photo Survey (R2087 and R2077)
12/19/08	C.O. #1	\$9,990	PBS&J	WRMP as Needed Support (P1210)
12/19/08	P.O. 709711	\$5,000	Michael R. Welch	Engineering consulting services for the proposed Groundwater Well Pilot Project (P2129)

Water Operations:

- On December 2, 2008 the District resumed deliveries to Mexico with a volume for the month of 651.4 acre-feet (7.3 MGD for 29 days). The connection was closed on December 31 after the requested flow was met. In addition, all agencies have reviewed Mexico's delivery request schedule for 2009 and Mexico is in the process of depositing the required deposit amounts with the United States.
- On December 23, 2008, staff had a very successful re-inspection from San Miguel Fire Department. All the minor items noted during the previous visit have been formally closed-out.
- Potable water purchased (excluding flows to Mexico) for the month of December 2008 was 1,866.1 acre-feet. To date for FY 09, there has been 20,158.7 acre-feet of water purchased. This is a 5.5 percent decrease from the same period last year.
- In the month of December 2008, there were 5 new Automated Meter Reading (AMR) meters installed and 1,624 meters were retrofitted to AMR meters. Five AMR meters were pulled and the accounts closed.
- As of January 5, 2009, there was a total of 21,708 3-G Master Meter radio-read units installed.
- Total number of potable water accounts is 47,926; this is a decrease of four non-AMR accounts from last month, December 2008.
- Recycled water consumption for the month of December 2008 is as follows:

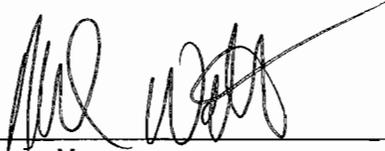
Total flow was 201 acre-feet or 65,526,296 gallons and the average daily flow was 2,113,751 gallons per day.

Total number of recycled water accounts is 626; there is no change in this number from last month, November 2008.

Total recycled water consumption to date for FY 09 is 2975.8 acre-feet.

- Wastewater flows for the month of December 2008 were as follows:
 - Total basin flow, gallons per day: 2,129,000.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 707,000.
 - Total Otay flow, gallons per day: 1,422,000.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 829,000.
 - Flow to Metro from Otay Water District, gallons per day: 593,000.

There were no new wastewater connections for the month of December 2008. The total stands at 6,070 EDU's.



General Manager

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AGENDA ITEM 11

Exhibit A

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR SIX MONTHS ENDED DECEMBER 31, 2008

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	\$ 32,836,500	\$ 16,672,811	\$ 17,601,400	\$ (928,589)	(5.3%)
Energy Charges	2,047,100	1,099,925	1,105,400	(5,475)	(0.5%)
System Charges	10,619,400	5,014,694	5,011,500	3,194	0.1%
Penalties	906,900	339,896	453,500	(113,604)	(25.1%)
MWD & CWA Fixed Charges	2,819,500	1,312,287	1,308,400	3,887	0.3%
Total Water Sales	49,229,400	24,439,615	25,480,200	(1,040,585)	(4.1%)
Reclamation Sales	6,344,500	3,566,438	3,530,800	35,638	1.0%
Sewer Charges	2,145,300	1,094,694	1,093,900	794	0.1%
Meter Fees	103,800	40,263	51,900	(11,637)	(22.4%)
Capacity Fee Revenues	1,301,900	732,403	651,000	81,403	12.5%
Betterment Fees for Maintenance	895,900	350,100	448,000	(97,900)	(21.9%)
Annexation Fees	483,600	69,493	241,800	(172,307)	(71.3%)
Non-Operating Revenues	1,633,100	1,058,973	778,800	280,173	36.0%
Tax Revenues	4,137,300	1,566,489	1,554,900	11,589	0.7%
Interest	667,800	208,368	210,000	(1,632)	(0.8%)
General Fund Draw Down	120,100	60,100	60,100	-	0.0%
Total Revenue	\$ 67,062,700	\$ 33,186,937	\$ 34,101,400	\$ (914,463)	(2.7%)
EXPENSES:					
Potable Water Purchases	\$ 25,183,600	\$ 12,341,830	\$ 13,475,800	\$ 1,133,970	8.4%
Recycled Water Purchases	1,490,800	721,658	925,179	203,521	22.0%
CWA-Infrastructure Access Charge	1,227,500	574,668	574,800	132	0.0%
CWA-Customer Service Charge	1,049,800	509,104	509,400	296	0.1%
CWA-Emergency Storage Charge	1,774,700	868,248	868,200	(48)	(0.0%)
MWD-Capacity Res Charge	602,800	297,864	297,600	(264)	(0.1%)
MWD-Readiness to Serve Charge	665,100	332,544	332,400	(144)	(0.0%)
Subtotal Water Purchases	31,994,300	15,645,916	16,983,379	1,337,463	7.9%
Power Charges	2,780,500	1,549,160	1,557,600	8,440	0.5%
Payroll & Related Costs	17,185,400	8,131,248	8,432,330	301,082	3.6%
Material & Maintenance	3,872,800	1,730,052	1,865,400	135,348	7.3%
Administrative Expenses	5,467,600	2,143,666	2,375,400	231,734	9.8%
Legal Fees	467,500	160,834	233,750	72,916	31.2%
Expansion Reserve	5,016,700	2,508,400	2,508,400	-	0.0%
Replacement Reserve	277,900	139,000	139,000	-	0.0%
Total Expenses	\$ 67,062,700	\$ 32,008,276	\$ 34,095,259	\$ 2,086,983	6.1%
Excess Revenue (Expense)	\$ -	\$ 1,178,661	\$ 6,141	\$ 1,172,520	

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
DECEMBER 31, 2008**

INVESTMENT OVERVIEW & MARKET STATUS:

On December 16th, at the Federal Reserve Board's regular scheduled meeting, the federal funds rate was lowered from 1.00% to "a target range of between Zero and 0.25%" in response to the nation's ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. They went on to say: "The Committee anticipates that weak economic conditions are likely to warrant exceptionally low levels of the federal funds rate for some time." This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. Despite the large drop in available interest rates, the District's overall effective rate of return on at December 31st was 3.08%. At the same time the LAIF return on deposits has also dropped over the last several months, reaching an average effective yield of 2.35% for the month of November. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy are being considered at this time.

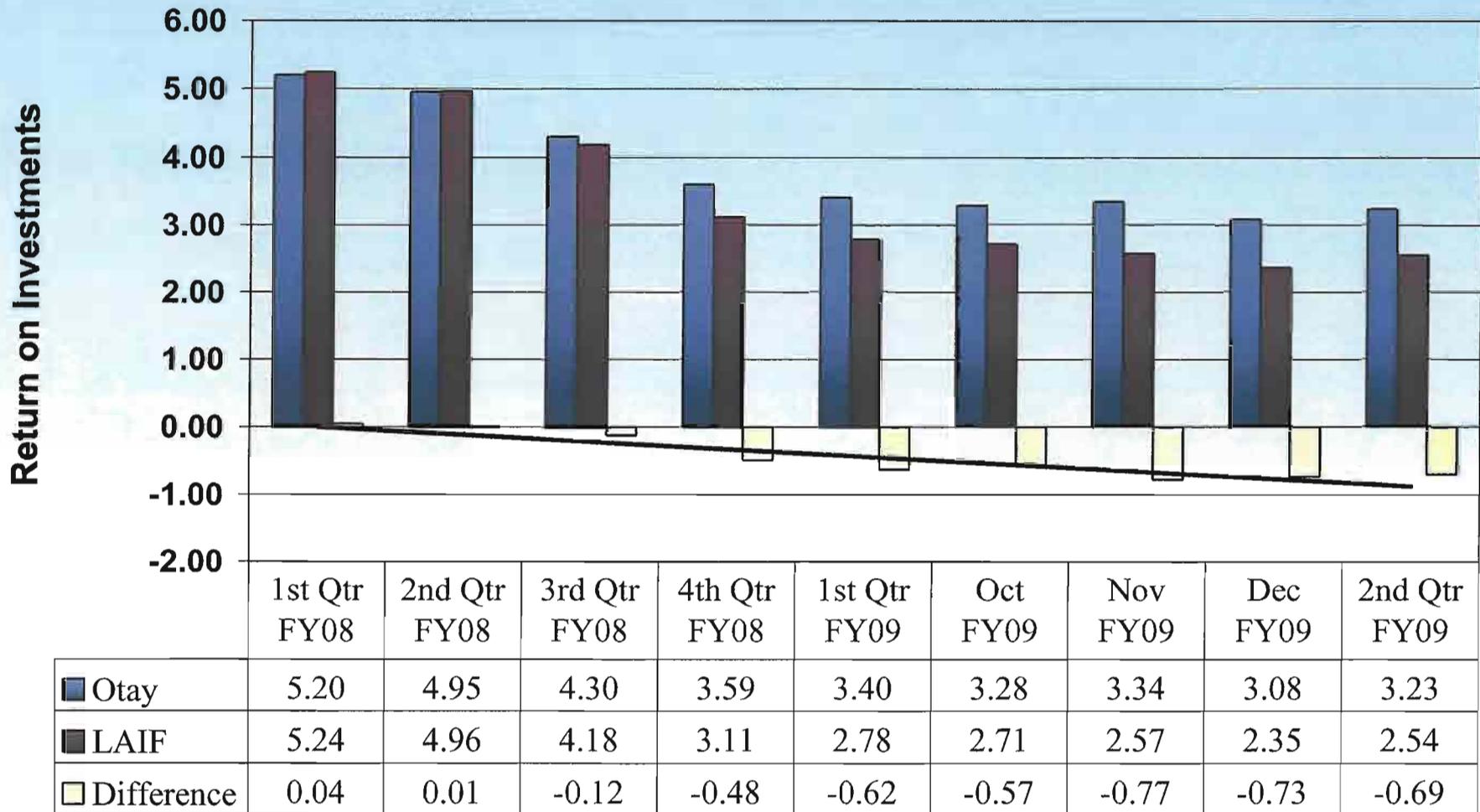
In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: December 31, 2008

	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	\$40 Million	\$40 Million	\$18.95 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	1.81%
8.03:	Federal Agency Issues	100%	100%	57.07%
8.04:	Certificates of Deposit	30%	15%	1.34%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	2.48%
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	12.88%
12.0:	Maximum Single Financial Institution	100%	50%	0.91%

Performance Measure F-12 Return on Investment

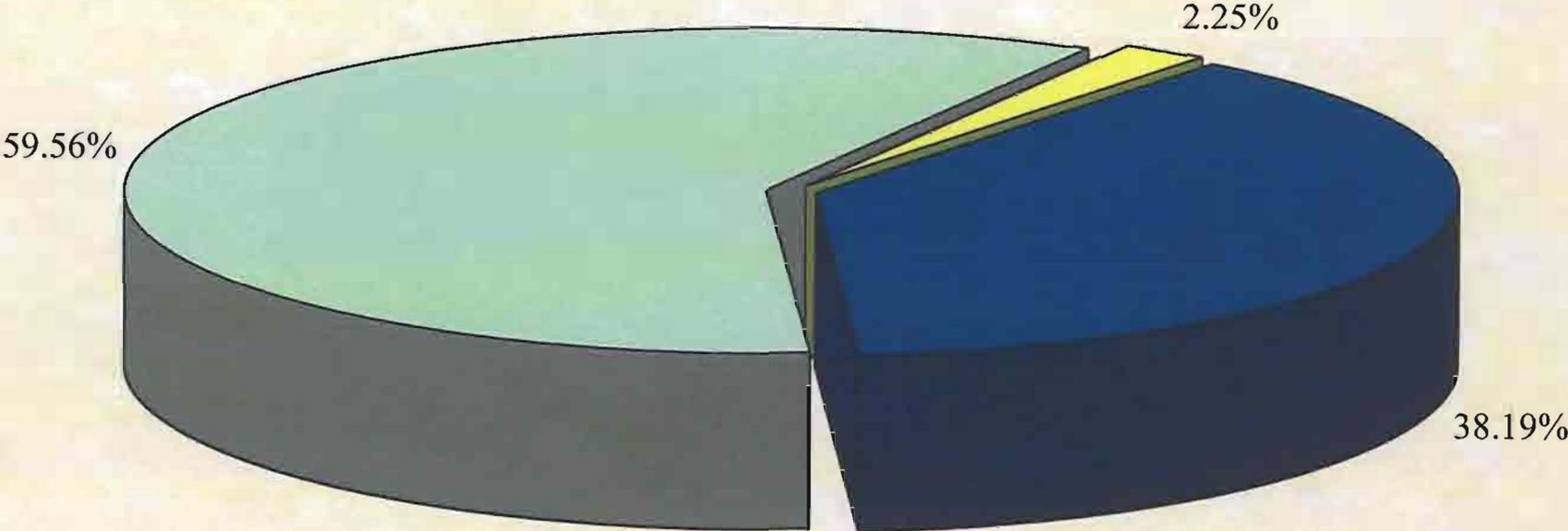
Target: Meet or Exceed 100% of LAIF



Month

■ Otay ■ LAIF □ Difference — Linear (Difference)

Otay Water District Investment Portfolio: 12/31/08



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies & Corporate Notes

**OTAY
Portfolio Management
Portfolio Summary
December 31, 2008**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Corporate Notes	2,000,000.00	2,032,620.00	2,021,260.82	2.53	1,111	699	4.340	4.401
Federal Agency Issues- Callable	46,000,000.00	46,300,610.00	45,998,672.86	57.58	837	601	3.323	3.369
Certificates of Deposit - Bank	1,079,108.00	1,079,108.00	1,079,108.00	1.35	391	346	3.152	3.196
Local Agency Investment Fund (LAIF)	20,408,901.82	20,470,402.23	20,408,901.82	25.55	1	1	2.321	2.353
San Diego County Pool	10,380,824.62	10,489,859.28	10,380,824.62	12.99	1	1	2.392	2.425
	79,868,834.44	80,372,599.51	79,888,768.12	100.00%	515	369	2.970	3.011
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	736,347.52	736,347.52	736,347.52		1	1	0.269	0.273
Total Cash and Investments	80,605,181.96	81,108,947.03	80,625,115.64		515	369	2.970	3.011

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	208,784.94	1,366,388.70
Average Daily Balance	79,916,842.58	81,882,805.99
Effective Rate of Return	3.08%	3.31%

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.


 _____ 1-27-09
 Joseph Beachem, Chief Financial Officer

OTAY
Portfolio Management
Portfolio Details - Investments
December 31, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Corporate Notes												
36962G2S2	2044	General Electric Capital		11/16/2007	2,000,000.00	2,032,620.00	2,021,260.82	5.000	Aaa	4.340	699	12/01/2010
Subtotal and Average			2,021,693.19		2,000,000.00	2,032,620.00	2,021,260.82			4.340	699	
Federal Agency Issues- Callable												
31398AMX7	2064	FANNIE MAE		02/22/2008	2,000,000.00	2,005,620.00	2,000,000.00	3.000		2.959	414	02/19/2010
31331YB74	2073	Federal Farm Credit Bank		04/07/2008	2,000,000.00	2,012,500.00	2,000,000.00	3.180		3.136	826	04/07/2011
3133XPDR2	2062	Federal Home Loan Bank		01/30/2008	2,000,000.00	2,003,760.00	2,000,000.00	3.060		3.018	393	01/29/2010
3133XPDS0	2063	Federal Home Loan Bank		01/30/2008	2,000,000.00	2,004,380.00	2,000,000.00	3.250		3.205	575	07/30/2010
3133XPWL4	2065	Federal Home Loan Bank		02/26/2008	2,000,000.00	2,007,500.00	2,000,000.00	3.000		2.959	421	02/26/2010
3133XPX90	2067	Federal Home Loan Bank		03/05/2008	2,000,000.00	2,008,760.00	2,000,000.00	3.020		2.979	428	03/05/2010
3133XQF23	2071	Federal Home Loan Bank		03/25/2008	2,000,000.00	2,011,260.00	2,000,000.00	3.250		3.205	813	03/25/2011
3133XQJ78	2072	Federal Home Loan Bank		04/14/2008	2,000,000.00	2,013,760.00	2,000,000.00	3.150		3.107	833	04/14/2011
3133XQMC3	2074	Federal Home Loan Bank		04/14/2008	2,000,000.00	2,012,500.00	2,000,000.00	2.900		2.860	651	10/14/2010
3133XQUX8	2075	Federal Home Loan Bank		04/29/2008	2,000,000.00	2,015,620.00	2,000,000.00	3.100		3.058	666	10/29/2010
3133XRNM8	2083	Federal Home Loan Bank		06/30/2008	2,000,000.00	2,015,000.00	2,000,000.00	3.650		3.598	453	03/30/2010
3133XS6Q6	2086	Federal Home Loan Bank		10/01/2008	2,000,000.00	2,014,380.00	2,000,000.00	3.500		3.452	638	10/01/2010
3133XSDG0	2087	Federal Home Loan Bank		10/02/2008	2,000,000.00	2,004,375.00	2,000,000.00	3.650		3.600	274	10/02/2009
3133XSCC0	2088	Federal Home Loan Bank		10/14/2008	2,000,000.00	2,017,500.00	2,000,000.00	4.000		3.945	1,016	10/14/2011
3133XSFC7	2089	Federal Home Loan Bank		10/02/2008	2,000,000.00	2,016,875.00	2,000,000.00	3.400		3.353	91	04/02/2009
3128X7TT1	2079	Federal Home Loan Mortgage		06/02/2008	2,000,000.00	2,023,040.00	2,000,000.00	3.625		3.575	882	06/02/2011
31398AKS0	2060	Federal National Mortgage Assoc		01/07/2008	2,000,000.00	2,001,260.00	2,000,000.00	4.500		4.438	736	01/07/2011
31398ANH1	2069	Federal National Mortgage Assoc		03/10/2008	2,000,000.00	2,006,880.00	2,000,000.00	3.250		3.205	785	02/25/2011
3136F9LP6	2076	Federal National Mortgage Assoc		04/28/2008	2,000,000.00	2,013,760.00	1,999,403.75	3.000		2.989	482	04/28/2010
3136F9NB5	2077	Federal National Mortgage Assoc		05/12/2008	2,000,000.00	2,015,620.00	2,000,000.00	3.100		3.058	496	05/12/2010
31398ARD6	2078	Federal National Mortgage Assoc		05/19/2008	2,000,000.00	2,021,880.00	1,999,269.11	3.600		3.570	868	05/19/2011
3136F9SA2	2080	Federal National Mortgage Assoc		06/10/2008	2,000,000.00	2,021,880.00	2,000,000.00	3.265		3.220	525	06/10/2010
3136F9VW1	2085	Federal National Mortgage Assoc		07/02/2008	2,000,000.00	2,032,500.00	2,000,000.00	4.000		3.945	547	07/02/2010
Subtotal and Average			52,947,030.46		46,000,000.00	46,300,610.00	45,998,672.86			3.323	601	
Certificates of Deposit - Bank												
205003183	2066	California Bank & Trust		01/22/2008	79,108.00	79,108.00	79,108.00	3.180		3.180	386	01/22/2010
1005581024	2090	Neighborhood National Bank		12/11/2008	1,000,000.00	1,000,000.00	1,000,000.00	3.150		3.150	343	12/10/2009
Subtotal and Average			1,143,624.13		1,079,108.00	1,079,108.00	1,079,108.00			3.152	346	

Portfolio OTAY

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PM (PRF_PM2) SymRept 6.41.200

OTAY
Portfolio Management
Portfolio Details - Investments
December 31, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	18,948,024.56	19,005,122.75	18,948,024.56	2.353		2.321	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	1,460,877.26	1,465,279.48	1,460,877.26	2.353		2.321	1	
Subtotal and Average			11,357,288.92		20,408,901.82	20,470,402.23	20,408,901.82			2.321	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	10,380,824.62	10,489,859.28	10,380,824.62	2.425		2.392	1	
Subtotal and Average			10,380,824.62		10,380,824.62	10,489,859.28	10,380,824.62			2.392	1	
Total and Average			79,916,842.58		79,868,834.44	80,372,599.51	79,888,768.12			2.970	369	

OTAY
Portfolio Management
Portfolio Details - Cash
December 31, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,099.38	10,099.38	10,099.38	0.150		0.148	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	700,559.41	700,559.41	700,559.41	0.285		0.281	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	22,888.73	22,888.73	22,888.73			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	0.00	0.00	0.00	4.500		4.438	1
		Average Balance	0.00								1
Total Cash and Investments			79,916,842.58		80,605,181.96	81,108,947.03	80,625,115.64			2.970	369

**OTAY
Activity Report
Sorted By Issuer
July 1, 2008 - December 31, 2008**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.150		36,720,720.12	36,720,637.67	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.285		2,201,802.40	3,043,651.02	
PAYROLL	9005	STATE OF CALIFORNIA					600.00	2,088.53	
Subtotal and Balance				1,579,602.22			38,923,122.52	39,766,377.22	736,347.52
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			2.353		37,359,542.77	29,200,000.00	
LAIF COPS07	9009	STATE OF CALIFORNIA			2.353		21,222.48	0.00	
Subtotal and Balance				12,228,136.57			37,380,765.25	29,200,000.00	20,408,901.82
Issuer Subtotal				26.233%	13,807,738.79		76,303,887.77	68,966,377.22	21,145,249.34
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				79,108.00					79,108.00
Issuer Subtotal				0.098%	79,108.00		0.00	0.00	79,108.00
Issuer: FANNIE MAE									
Federal Agency Issues- Callable									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal				2.481%	2,000,000.00		0.00	0.00	2,000,000.00
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
Subtotal and Balance				2,000,000.00					2,000,000.00

OTAY
Activity Report
July 1, 2008 - December 31, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer Subtotal			2.481%	2,000,000.00			0.00	0.00	2,000,000.00	
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133XLTL7	2037	Federal Home Loan Bank			5.550	07/30/2008	0.00	3,000,000.00		
3133XMX71	2042	Federal Home Loan Bank			4.500	08/14/2008	0.00	2,000,000.00		
3133XN6X2	2045	Federal Home Loan Bank			4.500	08/20/2008	0.00	2,000,000.00		
3133XNP52	2057	Federal Home Loan Bank			4.375	09/17/2008	0.00	2,000,000.00		
3133XNS42	2058	Federal Home Loan Bank			4.250	12/18/2008	0.00	2,000,000.00		
3133XNPR4	2059	Federal Home Loan Bank			4.350	12/24/2008	0.00	1,800,000.00		
3133XPZN7	2068	Federal Home Loan Bank			3.350	09/03/2008	0.00	1,905,000.00		
3133XQC91	2070	Federal Home Loan Bank			3.125	12/17/2008	0.00	2,000,000.00		
3133XRK74	2084	Federal Home Loan Bank			3.500	12/30/2008	0.00	2,000,000.00		
3133XS6Q6	2086	Federal Home Loan Bank			3.500	10/01/2008	2,000,000.00	0.00		
3133XSDG0	2087	Federal Home Loan Bank			3.650	10/02/2008	2,000,000.00	0.00		
3133XSCC0	2088	Federal Home Loan Bank			4.000	10/14/2008	2,000,000.00	0.00		
3133XSFC7	2089	Federal Home Loan Bank			3.400	10/02/2008	2,000,000.00	0.00		
Subtotal and Balance					36,705,000.00		8,000,000.00	18,705,000.00		26,000,000.00
Issuer Subtotal			32.256%		36,705,000.00		8,000,000.00	18,705,000.00		26,000,000.00
Issuer: Federal Home Loan Mortgage										
Federal Agency Issues- Callable										
3128X7YG3	2082	Federal Home Loan Mortgage			4.750	12/26/2008	0.00	2,000,000.00		
Subtotal and Balance					4,000,000.00		0.00	2,000,000.00		2,000,000.00
Issuer Subtotal			2.481%		4,000,000.00		0.00	2,000,000.00		2,000,000.00
Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
3136F9TS2	2081	Federal National Mortgage Assoc			3.500	09/25/2008	0.00	2,000,000.00		
3136F9WV1	2085	Federal National Mortgage Assoc			4.000	07/02/2008	2,000,000.00	0.00		
Subtotal and Balance					14,000,000.00		2,000,000.00	2,000,000.00		14,000,000.00
Issuer Subtotal			17.369%		14,000,000.00		2,000,000.00	2,000,000.00		14,000,000.00

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2008 - December 31, 2008

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		10,787,944.73	0.00	209,542.77	209,542.77	0.00	57,635.25	19,005,122.75
UNION MONEY	9002	99	Amortized		10,016.93	0.00	206.37	206.37	0.00	0.00	10,099.38
PETTY CASH	9003	99	Amortized		2,800.00	0.00	0.00	0.00	0.00	0.00	2,800.00
UNION OPERATING	9004	99	Amortized		1,542,408.03	0.00	10,946.16	852,794.78	0.00	0.00	700,559.41
PAYROLL	9005	99	Amortized		24,377.26	0.00	0.00	1,488.53	0.00	0.00	22,888.73
SD COUNTY POOL	9007	99	Fair Value		12,219,100.73	0.00	203,725.13	2,000,000.00	0.00	67,033.42	10,489,859.28
UNION IOC	9008	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAIF COPS07	9009	99	Fair Value		1,439,583.11	0.00	21,222.48	0.00	0.00	4,473.89	1,465,279.48
3133XLT7	2037	99	Fair Value	07/30/2010	3,006,562.50	0.00	0.00	3,000,000.00	0.00	-6,562.50	0.00
3133XMX71	2042	99	Fair Value	08/14/2009	2,004,375.00	0.00	0.00	2,000,000.00	0.00	-4,375.00	0.00
36962G2S2	2044	99	Fair Value	12/01/2010	2,051,704.10	0.00	0.00	0.00	0.00	-19,084.10	2,032,620.00
3133XN6X2	2045	99	Fair Value	08/20/2010	2,004,375.00	0.00	0.00	2,000,000.00	0.00	-4,375.00	0.00
3133XNP52	2057	99	Fair Value	09/17/2010	2,006,250.00	0.00	0.00	2,000,000.00	0.00	-6,250.00	0.00
3133XNS42	2058	99	Fair Value	06/18/2010	2,011,250.00	0.00	0.00	2,000,000.00	0.00	-11,250.00	0.00
3133XNPR4	2059	99	Fair Value	12/24/2010	1,810,687.50	0.00	0.00	1,800,000.00	0.00	-10,687.50	0.00
31398AKS0	2060	99	Fair Value	01/07/2011	2,012,500.00	0.00	0.00	0.00	0.00	-11,240.00	2,001,260.00
1002812475	2061	99	Amortized	12/13/2008	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
3133XPDR2	2062	99	Fair Value	01/29/2010	2,000,000.00	0.00	0.00	0.00	0.00	3,760.00	2,003,760.00
3133XPDS0	2063	99	Fair Value	07/30/2010	1,997,500.00	0.00	0.00	0.00	0.00	6,880.00	2,004,380.00
31398AMX7	2064	99	Fair Value	02/19/2010	1,998,125.00	0.00	0.00	0.00	0.00	7,495.00	2,005,620.00
3133XPWL4	2065	99	Fair Value	02/26/2010	1,996,875.00	0.00	0.00	0.00	0.00	10,625.00	2,007,500.00
205003183	2066	99	Amortized	01/22/2010	79,108.00	0.00	0.00	0.00	0.00	0.00	79,108.00
3133XPX90	2067	99	Fair Value	03/05/2010	1,997,500.00	0.00	0.00	0.00	0.00	11,260.00	2,008,760.00
3133XPZN7	2068	99	Fair Value	09/03/2010	1,905,000.00	0.00	0.00	1,905,000.00	0.00	0.00	0.00
31398ANH1	2069	99	Fair Value	02/25/2011	1,988,125.00	0.00	0.00	0.00	0.00	18,755.00	2,006,880.00
3133XQC91	2070	99	Fair Value	12/17/2010	1,985,625.00	0.00	0.00	2,000,000.00	0.00	14,375.00	0.00
3133XQF23	2071	99	Fair Value	03/25/2011	1,983,125.00	0.00	0.00	0.00	0.00	28,135.00	2,011,260.00
3133XQJ78	2072	99	Fair Value	04/14/2011	1,965,625.00	0.00	0.00	0.00	0.00	48,135.00	2,013,760.00
31331YB74	2073	99	Fair Value	04/07/2011	1,979,375.00	0.00	0.00	0.00	0.00	33,125.00	2,012,500.00
3133XQMC3	2074	99	Fair Value	10/14/2010	1,980,000.00	0.00	0.00	0.00	0.00	32,500.00	2,012,500.00

Portfolio OTAY
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OTAY
GASB 31 Compliance Detail
 Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
3133XQUX8	2075	99	Fair Value	10/29/2010	1,987,500.00	0.00	0.00	0.00	0.00	28,120.00	2,015,620.00
3136F9LP6	2076	99	Fair Value	04/28/2010	1,994,375.00	0.00	0.00	0.00	0.00	19,385.00	2,013,760.00
3136F9NB5	2077	99	Fair Value	05/12/2010	1,991,875.00	0.00	0.00	0.00	0.00	23,745.00	2,015,620.00
31398ARD6	2078	99	Fair Value	05/19/2011	1,997,500.00	0.00	0.00	0.00	0.00	24,380.00	2,021,880.00
3128X7TT1	2079	99	Fair Value	06/02/2011	1,997,510.07	0.00	0.00	0.00	0.00	25,529.93	2,023,040.00
3136F9SA2	2080	99	Fair Value	06/10/2010	2,000,625.00	0.00	0.00	0.00	0.00	21,255.00	2,021,880.00
3136F9TS2	2081	99	Fair Value	06/25/2010	2,003,125.00	0.00	0.00	2,000,000.00	0.00	-3,125.00	0.00
3128X7YG3	2082	99	Fair Value	06/26/2013	2,006,940.00	0.00	0.00	2,000,000.00	0.00	-6,940.00	0.00
3133XRNM8	2083	99	Fair Value	03/30/2010	2,011,250.00	0.00	0.00	0.00	0.00	3,750.00	2,015,000.00
3133XRK74	2084	99	Fair Value	12/30/2009	2,008,125.00	0.00	0.00	2,000,000.00	0.00	-8,125.00	0.00
3136F9WV1	2085	99	Fair Value	07/02/2010	0.00	2,000,000.00	0.00	0.00	0.00	32,500.00	2,032,500.00
3133XS6Q6	2086	99	Fair Value	10/01/2010	0.00	2,000,000.00	0.00	0.00	0.00	14,380.00	2,014,380.00
3133XSDG0	2087	99	Fair Value	10/02/2009	0.00	2,000,000.00	0.00	0.00	0.00	4,375.00	2,004,375.00
3133XSCC0	2088	99	Fair Value	10/14/2011	0.00	2,000,000.00	0.00	0.00	0.00	17,500.00	2,017,500.00
3133XSFC7	2089	99	Fair Value	04/02/2009	0.00	2,000,000.00	0.00	0.00	0.00	16,875.00	2,016,875.00
1005581024	2090	99	Amortized	12/10/2009	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Subtotal					87,788,742.96	11,000,000.00	445,642.91	26,769,032.45	0.00	483,968.39	81,108,947.03
Total					87,788,742.96	11,000,000.00	445,642.91	26,769,032.45	0.00	483,968.39	81,108,947.03

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 12/31/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
36962G2S2	2044	99	General Electric Capital	Fair	2,021,260.82	2,000,000.00	2,032,620.00	5.000	4.401	4.108	12/01/2010	1.808
3133XPWL4	2065	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,007,500.00	3.000	3.000	2.242c	02/26/2009	0.153
3133XPDS0	2063	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,004,380.00	3.250	3.250	2.806c	01/30/2009	0.079
3133XS6Q6	2086	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,014,380.00	3.500	3.500	2.047c	04/01/2009	0.246
3128X7TT1	2079	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,023,040.00	3.625	3.625	1.306c	06/02/2009	0.416
3133XSFC7	2089	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,016,875.00	3.400	3.400	1.698	04/02/2009	0.249
3133XPX90	2067	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,008,760.00	3.020	3.020	2.135c	03/05/2009	0.172
31398AMX7	2064	99	FANNIE MAE	Fair	2,000,000.00	2,000,000.00	2,005,620.00	3.000	3.000	2.431c	02/19/2009	0.134
3133XQF23	2071	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,011,260.00	3.250	3.250	2.112c	03/25/2009	0.227
31331YB74	2073	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,012,500.00	3.180	3.180	1.918c	04/07/2009	0.263
3133XQJ78	2072	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,013,760.00	3.150	3.150	1.762c	04/14/2009	0.282
3133XSDG0	2087	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,004,375.00	3.650	3.650	3.205c	01/02/2009	0.000
3133XRNM8	2083	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,015,000.00	3.650	3.648	2.134c	03/30/2009	0.000
31398ARD6	2078	99	Federal National Mortgage Assoc	Fair	1,999,269.11	2,000,000.00	2,021,880.00	3.600	3.619	1.397c	05/19/2009	0.378
3133XQMC3	2074	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,012,500.00	2.900	2.900	1.640c	04/14/2009	0.282
3136F9LP6	2076	99	Federal National Mortgage Assoc	Fair	1,999,403.75	2,000,000.00	2,013,760.00	3.000	3.031	1.613c	04/28/2009	0.320
3136F9WV1	2085	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,032,500.00	4.000	4.000	0.756c	07/02/2009	0.491
3136F9NB5	2077	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,015,620.00	3.100	3.100	1.526c	05/12/2009	0.358
3136F9SA2	2080	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,021,880.00	3.265	3.265	1.065c	06/10/2009	0.438
3133XPDR2	2062	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,760.00	3.060	3.060	2.679c	01/29/2009	0.076
3133XSCC0	2088	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,017,500.00	4.000	4.000	2.230c	04/14/2009	0.282
31398ANH1	2069	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,006,880.00	3.250	3.250	2.553c	02/25/2009	0.150
3133XQUX8	2075	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,015,620.00	3.100	3.100	1.526c	04/29/2009	0.323
31398AKS0	2060	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,001,260.00	4.500	4.500	4.371c	01/07/2009	0.016

Portfolio OTAY

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DU (PRF_DU) SymRept 6.41.200

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OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 12/31/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
1005581024	2090	99	Neighborhood National Bank	Amort	1,000,000.00	1,000,000.00	1,000,000.00	3.150	3.194	3.150	12/10/2009	0.924
205003183	2066	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.180	3.224	3.180	01/22/2010	1.037 †
LAIF	9001	99	STATE OF CALIFORNIA	Fair	18,948,024.56	18,948,024.56	19,005,122.75	2.353	2.353	2.353		0.000
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	1,460,877.26	1,460,877.26	1,465,279.48	2.353	2.353	2.353		0.000
SD COUNTY	9007	99	San Diego County	Fair	10,380,824.62	10,380,824.62	10,489,859.28	2.425	2.425	2.425		0.000
Report Total					79,888,768.12	79,868,834.44	80,372,599.51			2.242		0.192 †

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

AGENDA ITEM 11



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 4, 2009
SUBMITTED BY:	Sean Prendergast, Finance <i>[Signature]</i> Supervisor, Payroll & AP	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Joseph Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM):		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

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

FISCAL IMPACT:

SUMMARY	NET DEMANDS
CHECKS (2015769-2016169)	\$2,560,774.10
WIRE TO:	
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES	\$2,711,684.40
CITY TREASURER - RECLAIMED WATER PURCHASE	\$36,352.12
CREATIVE BENEFITS - HEALTH INSURANCE & FLEX CLAIMS	\$56,000.00
DELTA HEALTH SYSTEMS - DENTAL & COBRA CLAIMS	\$15,809.79
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$21,624.90
SAN DIEGO COUNTY WATER AUTHORITY - WATER DELIVERIES	\$1,998,297.30
SPECIAL DIST RISK MGMT AUTH - INS PREMIUM FEB 09	\$186,813.01
UNION BANK - PAYROLL TAXES	\$305,685.98
TOTAL CASH DISBURSEMENTS	\$7,893,041.60

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015860	01/14/09	06839	A GLASCO	1103087	12/22/08	GLASS DESK TOP	96.98	96.98
2015769	01/07/09	01910	ABCANA INDUSTRIES	835233	12/16/08	BULK HYPOCHLORITE SOLUTION	1,657.06	
				835231	12/16/08	BULK HYPOCHLORITE SOLUTION	1,246.42	
				835369	12/18/08	BULK HYPOCHLORITE SOLUTION	861.90	
				834992	12/08/08	BULK HYPOCHLORITE SOLUTION	393.22	4,158.60
2015861	01/14/09	01910	ABCANA INDUSTRIES	835466	12/22/08	BULK HYPOCHLORITE SOLUTION	1,392.97	
				835469	12/22/08	BULK HYPOCHLORITE SOLUTION	1,343.64	
				835465	12/22/08	BULK HYPOCHLORITE SOLUTION	623.94	3,360.55
2016006	01/21/09	01910	ABCANA INDUSTRIES	835600	12/26/08	BULK HYPOCHLORITE SOLUTION	1,242.07	
				835748	01/01/09	BULK HYPOCHLORITE SOLUTION	1,181.12	
				835628	12/29/08	BULK HYPOCHLORITE SOLUTION	845.94	
				835627	12/29/08	BULK HYPOCHLORITE SOLUTION	792.26	4,061.39
2016096	01/28/09	01910	ABCANA INDUSTRIES	835803	01/05/09	BULK SODIUM HYPOCHLORITE	1,056.33	
				835802	01/05/09	BULK SODIUM HYPOCHLORITE	837.24	
				835964	01/08/09	BULK SODIUM HYPOCHLORITE	504.95	
				835890	01/07/09	BULK SODIUM HYPOCHLORITE	489.00	2,887.52
2015770	01/07/09	08488	ABLEFORCE INC	1530	12/30/08	CONSULTING SERVICES - IS DEPT	3,230.00	3,230.00
2015862	01/14/09	08488	ABLEFORCE INC	1532	01/06/09	CONSULTING SERVICES - IS DEPT	3,740.00	3,740.00
2016007	01/21/09	08488	ABLEFORCE INC	1539	01/13/09	CONSULTING SERVICES - IS DEPT	3,995.00	3,995.00
2015921	01/21/09	09735	ADRIANA LIMON	Ref002392354	01/20/09	UB Refund Cst #0000083900	60.00	60.00
2015771	01/07/09	07732	AIRGAS SPECIALTY PRODUCTS INC	131109080	12/17/08	BULK AQUA AMMONIA 19%	2,157.96	
				131109079	12/17/08	BULK AQUA AMMONIA 19%	1,349.95	
				131109081	12/17/08	BULK AQUA AMMONIA 19%	591.43	4,099.34
2016008	01/21/09	00132	AIRGAS WEST	103113344	12/31/08	BREATHING AIR - TREATMENT PLANT	25.73	25.73
2015772	01/07/09	02618	ALHAMBRA RUBBER &	26310	12/11/08	METER GASKETS	281.71	281.71
2015922	01/21/09	09742	ALICIA BOURGEOIS	Ref002392361	01/20/09	UB Refund Cst #0000094346	33.16	33.16
2015863	01/14/09	02362	ALLIED WASTE SERVICES #509	0509003388908	12/25/08	TRASH REMOVAL SERVICES	713.14	
				0509003390293	12/25/08	ASBESTOS DISPOSAL CONTAINER RENTAL	196.22	
				0509003391110	12/25/08	TRASH REMOVAL SVCS TREATMENT PLANT	123.44	1,032.80
2015923	01/21/09	09745	AMERICAN HOME MTG SERVICING	Ref002392364	01/20/09	UB Refund Cst #0000121180	97.37	97.37

OTAY WATER DISTRICT
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RUN DATES 1/7/2009 TO 1/28/2009

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2016097	01/28/09	09805	AMERICAN INDUSTRIAL HYGIENE	13712209	01/27/09	MEMBERSHIP RENEWAL	190.00	190.00
2015773	01/07/09	06166	AMERICAN MESSAGING	L1109570JA	01/01/09	PAGER SERVICES	374.54	374.54
2015774	01/07/09	06973	ANDER, DIANE	000907	01/07/09	REIMBURSE DEFERRED COMP DED TAKEN	500.00	500.00
2015924	01/21/09	09756	ANGELICA GAMBOA	Ref002392376	01/20/09	UB Refund Cst #0000127189	65.77	65.77
2015775	01/07/09	00002	ANSWER INC	1099	12/19/08	TELEPHONE ANSWERING SERVICES	1,000.00	1,000.00
2016098	01/28/09	00002	ANSWER INC	1239	01/22/09	TELEPHONE ANSWERING SERVICES	1,000.00	1,000.00
2015776	01/07/09	08967	ANTHEM BLUE CROSS EAP	40732	12/17/08	EMPLOYEE ASSISTANCE PROGRAM SERVICES	379.50	379.50
2015925	01/21/09	09721	ANTHONY WIGGINS	Ref002392339	01/20/09	UB Refund Cst #0000041890	60.68	60.68
2016099	01/28/09	05753	ARRIETA CONSTRUCTION INC	3	01/08/09	R2086 RWCWRF FORCEMAIN AIR/VAC REPL	266,927.72	266,927.72
2015926	01/21/09	09772	ASCENT REAL ESTATE	Ref002392392	01/20/09	UB Refund Cst #0000139968	61.56	61.56
2016100	01/28/09	03143	ASIAN BUSINESS ASSOCIATION	000943	01/22/09	MEMBERSHIP RENEWAL	300.00	300.00
2015864	01/14/09	05514	ASSOCIATED TOWING INC	378617	12/23/08	TOWING SERVICES	100.00	100.00
2015865	01/14/09	00108	ASSOCIATION OF CALIFORNIA	105562	12/18/08	CONFERENCE REGISTRATION	628.00	628.00
2015866	01/14/09	00501	AT&T	000702	12/12/08	PHONE SERVICE	79.57	79.57
2015867	01/14/09	05758	AT&T	0821645728122508	12/25/08	OPTE MAN INTERNET BANDWIDTH	2,805.12	2,805.12
2015868	01/14/09	05758	AT&T	000864	12/07/08	PHONE SERVICE (HI HEAD P/S-SCADA)	32.37	32.37
2016009	01/21/09	07785	AT&T	000000397573	01/02/09	PHONE SERVICES	5,718.57	5,718.57
2015869	01/14/09	08330	AT&T INTERNET SERVICES	000908	12/22/08	INTERNET BANDWIDTH	1,200.00	1,200.00
2015927	01/21/09	09753	AVIV BADER	Ref002392372	01/20/09	UB Refund Cst #0000126446	12.49	12.49
2015777	01/07/09	03285	AZTEC FIRE & SAFETY	43183	12/16/08	PIPE FABRICATION	113.04	113.04
2015870	01/14/09	03285	AZTEC FIRE & SAFETY	43238 43239	12/19/08 12/15/08	FIRE SPRINKLER INSTALLATION ANNUAL FIRE SPRINKLER INSPECTION	1,485.00 437.50	1,922.50
2016010	01/21/09	08024	BACKGROUND PROFILES INC	5980000101091	01/01/09	BACKGROUND CHECKS	86.00	86.00

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RUN DATES 1/7/2009 TO 1/28/2009

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2015928	01/21/09	09770	BANCROFT REALTY	Ref002392390	01/20/09	UB Refund Cst #0000139652	30.46	30.46
2016011	01/21/09	06285	BARTEL ASSOCIATES LLC	08750	12/06/08	PROFESSIONAL ACTUARY SERVICES	4,510.00	4,510.00
2016012	01/21/09	01794	BEACHEM, JOSEPH R	15150109	01/15/09	TRAVEL EXPENSE REIMBURSEMENT	657.38	657.38
2016013	01/21/09	09509	BEN & CAROL FLICK	13	01/20/09	EMPLOYEE PROGRAM	150.00	150.00
2016101	01/28/09	04975	BLS ENTERPRISES INC	53087	01/06/09	REPAIR PARTS	280.17	280.17
2016014	01/21/09	03470	BONITA BUSINESS & PROFESSIONAL	000933	11/20/08	MEMBERSHIP RENEWAL	350.00	350.00
2015871	01/14/09	03458	BREITFELDER, LARRY	70131108 70131208	11/30/08 12/31/08	MILEAGE REIMBURSEMENT MILEAGE REIMBURSEMENT	72.54 49.14	121.68
2015929	01/21/09	09647	BRITANNIA DEVELOPMENT CO	Ref002392373	01/20/09	UB Refund Cst #0000126960	11.01	11.01
2015778	01/07/09	01232	BRODING'S BATTERY WAREHOUSE	604	11/20/08	BATTERIES TO REPAIR EMERGENCY LIGHTS	98.53	98.53
2016102	01/28/09	01232	BRODING'S BATTERY WAREHOUSE	821	01/06/09	AUTOMOTIVE BATTERIES	258.49	258.49
2015779	01/07/09	03721	BULLET LOGISTICS INC	12150803350	12/15/08	COURIER SERVICES FOR TREATMENT PLANT	455.40	455.40
2015780	01/07/09	00223	C W MCGRATH INC	31610 31665 31703 31562 31721 31682	12/04/08 12/09/08 12/11/08 12/01/08 12/12/08 12/10/08	CRUSHED ROCK CRUSHED ROCK CRUSHED ROCK CRUSHED ROCK CRUSHED ROCK CRUSHED ROCK	497.58 486.23 184.07 151.87 129.43 117.58	1,566.76
2016103	01/28/09	00223	C W MCGRATH INC	31863 31828	01/06/09 12/31/08	CRUSHED ROCK CRUSHED ROCK	335.50 208.47	543.97
2015781	01/07/09	02401	CAJON VALLEY UNION SCHOOL DIST	9063	12/15/08	BUS FUNDING TO WATER GARDEN	160.00	160.00
2015782	01/07/09	06281	CALIF STATE DISBURSEMENT UNIT	Ben2392045	01/08/09	PAYROLL DEDUCTION	286.73	286.73
2016015	01/21/09	06281	CALIF STATE DISBURSEMENT UNIT	Ben2392443	01/22/09	PAYROLL DEDUCTION	286.73	286.73
2016016	01/21/09	08690	CALIFORNIA BANK & TRUST	4R	12/31/08	RETENTION FOR NEWEST CONSTRUCTION	5,939.00	5,939.00
2016104	01/28/09	08966	CALIFORNIA BANK & TRUST	3R	01/08/09	RETENTION FOR ARRIETA CONSTRUCTION	29,658.63	29,658.63
2016105	01/28/09	02920	CALIFORNIA COMMERCIAL	81560	01/09/09	ASPHALT	1,227.33	1,227.33

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FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

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2015930	01/21/09	09775	CALIFORNIA REALTY & FUNDING	Ref002392395	01/20/09	UB Refund Cst #0000140128	6.42	6.42
2015783	01/07/09	00192	CALIFORNIA WATER ENVIRONMENT	0101540609	01/05/09	CERTIFICATION RENEWAL FEE	76.00	76.00
2015784	01/07/09	01004	CALOLYMPIC SAFETY	049235 049527	12/16/08 12/12/08	CL2 CALIBRATION GAS SIGN FOR CONFINED SPACE ENTRY	332.50 52.31	384.81
2015872	01/14/09	01004	CALOLYMPIC SAFETY	049097	12/08/08	MICRO MAX PRO BATTERY PACK	100.70	100.70
2015785	01/07/09	05413	CALPERS	4384	12/17/08	VALUATION FEE	200.00	200.00
2016017	01/21/09	08009	CANON BUSINESS SOLUTIONS INC	4001688236 4001684630 4001675698 4001681038	01/01/09 01/01/09 01/01/09 01/01/09	COPIER MAINTENANCE COPIER MAINTENANCE COPIER MAINTENANCE COPIER MAINTENANCE	758.50 534.77 433.67 47.66	1,774.60
2016106	01/28/09	09802	CANTERBURY HILLS HOA	000942	01/20/09	CASH IN YOUR PLANTS PROGRAM	6,500.00	6,500.00
2016018	01/21/09	03376	CAREER TRACK	10812155	12/31/08	SEMINAR REGISTRATION	149.00	149.00
2015873	01/14/09	02758	CARMEL BUSINESS SYSTEMS INC	6913	01/08/09	TEMPORARY SERVICES - RECORDS	1,182.00	1,182.00
2016019	01/21/09	02758	CARMEL BUSINESS SYSTEMS INC	6912	01/01/09	RECORDS STORAGE & SUPPORT	362.25	362.25
2015931	01/21/09	09785	CARMEN CECENA	Ref002392405	01/20/09	UB Refund Cst #0000141587	89.21	89.21
2016020	01/21/09	04204	CASA DEL MAR	24613	12/31/08	SHIRTS	885.25	885.25
2015932	01/21/09	09734	CASCO GROUP INC	Ref002392353	01/20/09	UB Refund Cst #0000083689	53.29	53.29
2015786	01/07/09	02026	CHULA VISTA ELEMENTARY SCHOOL	900347	12/16/08	BUS FUNDING TO WATER GARDEN	540.00	540.00
2016021	01/21/09	02026	CHULA VISTA ELEMENTARY SCHOOL	900417	01/15/09	REIMB TRIP TO WATER CONS GARDEN	810.00	810.00
2015933	01/21/09	09759	CLASSIC CA REALTY	Ref002392379	01/20/09	UB Refund Cst #0000127889	57.13	57.13
2015787	01/07/09	08160	COMPLETE OFFICE	10965830	12/17/08	2009 CALENDARS	29.39	29.39
2016107	01/28/09	08160	COMPLETE OFFICE	11001380 10986860	01/07/09 01/02/09	OFFICE SUPPLIES PAPER	76.03 27.99	104.02
2015874	01/14/09	09510	CONFERENCECALL.COM	B116017679	12/31/08	CONFERENCE CALLING SERVICES	40.61	40.61
2016108	01/28/09	04398	CONSTRUCTION MANAGEMENT	000948	01/26/09	REGISTRATION FEE	55.00	55.00

OTAY WATER DISTRICT
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RUN DATES 1/7/2009 TO 1/28/2009

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2016022	01/21/09	09716	COTTONWOOD GOLF CLUB	000931	01/20/09	RECOGNITION EVENT	5,844.53	5,844.53
2015934	01/21/09	09757	COUNTRYWIDE HOME LOANS	Ref002392377	01/20/09	UB Refund Cst #0000127343	95.17	95.17
2015788	01/07/09	00184	COUNTY OF SAN DIEGO	DEH090181D11	12/23/08	RECLAIMED WATER SHUTDOWN TEST	833.00	
				DEH090180D11	12/23/08	RECLAIMED WATER SHUTDOWN TEST	714.00	
				DEH090182D11	12/23/08	RECLAIMED WATER SHUTDOWN TEST	714.00	
				DEH090184D11	12/23/08	RECLAIMED WATER SHUTDOWN TEST	714.00	2,975.00
2015875	01/14/09	00134	COUNTY OF SAN DIEGO	2008163	01/07/09	COUNTY ASSESSOR DATA	125.00	125.00
2016023	01/21/09	00099	COUNTY OF SAN DIEGO - DPW	99448	12/05/08	EXCAVATION PERMITS	3,444.69	3,444.69
2015876	01/14/09	02122	COUNTY OF SD AIR POLLUTION	PO97115078	12/17/08	PERMIT, EMISSION & SOURCE TEST FEES	2,304.00	2,304.00
2016024	01/21/09	07601	CREATIVE BENEFITS INC	69856	01/01/09	FLEXIBLE SPENDING ACCT ADMINISTRATION	596.40	596.40
2015935	01/21/09	09738	CRISTINA TAGGART	Ref002392357	01/20/09	UB Refund Cst #0000088432	20.65	20.65
2015936	01/21/09	09723	CUC PHI LE	Ref002392341	01/20/09	UB Refund Cst #0000067965	38.63	38.63
2015789	01/07/09	08892	CUDAL, TED	000902	01/05/09	MEMBERSHIP RENEWAL REIMBURSEMENT	130.00	130.00
2015790	01/07/09	05125	CUDLIP, JAMES	000896	12/30/09	TUITION REIMBURSEMENT	300.50	300.50
2016025	01/21/09	05125	CUDLIP, JAMES	16780109	01/15/09	TRAVEL EXPENSE REIMBURSEMENT	214.96	214.96
2015877	01/14/09	06415	CUMMINS CAL PACIFIC LLC	00467212	12/19/08	APCD RETROFIT	13,003.38	13,003.38
2015937	01/21/09	09792	DANIEL J PENDELTON	Ref002392412	01/20/09	UB Refund Cst #0000142070	758.16	758.16
2015938	01/21/09	09799	DAVE ZARELLA	Ref002392419	01/20/09	UB Refund Cst #0000142617	34.67	34.67
2015939	01/21/09	09720	DAVID BAKER	Ref002392338	01/20/09	UB Refund Cst #0000033341	94.22	94.22
2015791	01/07/09	09707	DEBRA ENTREKIN	000892	12/31/08	CASH IN YOUR PLANTS PROGRAM	2,200.00	2,200.00
2015792	01/07/09	01797	DELL ENTERPRISES	184655	12/08/08	COMMEMORATIVE ITEMS	274.76	274.76
2015878	01/14/09	01797	DELL ENTERPRISES	184718	12/22/08	PLAQUE	117.99	117.99
2016109	01/28/09	01797	DELL ENTERPRISES	184767	01/06/09	PLAQUE	91.05	91.05
2016026	01/21/09	07680	DELTA HEALTH SYSTEMS	P090120	01/20/09	EMPLOYEE HEALTH ADMINISTRATION SVCS	1,360.00	1,360.00

OTAY WATER DISTRICT
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2016027	01/21/09	03744	DEPARTMENT OF JUSTICE	717878	01/08/09	FINGERPRINT ANALYSIS SERVICES	153.00	153.00
2015793	01/07/09	00319	DEPARTMENT OF PUBLIC HEALTH	000891 1510309	01/05/09 01/05/09	CERTIFICATION FEE CERTIFICATION FEE	80.00 60.00	140.00
2016028	01/21/09	02780	DICTIONARY HILL CITIZENS ASSN	000932	01/16/09	ANNUAL MEMBERSHIP RENEWAL	40.00	40.00
2015794	01/07/09	03417	DIRECTV	918418799	12/19/08	SATELLITE TV SERVICE	4.99	4.99
2016029	01/21/09	03417	DIRECTV	928358233	01/05/09	SATELLITE TV SERVICE	9.98	9.98
2016110	01/28/09	03417	DIRECTV	937515441	01/19/09	SATELLITE TV SERVICE	507.87	507.87
2015940	01/21/09	09778	DOWNEY SAVINGS AND LOAN	Ref002392398	01/20/09	UB Refund Cst #0000140876	32.82	32.82
2015941	01/21/09	09730	ECO PLANET RECYCLING	Ref002392348	01/20/09	UB Refund Cst #0000076163	61.57	61.57
2015795	01/07/09	02447	EDCO DISPOSAL CORPORATION	000894	12/31/08	RECYCLING SERVICES	90.00	90.00
2016030	01/21/09	00230	EDP PRODUCTS INC	805852	12/31/08	CARTRIDGE STORAGE/RETRIEVAL	212.40	212.40
2015942	01/21/09	09728	EMIE ULANDAY	Ref002392346	01/20/09	UB Refund Cst #0000074122	65.16	65.16
2015796	01/07/09	03725	ENVIRONMENTAL SYSTEMS RESEARCH	91895606	12/16/08	PROFESSIONAL DATABASE SUPPORT	777.00	777.00
2015879	01/14/09	03725	ENVIRONMENTAL SYSTEMS RESEARCH	91898652	12/21/08	SYSTEM ARCHITECTURE CONSULTANT	2,849.00	2,849.00
2015943	01/21/09	09744	EVELYN GRACIAN	Ref002392363	01/20/09	UB Refund Cst #0000119349	14.26	14.26
2015880	01/14/09	02639	EW TRUCK & EQUIPMENT	34888 34889 34890 34891 34892 34893 34894 34895 34896 34897 34899 34898 34900 34901 34902 34903	12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08 12/15/08	OPACITY TESTING OPACITY TESTING	45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00 45.00	

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

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				34904	12/15/08	OPACITY TESTING	45.00	
				34905	12/15/08	OPACITY TESTING	45.00	
				34906	12/15/08	OPACITY TESTING	45.00	
				34907	12/15/08	OPACITY TESTING	45.00	
				34908	12/15/08	OPACITY TESTING	45.00	
				34948	12/15/08	OPACITY TESTING	45.00	
				34949	12/15/08	OPACITY TESTING	45.00	
				34950	12/15/08	OPACITY TESTING	45.00	
				34951	12/15/08	OPACITY TESTING	45.00	
				34971	12/16/08	OPACITY TESTING	45.00	1,170.00
2016111	01/28/09	02639	EW TRUCK & EQUIPMENT	34952		CREDIT MEMO	(40.00)	
				34947	12/15/08	OPACITY TESTING	85.00	45.00
2016112	01/28/09	00645	FEDEX	905430087	01/16/09	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	6.16	6.16
2015797	01/07/09	03546	FERGUSON WATERWORKS	0297951	12/12/08	INVENTORY	4,544.78	
				0298086	12/12/08	INVENTORY	3,865.53	
				02980861	12/18/08	INVENTORY	969.75	
				0297953	12/12/08	WAREHOUSE ITEMS	173.26	9,553.32
2016031	01/21/09	03546	FERGUSON WATERWORKS	02896722	12/29/08	RECLAIM 8" GATE CAP	533.36	533.36
2015798	01/07/09	04066	FIRST CHOICE SERVICES - SD	306069	12/18/08	COFFEE SUPPLIES	420.37	420.37
2016113	01/28/09	04066	FIRST CHOICE SERVICES - SD	306735	01/07/09	COFFEE SUPPLIES	133.87	133.87
2015799	01/07/09	01612	FRANCHISE TAX BOARD	Ben2392035	01/08/09	PAYROLL DEDUCTION	364.98	364.98
2015800	01/07/09	02344	FRANCHISE TAX BOARD	Ben2392047	01/08/09	PAYROLL DEDUCTION	313.82	313.82
2016032	01/21/09	02344	FRANCHISE TAX BOARD	Ben2392445	01/22/09	PAYROLL DEDUCTION	313.82	313.82
2015801	01/07/09	04548	FRASER'S BOILER SERVICE INC	24054	12/12/08	PUMP STATION ENGINE REPAIR PART	455.00	455.00
2015802	01/07/09	07224	FRAZEE INDUSTRIES INC	396192	12/16/08	PURPLE / YELLOW OIL PAINT	768.37	768.37
2016114	01/28/09	09144	G B ENTERPRISES INC	90200303	12/08/08	DATA CENTER EQUIPMENT	12,403.98	12,403.98
2016033	01/21/09	06291	GARCIA CALDERON & RUIZ LLP	2158	01/06/09	LEGAL SERVICES NOV 2008	29,481.75	29,481.75
2015881	01/14/09	03609	GBA MASTER SERIES INC	608052	11/30/08	SOFTWARE CONSULTING SERVICES	5,500.00	5,500.00
2016115	01/28/09	09803	GEOMORPH INFORMATION	274	01/21/09	TRAINING REGISTRATION FEE	485.00	485.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015803	01/07/09	03537	GHA TECHNOLOGIES INC	524734	12/18/08	DISTRICT PHONES	521.51	521.51
2015944	01/21/09	09754	GRACE ONTIVEROS	Ref002392374	01/20/09	UB Refund Cst #0000126977	48.70	48.70
2015804	01/07/09	00101	GRAINGER INC	9803156844	12/17/08	REPLACEMENT PARTS	371.40	
				9801517013	12/16/08	BATTERIES	242.45	
				9779958421	12/14/08	VALVE PARTS	102.99	716.84
2015882	01/14/09	00101	GRAINGER INC	9803192906	12/17/08	REPLACEMENT PART	3.72	3.72
2016116	01/28/09	00101	GRAINGER INC	9813902518	01/08/09	FITINGS, NUTS AND BOLTS	543.48	
				9813639094	01/08/09	GASKETS	44.38	
				9813639102	01/08/09	GASKET	14.80	602.66
2016034	01/21/09	02187	GREENSCAPE	2086	01/01/09	LANDSCAPING SERVICES	6,090.00	6,090.00
2015945	01/21/09	09795	GREG SEALE	Ref002392415	01/20/09	UB Refund Cst #0000142356	6.57	6.57
2016035	01/21/09	09715	GUTIERREZ, JUAN	3107530483	01/20/09	SAFETY BOOTS REIMBURSEMENT	135.74	135.74
2015805	01/07/09	00174	HACH COMPANY	2020642		CREDIT MEMO	(82.10)	
				6027337	12/11/08	LABORATORY SUPPLIES	1,098.26	
				6023141	12/09/08	LABORATORY SUPPLIES	606.19	
				6029206	12/12/08	LABORATORY SUPPLIES	182.60	1,804.95
2015883	01/14/09	00174	HACH COMPANY	6042452	12/20/08	AUTO BURETTE MODULE REPAIR	460.34	460.34
2016117	01/28/09	00174	HACH COMPANY	6053402	01/06/09	CHLORINE & AMMONIA ANALYZER	506.07	506.07
2016118	01/28/09	02629	HANSON AGGREGATES INC	583580	01/09/09	CRUSHED AGGREGATES & ROCK	416.54	416.54
2015806	01/07/09	00150	HAWTHORNE MACHINERY CO	PS010238045	12/18/08	THERMOSTAT	163.17	
				PS010238047	12/18/08	THERMOSTATS	67.10	
				PS010238046	12/18/08	THERMOSTATS	67.10	297.37
2016119	01/28/09	09714	HD SUPPLY FACILITIES	47112251	01/08/09	MIXING VALVE	114.39	114.39
2016036	01/21/09	06640	HD SUPPLY WATERWORKS LTD	8147454	10/31/09	INVENTORY	9,746.53	9,746.53
2016037	01/21/09	04799	HELIX WATER DISTRICT	002770	01/20/09	CONSTRUCTION METER	1,684.00	1,684.00
2016120	01/28/09	08610	HENRY BROS ELECTRONICS INC	13100108	12/31/08	UPGRADE TO EXISTING VIDEO SYSTEM	17,500.05	17,500.05
2015946	01/21/09	09768	HERLINDA RYAN INC	Ref002392388	01/20/09	UB Refund Cst #0000139142	34.37	34.37

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016121	01/28/09	06843	HI-TECH AIR CONDITIONING	5041	12/31/08	DATA CENTER EQUIPMENT	2,712.03	2,712.03
2016122	01/28/09	06540	HORIZON CRANE SERVICE LLC	4908	12/30/08	CRANE RENTAL	540.00	540.00
2016038	01/21/09	03743	HYDROTEX	559772	12/30/08	ENGINE OIL	1,875.26	1,875.26
2016123	01/28/09	08491	IDENTIFICATION SERVICES	000914	01/02/09	FINGERPRINTING SERVICES	20.00	20.00
2015884	01/14/09	02203	IKON OFFICE SOLUTIONS	1015621880 1015610488	12/24/08 12/23/08	EMC SUPPORT FOR AX FY 2008 EMC SUPPORT FOR AX FY 2009	14,263.76 14,263.76	28,527.52
2016039	01/21/09	02203	IKON OFFICE SOLUTIONS	1015679784	12/30/08	XTENDER FOR RECORDS MANAGEMENT	49,328.14	49,328.14
2016040	01/21/09	08969	INFOSEND INC	35061	12/31/08	BILL PRINTING SERVICES	7,509.11	7,509.11
2016124	01/28/09	08969	INFOSEND INC	35170	01/06/09	POSTAGE	17,372.45	17,372.45
2015807	01/07/09	03280	INFRASTRUCTURE ENGINEERING	4042	11/28/08	CONST CONSULTANTS/640-1 RESERVOIR	2,915.00	2,915.00
2016041	01/21/09	03380	INSIGHT PUBLIC SECTOR	1100065252	12/26/08	CONFERENCE ROOM LCD SCREEN	3,852.61	3,852.61
2016042	01/21/09	03797	INSTITUTE FOR SUPPLY	000934	01/16/09	MEMBERSHIP RENEWALS	340.00	340.00
2016043	01/21/09	01982	INTEGRATED OFFICE SYSTEMS	3651 3650	12/31/08 12/31/08	TONER FOR FAX MACHINE TONER FOR FAX MACHINE	63.55 41.82	105.37
2016044	01/21/09	02028	INTERACTIVE DATA PRICING AND	05687128	12/31/08	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2016045	01/21/09	02372	INTERIOR PLANT SERVICE INC	29782	12/31/08	PLANT SERVICE	169.00	169.00
2015808	01/07/09	03250	INTERNATIONAL PUBLIC	000897	01/05/09	REGISTRATION FEES	60.00	60.00
2016046	01/21/09	03077	JANI KING OF CA INC - SDO	SDO01090317	01/01/09	OFF-SITE JANITORIAL SERVICES	1,042.00	1,042.00
2016125	01/28/09	05527	JOHN'S CRANE RENTAL LLC	28151	01/08/09	CRANE RENTAL	684.80	684.80
2015885	01/14/09	03172	JONES & STOKES ASSOCIATES	0058775 0058774 0058773	12/18/08 12/18/08 12/18/08	HABITAT MGMT ENVIRONMENTAL SERVICES ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	12,936.32 7,757.50 674.78	21,368.60
2015947	01/21/09	09739	JONI LINDSAY	Ref002392358	01/20/09	UB Refund Cst #0000089208	14.61	14.61
2015948	01/21/09	09727	JORGE TORRES	Ref002392345	01/20/09	UB Refund Cst #0000073053	29.02	29.02
2015949	01/21/09	09767	JOSE HERNANDEZ	Ref002392387	01/20/09	UB Refund Cst #0000133839	76.36	76.36

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015950	01/21/09	09789	JOSEPH TONTZ	Ref002392409	01/20/09	UB Refund Cst #0000141758	52.69	52.69
2015951	01/21/09	09751	JULIO IBARRIA	Ref002392370	01/20/09	UB Refund Cst #0000126201	38.65	38.65
2015952	01/21/09	09737	KANE DEVELOPMENT	Ref002392356	01/20/09	UB Refund Cst #0000088334	574.85	574.85
2015886	01/14/09	07493	KEITH OLIVER & ASSOCIATES	1140	12/24/08	APCD RETRO FIT PARTS	3,526.90	3,526.90
2015953	01/21/09	09733	KELLY CREIGHTON	Ref002392351	01/20/09	UB Refund Cst #0000081499	33.64	33.64
2015954	01/21/09	09746	KEVIN BRANDT	Ref002392365	01/20/09	UB Refund Cst #0000122533	54.92	54.92
2015955	01/21/09	09741	KIMBERLY SOUSA	Ref002392360	01/20/09	UB Refund Cst #0000091891	19.94	19.94
2016126	01/28/09	02846	KIRK'S RADIATOR	18590	01/07/09	RADIATOR REPAIR	75.00	75.00
2015809	01/07/09	04996	KNOX ATTORNEY SERVICE INC	443387	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443386	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443388	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443436	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443439	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443443	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443441	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				443444	12/16/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				442134	12/10/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				442135	12/10/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				442132	12/10/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				442133	12/10/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	343.20
2016127	01/28/09	04996	KNOX ATTORNEY SERVICE INC	446715	01/02/09	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				446714	01/02/09	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				446713	01/02/09	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	
				446712	01/02/09	DELIVERY OF BOARD & COMMITTEE PACKETS	28.60	114.40
2015887	01/14/09	05632	LARSON, BRAD	000922	01/09/09	SAFETY BOOTS REIMBURSEMENT	97.40	97.40
2016128	01/28/09	03607	LEE & RO INC	83704	01/06/09	P2009 - DESIGN OF 36-INCH PIPELINE	76,923.95	76,923.95
2016047	01/21/09	00627	LEWIS & LEWIS ENTERPRISES	983626000	12/23/08	SURVEY SUPPLIES	96.20	96.20
2015956	01/21/09	09731	LIDIA NUNEZ	Ref002392349	01/20/09	UB Refund Cst #0000078942	19.20	19.20
2015957	01/21/09	09786	LINDA RING	Ref002392406	01/20/09	UB Refund Cst #0000141649	46.82	46.82

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016048	01/21/09	05220	LOGICALIS INTEGRATION SOLUTION	IN031226 S921833	12/26/08 12/31/08	IT SWITCH UPGRADE PARTS NETWORK INFRASTRUCTURE CONSULTING	2,358.98 660.00	3,018.98
2015958	01/21/09	09740	LOLAMARIE DODD	Ref002392359	01/20/09	UB Refund Cst #0000091862	48.46	48.46
2016129	01/28/09	03019	LOPEZ, JOSE A	70101108	01/16/09	MILEAGE REIMBURSEMENT	22.23	22.23
2016130	01/28/09	03015	LORMAN EDUCATION SERVICES	375560	01/23/09	SEMINAR REGISTRATION	339.00	339.00
2016131	01/28/09	03015	LORMAN EDUCATION SERVICES	000951	01/27/09	SEMINAR REGISTRATION	339.00	339.00
2015959	01/21/09	06237	LUIS ALVARADO	Ref002392352	01/20/09	UB Refund Cst #0000082188	16.15	16.15
2015810	01/07/09	03385	MAGANA, MANNY J	000905	12/04/08	CONFERENCE EXP REIMBURSEMENT	78.00	78.00
2016049	01/21/09	00628	MANHATTAN NAT'L LIFE INS CO	000937	01/21/09	VOLUNTARY LIFE INSURANCE	320.14	320.14
2015960	01/21/09	09796	MARC CARPENTER & ASSOC	Ref002392416	01/20/09	UB Refund Cst #0000142477	26.77	26.77
2015961	01/21/09	09776	MARC CARPENTER AND ASSOCIATES	Ref002392396	01/20/09	UB Refund Cst #0000140188	53.58	53.58
2015962	01/21/09	09736	MARIA BARRON	Ref002392355	01/20/09	UB Refund Cst #0000087215	73.72	73.72
2015963	01/21/09	09755	MARIA COWARD	Ref002392375	01/20/09	UB Refund Cst #0000127188	57.60	57.60
2015964	01/21/09	09747	MARK HAYES	Ref002392366	01/20/09	UB Refund Cst #0000123098	41.92	41.92
2015811	01/07/09	02265	MARPLE, DOUGLAS W	000906	01/07/09	REIMBURSE DEFERRED COMP DED TAKEN	110.00	110.00
2016050	01/21/09	02902	MARSTON+MARSTON INC	20091	01/01/09	PUBLIC RELATIONS SERVICES	4,985.00	4,985.00
2015812	01/07/09	05329	MASTER METER INC	0149075IN	12/16/08	INVENTORY	36,852.96	36,852.96
2016132	01/28/09	01183	MCMASTER-CARR SUPPLY CO	19022718 18880861	01/08/09 01/07/09	TAPS AND DRILLS MAINTENANCE SUPPLIES	529.20 216.52	745.72
2016133	01/28/09	06648	MEASUREMENT CONTROL	144005	12/31/08	LARGE METER TESTING	1,180.40	1,180.40
2016134	01/28/09	03169	MENDEZ-SCHOMER, ALICIA	15530109	01/22/09	REIMBURSE CONF EXPENSES	320.58	320.58
2015965	01/21/09	09724	MIKKYN SMITH	Ref002392342	01/20/09	UB Refund Cst #0000069726	46.86	46.86
2015813	01/07/09	01577	MINARIK CORPORATION	10632379DD 10633385DD	12/09/08 12/12/08	FLOW METER RADIO PARTS VERSAMAX PLC BATTERY AND COMM CABLE	2,755.52 251.02	3,006.54

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016051	01/21/09	01577	MINARIK CORPORATION	10635533DD	12/22/08	REMOTE PC ACCESS CODES FOR HMI	390.27	390.27
2015888	01/14/09	03393	MOBILE MINI LLC - CA	904179086	12/21/08	RENTAL 40' METER STORAGE CONTAINERS	173.28	173.28
2016052	01/21/09	03393	MOBILE MINI LLC - CA	904181390	12/29/08	RENTAL 40' METER STORAGE CONTAINERS	179.27	179.27
2015814	01/07/09	04676	NAPA AUTO PARTS	135954		CREDIT MEMO	(91.09)	
				132714		CREDIT MEMO	(37.77)	
				134224	12/15/08	REPAIR PARTS	186.43	
				128856	10/20/08	OIL	91.09	
				134176	12/15/08	REPAIR PARTS	60.98	
				134441	12/18/08	REPAIR PARTS	58.34	
				134222	12/15/08	REPAIR PARTS	35.31	
				134195	12/15/08	REPAIR PARTS	29.44	
				134442	12/18/08	REPAIR PARTS	19.01	
				134325	12/16/08	REPAIR PARTS	8.17	
				134358	12/17/08	REPAIR PARTS	4.34	364.25
2015889	01/14/09	04676	NAPA AUTO PARTS	134470	12/18/08	REPAIR PART	52.80	
				133343	12/05/08	REPAIR PART	40.04	
				134589	12/19/08	REPAIR PARTS	36.07	
				134886	12/23/08	REPAIR PARTS	30.35	
				134570	12/19/08	REPAIR PART	12.02	
				134607	12/19/08	REPAIR PART	8.66	
				134778	12/22/08	REPAIR PARTS	5.15	185.09
2016053	01/21/09	04676	NAPA AUTO PARTS	135393	12/30/08	REPAIR PART	25.26	25.26
2016135	01/28/09	04676	NAPA AUTO PARTS	135602	01/02/09	REPAIR PARTS	354.35	
				135898	01/06/09	REPAIR PARTS	251.82	
				135810	01/05/09	REPAIR PARTS	126.06	
				135899	01/06/09	REPAIR PARTS	125.91	
				136120	01/07/09	REPAIR PART	51.71	
				135776	01/05/09	REPAIR PARTS	36.07	
				136098	01/07/09	REPAIR PARTS	19.36	
				136099	01/07/09	REPAIR PART	13.13	
				136001	01/06/09	REPAIR PART	12.56	
				136016	01/06/09	REPAIR PART	9.69	
				136127	01/07/09	REPAIR PART	6.45	1,007.11
2015815	01/07/09	03523	NATIONAL DEFERRED COMPENSATION	Ben2392027	01/08/09	DEFERRED COMP PLAN	12,377.76	12,377.76
2016054	01/21/09	03523	NATIONAL DEFERRED COMPENSATION	Ben2392427	01/22/09	DEFERRED COMP PLAN	12,092.90	12,092.90
2016055	01/21/09	01136	NATIONAL SOCIETY OF	234106	12/31/08	MEMBERSHIP RENEWAL	260.00	260.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015890	01/14/09	09712	NATIONAL WATER RESEARCH	15476345	01/07/09	WORKSHOP REGISTRATION FEE	225.00	225.00
2015816	01/07/09	03733	NEC UNIFIED SOLUTIONS INC	TM0000001398	12/12/08	LABOR FOR PHONES SVCS	236.00	236.00
2015891	01/14/09	03733	NEC UNIFIED SOLUTIONS INC	TM0000001724 TM0000001815	12/19/08 12/24/08	LABOR FOR PHONES SVCS LABOR FOR PHONES SVCS	236.00 177.00	413.00
2016056	01/21/09	03135	NETWORKS 2000	11866	12/03/08	HP CARE PACK HARDWARE SUPPORT	764.11	764.11
2016057	01/21/09	08531	NEWEST CONSTRUCTION	4	12/31/08	S2015 - CALAVO SEWER LIFT STATION	53,451.00	53,451.00
2015892	01/14/09	02848	NEWMAN, E PATRICK	000918	01/08/09	TUITION REIMBURSEMENT	115.66	115.66
2016058	01/21/09	03571	NEXTLEVEL INTERNET INC	17589	01/14/09	INTERNET WEB HOSTING	416.00	416.00
2015893	01/14/09	09713	NIEVES, RICARDO	000921	01/09/09	SAFETY BOOTS REIMBURSEMENT	116.35	116.35
2015966	01/21/09	09777	OAKTREE REALTY	Ref002392397	01/20/09	UB Refund Cst #0000140620	52.67	52.67
2015817	01/07/09	00510	OFFICE DEPOT INC	457006078001 457006146001	12/17/08 12/17/08	OFFICE SUPPLIES OFFICE SUPPLIES	68.43 53.98	122.41
2015894	01/14/09	00510	OFFICE DEPOT INC	457781060001 457585972001 457235745001	12/24/08 12/24/08 12/24/08	OFFICE SUPPLIES INKJET CARTRIDGE CANNED AIR	153.30 56.01 48.36	257.67
2016136	01/28/09	00510	OFFICE DEPOT INC	458400433001	01/07/09	OFFICE SUPPLIES	55.43	55.43
2015818	01/07/09	03149	ON SITE LASER	42170 42097 42124	12/05/08 11/20/08 12/05/08	PRINTERS SERVICED PRINTERS SERVICED PRINTERS SERVICED	311.44 261.87 122.80	696.11
2015895	01/14/09	03149	ON SITE LASER	42204	12/24/08	PRINTERS SERVICED	69.00	69.00
2015896	01/14/09	02334	OTAY LANDFILL	007506	12/15/08	WASTE DISPOSAL SERVICES	2,773.28	2,773.28
2015819	01/07/09	03101	OTAY WATER DISTRICT	Ben2392029	01/08/09	PAYROLL DEDUCTION - ASSN DUES	819.00	819.00
2016059	01/21/09	03101	OTAY WATER DISTRICT	Ben2392429	01/22/09	PAYROLL DEDUCTION - ASSN DUES	819.00	819.00
2015820	01/07/09	08655	PACIFIC ALLIANCE APPRAISALS	0812005	12/12/08	APPRAISAL SERVICES	250.00	250.00
2015821	01/07/09	04463	PACIFIC GREEN LANDSCAPE INC	0049579IN	12/17/08	LANDSCAPING SERVICES	4,600.00	4,600.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016137	01/28/09	04463	PACIFIC GREEN LANDSCAPE INC	0049644IN	01/07/09	LANDSCAPE REMOVAL	2,335.00	2,335.00
2016060	01/21/09	06646	PACIFIC HYDROTECH CORPORATION	4679	11/30/08	CONSTRUCTION SERVICES	685,849.80	685,849.80
2015822	01/07/09	08891	PACIFIC METER SERVICES INC	112	12/17/08	WATER METER REPLACEMENT FY 2009	24,053.67	24,053.67
2016138	01/28/09	08891	PACIFIC METER SERVICES INC	114	01/06/09	WATER METER REPLACEMENT FY 2009	9,055.03	9,055.03
2016061	01/21/09	03017	PACIFIC SAFETY COUNCIL	65609 65619	12/18/08 12/06/08	CONFINED SPACE TRAINING CPR/FIRST AID & AED TRAINING	375.00 50.00	425.00
2016062	01/21/09	05497	PAYPAL INC	3222916	12/31/08	ON-LINE PAYMENT SERVICES	438.90	438.90
2016063	01/21/09	03308	PBS&J	1030092	12/29/08	PROFESSIONAL CONSULTING SERVICES	28,850.74	28,850.74
2015967	01/21/09	09718	PEDRO PIDO	Ref002392336	01/20/09	UB Refund Cst #0000023085	44.96	44.96
2016139	01/28/09	08398	PEERLESS MATERIALS COMPANY	2399	01/05/09	WIPING RAGS	247.83	247.83
2015823	01/07/09	00227	PELL MELL SUPPLY	45611600	12/15/08	STAINLESS STEEL NUTS AND BOLTS	1,214.34	1,214.34
2015968	01/21/09	09783	PEMBERLEY REALTY	Ref002392403	01/20/09	UB Refund Cst #0000141242	49.03	49.03
2016140	01/28/09	00593	PEPPER OIL COMPANY INC	609344	01/05/09	DIESEL FUEL	5,093.96	5,093.96
2015824	01/07/09	09708	PETER MELCHER	000893	12/31/08	CASH IN YOUR PLANTS PROGRAM	900.00	900.00
2015897	01/14/09	00137	PETTY CASH CUSTODIAN	000925	01/13/09	PETTY CASH REIMBURSEMENT	423.75	423.75
2016141	01/28/09	00137	PETTY CASH CUSTODIAN	000950	01/27/09	PETTY CASH REIMBURSEMENT	1,156.79	1,156.79
2015898	01/14/09	03395	PHOENIX PUMPS INC	INV17978	12/11/08	REPAIR PART	581.36	581.36
2016142	01/28/09	07290	PILLSBURY WINTHROP SHAW	7497618	01/16/09	LEGAL SERVICES	7,745.64	7,745.64
2015825	01/07/09	00053	PITNEY BOWES INC	574252	12/14/08	E-Z SEAL FOR MAILING MACHINE	52.19	52.19
2015969	01/21/09	09769	PLATINUM CIRCLE REAL ESTATE	Ref002392389	01/20/09	UB Refund Cst #0000139625	52.15	52.15
2015899	01/14/09	07602	PLUMBERS DEPOT	PD10318	12/16/08	CABLE FOR CAMERA	838.63	838.63
2015826	01/07/09	01715	PORRAS, PEDRO J	000898	01/06/09	COMPUTER LOAN PROGRAM	870.61	870.61
2015970	01/21/09	09760	PREMIER NATIONAL REALTY GROUP	Ref002392380	01/20/09	UB Refund Cst #0000128023	23.21	23.21

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016064	01/21/09	02976	PRE-PAID LEGAL SERVICES INC	000936	01/21/09	LEGAL SERVICES	15.95	15.95
2015971	01/21/09	09758	PROCTOR VALLEY WEST PARTNERS	Ref002392378	01/20/09	UB Refund Cst #0000127746	607.18	607.18
2016143	01/28/09	07860	PROTECTIVE LIFE INSURANCE CO	0552945602	01/12/09	HEALTH INSURANCE PREMIUM	1,218.88	1,218.88
2015827	01/07/09	09347	PROWEST APPRAISAL	1	12/18/08	APPRAISAL OF PROPERTY & NEGOTIATIONS	9,395.00	9,395.00
2015828	01/07/09	06641	PRUDENTIAL OVERALL SUPPLY	8923183	12/18/08	UNIFORMS	298.84	
				8923182	12/18/08	MATS, TOWELS & SUPPLIES	116.78	
				8923184	12/18/08	MATS, TOWELS & SUPPLIES	95.84	
				8919138	12/17/08	MATS, TOWELS & SUPPLIES	89.00	
				8923185	12/18/08	UNIFORMS	53.45	
				8919137	12/17/08	UNIFORMS	53.24	707.15
2015900	01/14/09	06641	PRUDENTIAL OVERALL SUPPLY	8943133	12/25/08	UNIFORMS	294.84	
				8943135	12/25/08	MATS, TOWELS & SUPPLIES	116.78	
				8943134	12/25/08	MATS, TOWELS & SUPPLIES	95.84	
				8939073	12/24/08	MATS, TOWELS & SUPPLIES	89.00	
				UNIFORMS	12/25/08	UNIFORMS	53.45	
				8939072	12/24/08	UNIFORMS	53.24	703.15
2016065	01/21/09	06641	PRUDENTIAL OVERALL SUPPLY	8963070	01/01/09	UNIFORMS	370.27	
				8963069	01/01/09	MATS, TOWELS & SUPPLIES	116.78	
				8963071	01/01/09	MATS, TOWELS & SUPPLIES	95.84	
				8959022	12/31/08	MATS, TOWELS & SUPPLIES	89.00	
				8963072	01/01/09	UNIFORMS	53.45	
				8959021	12/31/08	UNIFORMS	53.24	778.58
2016144	01/28/09	06641	PRUDENTIAL OVERALL SUPPLY	8982975	01/08/09	UNIFORMS	310.84	
				8982974	01/08/09	MATS, TOWELS & SUPPLIES	116.78	
				8982976	01/08/09	MATS, TOWELS & SUPPLIES	95.84	
				8978940	01/07/09	MATS, TOWELS & SUPPLIES	89.00	
				8982977	01/08/09	UNIFORMS	53.45	
				8978939	01/07/09	UNIFORMS	53.24	719.15
2015901	01/14/09	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2392023	01/08/09	PERS CONTRIBUTION	128,785.10	128,785.10
2016145	01/28/09	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2392423	01/22/09	PERS CONTRIBUTION	125,641.88	125,641.88
2015902	01/14/09	01342	R J SAFETY SUPPLY CO INC	25772900	12/19/08	ORANGE JACKET	59.98	
				25773000	12/19/08	RUBBER SAFETY BOOTS	50.91	110.89
2016146	01/28/09	01342	R J SAFETY SUPPLY CO INC	25821700	01/07/09	SAFETY APPAREL & SUPPLIES	324.55	
				25821800	01/07/09	SAFETY JACKET	53.88	378.43

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016147	01/28/09	08331	RABO BANK NA	280207R	01/05/09	RETENTION FOR SPIESS CONSTRUCTION	13,034.45	13,034.45
2015829	01/07/09	08029	RANCHO SAN DIEGO-JAMUL	000862	12/15/08	REGISTRATION FEE	15.00	15.00
2015830	01/07/09	00766	RANROY PRINTING COMPANY	096035	12/12/08	BUSINESS CARDS	103.44	103.44
2016148	01/28/09	02491	RAYMUNDO, ALLAN	14730109	01/22/09	REIMBURSE CONF EXPENSES	128.00	128.00
2015903	01/14/09	02041	RBF CONSULTING	8110510	12/24/08	SANITARY SEWER CCTV INSPECTION	13,429.24	13,429.24
2016066	01/21/09	01722	RDO EQUIPMENT CO	033438	12/30/08	WATER PUMP AND GASKET	294.97	294.97
2015904	01/14/09	08972	RICK ENGINEERING COMPANY	0010860	12/19/08	ARCGIS SERVER SETUP & SUPPORT	1,245.00	1,245.00
2015972	01/21/09	09725	RIMROCK COMMUNITIES	Ref002392343	01/20/09	UB Refund Cst #0000070146	77.88	77.88
2015973	01/21/09	09719	RIMROCK CONSTRUCTION INC	Ref002392337	01/20/09	UB Refund Cst #0000032984	604.61	604.61
2016149	01/28/09	04542	ROBAK, MARK	70141208	12/31/08	REIMBURSE MILEAGE EXPENSE	181.35	181.35
2015905	01/14/09	01471	ROBBINS AUTO GLASS	40146	12/09/08	REPLACE WINDSHIELD	252.76	252.76
2015974	01/21/09	09729	ROBERT FOWLER	Ref002392347	01/20/09	UB Refund Cst #0000074807	8.77	8.77
2015831	01/07/09	09706	ROBERT LUTKE	RF623084242	12/31/08	REFUND PROP TAX CHARGE	560.70	560.70
2015975	01/21/09	09717	ROBERT SEVERSON	Ref002392335	01/20/09	UB Refund Cst #0000006383	13.41	13.41
2015976	01/21/09	09726	ROBERT UECKER	Ref002392344	01/20/09	UB Refund Cst #0000071189	31.51	31.51
2015906	01/14/09	09310	ROBERT WEICHEL	RF209075932	01/09/09	REISSUE IN AGENT'S NAME	9.92	9.92
2015977	01/21/09	09779	ROCHELLE ASBELL	Ref002392399	01/20/09	UB Refund Cst #0000140908	49.08	49.08
2015832	01/07/09	03279	ROTH STAFFING COMPANIES LP	12264730	12/26/08	TEMPORARY SERVICES - HR DEPT	1,315.20	1,841.28
				12266438	01/02/09	TEMPORARY SERVICES - HR DEPT	526.08	
2016067	01/21/09	03279	ROTH STAFFING COMPANIES LP	12267981	01/09/09	TEMPORARY SERVICES - HR DEPT	789.12	789.12
2016150	01/28/09	03279	ROTH STAFFING COMPANIES LP	12269822	01/16/09	TEMPORARY SERVICES - ADM DEPT	1,315.20	2,630.40
				12271687	01/23/09	TEMPORARY SERVICES - ADM DEPT	1,315.20	
2016151	01/28/09	02620	ROTORK CONTROLS INC	RSI32179	12/15/08	SERVICE & REPAIR	1,137.50	2,275.00
				RSI32197	12/22/08	BLOWER & FILTER REPAIR	1,137.50	

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015978	01/21/09	09743	ROY ANDERSEN	Ref002392362	01/20/09	UB Refund Cst #0000119320	130.00	130.00
2016152	01/28/09	02683	SAFECHECKS INC	0509986	01/07/09	LASER CHECKS	808.13	808.13
2016153	01/28/09	03687	SAFETY-KLEEN SYSTEMS INC	0038095620	01/07/09	SOLVENT TANK SERVICE	161.86	161.86
2016068	01/21/09	00003	SAN DIEGO COUNTY WATER	6824	12/19/08	SMART LANDSCAPE PROGRAM	937.50	937.50
2016154	01/28/09	04661	SAN DIEGO COUNTY WATER	000949	01/27/09	MEMBERSHIP DUES	30.00	30.00
2016069	01/21/09	00247	SAN DIEGO DAILY TRANSCRIPT	123802	12/22/08	LEGAL NOTICE	58.55	58.55
2015833	01/07/09	00121	SAN DIEGO GAS & ELECTRIC	000890 000887 000895	12/26/08 12/24/08 12/29/08	UTILITY EXPENSES UTILITY EXPENSES UTILITY EXPENSES	65,957.52 30,171.22 133.48	96,262.22
2015834	01/07/09	00871	SAN DIEGO GAS & ELECTRIC	246704	12/31/08	RELOCATE OVERHEAD ELEC FACILITIES	7,965.00	7,965.00
2015907	01/14/09	00121	SAN DIEGO GAS & ELECTRIC	000912 000915 000909	12/31/08 12/31/08 12/31/08	UTILITY EXPENSES UTILITY EXPENSES UTILITY EXPENSES	51,318.61 727.14 158.44	52,204.19
2016070	01/21/09	00121	SAN DIEGO GAS & ELECTRIC	000924 000926	01/12/09 01/06/09	UTILITY EXPENSES UTILITY EXPENSES	1,624.67 12.48	1,637.15
2016155	01/28/09	00121	SAN DIEGO GAS & ELECTRIC	000941 000938 000944	01/20/09 01/20/09 01/20/09	UTILITY EXPENSES UTILITY EXPENSE UTILITY EXPENSES	37,132.72 15,467.30 35.12	52,635.14
2015979	01/21/09	09752	SAN DIEGO REALTY	Ref002392371	01/20/09	UB Refund Cst #0000126443	51.69	51.69
2015980	01/21/09	09782	SAN DIEGO REALTY	Ref002392402	01/20/09	UB Refund Cst #0000141229	12.73	12.73
2015981	01/21/09	09790	SAN DIEGO REALTY	Ref002392410	01/20/09	UB Refund Cst #0000141799	65.31	65.31
2015982	01/21/09	09793	SAN DIEGO REALTY	Ref002392413	01/20/09	UB Refund Cst #0000142089	11.71	11.71
2015983	01/21/09	09791	SAN DIEGO REALTY INC	Ref002392411	01/20/09	UB Refund Cst #0000141916	16.54	16.54
2015984	01/21/09	09761	SAN DIEGO REO REALTORS	Ref002392381	01/20/09	UB Refund Cst #0000128037	32.08	32.08
2015985	01/21/09	09773	SAN DIEGO REO REALTORS	Ref002392393	01/20/09	UB Refund Cst #0000140038	122.33	122.33
2016156	01/28/09	09226	SAN DIEGO TRUCK EQUIPMENT INC	4745	01/07/09	VEHICLE BODY SWAP	1,550.00	1,550.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015986	01/21/09	09765	SANDY MILLER	Ref002392385	01/20/09	UB Refund Cst #0000128329	17.84	17.84
2015987	01/21/09	09787	SANDY MILLER	Ref002392407	01/20/09	UB Refund Cst #0000141658	55.10	55.10
2015988	01/21/09	09794	SANDY MILLER	Ref002392414	01/20/09	UB Refund Cst #0000142108	23.21	23.21
2015989	01/21/09	09798	SANDY MILLER	Ref002392418	01/20/09	UB Refund Cst #0000142525	45.91	45.91
2016071	01/21/09	03514	SANTOS, MARCIANO	000928	01/16/09	CERTIFICATION RENEWAL REIMBURSED	130.00	130.00
2016072	01/21/09	05321	SCHIFF ASSOCIATES	03125	12/31/08	CIP P1043-CATHODIC PROTECTION PROGRAM	3,047.50	3,047.50
2015908	01/14/09	07442	SCHULTZ, ALEXANDER	000910	01/07/09	TUITION REIMBURSEMENT	3,000.00	3,000.00
2015990	01/21/09	09762	SCOTT VINSON	Ref002392382	01/20/09	UB Refund Cst #0000128116	271.21	271.21
2015991	01/21/09	09763	SCOTT VINSON	Ref002392383	01/20/09	UB Refund Cst #0000128257	21.82	21.82
2016157	01/28/09	07783	SCRIPPS CENTER FOR EXECUTIVE	17632	12/11/08	HEALTH EXAM	1,348.00	1,348.00
2015835	01/07/09	05512	SD COUNTY VECTOR CONTROL PROG	000794	11/19/08	MOSQUITO & VECTOR DISEASE CONTROL	541.80	541.80
2015836	01/07/09	07405	SHARP BUSINESS SYSTEMS	9MA47A	12/18/08	FUSER ASSEMBLY FOR FAX MACHINE	237.05	237.05
2015992	01/21/09	09732	SHEA QUINCY	Ref002392350	01/20/09	UB Refund Cst #0000080204	38.63	38.63
2015837	01/07/09	05421	SHERWIN-WILLIAMS CO	34799	12/18/08	PAINT	902.19	902.19
2015838	01/07/09	09513	SHOWERSTART LLC	4045	12/12/08	SHOWERHEADS	1,578.60	1,578.60
2015839	01/07/09	05983	SIEMENS WATER	RJE5890	12/11/08	CAUSTIC LEVEL SENSORS	532.20	532.20
2016158	01/28/09	05627	SIGNA DIGITAL SOLUTIONS INC	ARS23001	01/06/09	COPIER MAINTENANCE	200.00	
				ARS22948	01/05/09	COPIER MAINTENANCE	200.00	
				ARS23122	01/08/09	COPIER MAINTENANCE	200.00	
				ARS22891	01/02/09	COPIER MAINTENANCE	144.00	
				ARS22890	01/02/09	COPIER MAINTENANCE	34.20	778.20
2015909	01/14/09	03071	SOCO GROUP INC, THE	171294	12/23/08	OIL	841.26	841.26
2016159	01/28/09	03071	SOCO GROUP INC, THE	168739	01/07/09	PUMP MOTOR OIL	360.75	360.75
2016073	01/21/09	03592	SOFTCHOICE CORPORATION	1928490	12/31/08	SYMANTEC ANTI-VIRUS SOFTWARE	4,958.00	4,958.00

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015840	01/07/09	06853	SOUTHERN CALIFORNIA SOIL	349154R	11/15/08	ON CALL GEOTECHNICAL SERVICES	2,095.34	2,095.34
2015910	01/14/09	03760	SPANKY'S PORTABLE SERVICES INC	793835	12/22/08	PORTABLE TOILET RENTAL	79.96	399.80
				793746	12/19/08	PORTABLE TOILET RENTAL	79.96	
				793745	12/19/08	PORTABLE TOILET RENTAL	79.96	
				793744	12/19/08	PORTABLE TOILET RENTAL	79.96	
				793743	12/19/08	PORTABLE TOILET RENTAL	79.96	
2016074	01/21/09	03760	SPANKY'S PORTABLE SERVICES INC	794939	12/31/08	PORTABLE TOILET RENTAL	79.96	79.96
2016160	01/28/09	03760	SPANKY'S PORTABLE SERVICES INC	796182	01/08/09	PORTABLE TOILET RENTAL	98.15	98.15
2015841	01/07/09	03516	SPECIAL DISTRICT RISK	27750	12/30/08	PROPERTY & LIABILITY PROGRAM	49.50	49.50
2016161	01/28/09	00590	SPECIALTY SEALS & ACCESSORIES	26538	01/07/09	SEAL & ADAPTER PLATE	1,533.82	1,533.82
2016162	01/28/09	03184	SPIESS CONSTRUCTION CO INC	280207	01/05/09	P2191 - 850-4 RESERVOIR (CONSTRUCTION)	117,310.05	117,310.05
2016075	01/21/09	05494	SPRINT	901500243028	01/12/09	GIS (AIR-TRAK) CELLULAR SERVICE	3,539.15	3,539.15
2016076	01/21/09	02354	STANDARD ELECTRONICS	11967	12/30/08	SECURITY SERVICES	4,600.00	4,770.00
				11971	12/30/08	SECURITY SERVICE & REPAIRS	170.00	
2015842	01/07/09	00480	STATE BOARD OF EQUALIZATION	000899	12/31/08	CALIF SALES USE TAX	1,026.85	1,026.85
2016163	01/28/09	00097	STATE BOARD OF EQUALIZATION	000947	01/25/09	STORAGE TANK MAINT FEE	298.81	298.81
2015843	01/07/09	01560	STATE CHEMICAL MFG CO, THE	94023460	12/15/08	SHOP SUPPLIES	167.21	167.21
2015844	01/07/09	06299	STATE DISBURSEMENT UNIT	Ben2392033	01/08/09	PAYROLL DEDUCTION	237.69	237.69
2015845	01/07/09	06303	STATE DISBURSEMENT UNIT	Ben2392039	01/08/09	PAYROLL DEDUCTION	836.30	836.30
2015846	01/07/09	08533	STATE DISBURSEMENT UNIT	Ben2392037	01/08/09	PAYROLL DEDUCTION	841.01	841.01
2016077	01/21/09	06299	STATE DISBURSEMENT UNIT	Ben2392433	01/22/09	PAYROLL DEDUCTION	237.69	237.69
2016078	01/21/09	06303	STATE DISBURSEMENT UNIT	Ben2392437	01/22/09	PAYROLL DEDUCTION	836.30	836.30
2016079	01/21/09	08533	STATE DISBURSEMENT UNIT	Ben2392435	01/22/09	PAYROLL DEDUCTION	841.01	841.01
2015847	01/07/09	09572	STATE OF CALIFORNIA EDD	Ben2392041	01/08/09	PAYROLL DEDUCTION	97.59	97.59
2016080	01/21/09	09572	STATE OF CALIFORNIA EDD	Ben2392439	01/22/09	PAYROLL DEDUCTION	350.71	350.71

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2015848	01/07/09	02261	STATE STREET BANK & TRUST CO	Ben2392025	01/08/09	DEFERRED COMP PLAN	6,112.75	6,112.75
2016081	01/21/09	02261	STATE STREET BANK & TRUST CO	Ben2392425	01/22/09	DEFERRED COMP PLAN	5,992.75	5,992.75
2015993	01/21/09	09750	STEPHEN CLARK	Ref002392369	01/20/09	UB Refund Cst #0000125937	131.63	131.63
2015994	01/21/09	09771	STEVE LEMACK	Ref002392391	01/20/09	UB Refund Cst #0000139814	57.81	57.81
2015995	01/21/09	09788	STEVE LEMACK	Ref002392408	01/20/09	UB Refund Cst #0000141683	31.95	31.95
2016164	01/28/09	09578	SUPPORT PRODUCT SERVICES	741	01/05/09	PUMP STATION ENGINE REPAIR	11,670.40	11,670.40
2015996	01/21/09	09749	SUZY GERSHMAN	Ref002392368	01/20/09	UB Refund Cst #0000124125	55.85	55.85
2016082	01/21/09	08399	SWINERTON MANAGEMENT	0806900207	01/06/09	TEMPORARY SERVICES - OPS DEPT	12,172.00	12,172.00
2015849	01/07/09	02799	TARULLI TIRE INC - SAN DIEGO	20036489	12/12/08	TIRE REPAIR	121.46	121.46
2015911	01/14/09	02799	TARULLI TIRE INC - SAN DIEGO	20036604	12/24/08	TIRE SERVICE	70.55	
				20036476	12/11/08	TIRE SERVICE	34.47	
				20036479	12/11/08	TIRE SERVICE	28.00	
				20036561	12/22/08	TIRE SERVICE	20.47	153.49
2016084	01/21/09	02799	TARULLI TIRE INC - SAN DIEGO	20036648	12/31/08	TIRES & SERVICE	2,963.71	2,963.71
2015997	01/21/09	09774	TAVAGLIONE CONSTRUCTION	Ref002392394	01/20/09	UB Refund Cst #0000140101	486.56	486.56
2015912	01/14/09	09351	TECHNOLOGY NOW	1612	12/20/08	BLACKBERRY SERVER MIGRATION	4,250.00	4,250.00
2015850	01/07/09	08778	THOMSON REUTERS	11651023	12/19/08	PPC GUIDE TO GAAP/GAAS CD ROM	458.47	458.47
2016083	01/21/09	04977	T-MOBILE	4150860450109	01/05/09	CELL PHONE & BLACKBERRY SERVICES	1,476.97	1,476.97
2015998	01/21/09	09797	TOM HESSEL	Ref002392417	01/20/09	UB Refund Cst #0000142524	8.91	8.91
2015851	01/07/09	07936	TRACER ENVIRONMENTAL SCIENCES	219404	11/30/08	AQUEOUS AMMONIA SAFETY REVIEW	1,878.41	1,878.41
2015913	01/14/09	07936	TRACER ENVIRONMENTAL SCIENCES	219405	12/24/08	AQUEOUS AMMONIA SAFETY REVIEW	2,477.12	2,477.12
2015999	01/21/09	09766	TRIAD PROPERTIES	Ref002392386	01/20/09	UB Refund Cst #0000133816	64.39	64.39
2016000	01/21/09	09784	TRIAD PROPERTIES	Ref002392404	01/20/09	UB Refund Cst #0000141446	53.58	53.58
2016085	01/21/09	03261	TYLER TECHNOLOGIES INC	INV0142012	12/16/08	EDEN SYSTEMS CONSULTING	1,065.38	1,065.38

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016165	01/28/09	00427	UNDERGROUND SERVICE ALERT OF	1220080445	01/01/09	UNDERGROUND TRENCH SERVICE ALERTS	177.00	177.00
2015852	01/07/09	08262	UNITED RENTALS NORTHWEST INC	78499077001	12/08/08	CONCRETE	177.79	177.79
2016086	01/21/09	08262	UNITED RENTALS NORTHWEST INC	78814083001	12/29/08	CONCRETE	139.00	139.00
2015853	01/07/09	05417	UNITED STATES DEPARTMENT	Ben2392043	01/08/09	PAYROLL DEDUCTION	100.00	100.00
2016087	01/21/09	05417	UNITED STATES DEPARTMENT	Ben2392441	01/22/09	PAYROLL DEDUCTION	100.00	100.00
2015914	01/14/09	00350	UNITED STATES POSTAL SERVICE	000923	01/13/09	REIMBURSE POSTAGE MACHINE	1,650.00	1,650.00
2016088	01/21/09	07662	UNITEDHEALTHCARE SPECIALTY	000935	01/21/09	BASIC LIFE/AD&D & SUPP LIFE INS	5,247.85	5,247.85
2016089	01/21/09	03212	UNUM LIFE INSURANCE	Ben2392421	01/22/09	LONG TERM DISABILITY	9,931.78	9,931.78
2015854	01/07/09	07674	US BANK CORPORATE PAYMENT	000904	12/22/08	DISTRICT EXPENSES	941.69	
				000903	12/22/08	DISTRICT EXPENSES	443.30	1,384.99
2015915	01/14/09	07674	US BANK CORPORATE PAYMENT	000924	11/24/08	DISTRICT EXPENSES	6,412.06	
				000913	12/22/08	DISTRICT EXPENSES	2,968.69	
				000916	12/22/08	DISTRICT EXPENSES	1,367.80	
				000917	11/24/08	DISTRICT EXPENSES	372.79	
				000911	12/22/08	DISTRICT EXPENSES	336.61	11,457.95
2016001	01/21/09	09764	US FINANCIAL	Ref002392384	01/20/09	UB Refund Cst #0000128297	36.81	36.81
2015916	01/14/09	06829	US SECURITY ASSOCIATES INC	399910	12/25/08	AFTER HOURS SECURITY SVCS	263.65	263.65
2016166	01/28/09	02674	USA BLUE BOOK	731825	12/30/08	RECORDING CHARTS	134.03	134.03
2016090	01/21/09	09709	UVERITECH	39163	01/13/09	COUNTERFEIT UV SCANNER	106.09	106.09
2015855	01/07/09	09218	VACO LA JOLLA LLC	BILL000000003422	12/26/08	TEMPORARY SERVICES - HR DEPT	4,657.84	4,657.84
2016091	01/21/09	08028	VALLEY CONSTRUCTION MANAGEMEN	SD080203	12/31/08	AS-NEEDED CONSTRUCTION MGMT SVCS	3,925.00	3,925.00
2015856	01/07/09	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2392031	01/08/09	DEFERRED COMP PLAN	6,980.66	6,980.66
2016092	01/21/09	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2392431	01/22/09	DEFERRED COMP PLAN	7,044.66	7,044.66
2015917	01/14/09	03329	VERIZON WIRELESS	0719986977	12/21/08	WIRELESS DATA SERVICES	9,419.20	9,419.20
2016002	01/21/09	09780	WACHOVIA BANK	Ref002392400	01/20/09	UB Refund Cst #0000140983	5.69	5.69

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2015769 THROUGH 2016169
RUN DATES 1/7/2009 TO 1/28/2009

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2016003	01/21/09	09748	WALTER HARRISON	Ref002392367	01/20/09	UB Refund Cst #0000123502	56.08	56.08
2015918	01/14/09	07595	WALTERS WHOLESALE ELECTRIC CO	282150801	12/24/08	POWER SUPPLIES	1,536.52	1,536.52
2016093	01/21/09	07595	WALTERS WHOLESALE ELECTRIC CO	282105501	12/17/08	INFRARED CAMERA	16,970.63	16,970.63
2016004	01/21/09	09722	WATSON H FRASURE	Ref002392340	01/20/09	UB Refund Cst #0000045302	15.87	15.87
2016167	01/28/09	00014	WAXIE SANITARY SUPPLY	71043994	01/05/09	JANITORIAL SUPPLIES	1,077.15	1,077.15
2015857	01/07/09	00190	WEST PAYMENT CENTER	8173988330	12/20/08	LEGAL LIBRARY UPDATES	2,114.63	2,114.63
2016168	01/28/09	03131	WESTERN HOSE & GASKET	201148	01/06/09	REPAIR PARTS	289.28	289.28
2015858	01/07/09	00125	WESTERN PUMP INC	0071873IN	11/30/08	APCD TESTING	538.00	538.00
2015919	01/14/09	00125	WESTERN PUMP INC	0072552IN	12/22/08	APCD TESTING	723.01	723.01
2016169	01/28/09	03692	WESTIN ENGINEERING INC	32285 32075	01/05/09 12/08/08	CIP P1210 - ASSET MANAGEMENT PLAN CIP P1210 - ASSET MANAGEMENT PLAN	14,746.42 9,696.58	24,443.00
2016094	01/21/09	03437	WIENHOFF DRUG TESTING INC	22013	12/31/08	HEALTH EXAMS	165.00	165.00
2015859	01/07/09	02725	WILLIAMS SCOTSMAN INC	87065199 87205665	12/12/08 12/18/08	28' TRAILER RENTAL @ TREATMENT PLANT MOBILE OFFICE RENTAL @ TREATMENT PLANT	304.51 299.35	603.86
2016095	01/21/09	09149	WILLIS RISK AND INSURANCE	0229418	01/01/09	BENEFITS CONSULTING	8,750.00	8,750.00
2015920	01/14/09	06288	ZONDIROS CORPORATION	11 00001911	09/08/08 09/08/08	I 905 UTILITY RELOCATIONS RETAINAGE RELEASE	57,210.42 3,661.87	60,872.29
2016005	01/21/09	09781	ZULEMA MALDONADO	Ref002392401	01/20/09	UB Refund Cst #0000141169	21.42	21.42
GRAND TOTAL							2,560,774.10	2,560,774.10