

OTAY WATER DISTRICT
BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY

May 2, 2007

3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF NOVEMBER 1, 2006, JANUARY 3, 2007 AND SPECIAL MEETING OF SEPTEMBER 25, 2006
5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) APPROVE THE IMPLEMENTATION OF A WINTER-CONSUMPTION BASED SEWER CHARGE METHODOLOGY FOR RESIDENTIAL SEWER CUSTOMERS AND COMMERCIAL SEWER CUSTOMERS WITHOUT A SEPARATE IRRIGATION METER
 - b) AWARD A CONSTRUCTION CONTRACT TO M&M GENERAL ENGINEERING CONTRACTORS, INC. IN THE AMOUNT OF \$128,650 FOR THE FACILITIES PAVEMENT PROGRAM TELEGRAPH CANYON ROAD PROJECT
 - c) AWARD A PROFESSIONAL VALUE ENGINEERING AND CONSTRUCTABILITY REVIEW SERVICES CONTRACT TO HARRIS & ASSOCIATES FOR THE 36-INCH PIPELINE, SAN DIEGO COUNTY WATER AUTHORITY

OTAY FCF NO. 14 TO THE REGULATORY SITE PROJECT FOR AN AMOUNT NOT TO EXCEED \$107,138

- d) APPROVE ORDINANCE NO. 511 AMENDING SECTION 26, WATER RECYCLING PLAN AND IMPLEMENTING PROCEDURES, OF THE DISTRICT'S CODE OF ORDINANCES

INFORMATION / ACTION ITEMS

7. GENERAL MANAGER

- a) ADOPT THE 2007/2008 OTAY WATER DISTRICT LEGISLATIVE PROGRAM (BUELNA)

8. BOARD INFORMATION / ACTION ITEMS

- a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

REPORTS

9. GENERAL MANAGER'S REPORT

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

10. DIRECTORS' REPORTS / REQUESTS

11. PRESIDENT'S REPORT

RECESS TO CLOSED SESSION

12. CLOSED SESSION

- a) POTENTIAL LITIGATION (GOVERNMENT CODE §54956.9)
 - (i) OTAY WATER DISTRICT v. NORTHROP GRUMMAN
- b) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION [GOVERNMENT CODE §54956.9(a)]
 - (i) HARRON v. OTAY WATER DISTRICT
 - (ii) SOUTHWEST ENGINEERING, INC. v. OTAY WATER DISTRICT
 - (iii) SAMUEL BROWN v. OTAY WATER DISTRICT, et. al.

RETURN TO OPEN SESSION

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

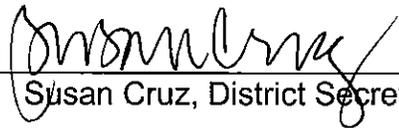
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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

Certification of Posting

I certify that on April 27, 2007, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on April 27, 2007



Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OTAY WATER DISTRICT November 1, 2006

1. The meeting was called to order by Vice-President Lopez at 3:34 p.m.

2. ROLL CALL

Directors Present: Breitfelder, Croucher, Lopez and Robak

Directors Absent: Bonilla (had business matters that he must attend to and was unable to attend the board meeting)

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Croucher, second by Director Breitfelder

Ayes: Directors Breitfelder, Croucher, Lopez and Robak

No's: None

Abstain: None

Absent: Director Bonilla

to approve the agenda.

5. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING
SEPTEMBER 6, 2006

District Secretary Susan Cruz indicated that Director Breitfelder requested that a sentence in the first full paragraph on page 13 of the minutes for September 6, 2006 board meeting be amended as follows:

*He stated that in this one instance he wished to make an exception and would like to share that it has always been very clear to him from his conversations with President Bonilla over the years that he cares very much about all the employees of the District and wished for everyone to have a good family **life like work environment.***

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

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
No's: None
Abstain: None
Absent: President Bonilla

to approve the minutes of September 6, 2006 as amended above.

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

Mr. Oscar G. Polster of Chula Vista wished to address the board to request the installation of a separate water meter for landscape water use at his home. This would allow the separate metering of landscape water and, thus, would not be included in the City of Chula Vista's calculation of sewer fees. He suggested that the additional landscape meter could be installed at the homeowner's expense and the homeowner would also pay a fee for the District to read the additional landscape meter. He asked the District if they could please develop a program for homeowners who would like to install a separate landscape meter.

Vice-President Lopez asked staff if they could please review Mr. Polster's request. General Manager Watton indicated that staff would research and bring back its findings to the next board meeting.

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 requested that item 6d, APPROVE UTILITY AGREEMENTS NO. 31756 AND 31817 WITH CAL-TRANS FOR THE SR 905 UTILITY RELOCATIONS, be pulled from the consent calendar for discussion.

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

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
No's: None
Abstain: None
Absent: Director Bonilla

to approve the following consent calendar items.

- a) APPROVE A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CHAVEZ ANNEXATION" (APN 595-020-17) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 22/27 (WO 00210-20.282/DIVISION 4)
- b) RECEIVE INFORMATION ON THE DISTRICT'S SCHOOL EDUCATION PROGRAM
- c) RECEIVE INFORMATION ON THE 2006 CUSTOMER SURVEY
- d) AWARD A CONSTRUCTION CONTRACT FOR THE LOWER OTAY PUMP STATION ACCESS ROAD TO KOCH-ARMSTRONG GENERAL ENGINEERING, INC. IN THE AMOUNT OF \$76,800
- e) APPROVE AN AGREEMENT BETWEEN THE SAN DIEGO COUNTY WATER AUTHORITY (CWA) AND THE OTAY WATER DISTRICT FOR THE DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE FOR THE OTAY 14 FLOW CONTROL FACILITY MODIFICATIONS CONTINGENT UPON CWA BOARD OF DIRECTORS APPROVAL OF SUBSTANTIALLY THE SAME

INFORMATION / ACTION ITEMS

- 8. ENGINEERING AND WATER OPERATIONS (Does this belong here?)
 - a) APPROVE UTILITY AGREEMENTS NO. 31756 AND 31817 WITH CALTRANS FOR THE SR 905 UTILITY RELOCATIONS

General Manager Watton indicated that he had a discussion with Director Robak regarding this item as it is a little confusing in determining from the attachments what each agency is responsible for paying. He stated that staff has provided on the dias a new table to better delineate the responsibilities of each agency and the cash flow.

Director Robak indicated that he understands that there are two lines that are being relocated due to the construction of the 905 in which the District is planning to make some upgrades (betterment). He inquired if CalTrans would be paying for the construction cost as it was not very clear in the staff report and if the District would only be responsible for the cost difference for the upgrade it is requesting. Asst. Civil Engineer Martha Riendeau indicated that that was correct. She stated per Utility Agreement #31756, the District is responsible for \$809,820 of the total construction cost of the pipeline of \$1,094,730. She stated that because the majority of the pipeline (approximately 2/3) is being constructed outside of CalTrans right-of-way and the line is being upgraded from a 12" line to a 20" line at the request of the District, Otay must pay a majority of the

construction cost. She stated that CalTrans' responsibility would only have been to replace 900 linear feet of 12" pipeline at a cost of \$284,910 without the District's requested improvements. It was noted that because the District has prior rights, CalTrans is responsible for the design, inspection and construction less the cost of betterment and depreciation.

Asst. Civil Engineer Riendeau indicated that Utility Agreement 31817 is completely different. She stated that the District had completed 100% of the design plans of the water line and CalTrans requested, after the plan were complete, that they wished to add a storm drain. She indicated the cost to redesign that portion in-house was \$8,600. The District has prior rights and, thus, CalTrans has agreed to reimburse the District through Utility Agreement 31817 for the cost of the redesign.

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

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
No's: None
Abstain: None
Absent: Director Bonilla

to approve staffs' recommendation.

Director Croucher thanked Director Robak for requesting clarification prior to the meeting so staff had time to prepare a response to his questions.

9. ADMINISTRATION AND FINANCE

- a) ACCEPT THE DISTRICT'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Accounting Manager James Cudlip indicated that the CAFR was reviewed by the Finance and Administration Committee at a meeting held on October 20, 2006. He indicated that staff is once again pleased to report that the District's auditor has performed an audit of the District's financial statements for Fiscal Year 2006 and has issued an "Unqualified Opinion" which is the highest rating that can be issued. He stated that the audit found no material weaknesses, no exceptions or issues, and no weaknesses in internal control. He stated that the District's balance sheet shows a/an:

- Decrease of current assets of \$6.9 million
- Increase in Capital Assets of \$35.5 million
- Decrease in Restricted Cash of \$14.4 million

- The decrease is directly related to the increase in Capital Assets due to the amount of construction and major projects during the fiscal year.
- Increase in Accounts Payable of \$3.1 million
 - Which is directly related to the capital expenditures.
- Decrease in Long Term Deb of \$1.5
 - Which is the normal annual draw down of the current debt issues.

Accounting Manager Cudlip noted that the District's income statement showed an Increase in Operating Revenue of \$6 million due to a/an:

- Increase in Water Meter Sales: 835 sold this fiscal year
- Decrease in Rainfall: 16.45 inches of rain this fiscal year
- Increase in Potable Rate of 3.9%
- Increase in the Sewer Rate of \$4/ASU

He noted that the District also had increased investment income of \$1.1 million as the federal fund rates have been slowly increasing and increases in property values have provided taxes and assessment revenue of \$.5 million. He stated on the expense side, the District had an increase of \$1.3 million in pension and insurance cost and capital contributions of \$11 million. Total net assets increased by \$11 million over the fiscal year.

He stated that, as in the past two years, the CAFER would be submitted to the Government Finance Officers Association (GFOA) and to the California Society of Municipal Finance Officers (CSMFO) for consideration for awards.

The District's auditor, Mr. Rich Teaman of Teaman Ramirez and Smith, Inc., indicated that his firm has issued an "Unqualified Opinion" or clean opinion which is the highest level opinion that can be presented from the audit community. He stated that it is their role to review the financial numbers and determine if the numbers are fairly presented and not misleading to the public and he is happy to report that they have found that the financial numbers are fairly presented.

Mr. Teaman noted that this is third year that the District has put together a CAFR. He noted that this year's CAFR includes a new footnote, footnote number 6, related to segment information. He stated that the footnote provides a little more detail by breaking down some of the assets, liabilities, revenues and expenses between water and sewer activities. He stated that the statistical section, located at the back of the CAFR, has been completely redone in accordance with GASB pronouncements as required.

Director Breitfelder indicated that in conversation with other directors, not all within government agencies, there seems to be a common desire to have interaction with the auditors in the early part of the audit. Mr. Teaman indicated that they are seeing that there is a trend going in that direction, more within the government sector recently. He stated the commercial segment of the market was moving in that direction the past two years. He stated that such interaction

is generally through a committee of the governing body or an Audit Committee. He stated prior to the commencement or the beginning of the initial phase of the audit, the audit team, members of the district staff and the Audit Committee would meet and discuss the audit in terms of the areas of specific concern or in general how the audit will be approached. He stated that focus of the audit is to state an opinion on the agency's financial statement, so discussions would be focused on the financials. He stated at the conclusion of the audit, the audit team, district staff and the committee would meet and discuss the findings of the audit.

General Manager Watton indicated that there was discussion by the District's Finance and Administration Committee in January 2006 in involving the committee in the discussions of the audit process as it is one of the most important functions of the board. He stated that staff has developed a schedule for the audit next year in which the Finance and Administrative Committee would meet with staff and the auditors in the early part of the audit process. He noted that part of the audit is the element of surprise and, thus, the auditor will not reveal to the client (the District) what he will be reviewing. However, if the board had an interest in certain areas that they would like the auditor to specifically review it can be added to the auditors work plan.

Director Robak indicated that the Finance and Administration Committee received a copy of the draft CAFR. He stated that the committee had not expected to have a completed audit presented for review as it was thought that they would meet with the audit firm on the work plan progress prior to the audit. He indicated that it was good that the Finance and Administration Committee has been included in the schedule for the audit review process next year. He stated as the CAFR was very detailed, he had indicated that he would take the time to review it prior to today's board meeting and that he had reviewed it in detail with General Manager Watton yesterday. He stated that he did have additional questions and inquired with regard to the Statement of Net Assets concerning "Cash and Cash Equivalents" went from \$6.62 million in 2005 to \$0 in 2006. He indicated that he reviewed "Note 2" as indicated and it did not address the reason for the large balance change.

Mr. Teaman indicated that the footnotes do not explain fluctuations between balances. He stated that such fluctuations are addressed in the management discussion analysis section where management makes its interpretation of the financial impact of what happened during the year. Footnotes typically explain policies and procedures of how things are accounted for. It covers required disclosures from a compliance aspect, such as, did the district follow the law, etc. He stated that the money in this particular case was used primarily for capital outlay purposes and, as noted earlier, was utilized to fund a substantial amount of capital asset increases this year. Director Robak inquired if it should not be cross referenced with the management discussion. Mr. Teaman indicated that there are specific guidelines in GASB as to tying together the statements and management discussions. He stated the reason may be that because many organizations do not present a CAFR and management discussions are not

included with financial statements if the organization does not present a CAFR, they, thus, do not include tie backs to the management discussion because they would not exist. He stated that he believed that the final document (CAFR) would have the added reference to the management discussion.

It was noted that all items which Director Robak discussed with General Manager Watton had been incorporated into the new copy of the CAFR distributed at today's meeting.

Director Robak inquired with regard to the authorized unissued debt from 1960 through 1989, if it is pretty clear that the District has no intention of issuing the debt. General Manager Watton indicated that that was correct. Director Robak inquired what would be required to remove the authorized unissued debt from the district's reporting requirements. General Manager Watton indicated that it is not certain, but staff will refer the question to General Counsel for guidance on how and if it can be done.

Director Robak inquired if a glossary of terms, similar to the District's Investment Policy, could be added to the CAFR for next year as he felt it would make it more user friendly. Mr. Teaman indicated that he has never seen such a glossary added to financial statements. He suggested that the District, as it submits the CAFR to the GFOA and the CSFMO for award consideration, speak with them on how such a glossary would impact the presentation and the District receiving an award for its CAFR.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
No's:	None
Abstain:	None
Absent:	Director Bonilla

to accept the District's Comprehensive Annual Financial Report (CAFR), including the independent auditor's unqualified opinion for the Fiscal Year ended June 30, 2006.

b) **INFORMATIONAL ITEM. IN LIGHT OF THE SUPREME COURT'S DECISION IN BIGHORN DESERT VIEW WATER AGENCY V. VERJIL, THE DISTRICT WILL BE SCHEDULING A PUBLIC HEARING ON JANUARY 3, 2007, DURING ITS REGULARLY SCHEDULED BOARD MEETING, TO CONSIDER PUBLIC COMMENT AND INPUT RELATED TO ITS RATE STRUCTURE AND THE RATE INCREASE PROPOSED IN MAY 2006 FOR IMPLEMENTATION IN JANUARY OF 2007**

General Counsel Yuri Calderon indicated that because of the State Supreme Court's decision in the Big Horn matter, which he discussed in a previous board meeting, there is some uncertainty created by the court as it did not address

whether the decision was retroactive or became effective from the date of the ruling. As such, it is difficult for bond counsel to make a conclusive opinion to assure the purchasers of the bond that their bonds were valid. The District's situation is also unique in that the rate increase was approved prior to the Big Horn ruling, however, the increase will not take effect until January 2007 after the ruling. Thus, it is recommended that the District comply with Proposition 218 requirements and solicit comments from the District's ratepayers. The board then revote or reaffirm the rate increase.

Chief Financial Officer Beachem indicated that a notice (copy attached to staff report) was being sent to customers regarding the rate increase and hearing. He stated, at this time, approximately half of the District's customers have received the notice. Another mailing to approximately 5000 customers who are owners but not occupants will be sent out very soon. He stated that the District has received one letter of opposition and one phone call from customers who have received the notice. He indicated that based on past hearings for sewer increases, the District does not expect that many customers would attend the hearing. It was noted that this process would be followed in future for all rate increases.

Director Croucher suggested that staff develop a document with speaking points indicating the reasons the rate increases are needed for the customer service staff members as they would be receiving the calls/questions concerning the proposed rate increases.

Director Breitfelder inquired if the current bond issuance is tied to future rate increases. Chief Financial Officer Beachem indicated that they are directly tied. He stated that staff utilizes the rate model to determine how much debt the District will need to issue in two, three and five years from now. He stated the amounts are input into the rate model and if the amounts are changed, it changes the rates that the District will need to implement to maintain its finances. He stated that the District must meet a debt coverage ratio of 120%, that is, its revenues must be 120% above debt payments. He stated that the District sets a target slightly above at 125%. By doing so, it makes the rating agencies and bond market feel comfortable with the amount of debt the District issues.

Director Breitfelder inquired if after the bonds are issued today, future boards of the district decide not to raise rates, what would occur? General Manager Watton indicated that staff has presented a six year budget and rate projections. He stated that everything the District does – capital projects, debt issuances, finance plan, reserves, etc. – is all tied into the rate model and rates. If any of these items/policies are changed, it will affect rates. If the board in future made decisions concerning capital projects or rates, those decisions could be input into the rate model and the result is either rates go up if wish to expand capital projects or rates go down if wish to reduce spending on capital projects. He stated that essentially, if the District decided it will not increase rates as planned/projected in the rate model, the District would need to either reduce its reserves or reduce capital projects.

10. BOARD INFORMATION / ACTION ITEMS

a) DISCUSSION OF 2006 BOARD MEETING CALENDAR

Director Croucher indicated that he would be out-of-town from December 5 thru 7, 2006 and will be unable to attend the December board meeting. He will be traveling to Maryland.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manger Watton indicated that staff is starting to get information back on the compensation study and the health care issues. He stated that the information from the compensation study will be shared with the Employee Association and the Ad Hoc Employee Negotiations Committee very soon.

He stated that the District received a Certificate of Achievement from the California Highway Patrol for six consecutive years of Satisfactory Fleet Safety Inspections. He noted that this is a large program in which the shop, its records, and vehicles are inspected. He stated that every fleet manager strives for this certificate and he wished to congratulate staff who is responsible for the fleet.

General Manager Watton indicated that Chief Information Officer Geoff Stevens presented a paper at the Business Process Innovation Summit Conference on October 17, 2006. He indicated that he presented on the District's information systems and how well the District has been able to integrate those systems. He stated that it is something most businesses strive for today and though it sounds simple, in practice, it is extremely difficult and many companies have had expensive starts and stops in trying to integrate their systems.

He indicated that staff has been talking to underwriters, insurance companies and the rating agencies in preparation of the \$27.5 to 28 million bond sale. He stated that staff will be meeting with the rating agencies to provide them an update on what the District has been accomplishing in hopes to improve the District's rating.

He also shared that the fee to pay water bills at the Postal Annex has increased from \$.50 to \$1.00. He stated that staff has not heard any complaints on the increase, but he wished to note the increase to the board should they happen to hear from their constituents.

General Manager Watton indicated that with regard to the East County Regional Treated Water Improvement Program, the Flow Control Facility No. 14 Agreement to increase the capacity of the facility to 16 MGD has been finalized with SDCWA and the design contract has been awarded. He stated that the

project is very important for the north district water supply and is moving along well.

He lastly shared that the District has received the first disbursement of approximately \$2.5 million of the \$4 million Proposition 50 grant money. He stated that staff expects to apply for the remaining balance in March 2007 upon completing the supply link to the City of San Diego's South Bay Water Reclamation Plant. He stated that the District also received the first payment of \$1.2 million from the Bureau of Reclamation Title XVI grant for the reclamation project as well.

12. SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that a big topic of discussion at CWA currently is if the meeting of the agency general manager's prior to each CWA board meeting should be open to the CWA board members. It has become a complicated discussion and has been agendized for discussion at a workshop to be held tomorrow. He stated that they will also be discussing CWA's \$3 billion CIP program at the workshop and the timing of these projects as costs are escalating. He also shared that CWA would be electing officers at the end of the month of November. He indicated that it is pretty clear who the officers will be for the upcoming year as each officer position is running unchallenged. It is expected that Fern Steiner will be elected chair, Bud Lewis will be elected vice-chair and he (General Manager Watton) will be elected secretary. He indicated that the city of San Diego appointed their Water Department Director, Mr. Jim Barrett, to serve on CWA's board. It is expected that Mr. Barrett will also be appointed as a CWA delegate to MET. The delegates will be Mssrs. Jim Bond, Bud Pocklington, Joe Parker and Jim Barrett.

Director Croucher congratulated General Manager Watton for receiving the CWA board's support in his nomination for Secretary. He stated that there were other individuals nominated, however, they declined the nominations in support of General Manager Watton. He stated that the new leadership at CWA will be working to improve CWA's working relationship with MWD. General Manager Watton indicated that he wished to clarify that the CWA members have a very good social relationship with MET, however, they wish to focus on improving the business relationship with MET.

13. DIRECTORS' REPORTS/REQUESTS

Director Robak thanked staff for the new graphical representation of the District's investments that was included with the investment report. He shared that the Water Conservation Garden Festival was success. He indicated that approximately 1500 people attended the event and the new CWA chair, Ms. Fern Steiner also attended. He stated that he was very encouraged by her show of support. He stated that Mr. Scott Tullock from the City of San Diego has moved to the City of Chula Vista as their Director of Engineering. He indicated that he has had an opportunity to get to know Mr. Tullock through the Metro Commission

and felt that he would be a good asset to the City of Chula Vista. He lastly requested that staff provide an update on the regional Joint Agency Shared Resources Committee and the work that they are currently doing.

Director Croucher indicated that he attended the Special District Risk Management Authority (SDRMA) educational training and he wanted to assure that the District received credit for his attendance from SDRMA. He asked District Secretary Cruz if she could please follow-up to assure that the credits are received. District Secretary Cruz indicated that she would work with Chief of Administration Rom Sarno as he oversees the SDRMA policy.

Director Breitfelder indicated that he attended the Water Agencies Association meeting and they discussed the fluoridation issue and the comments that can be expected from the community when fluoridation is implemented. He also shared that he attended the Council of Water Utilities meeting and an author spoke about water issues from a historical perspective with regard to Southern California and the state of California as a whole. He stated that he was impressed that during the height of the great depression, the public had voted to approve huge investments in many water projects. He stated that during that time many of the people with decision making power were involved at the grass roots level and were always out in public meetings explaining why water projects were very critical. He stated that the environment was quite extraordinary. Director Breitfelder also inquired if staff could please update the board on the details of the District's investments. It was discussed that an update would be provided to the Finance and Administration Committee.

Director Lopez indicated that the Ad Hoc Negotiations Committee met and that he was very pleased with the information they received and with the direction of negotiations.

Director Croucher noted that the premium increase for the San Miguel Consolidated Fire Protection District's PERS retirement system came in much higher than expected. He asked if the same situation occurs at Otay, if it can be presented to the Ad Hoc Negotiations Committee for discussion. General Manager Watton indicated that the District has been made aware that the District's PERS retirement premium has increased 6/10 of a percent. He indicated that staff will present it to the Ad Hoc Committee.

RECESS TO CLOSED SESSION

14. CLOSED SESSION

The board recessed to closed session at 5:05 p.m. to discuss the following matter:

- a) POTENTIAL LITIGATION [GOVERNMENT CODE §54956.9]
ONE (1) NEW 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 from closed session at 5:22 p.m. General Counsel Calderon indicated that no reportable actions were taken in closed session.

The board discussed a claim submitted by Mr. Samuel Q. Brown in closed session. A motion was made by Director Croucher to deny Mr. Brown's claim as the investigation was not yet fully complete in the matter. The motion was seconded by Director Breitfelder and carried with the following vote:

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
No's: None
Abstain: None
Absent: Director Bonilla

16. ADJOURNMENT

With no further business to come before the Board, Vice-President Lopez adjourned the meeting at 5:23 p.m.

President

ATTEST:

District Secretary

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT AND OTAY SERVICE CORPORATION January 3, 2007

1. The meeting was called to order by President Croucher at 3:31 p.m.

2. SWEARING IN OF OFFICERS CEREMONY

General Manager stated that Director Croucher took the oath earlier today with the District Board Secretary.

John McCann congratulated the re-elected Boardmembers, Larry Breitfelder and Gary Croucher. Mr. McCann officiated Director Breitfelder's swearing in as Director for Division 1. Director Breitfelder addressed the Board and members of the audience indicating his gratitude to serve on the Board as a representative for Division 1.

3. ROLL CALL

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

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

4. PLEDGE OF ALLEGIANCE

5. ELECTION OF BOARD PRESIDENT

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

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

to elect Director Croucher as president.

6. ELECTION OF BOARD VICE PRESIDENT

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

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

to elect Director Lopez as vice president.

7. ELECTION OF BOARD TREASURER

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

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

to elect Director Bonilla as treasurer.

8. APPROVAL OF AGENDA

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

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

to approve the agenda.

9. PUBLIC HEARING ON RATE INCREASE

The Board opened a public hearing at 3:52 p.m. to hear the publics' comments on the proposed rate increase to be implemented in calendar year 2007. The Board invited members of the public to address the board on the proposed increase. No one wished to be heard.

- a) APPROVE THE IMPLEMENTATION OF THE RATE INCREASE AS PROPOSED BY THE FISCAL YEAR 2006-2007 OPERATING AND CAPITAL BUDGET (BEACHEM)

Chief Financial Officer Beachem indicated that the rate increases were approved by the board with the adoption of the Fiscal Year 2007 budget at a Special Board Meeting held on May 30, 2006. He stated that a public hearing is required to comply with Proposition 218 in order to implement the proposed increases effective January 3, 2007. He stated that holding such a hearing would also support the planned debt issuance.

Mr. Beachem explained that the District's Reserve Policy defines the desired financial stability and strength of the District. It drives the rate model which assists staff in calculating rates and the budget for a six year period. The rate model helps determine a smooth rate structure to meet the identified reserve targets.

He stated that the second best management practice is the District's strategic plan. This plan defines the District's desired level of efficiency and professionalism. The Strategic Plan also drives the operating and capital budget and defines the financial requirements in order to attain the strategic objectives.

He stated that staff is proposing a rate increase of 5.4% for water and 5.8% for sewer effective January 3, 2007. These increases are consistent with the District's operating budget and will fund a balanced budget and increased costs. The increased costs include rate increases from the District's water suppliers CWA and MWD, increased energy costs, system-wide facility upgrades, such as emergency storage and reliability programs (recycled and desalination projects).

A small portion of the revenue generated from the rate increase will fund new regulatory requirements such as air-vac relocations, reservoir covers and the valve exercising program. It will also cover the AMR program which is building efficiencies for the future.

Mr. Beachem concluded that even with these increases in water rates, Otay's rates are still slightly less than average compared to other water agency rates in San Diego County. Staff requests that the Board approve the implementation of the rate increase as proposed by the fiscal year 2006-2007 Operating and Capital Budget.

General Counsel Calderon indicated that the letters received from customers in opposition to the rate increase be made a part of the permanent record of this public hearing. Copies of these letters were provided to the Board with the staff report.

Director Breitfelder indicated that it would cost the public more in the long run if rates were not raised at this time. He asked the General Manager to explain the repercussions if rates were not increased now and how it would impact rates in the future.

General Manager Watton indicated that present actions of the District will have consequences in the future. Over the past couple of years, staff has worked with the Board on different policies concerning the budget and rates. In particular, the debt plan, financial plan, and the reserve plan all are very interactive to the financial health of the District. He explained that the Board's decision to raise rates or not raise rates has a direct impact on the operations of the District. A more moderate increase now will prevent sharp rate increases in the future when the District encounters unexpected expenses such as changes in safety and health standards by other governmental agencies such as the APCD and other regulatory agencies.

There was discussion concerning how staff can better communicate and distribute information to ratepayers regarding rate increases and the impact of such issues as Proposition 218. Director Robak expressed the need for the District to keep the ratepayers informed of increases that are passed along from Metropolitan Water District and San Diego County Water Authority to Otay. It was noted in order to keep the system running and prevent breaks, the District has to be proactive in maintaining the system which also calculates into the District's costs and rate increases.

President Croucher indicated that the District is concerned about maintaining the system and being responsible to its ratepayers while maintaining reasonable rates.

Director Bonilla indicated that he would like to suggest that the District allow the ratepayers to contact the District by email with regard to Proposition 218 notices.

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

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

to approve the implementation of the rate increase as proposed by the fiscal year 2006-2007 Operating and Capital Budget.

The Board concluded the public hearing regarding the rate increase at 4:12 p.m.

10. 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

Mr. Kevin McGill addressed the Board regarding his water bill. He indicated that he and his wife have been ratepayers in the District since 1968 and have always paid their water bill on time. He indicated that an unexplained credit had

appeared on their bill and they had paid the remaining balance of \$8 on time. They then received a tag to call the Otay Customer Service Department. When they called, the customer service department indicated that they owed \$81 on their account due to an incorrect billing. Ms. McGill requested a new bill indicating the amount owed. They never received a new bill and received another tag on their door and their water service was discontinued. Ms. McGill called Customer Service and had paid the outstanding balance by credit card to restore their water service. Mr. McGill asked that the Board please look into this matter as he felt that more communication is needed between customers and the District before water service is discontinued.

President Croucher asked that General Manager Watton look into the matter. General Manager Watton apologized to Mr. McGill and assured him that he would look into his situation and respond to him on his findings.

11. RECESS FOR A PRESENTATION TO OUTGOING BOARD PRESIDENT AND RECEPTION

The Board recessed at 4:18 p.m. for a presentation to outgoing Board President Bonilla. Director Bonilla thanked the Board for their support and thanked General Manager Watton for his work and support.

12. RECONVENE OTAY WATER DISTRICT BOARD MEETING

The Board reconvened at 4:36 p.m.

13. RECESS OTAY WATER DISTRICT BOARD MEETING

The Board recessed at 4:36 p.m.

14. CONVENE OTAY SERVICE CORPORATION BOARD MEETING

President Croucher convened a meeting of the Otay Service Corporation at 4:36 p.m.

15. ROLL CALL

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

16. ELECTION OF OFFICERS

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

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

Absent: None

to elect Gary Croucher, Jose Lopez and Jaime Bonilla as the Otay Service Corporation's president, vice-president and treasurer respectively.

17. APPOINTMENT OF OFFICERS

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

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

to appoint General Manager Mark Watton, Chief Financial Officer Joe Beachem and District Secretary Susan Cruz as the Otay Service Corporation's executive director, chief financial officer and secretary respectively.

18. ADJOURN OTAY SERVICE CORPORATION BOARD MEETING

President Croucher adjourned the Otay Service Corporation board meeting at 4:37 p.m.

19. RECONVENE OTAY WATER DISTRICT BOARD MEETING

The Board reconvened at 4:37 p.m.

CONSENT CALENDAR

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

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

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

to approve the following consent calendar item 19a.

- a) APPROVE THE PROPOSED PRINCIPLES OF UNDERSTANDING WITH THE SAN DIEGO COUNTY WATER AUTHORITY AND CITY OF SAN

DIEGO FOR THE SAN DIEGO 17 PUMP STATION AND FLOW CONTROL FACILITY

Director Robak requested that Item 19b be pulled for further discussion.

- b) AWARD A PROFESSIONAL SERVICES AGREEMENT TO RBF CONSULTING FOR PROVIDING CONSTRUCTION MANAGEMENT SERVICES FOR THE 640-1 AND 640-2 RESERVOIRS PROJECT FOR AN AMOUNT NOT-TO-EXCEED \$1,196,735

Director Robak inquired if RBF Consulting's experience with Pacific Hydrotech had a strong bearing in their being selected as the construction management firm. Chief of Engineering Rod Posada indicated that it did not, however, it was an attribute that was in their favor. Director Robak indicated that the committee discussed that it is the construction management firm's highly specialized expertise that is required for the project and which the District did not have in-house. Director Croucher inquired if the District was considering developing an employee to the level of specialized expertise that will be provided by the construction management firm. General Manager Watton indicated that it would not as the specialized expertise was not utilized for every project and it would not be effective in doing so.

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

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

to award a professional services agreement to RBF Consulting to provide construction management services for the 640-1 and 640-2 Reservoirs project for an amount not-to-exceed \$1,196,735.

INFORMATION / ACTION ITEMS

21. FINANCE AND ADMINISTRATIVE SERVICES

- a) ADOPT RESOLUTION NO. 4092 AMENDING THE DEBT POLICY BOARD OF DIRECTORS POLICY NO. 45 (CUDLIP)

Staff requests that the Board adopt Resolution No. 4092 amending the Debt Policy (Policy No. 45).

It was indicated that the existing Debt Policy, Policy 45, was approved by the Board on April 13, 2004. The Debt Policy is being updated to meet best management practices, to obtain a certification of the policy, and to strengthen

the District's presentation to the national bond rating agencies. This effort will improve the District's financial management and help to obtain the highest practical credit rating and reduce the cost of the 2007 debt issuance.

The proposed changes have been added to the policy to further clarify guidance in the following areas:

- Legal and Regulatory Requirements: Specifies that the CFO will coordinate activities with legal counsel.
- Alternative Funding Sources: Adds State and Federal grants.
- Competitive and Negotiated Sale Criteria: Calculating true interest costs (TIC), and the payment of management fees.
- Continuing Disclosure: Posting copies of financial reports on the internet.
- Investment & Arbitrage Compliance: Investing bond proceeds in accordance with the District's Investment Policy.
- Rating Agency Applications: Obtaining a bond credit rating from more than one rating agency.
- Glossary: Provides additional financial definitions.

The proposed policy was submitted to several professional Finance organizations such as the Government Finance Officers Association, the Association of Public Treasurers of the United States and Canada, the California Municipal Treasurers Association and the California Society of Municipal Finance Officers. The District's policy was awarded the Debt Policy Certificate of Excellence.

It was discussed that in order to issue the new debt, the Board of Directors must approve the sale and the parameters (interest rate, etc.) of the bond issuance.

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

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

to adopt Resolution No. 4092 authorizing the General Manager to execute the Principles of Understanding (POU) for San Diego 17 Pump Station and Flow Control Facility.

b) RECEIVE THE FINANCING PLAN FISCAL YEAR 2006 UPDATE (BEACHEM)

Mr. Beachem indicated that the Financing Plan was being updated to demonstrate the District's capacity to fund the approved six-year CIP budget.

This will require adequate coverage ratio from operations and capacity fees, maintaining targeted reserve levels and provide a sound financial foundation for future CIP projects.

The 2004 Financial Plan recommended implementation of a series of rate increases in anticipation of future financing of a portion of the CIP. The plan also anticipated that \$27.5 million in COPs be issued in 2007. This information was based on the rate model developed in 2003.

The current CIP projects underway are large-scale, regional projects. Construction for these projects is on budget or ahead of schedule which creates additional short-term cash flow demands. As a result, staff will need to increase the recommended amount of financing in 2007 to \$42 million.

He indicated that future financing in 2009 will be \$20 million and by 2011 it will be \$12 million. This will result in approximately 34 percent of the 2007-2012 CIP budget being funded with debt financing.

He indicated that the increase in the debt issuance would help maintain the reserves at the policy target levels which are an important component of the District's long-term financial strength. Debt issuance will also soften the impact on near-term rates allowing steady rate increases over time. This will allow the District to collect an additional \$14 million over the term of the financing of the debt (30 years). Maintaining reserve funds provides a cushion for rate increases and for unforeseen expenditures.

He indicated that the rate model estimates increases based on the analysis of operations, reserves, rate covenants and Capital Improvement Projects as follows:

2007	5.4%	2010	5.1%
2008	5.4%	2011	5.1%
2009	5.4%	2012	5.1%

Staff requests that the Board accept the recommendations presented and approve the 2007 debt issuance in the amount of \$42 million with a 30-year maturity to provide more flexibility for rate setting, continue implementation of rate increases projected in the rate model, and maintain the targeted reserve levels.

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

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

to approve staffs' recommendation.

22. BOARD

a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

The board discussed changing the date of the Board meeting which is currently scheduled on the fourth of July holiday. The board requested that District Secretary Cruz poll the board for an alternative meeting date in July and present the new date at the next scheduled board meeting.

REPORTS

23. GENERAL MANAGER'S REPORT

a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")

General Manager Watton indicated that Ortiz Construction has completed the installation of the recycled pipeline. Staff is working with the City of San Diego in getting the pipeline on-line. He stated the reservoir and pump station are also moving along.

He indicated that the "Monte Sereno" neighborhood within the Otay Ranch Village 12 and Brookfield's "Trellis" neighborhood in Windingwalk have installed 105 high efficiency toilets (HET) through the new construction program. He stated that this is the first significant activity since the program was implemented and the District would like to see if it can encourage the installation of HET's in a way that it is not really voluntary for developers through a type of cooperative effort as the HET's are more efficient than the ultra low-flush toilet.

He indicated that the financing plan and debt policy was presented at this afternoon's meeting and was approved by the board. He noted that the revised debt policy was submitted to the GFOA for "Certification" and received the certification.

General Manager Watton noted that the required disbursement documentation for the third progress payment related to the State Water Resources Control Board's (SWRCB) \$4.0 million Proposition 50 grant was sent to the SWRCB. The total received to date is \$2,929,425. Upon completion of the three recycled water projects that will link the South Bay Water Reclamation Plant supply to Otay Water District's recycled water system, staff will submit a final disbursement request for the total of \$4.0 million grant. It is expected that the final grant request will be submitted after March 2007.

He noted that meter sales have slowed, however, it is close to what was anticipated in our budget.

b) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that there was not a CWA board meeting in December. However, CWA had their first officers meeting with MET directors. There were two directors from the San Diego County Water Authority and two from Los Angeles. He indicated that the Imported Water Committee is being chaired by President Croucher. General Manager Watton will be involved in the IID transfer Ad Hoc Committee at CWA. He stated that he has also been elected as Secretary to the CWA board.

24. DIRECTORS' REPORTS/REQUESTS

President Croucher indicated that he and General Manager Watton have worked and have had success in placing Otay in a position where it can influence some of the direction/focus at County Water Authority through General Manager Watton's election as secretary and each having been appointed to seats on CWA committees. He also indicated that CWA chair, Fern Steiner, is coordinating a Washington, DC trip for meetings with legislators. He asked Director Breitfelder if he had an interest in attending the meetings in DC to let him know.

Director Breitfelder indicated that he attended the Council of Water Utilities meeting where MWD chairman, Timothy Brick, was the speaker. Chairman Brick's goal is to implement a new cooperative approach at MWD that focuses on working together to solve problems and respond to tough issues.

Director Lopez commended and thanked staff for their work on the Holiday Dinner. He indicated that all seemed to have a very good time.

Director Robak requested that the committee packets be posted to the District's website. He also commented that a friend of a friend had indicated to him that his water was turned off though he had a credit on his account. He suggested that maybe the Board and staff needs to look at the policy regarding water shutoffs. President Croucher requested that staff research this matter.

Director Bonilla indicated that he attended one meeting in December in which the items to be presented at the January board meeting was discussed. He also congratulated Gary Croucher on his election as Board President.

President Croucher thanked the Board for their support in electing him to serve as Board President. He indicated that he would be reviewing the board appointments to the District Committees and asked that directors forward their interest/preferences to serve on committees to District Secretary Cruz.

RECESS TO CLOSED SESSION

25. CLOSED SESSION

The board recessed into closed session at 5:25 p.m. to discuss the following matters:

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

(i) DONNA BARTLETT-MAY, et. al. v. OTAY WATER DISTRICT

Director Bonilla did not participate in the closed session because he had a prior commitment.

RETURN TO OPEN SESSION

26. 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 5:35 p.m. General Counsel Calderon indicated that the Board took no reportable actions in closed session.

27. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 5:35 p.m.

President

ATTEST:

District Secretary

AGENDA ITEM 4

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OTAY WATER DISTRICT September 25, 2006

1. The meeting was called to order by President Bonilla at 9:26 a.m.

2. ROLL CALL

Directors Present: Bonilla, Croucher (arrive at 9:57 a.m.), Breitfelder, Lopez and Robak

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

3. PLEDGE OF ALLEGIANCE

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

No one wished to be heard.

WORKSHOP

5. PRESENTATION OF ETHICS TRAINING

General Counsel Calderon indicated that this training has been dictated by the legislature through Assembly Bill No. 1234 and the requirement is that public officials receive two hours of ethics training by January 1, of 2007. He indicated that today, he would provide an hour of training and another one or two half hour training sessions would be scheduled sometime between now and January 1, 2007.

General Counsel Calderon reviewed the agenda for the training which included:

- Background on AB1234
- Laws Required to be Covered
- General Ethics Principles
- Personal Advantages and Perks of Office
- Personal Financial Gain
- Fair, Open and Impartial Processes and Decision Making

He stated that AB 1234 requires that public officials receive two hours of training every two years and the first two hours of training must be completed no later than January 1, 2007. The training must cover general ethics principles and must be delivered by a licensed California attorney knowledgeable in California ethics laws. California Ethics laws cover:

- Bribery
- Conflicts of Interest in Decisions, Contracts, Campaign Contributions and Leaving Office
- Gifts
- Honoraria Ban
- Misuse of Public Funds
- Gifts of Public Funds
- Mass Mailing Restrictions
- Ban of Free and Discounted Transportation
- Financial Disclosures and Reporting (Form 700 Filing)
- Brown Act
- Public Records Act
- Common Law Bias
- Due Process
- Incompatible Offices—An office holder cannot run or serve in another office that have overlapping jurisdictions.
- Competitive Bidding for Public Contracts
- Anti-Nepotism Laws

General Counsel Calderon indicated that the law creates a foundation for ethical principles. However, because something is legal, it does not mean that it is ethical and vice versus. He stated that the laws in California are so broad because legislators have tried to cover all circumstances and while something could be illegal, it does not necessarily create an ethical problem. He shared an example:

He stated that a school board member works for an electronics company that does business with almost every school district in California. He indicated that, per statute, the company cannot do business with the school district in which their employee is a board member as they were hired less than five years before the individual was elected to the school board. He stated that although the board member/employee has nothing to do with the business within the school district that she serves (she represents an entirely different region for the company), her firm still cannot do business with the school district in which she is a board member. He stated that her district doing business with her employer is not necessarily unethical because it does business with almost every school district within the state of California. He indicated that if the member recluses herself from voting on any dealing with her employer, it may cause problems for the school because the laws are so broad. However, if the board member's income from his/her firm was less than \$500, then it would be an insignificant violation and would be permitted.

He indicated that members need to establish what decisions best reflects their responsibility as an officer holder and if it would promote public confidence in the agency and the board's leadership. The public's confidence and having open and fair deliberations on issue helps with the public confidence and if the members consider these elements as they make decisions, they will always be guided in the right direction. He stated the other important aspect is the public's perception. He indicated that though something may be legal and ethical it is not always perceived in the same way. He stated that though an agency is doing things legally and ethically, the media may write articles that make it seem that the agency is not doing the legal and ethical thing. In order to gauge if something will be perceived as ethical and legal, he indicated that agencies need to ask how an issue would look on the front page of the paper, would it inspire public confidence and would it be something they would be proud to tell those closest to them.

He stated AB 1234 and all legislation is based on several areas:

- Personal Advantages and Perks:
- Financial Gain
- Fair, Open and Impartial Decision-Making

and California law promotes ethics by requiring public disclosure and prohibiting certain actions. He noted that ethics laws set legal limitations on official benefits and perks:

- Limits water districts' per diem to \$100 per meeting for a maximum of 10 meetings per month
- Limits the ability to increase compensation to 5% per year
- Requires a written policy specifying reimbursable activities and rates
- Indicates that must submit reimbursement requests timely with receipts documenting the expenses
- There are penalties for incorrectly reporting which include loss of reimbursement privilege, restitution, civil penalties and being banned from public office

President Bonilla indicated that he would like to General Counsel to discuss later during the meeting the penalties and how to initiate penalties in more detail as the District did have a situation in the past where an elected Director was removed from office because he misrepresented information concerning his qualifications for the seat he held.

General Counsel Calderon also reviewed the laws concerning "gifts" and the reporting of "gifts." He stated that a gift is anything that a public official receives which he/she did not provide monetary or other consideration of equal or greater value. He stated it includes baseball tickets, meals, etc. He stated that public officials must report anything they receive of value that is \$50 or greater and gifts from one source in a calendar year totaling \$360. He stated that officials cannot receive gifts totaling in excess of \$360 within a calendar year from one source. He indicated that it was illegal and officials could be fined or even

removed from office for doing so. He noted that officials are obligated to keep track of gifts they receive and reporting the gifts on their Form 700 (only the receiver must report the gift). It was noted that if a meal is paid by a governmental entity is exempt from reporting as there is a "public purpose" for the meal (generally for the purpose of meeting).

He also indicated that public officials are prohibited from:

- Receiving free or discounted transportation from transportation companies that is not also available to the general public. The penalty for doing so is forfeiture of office.
- Receiving honoraria for providing a speech, article or attending a conference or similar gathering. Public officials may receive compensation for the travel and accommodations for the night before or the night of an event at which an official is asked to speak. Officials may also receive a certificate or plaque, but may not be monetarily compensated. If an official receives monetary compensation, the compensation may be donated. Officials should report the donation on their Form 700.
- Utilizing public funds or resources for personal, non-public purposes including campaigns. "Public resources" includes staff time, office equipment and supplies, but excludes incidental or minimal uses. There are stiff penalties for violating this rule.
- Sending mass mailings or newsletters with the public official "featured" at public expense.
- Receiving loans greater than \$500 from those within the official's agency or with whom the agency contracts.
- Soliciting campaign funds from agency officers or employees (as well as staff soliciting on the public officials behalf).
- Conditioning employment and compensation decision on political support is also prohibited.

General Counsel Calderon also reviewed the rules with regard to gifts of public funds. He indicated that governmental agency may be members of Chamber of Commerce's or donate to a charity as long as the public agency has articulated the public purpose in participating in the Chamber of Commerce or in supporting the non-profit organization.

He noted that public officials may not make, participate in, or influence governmental decisions that will have a foreseeable and material financial effect on the official's economic interests. This includes the discussion of the matter as it is possible that the official could influence other official's decision on the matter.

He also noted that public officials should report the following if the agency for which they serve could have a potential conflict:

- Source of income of \$500 or more during the prior 12 months earned by the public official or their spouse.

- Any business entity in which the official serves as a director, officer, partner, trustee, manager or employee
- Any business entity in which an official has a direct or indirect investment of \$2000 or more.
- Any economic interest in personal expenses, income, assets (other than real property or business entity interests), or liabilities of an official or the official's immediate family which are likely to increase or decrease by at least \$250 or more in a 12 month period.

General Counsel Calderon indicated that if a public official is planning to leave the District, they should not participate in any decision which involves a perspective employer. He indicated that any personal interest or biases (positive or negative) about the facts or the parties could cast doubt on a public official's ability to make a fair decision. They, thus, must recuse themselves from the decision making process.

He lastly covered the rules concerning Government Code 1090, Contractual Conflicts of Interest, which prohibits "self dealing." A public official is prohibited from entering into a contract with a public agency of which he/she is a member of if the official has any financial interest in the contract. He indicated that if a public official violates Government Code 1090, the entity contracting with the public agency will be required to pay back all monies it has received from the public agency as the contract becomes invalid.

President Bonilla suggested that the members of the board contact General Counsel Calderon with any questions that they might have following this training as he would like to move to the next agenda item in the interest of time.

Director Breitfelder indicated he understood that campaign contributions from vendors, engineering firms, design contracts are technically illegal. General Counsel Calderon indicated that that was correct. He stated that there are two issues involved; the legality of such solicitations and the public perception (integrity of the process). He stated that on the legal side, there is nothing that would prohibit anyone from contributing to an official's campaign. He indicated that the problem is requesting the agency's vendor list and sending solicitations to those listed on the vendor list. He stated that this is similar to requesting the employee list as it basically is an insinuation of "pay to play." Employees/Vendors would feel that they must provide a contribution in order to retain their jobs or continue to do business with the agency.

6. THE BOARD RECESSED AT 10:39 A.M. AND RECONVENED AT 10:42 A.M.
7. FISCAL YEAR-END 2006 STRATEGIC PLAN UPDATE REPORT

Mr. Geoff Stevens presented on the District's Strategic Plan and the overall results of the objectives and performance measures. He indicated that 97% of the objectives are complete or ahead of schedule and 3% are behind or on hold. He indicated that 18 items were not included in the measurement as they were not yet scheduled to start. He also shared that with regard to the performance

measures, 67% are on target and 33% are not on target. He stated that staff is reviewing the measures which did not meet targets and will be addressing the reasons why, which could include if necessary, an adjustment of the target.

He also stated that staff has been fine tuning the Strategic Plan and has been working through workshop sessions to better align the Strategic Plan with the balanced scorecard management system. He indicated that staff is improving the District's performance measures and has included with the board packet a set of performance measures that will be added to the Fiscal Year 2007 Strategic Plan. He noted that the measures which are highlighted in yellow are also collected by the Qualserve Benchmark Survey which will allow the District to better rate its performance against industry standard benchmark data.

A question was asked if the District would be relaxing its measures by aligning measures with the Qualserve survey. Mr. Stevens indicated that the District would not as the Qualserve survey does not set the target, it just provides the measure and the District sets the target. He stated that how tough the target is set is still within the District's control. The Qualserve study just provides data on how other agencies are scoring on the same measurement. He stated that staff can also see the scores on a regional and national basis as well. He indicated that there are some factors in which the District will never be in-line with some of the benchmarks, such as, water cost will be very different compared to the west.

General Manager Watton noted that all Strategic Plan information presented today is available via the extranet. He also noted that the information provided with the board packet shows the details of each objective and performance measure.

Director Robak inquired if the extranet also provides information on the Qualserve data and how the District compares to the industry. Mr. Stevens indicated that staff has not posted that information, but certainly can. Director Robak asked how the District is doing in terms of the overall Qualserve Survey. Mr. Stevens indicated that overall the District is rated as a very good utility by Qualserve. He stated that the District in general does better than most in the industry.

Director Robak indicated with regard to the measure, "Measures the cost to treat 1 MG of wastewater," if the District also compares the cost to send to Metro or the cost to buy reclaimed water from the City of San Diego? Mr. Steven indicated that staff does compare and analyze these costs; however, the District would never be competitive due to economies of scale in comparison with larger agencies. General Manager Watton also noted that staff also analyzes capital improvement projects/issues that would be related to reclaimed water, but the analysis is not necessarily reflected in a measure in the Strategic Plan.

Director Croucher inquired if directors might get a copy of the Qualserve Survey noting the weaknesses and strengths of the District. General Manager Watton indicated that staff can do an executive summary of the Qualserve findings. Mr. Stevens indicated that the data is a couple years old, but staff could certainly

present the analysis of the data. He noted that staff expects the new date within four to five months. Director Croucher indicated that it would be more valuable to receive the analysis on the new anticipated data instead. It was noted that staff would present the new information when the data is received.

8. DISCUSSION WITH EMPLOYEE ASSOCIATION REPRESENTATIVES

General Manager Watton introduced Mr. Larry Cass, Chairman of the Employee Association, and Mr. Mike Powell the Employee Association representative. He indicated that the board president and he have met with Mr. Powell and the previous Employee Association president for an informal and open discussion of any items of interest or that the association feels needs attention.

Mr. Powell indicated that his job is to assist the chairperson of the Employee Association to navigate the labor relations aspects of the position. He indicated that he worked with the association several years ago during a very difficult time. He stated that from his perspective the District has moved forward and he is seeing a very different approach under General Manager Watton's leadership. He indicated that they have been able to institute new policies, such as, the random drug testing policy. He indicated that the greatest concern that they are hearing currently is recruitment and retention. He indicated that the culture of the District has changed over the years and there is a larger group of less tenured employees. He stated because of the change, some of their interests have changed as well and retirement health care has become of high interest to employees. He indicated that the association will be addressing these issues during negotiations. He stated that the association would be reviewing the retirement plan itself, the content of the plan, and ways to handle compensation to keep the District competitive with the market. He noted that the employees are not expecting to be the most highly paid or benefited employees in the country, but they do wish to be fairly compensated and benefited. He stated that it is felt that the analysis should be based on our region since we live and work within the region rather utilizing figures for Riverside or San Bernardino Counties. He noted that the association would look at these areas within reason as they realize there are monetary constraints. He stated that staff only wishes to be fairly and ethically treated. Mr. Powell indicated that the association was very appreciative of the board's efforts to bring back some stability in both attitude and leadership to the organization as they felt it has been very helpful.

Mr. Cass indicated that he has been with the District for nineteen years. He stated that his duties include monitoring the District's water system and assuring that all system reservoirs are full. He indicated that he is also responsible for responding to leaks and customer complaints. General Manager Watton indicated that Mr. Cass has also been a key in training new water systems operators and he acknowledged him for their enthusiasm in learning their jobs.

President Bonilla indicated that the District's business is very straight forward--to provide water services at the best possible rate with the best possible service and quality. He indicated that this could not happen without staff and their knowledge and it took all staff members working together to accomplish the

District's goals. He indicated that no one employee is more important than another and the District needs the enthusiasm and trust of its employees to be successful. He indicated that the board is very diverse and the members come from different backgrounds and he believed that they all want what is in the best interest of the District. President Bonilla indicated that the board is committed to the employees and recognizes that the employees are the most important asset of the District. He stated that the board would like to meet the needs of the employees, but within the District's financial limitations. He stated that he believes in making things the best that they can for employees, but there must be a balance as the District must continue to be self-sufficient and pay its bills. He stated that he hoped to extend the existing labor agreement with the employee association. He noted that they understand what the main issues are and we just need to make it work. President Bonilla indicated that he asked General Manager Watton to work diligently on the labor agreement and hoped that the association would work with management and try to shorten the process. He stated that the association has worked with the District on the implementation of new policies and he felt that the association has shown good faith by doing so.

General Manager Watton indicated that part of the retention issues are associated with post retirement healthcare and salary surveys that must be completed. President Bonilla indicated that the board has appointed an Ad Hoc Committee to explore and address the labor issues. It was noted that Directors Croucher and Lopez serve on the committee and they are both knowledgeable and understand the employees' needs.

Director Croucher inquired if the association felt that employee views are changing and that there has been improvement in the trust of the board and District. Mr. Powell indicated that they do see tremendous change. However, at the same time, everyone lives in the history and they are trying to go beyond the history. He indicated that he believed that they were doing that very well. He stated that the association has been able to bring issues forward and have an open dialogue to work the issues out. He indicated that the association feels that they can work together and that they just need to communicate effectively to solve problems.

Director Robak inquired if the employee association had developed a wish list. Mr. Cass indicated that he has not had any feedback yet on individual items. There is interest, however, in the results of the Classification and Compensation Study and discussions on retiree health benefits for Tier III employees. There also have been questions on the reasons why there are so many job description changes. Overall, however, employees want to do their job, have good leadership and know that they are doing well.

Director Robak inquired when the Classification and Compensation Study would be completed. General Manager Watton indicated that it is expected that it will be completed toward the end of November or early December should staff be able to stay on the very aggressive schedule.

Director Breitfelder inquired if the employee issues were related to money and/or benefits. Mr. Cass indicated that there is interest in compensation, trust and communication. Employees are very interested in seeing the results of the Classification and Compensation Study. He stated that he has not heard any specific negatives in a while and believed that things were moving in the right direction.

President Bonilla indicated that all issues with regard to the negotiations process and employee issues associated with the negotiations will be handled through the Ad Hoc committee. He stated the committee will need to know what employees real needs are and it will review and prioritize to determine what is possible within the financial means of the District. He indicated that if there are issues employees would like to discuss, he asked that they direct those issues to the General Manager so they can be handled through the committee. He indicated that he believed that this will improve communication as the committee will provide a direct link to the board.

Director Lopez noted that during the time Mr. Rob Scholl was the Employee Association President, he and the board members had more contact as he attended many of the committee and board meetings to present on projects that he was handling on behalf of the District. He indicated that it provided a line of communication between the board and the association/employees, though, they did not necessarily discuss employee issues. He indicated that he felt it was helpful to have the opportunity for interaction as it allowed each to be acquainted with and have an understanding of one another.

Director Croucher concurred with Director Lopez. He indicated that one of the things he would like to see feedback on and discussed through the Ad Hoc Committee is ideas to retain employees. He indicated he believed one of the reasons for the turnover, which has also been discussed at several conferences he has attended, is the lack of certified individuals within the industry. He indicated that he felt other influences are: benefits, working conditions and personal satisfaction of work environment and in working with peers. He stated that the distance from home to work also plays a role, however, it is not a factor that the district has any influence. He stated that the District has implemented incentives, internal training and internships with the colleges to try to attract and retain employees and he would like to hear different ideas, outside of what has already been implemented.

General Manager Watton indicated that if the association members wished to attend the board meetings, we would need to work out a rotation schedule with the association members to make it more available for their attendance. He also indicated that it is important to him to run rumors to ground or any issues/concerns that employees may have whether it is dealing with projects or employee issues. He stated that by responding quickly, it eliminates many issues and any misconceptions. He indicated that Mr. Scholl was very good at bringing such concerns forward quickly and he would like to continue to work together in the same manner.

9. DISCUSSION OF REGIONAL MATTERS

General Manager Watton noted that the District will be completing its recycled project as planned and expects to start receiving recycled water from the City of San Diego's South Bay Water Reclamation Plant by the end of the year. The District is also negotiating with the City of San Diego a Principle of Understanding (POU) for treated water from their Alvarado Water Treatment Plant. Staff is planning to present the POU to the board in the next month or so.

General Manager Watton also shared that staff has met with Sycuan representatives and they are requesting services from Otay. It was discussed that discussions are very preliminary at this point, but he wished to make the board aware of the meetings.

General Manager Watton indicated that the City of San Diego will be appointing Mr. Jim Barratt to take Ms. Nora Jaeschke's seat on CWA's board. He stated that CWA will be electing officers soon and it is expected that Ms. Fern Steiner will be elected chair, Mr. Bud Lewis will be elected vice-chair, and he (General Manager Watton) will be elected secretary. He indicated that Ms. Steiner would like to see the CWA board move toward more of a team approach. He stated, currently, the board is partitioned and Ms. Steiner would like to see the board work together as a whole.

General Manager Watton also indicated that there were discussions occurring at CWA regarding general manager's serving and being appointed as officers on CWA's board. CWA has requested an opinion on the matter from the Attorney General and it is expected that an opinion would be issued in approximately six weeks.

He lastly shared that CWA will be reviewing its CIP as recent projects have been coming in much higher than originally estimated by CWA staff. He stated the thought was to re-evaluate and update all estimates to determine closer to actual cost of CWA's CIP projects.

The board recessed at 12:09 p.m. and reconvened at 12:33 p.m.

10. DISCUSSION AND AMENDMENT OF BOARD OF DIRECTORS POLICY NO. 8, DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS

President Bonilla indicated that the board last discussed Policy 8 at a board workshop held in June 2005. He stated that the board agreed to bring the policy back for discussion within a year and it is presented today for that purpose.

The board discussed at length the per-diem, the pre-approved list of meetings which directors may attend and receive a per-diem/reimbursements and meal per-diem reimbursements. The board discussed revising the list of reimbursable meetings to include the attendance of water related meetings/conferences such as the Association of California Water Agencies, Council of Water Utilities, etc.

It was noted that there are times when attendance of such conferences or meetings can be beneficial. There was also discussion to include pre-approved per-diems for directors who have been appointed as a representative or alternate representative of the board to the different organizations (such as the Metro Commission) for their attendance of any sub-committee meetings or official posted meetings of the organization. There was also discussion of the possibility of increasing the per-diem rate by 3%.

President Bonilla indicated that he would appoint Directors Robak and Croucher to an Ad Hoc Committee to review suggestions from today's meeting and recommend changes to Policy 8 for consideration by the full board at the next board meeting.

The board also discussed researching with the Metro Commission if they should be reimbursing the District for stipends it pays to its (the District's) representatives. It was thought that the Metro Commission had set aside budget for such a reimbursement. Director Robak indicated that he would look into this.

11. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 1:04 p.m.

President

ATTEST:

District Secretary



AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 2, 2007
SUBMITTED BY:	Rita Bell, <i>Rita Bell</i> Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Joseph R. Beachem, <i>Joseph R. Beachem</i> Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, <i>German Alvarez</i> Assistant General Manager (Asst. GM):		
SUBJECT:	Approve Implementing a Winter-Consumption Based Sewer Charge Methodology for Residential Sewer Customers and for Commercial Sewer Customers without a Separate Irrigation Meter		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve implementing a winter-consumption based sewer charge for residential sewer customers and for commercial sewer customers without a separate irrigation meter.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To obtain approval to change the methodology from a flat rate to a winter-consumption based sewer charge for residential sewer customers and to use winter-consumption to estimate non-irrigation use for commercial sewer customers without a separate irrigation meter.

ANALYSIS:

Reason for Change

Both Best Management Practices (BMP) and the District's Strategic Goals support the recommendation to implement a conservation-based rate structure for sewer customers. This new structure is revenue neutral to the District however; it will encourage water conservation and bring more equity to customers so that each customer pays their fair share based on usage.

Current Methodology

Currently, the District has a flat monthly sewer rate for its residential customers and uses the state guideline of "Service Unit Assignment Formula", which converts higher strength uses

into an Assigned Service Unit (ASU) for commercial customers. One residential customer is equivalent to one ASU.

Commercial customers, with a separate irrigation meter, pay their pro-rated share of cost for sewer services based on both the estimated strength and non-irrigation flow of their discharge (calculated by discounting consumption by 15% to recognize not all water consumption flows to the sewer). These commercial customers already have a conservation rate structure consistent with the BMP while residential customers pay a flat fee regardless of their water consumption. This is not supportive of conservation nor is it the most equitable way to distribute the cost to customers.

For the few commercial customers that were not required to have an irrigation meter, the charge was based on 85% of total water usage. In place of this methodology the proposal is to implement the winter-averaging, less 15% for non-sewer flow, to make the sewer bill calculation more equitable.

Proposed Methodology

To be equitable, most agencies with a variable sewer charge look at only winter water consumption to minimize the affect of hot weather and outdoor water consumption which does not flow through the sewer system and therefore, should not be included in the distribution of charges amongst customers. It is also customary to give residential customers the same 15% discount as commercial customers, recognizing that not all water consumption flows into the sewer system. Staff is recommending this change as a part of the new methodology. In addition to being more equitable, this type of rate structure encourages conservation of water and this is one of the Strategic Plan Objectives 2.1.1.2 (attached).

Best Management Practices 11 (attached), regarding retail conservation pricing of water and sewer commodities, recognizes the need to establish a strong nexus between volume-related system cost and the volumetric commodity rate. The recommended rate structure suggests that no more than 30% of the total commodity charge be fixed and the balance should come from a variable charge based on consumption.

In the future, staff expects that noncompliance with the BMPs will have a negative impact on an agency's ability to obtain grants. Member of the California Urban Water Conservation Council (CUWCC) are pushing to have compliance with BMP 11 be a requirement for participation in various water related grants.

CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

Of the neighboring 28 sewer districts (including Otay), currently 18 have a flat rate structure and 10 have a water-consumption based rate structure. Based on a recently expanded and more comprehensive survey, (effective January 1, 2007) Otay is 14th of the 28 agencies or 50%, which meets the strategic performance measure. See Attachment B for details.

The overall effect of this rate structure change will be revenue neutral to the District. This new rate structure more equitably distributes the cost to sewer customers. Under the current methodology the fees for residential customers have no variability as it is a flat fee set at \$32.70 for both 3/4" and 1" meters. Under the proposed methodology, the fixed charge for 3/4" meters is set at \$9.60 and \$14.00 for 1" meters. The variable rate is proposed to be set at \$1.39 per hundred cubic feet (HCF), with a maximum of 30 HCF. This variable rate would be applied to the average consumption for each customer for the months of December through March, less a 15% discount to recognize the water that does not flow into the sewer system.

Under the proposed methodology, the new maximum bill will be \$51.30 for 3/4" meters and \$55.70 for 1" meters, an increase of \$18.60 and \$23.00, respectively. The average customer bill will remain at \$32.70 (\$38.03 including availability charges and sewer state loan assessment collected on the property tax bill). With this new structure, the District will achieve the goal of collecting the same amount of revenue as in the past, and meet the BMP by collecting 30% of the revenue from a fixed component and 70% from a variable component.

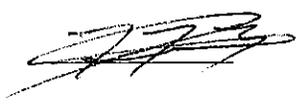
The following chart shows the results of the proposed change to the rate structure. Of the 4,500 residential sewer customers, 3,400 are Otay Water District customers and 1,100 are Helix Water District customers. Consumption records of Helix customers will be obtained through an agreement with the Helix Water District. Approximately 2,074 customers will see an increase while approximately 2,442 will see a decrease or stay at the same amount. Again, this change generates no net additional revenues to the District, but is only a redistribution of cost based on use.

Percentage Change	Number of Sewer Accounts	% of Accounts
>60% to 70%	52	1.2%
>50% to 60%	730	16.2%
>40% to 50%	166	3.7%
>30% to 40%	198	4.4%
>20% to 30%	237	5.2%
>10% to 20%	311	6.9%
>5% to 10%	204	4.5%
>0% to 5%	176	3.9%
0% change	207	4.6%
>(0.1%) to (5%)	190	4.2%
>(5%) to (10%)	450	10.0%
>(10%) to (20%)	508	11.2%
>(20%) to (30%)	441	9.8%
>(30%) to (40%)	330	7.3%
>(40%) to (50%)	232	5.1%
>(50%) to (60%)	84	1.9%
Total	4,516	100%

Pending Actions

An annual process will be established during each budget build to determine the cost of sewer service to the customers. From this, the recommended fixed and variable charges will be determined and presented to the Board with the budget. After the budget is adopted, the recommended rates will be brought forward to rate payers in a Proposition 218 hearing. After the hearing the Board can then set the rates for the upcoming calendar year.

FISCAL IMPACT:



This is a revenue neutral change to the fee structure. Although on an individual basis, high consumption customers will pay more for their sewer service and low consumption customers will pay less.

STRATEGIC GOAL:

To explore adopting a conservation-based rate plan gradually increasing the fixed rate percentage is Objective 2.1.1.2 of the Strategic Plan.

LEGAL IMPACT:

The change to the rate structure will be subject to a Proposition 218 hearing.



General Manager

Attachments:

- A) Committee Action Form
- B) Sewer Rate Comparison Chart
- C) BMP 11
- D) Strat Plan Objective 2.1.1.2
- E) Presentation



ATTACHMENT A

SUBJECT/PROJECT:

Approve Implementing a Winter-Consumption Based Sewer Charge for Residential Sewer Customers and for Commercial Sewer Customers without a Separate Irrigation Meter

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on April 18, 2007. The following comments were made:

- Staff noted the reasons for the change in methodology which included:
 - The new proposed BMP 11 of the California Urban Water Conservation Council promotes water conserving retail water rate structure by recognizing the need to establish a strong nexus between volume-related system cost and the volumetric commodity rate. The BMP recommends a rate structure that is no more than 30% of the total commodity charge be fixed and the balance should be charged on a variable rate based on consumption. The District currently has a flat rate structure for residential customers.
 - Implementing the proposed rate structure would encourage water conservation and bring more equity to customers as customers would pay their fair share based on usage.
 - Through the implementation of a conservation-based rate structure, the District would also meet its Strategic Objective 2.1.1.2, to explore adopting a conservation-based rate plan gradually increasing the fixed rate percentage.
 - Would allow the District to continue eligibility for grants as the California Urban Water Conservation Council is pushing to have compliance with BMP 11 be a requirement for participation in water related grants.
- The proposed methodology for the sewer charge is as follows:
 - Commercial customers with a separate irrigation meter would not change (methodology would stay the same).
 - Commercial customers without a separate irrigation meter, consumption will be based on their four

month winter average (Dec through March) less 15% for non-sewer flow.

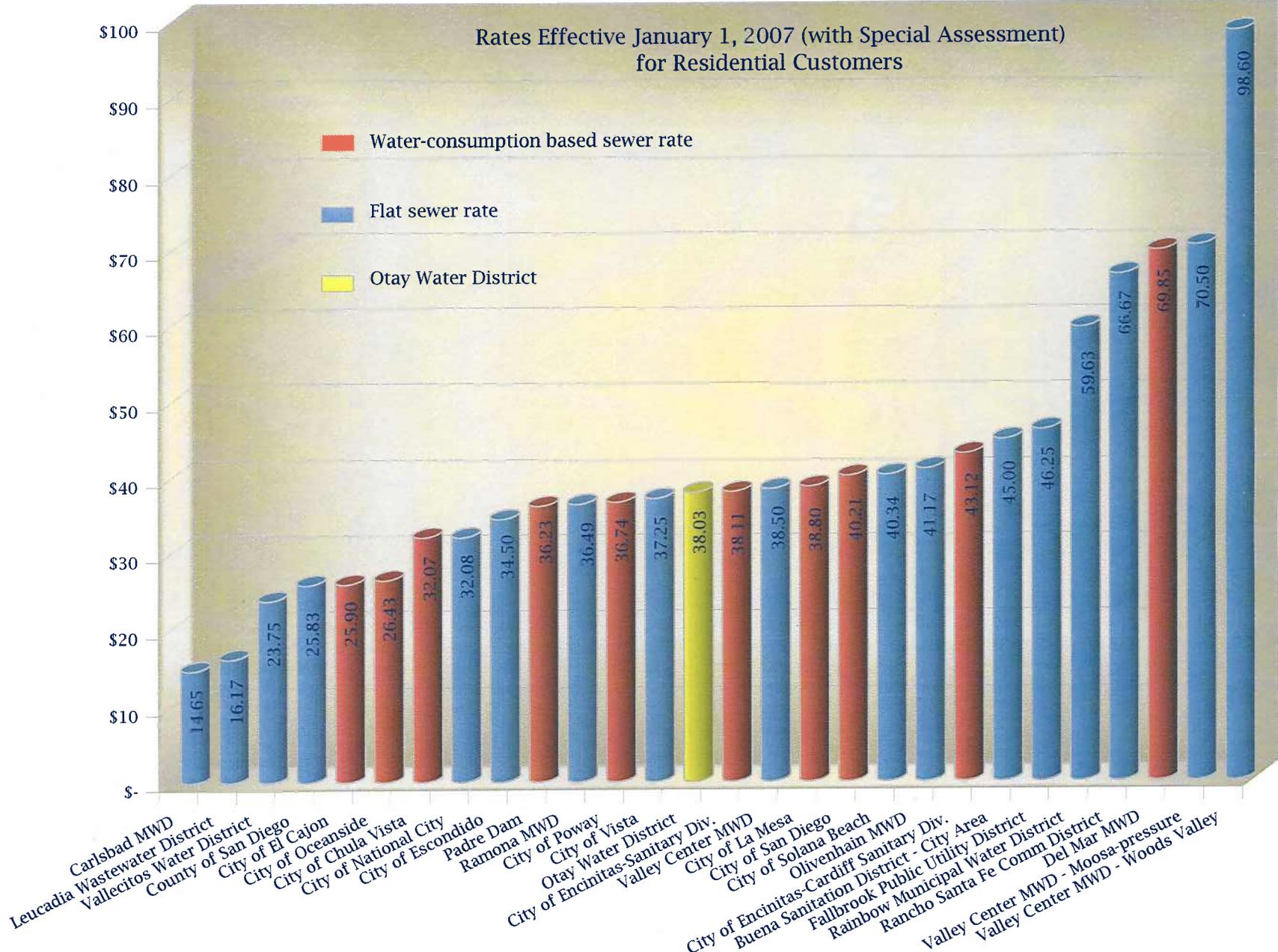
- Residential customers consumption will be based on their four month winter average (Dec through March) less 15% for non-sewer flow.
- The committee discussed that it is believed that the City of Chula Vista utilizes 10% versus 15%. Staff will verify.;
 - After speaking with the City of Chula Vista, it was clarified that the city reduces winter water flow by 10% for commercial customers and 21% for multi-family customers to calculate their sewer charge. The city indicates that they do not yet utilize such a structure for residential customers and currently use 100% of winter water flow to calculate residential sewer charges. They, however, will be proposing that they move to this type structure utilizing a 10% sewer flow reduction for Fiscal Year 2008.
- The committee inquired if other agencies use a similar methodology. It was noted that various agencies have moved to the variable rate structure including the Cities of Chula Vista, El Cajon, La Mesa, San Diego and Oceanside, Padre Dam WD, Del Mar MWD, etc. The District staff modeled the proposed structure from the Cities of Chula Vista and San Diego.;
- Staff also spoke with Mr. Jake Boomhouwer of CDM (the District's consultant who worked with the District to develop the current rate model) who had recommended that the District implement such a rate structure. Mr. Boomhouwer indicated that this is a common methodology and utilizing 10 to 15% for estimating the water flow that does not go into the sewer system is pretty common as well.;
- It was also discussed that the District's system was small (approximately 5,500 customers) and, thus, did not have the benefit of economies of scale as other larger systems. The District's rate with the modified rate structure, will still be in the mid-range compared to the rates of 27 other agencies.;
- Approximately 54% of the District's customers would see no change or would receive a decrease in their sewer charge and 46% would see an increase.;
- The new methodology would be effective January 1, 2008. There was a concern that this would not provide

customers time to conserve water as the winter months have already passed.;

- It was discussed that the board had approved a stepped increase over a three-year period approximately five years ago to cover the full cost to provide sewer service.;
- The committee suggested that staff phase-in the rate structure over a three-year period similar to the increase five years ago to lessen the impact of the rate structure change to the top 1/3 water use customers and give the customers time to implement conservation measures before the full impact of the change was implemented.;
- When this proposed methodology is fully implemented it will be revenue neutral. There will be a slight revenue loss to the sewer general fund in the first two years of the phase-in.;
- Staff would calculate a phase-in model for presentation to the full board at the May 2, 2007 board meeting.;
- It was noted that there were no legal consequences in implementing the proposed sewer rate structure modification.

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

Sewer Rate Comparison in San Diego County



BMP 11 REVISION

11. Retail Conservation Pricing**Part I - Retail Water Service Rates****A. Implementation**

BMP 11 promotes water conserving retail water rate structures. BMP 11 recognizes that each agency or water enterprise fund has a unique rate setting system and history. When creating a rate case, professional judgments are made to determine whether costs are accounted to a variable or fixed cost center by the staff of the agency. The final water rate case is an accumulation of all the decisions and judgments made by staff and supplemented by the financial projections leading an agency to establish its final water rate recommendation. BMP 11 is not intended to supplant this process, but rather to reinforce the need for Water Agencies to establish a strong nexus between volume-related system costs and volumetric commodity rates.

In *Bighorn-Desert View Water Agency v. Virjil* the California Supreme Court established that water delivery is a property related service as defined in Article XIII D of the California Constitution and, therefore, water rates charged for water delivery are subject to Proposition 218's* public notification and initiative provisions embodied in Articles XIII C and D of the California Constitution. In addition, Article XIII D requires that fees for property related services be "determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel." The Council deems BMP 11 to be compatible with these requirements. However, should a case arise in which a Water Agency's good faith efforts were unable to meet BMP 11's requirements due, for example, to a successful challenge using Proposition 218's initiative process, this would be grounds for exemption, as specified in MOU Section 4.5.

Definition: Conservation pricing provides economic incentives (a price signal) to customers to use water efficiently. Because conservation pricing requires a volumetric rate, metered water service is a necessary condition of conservation pricing. Unmetered water service is inconsistent with the definition of conservation pricing.

Conservation pricing requires volumetric rate(s). While this BMP defines a minimum percentage of water sales revenue from volumetric rates, the goal of this BMP is to recover the maximum amount of water sales revenue from volumetric rates that is consistent with utility costs (which may include utility long-run marginal costs), financial stability, revenue sufficiency, and customer equity.

In addition to volumetric rate(s), conservation pricing may also include one or more of the following other charges:

* Proposition 218 was approved by California voters in November 1996.

BMP 11 REVISION

1. Service connection charges designed to recover the separable costs of adding new customers to the water distribution system.
2. Monthly or bimonthly meter/service charges to recover costs unrelated to the volume of water delivered or new service connections and to ensure system revenue sufficiency.
3. Special rates and charges for temporary service, fire protection service, and other irregular services provided by the utility.

The following volumetric rate designs are potentially consistent with the above definition:

1. **Uniform rate** in which the volumetric rate is constant regardless of the quantity consumed.
2. **Seasonal rates** in which the volumetric rate reflects seasonal variation in water delivery costs.
3. **Tiered rates** in which the volumetric rate increases as the quantity used increases.
4. **Allocation-based rates** in which the consumption tiers and respective volumetric rates are based on water use norms and water delivery costs established by the utility.

Adequacy of Volumetric Rate(s): A retail agency's volumetric rate(s) shall be deemed sufficiently consistent with the definition of conservation pricing when it satisfies at least one of the following two options.

Option 1: Let V stand for the total annual revenue from the volumetric rate(s) and M stand for total annual revenue from customer meter/service (fixed) charges, then:

$$\frac{V}{V + M} \geq 70\%$$

This calculation shall only include utility revenues from volumetric rates and monthly or bimonthly meter/service charges. It shall not include utility revenues from new service connection charges; revenue from special rates and charges for temporary service, fire protection, or other irregular services; revenue from grants or contributions from external sources in aid of construction or program implementation; or revenue from property or other utility taxes.

Option 2: Use the rate design model included with the Municipal Water and Wastewater Rate Manual published by the Canadian Water & Wastewater Association with the signatory's water system and cost information to calculate V' , the uniform volume rate based on the signatory's long-run incremental cost of service, and M' , the associated meter charge. [Let HCF be annual water delivery (in hundred cubic feet).] A signatory's

BMP 11 REVISION

volumetric rate(s) shall be deemed sufficiently consistent with the definition of conservation pricing if:

$$\frac{V}{V + M} \geq \frac{V'}{V' + M'}$$

The rate design model can be downloaded at www.cuwcc.org/technical.

This calculation shall only include utility revenues from volumetric rates and monthly or bimonthly meter/service charges. It shall not include utility revenues from new service connection charges; revenue from special rates and charges for temporary service, fire protection, or other irregular services; revenue from grants or contributions from external sources in aid of construction or program implementation; or revenue from property or other utility taxes.

Exemptions and At Least As Effective As

The exemption provisions in MOU Section 4.5 apply to BMP 11 in the same way they apply to other BMPs. Water supplier signatories meeting at least one of the three exemption conditions in MOU Section 4.5 may submit an exemption to the Council per the requirements of the MOU.

Water supplier signatories may pursue an "At Least As Effective As" implementation of BMP 11 per the Preamble to Exhibit 1 of the MOU. Water supplier signatories adopting an "At Least As Effective As" implementation of BMP 11 may adopt rates that do not meet the requirements of either Option 1 or Option 2 described in Section A provided the resulting water savings are at least as effective as those options.

BMP Refinement

Within five years of the adoption of this BMP revision, the Council shall reconvene the BMP 11 Revision PAC to 1) assess rate of compliance with the revised BMP, 2) identify barriers to implementation, 3) assess its compatibility with Proposition 218 requirements, 4) initiate a water savings assessment appropriate to the data and project resources available to the Council, and 5) develop further refinements as needed to improve the BMP's effectiveness.

B. Implementation Schedule

Agencies with fully metered service areas

- a) Agencies signing the MOU prior to [DATE OF REVISION], implementation shall commence no later than July 1, 2007.
- b) Agencies signing the MOU after [DATE OF REVISION], implementation shall commence no later than July 1 of the year following the year the Agency signed the MOU.

Agencies with partially metered service areas¹

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 2010. [One year after Agency is to complete meter installation per BMP 4.]
- b) Agencies signing the MOU after December 31, 1997, implementation shall commence no later than July 1, 2013, or within seven years of signing the MOU, but in no case later than the metering deadline specified by state law. [One year after Agency is to complete meter installation per BMP 4.]

C. Coverage Requirements

Agency shall maintain a rate structure that satisfies at least one of the options specified in Section A. Conformance to Option 1 or Option 2 will first be assessed using the revenue from the most recent year. If the most recent year does not satisfy the option, the average revenue from the three (3) most recent years will be used.

D. Requirements for Documenting BMP Implementation

- a) Report the rate structure in effect for each customer class for the reporting period.
- b) Report the annual revenue derived from volume charges for each retail customer class, as defined in Section A.²
- c) Report the annual revenue derived from monthly or bimonthly meter/service charges for each retail customer class, as defined in Section A.
- d) If agency does not comply with Option 1 in Section A, report v' and m' as determined by the Canadian Water & Wastewater Association rate design model described in Section A.
- e) If agency does not comply with Option 1 in Section A, submit to the Council the completed Canadian Water & Wastewater Association rate design model described in Section A.

E. Criteria to Determine BMP Implementation Status

An agency shall be in compliance with BMP 11 provided the following is true for the Agency's total revenue from all retail customer classes within four years after [date of revision]:

¹ Agencies following this schedule must be on the Council's list of Agencies with partially metered service areas.

² Note: compliance with BMP 11 will be determined based on the Agency's total revenue from all retail customer classes.

BMP 11 REVISION

For Option 1: $V \geq 70\% \times 1.00$

For Option 2: $V \geq V' \times 1.00$

The following schedule is intended to guide agencies in implementing this revision in phases:

YEARS AFTER START YEAR	FOR OPTION 1	FOR OPTION 2
1	$V \geq 70\% \times 0.70$	$V \geq V' \times 0.70$
2	$V \geq 70\% \times 0.80$	$V \geq V' \times 0.80$
3	$V \geq 70\% \times 0.90$	$V \geq V' \times 0.90$
4	$V \geq 70\% \times 1.00$	$V \geq V' \times 1.00$

An agency shall not be required to increase the volumetric component of the rate structure by more than 10% in any single year until the full implementation is achieved.

F. Water Savings Assumptions

Not quantified

Part II – Retail Wastewater Rates

A. Implementation

Note: The following definition of conservation pricing for sewer service is already in BMP 11. No substantive changes are proposed other than changes to the implementation schedule to make it consistent with the schedule in Part I.

This section applies to Water Agencies that provide retail sewer service. Water Agencies that do not provide retail sewer service shall make good faith efforts to work with sewer agencies so that those sewer agencies adopt conservation pricing for sewer service.

Conservation pricing of sewer service provides incentives to reduce average or peak use, or both. Such pricing includes: rates designed to recover the cost of providing service, and billing for sewer service based on metered water use. Conservation pricing of sewer service is also characterized by one or more of the following components: rates in which the unit rate is the same across all units of service (uniform rates); rates in which the unit rate increases as the quantity of units purchased increases (increasing block rates); rates in which the unit rate is based upon the long-run marginal cost or the cost of adding the next unit of capacity to the sewer system. Rates that charge customers a fixed amount per billing cycle for sewer service regardless of the units of service consumed do not satisfy the definition of conservation pricing of sewer service. Rates in which the typical bill is determined by high fixed charges and low commodity charges also do not satisfy the definition of conservation pricing of sewer service.

BMP 11 REVISION

B. Implementation Schedule

Same as Part I.

C. Coverage Requirements

Agency shall maintain rate structure for sewer service consistent with definition of conservation pricing for sewer service in Part II, Section in A.

D. Requirements for Documenting BMP Implementation

- a) Report annual revenue requirement for sewer service by customer class for the reporting period.
- b) Report annual revenue for sewer service from commodity charges by customer class for the reporting period.
- c) Report rate structure by customer class for sewer service.

E. Criteria to Determine BMP Implementation Status

Agency rate design for sewer service shall be consistent with definition of conservation pricing for sewer service in Section A.

F. Water Savings Assumptions

Not quantified

Wholesale Water Rates

Wholesale water rates will probably be addressed in BMP 10 – Wholesale Agency Assistance Programs.

Scorecard

Status: Open | On Schedule 

Financial

Strategy

Financial Planning

Goal

Establish the District's long-term financial plans

Objective: 2.1.1.2

Explore adopting a Conservation-based Rate Plan gradually increasing the fixed rate percentage

Lead: JOSEPH BEACHEM Planned Start: 07/01/2006 Planned End: 06/30/2007 Priority: 3 Budget: \$0.00

Qtr Reports	Details	Notes	Measurement Strategy	Description
-------------	---------	-------	----------------------	-------------

Quarterly Reports:

Prev Next

Qtr	Report	% Complete	Status
2	Staff has been involved in the BMP11 meetings on a state wide level. Staff will evaluate adjustments in this budget cycle and also evaluate the establishment of winter averaging for sewer billing.	10 %	On Schedule
1	Staff has been involved with the BMP 11 discussions. This budget cycle will include a review and plan for this objective.	10 %	On Schedule

Winter-Consumption Based Sewer Charge Methodology

Otay Water District
Board Presentation
May 2, 2007

Reasons to Change Methodology

- Best Management Practice
- Strategic Plan Objective
- Encourages Water Conservation
- More Equitable to Customers
- Maintain Eligibility for Grants

Current Methodology

- Commercial Customers pay based on strength and flow (less 15%)
 - With a separate irrigation meter only non-irrigation flow is used in the calculation.
 - With no separate irrigation meter all flow is used in the calculation
- Residential Customers pay a flat fee of \$32.70 per month

Proposed Methodology

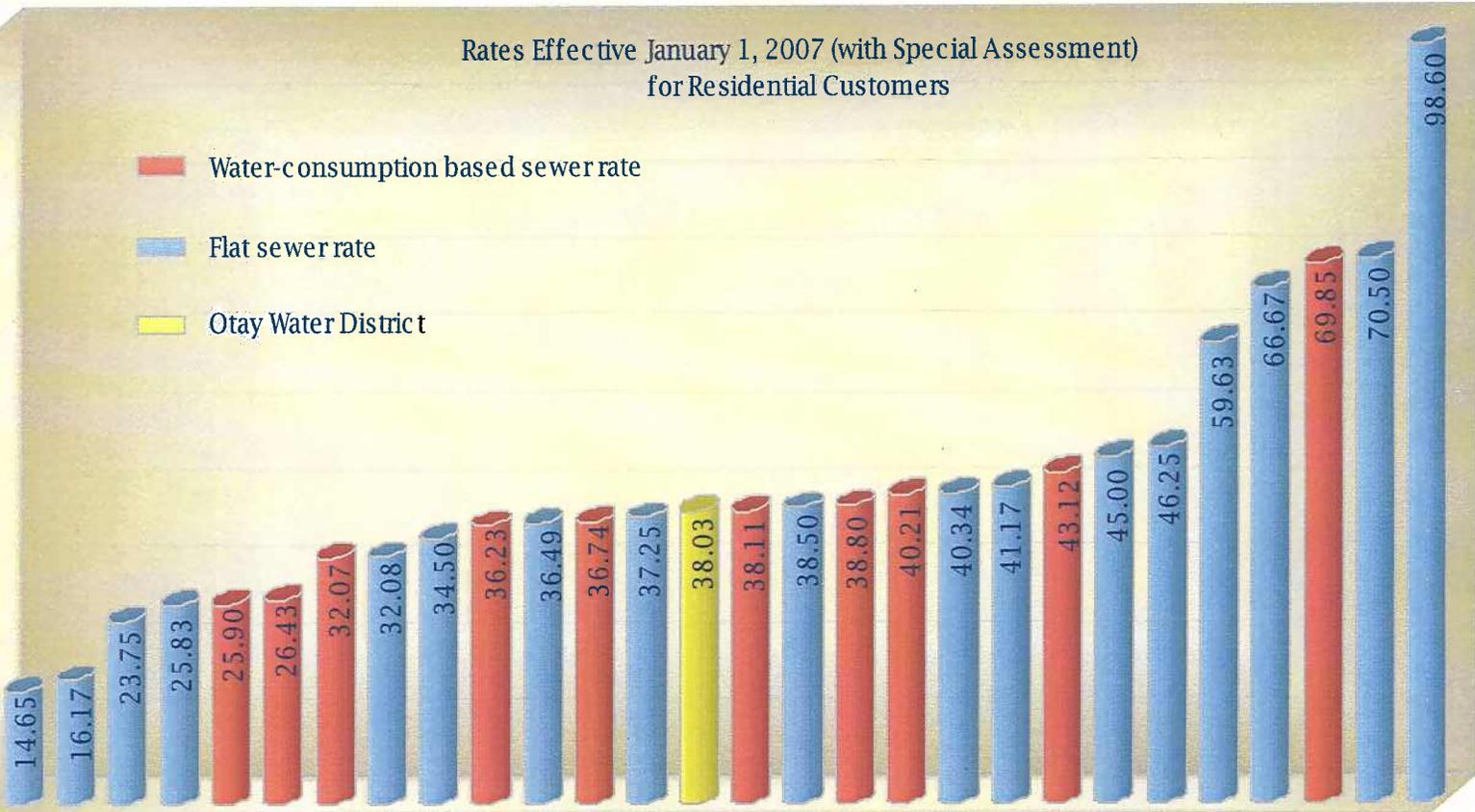
- Commercial customers with separate irrigation meter, methodology stays the same
- Commercial customers without separate irrigation meter, consumption will be based their 4 month winter average
- Residential customers consumption will be based on their 4 month winter average

Sewer Rate Comparison in San Diego County

Rates Effective January 1, 2007 (with Special Assessment)
for Residential Customers

\$100
\$90
\$80
\$70
\$60
\$50
\$40
\$30
\$20
\$10
\$-

- Water-consumption based sewer rate
- Flat sewer rate
- Otay Water District



Leucadia Wastewater District
Vallecitos Water District
County of San Diego
City of El Cajon
City of Oceanside
City of Chula Vista
City of National City
City of Escondido
Padre Dam
Ramona MWD
City of Poway
City of Vista
Otay Water District
City of Encinitas
Valley Center
Sanitary Div
City of La Mesa
City of San Diego
City of Solana Beach
Olivenhain MWD
City of Encinitas-Cardiff Sanitary Div.
Buena Sanitation District - City Area
Fallbrook Public Utility District
Rainbow Municipal Water District
Rancho Santa Fe Comm. District
Del Mar District
Valley Center MWD - Moosa-pressure
Valley Center MWD - Woods Valley

Revenue Neutral

- Average residential bill remains at \$32.70
 - Variable Component - Residential cap of 30 HCF, billed at \$1.39 per unit after 15% reduction of consumption
 - Fixed Component - Proposed monthly system fee of \$9.60 for $\frac{3}{4}$ " meter and \$14.00 for 1" meter
- 30% fees collected from fixed fee and 70% collected from variable fee (BMP 11 recommendation)
- Total revenue remains the same

Change to Customers

Percentage Change	Number of Sewer Accounts	% of Accounts
>60% to 70%	52	1.2%
>50% to 60%	730	16.2%
>40% to 50%	166	3.7%
>30% to 40%	198	4.4%
>20% to 30%	237	5.2%
>10% to 20%	311	6.9%
>5% to 10%	204	4.5%
>0% to 5%	176	3.9%
0% change	207	4.6%
>(0.1%) to (5%)	190	4.2%
>(5%) to (10%)	450	10.0%
>(10%) to (20%)	508	11.2%
>(20%) to (30%)	441	9.8%
>(30%) to (40%)	330	7.3%
>(40%) to (50%)	232	5.1%
>(50%) to (60%)	84	1.9%
Total	4,516	100%

Phase-in Implementation

- Allows opportunity for change in behavior so customers can conserve water to affect their sewer bill
- Phase-in by adjusting the cap on the usage to limit the increase in cost to customer
- Minimal cost to the District to phase-in the implementation

Phase-in Schedule

Implementation Date	1/1/2008	1/1/2009	1/1/2010
Consumption Cap	18 HCF	22 HCF	30 HCF
Approximate Maximum Annual % increase	20%	20%	20%
Revenue impact	\$18,600	\$10,000	\$0

Process

- May 2nd - Request Board approval of change in methodology
- May 29th – Request Board approval of FY 2008 budget with new methodology
- October – Hold Prop 218 hearing then request adoption of ordinance changes
- January 1st - Implement new rate structure 1/1/2008

Questions???



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 2, 2007	
SUBMITTED BY:	Hossein Juybari <i>HJ</i> Senior Civil Engineer	PROJECT/ SUBPROJECT	P1270 007000	DIV. NO. 1, 4
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering			
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations			
SUBJECT:	Award a Construction Contract for the Facilities Pavement Program Telegraph Canyon Road Project			

GENERAL MANAGER'S RECOMMENDATION:

That the Board award a construction contract to M & M General Engineering Contractors, Inc. (M & M) in the amount of \$128,650 for the Facilities Pavement Program Telegraph Canyon Road Project. See Exhibit A for project location.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization to award a construction contract for the Facilities Pavement Program Telegraph Canyon Road Project.

ANALYSIS:

The Facilities Pavement Program Telegraph Canyon Road Project, pavement rehabilitation, is needed to repair various spot locations along Telegraph Canyon Road, between Medical Center Road on the West and La Media Road on the East. These repair locations are portions of the Telegraph Canyon Road Recycled Pipeline Project that were not completed. These locations were caused by potholing to locate and repair leaks on the recycled water main pipeline.

The Otay Water District (District) sent a proposal letter to the City of Chula Vista (City) dated February 25, 2003 requesting that they consider the possibility of a cash payment to fund the required roadway repair work as part of their annual pavement. This would have allowed the City to perform the work by any means it deemed appropriate. It took more than two years for the City to respond to the District's original proposal and they requested that the District complete the roadway patching along Telegraph Canyon Road on its own. The District coordinated with City staff and scheduled a meeting to discuss the scope of work and the repair approach.

District staff developed the contract documents and the project was advertised for bid on the District's website and with the following publications:

Date of Advertisement	Publication
2/28/07 to 4/3/07	Bid America
3/1/07	San Diego Tribune
3/2/07 - 4/3/07	San Diego Daily Transcript

Bids were publicly opened on Tuesday, April 3, 2007 with the following results:

ENGINEER'S ESTIMATE	\$136,412.93
<u>CONTRACTOR</u>	<u>TOTAL BID</u>
M & M General Engineering, Inc.	\$128,650.00
Frank & Son Paving, Inc.	\$131,500.00
J.D. Paving, Inc.	\$147,230.75
Kirk Paving	\$152,331.60
Zondiros Corporation	\$174,000.00

Staff reviewed the bids submitted for conformance with the contract requirements and determined that M & M was the lowest responsive and responsible bidder. M & M holds a General Engineering Class A Contractor's License which expires on March 30, 2009. Reference checks indicated an excellent performance record on similar projects and that all agencies contacted would hire M & M for future projects. Per the public competitive bidding process, staff recommends award of the contract to M & M in the amount of \$128,650.00.

Staff recommends approval of this contract in order to complete the roadway repair along Telegraph Canyon Road.

FISCAL IMPACT: 

The Facilities Pavement Program is an on-going maintenance effort in the District. As such, these expenditures are funded in the

operating budget. The budget for the Facilities Pavement Program (P1270) for FY'07 is \$160,000.00. Total expenditures plus outstanding commitment and forecast to date, including this contract, are approximately \$182,852.00. Sufficient budget is available from savings in the reservoir coating/painting maintenance project to cover the expenses. See Attachment B for a breakdown of costs in account 5261 for FY'07, contracted services.

STRATEGIC GOAL:

This project supports the Operation Division's Mission Statement, "To provide all operations and maintenance services in the highest possible professional, efficient, safe and cost effective manner to all internal and external customers, and to strive to continually improve the level of services this Department provides."

LEGAL IMPACT: _____

None



General Manager

JV/HJ/RR/RP:jf

Attachment A Committee Action
Attachment B Expenditures and Commitment Table

P:\WORKING\CIP W270\Pavement Mgt Program\Paving Projects - Annual\FY 2007\Telegraph Canyon Road\Staff Reports\BD 05-02-07, Facilities Pavement Program TCR Bid Award.doc



ATTACHMENT A

SUBJECT/PROJECT: P1270-007000	Award of a Construction Contract for the Facilities Pavement Program Telegraph Canyon Road Project (P1270)
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COMMITTEE ACTION:

The Engineering/Operation/Water Resources Committee reviewed this item at the meeting held on April 24, 2007. The following comments were made:

- Staff recommends that a construction contract be awarded to M&M General Engineering Contractors, Inc. in the amount of \$128,650 for the facilities pavement program Telegraph Canyon Road project.
- This pavement project is needed to repair various spot locations along Telegraph Canyon Road that were not completed when the recycled pipeline was installed.
- District staff sent a proposal letter to the City of Chula Vista in 2003 regarding the repairs to the roadway. The City did not respond to the letter for more than two years. After meetings and discussions with the City, the District was asked to complete the repairs.
- The project was advertised for bid in Bid America, the San Diego Union Tribune and the San Diego Daily Transcript.
- Five contractors submitted bids. M&M General Engineering came in as the lowest responsible bidder.
- Staff stated that reference checks on M&M indicated an excellent performance record on similar projects.
- The Facilities Pavement Program is an on-going maintenance effort and these expenditures will be deducted from the operating budget.

Upon completion of the discussion, the Committee supported staff's recommendation to forward this staff report to the Board of Directors on the consent calendar.



ATTACHMENT B

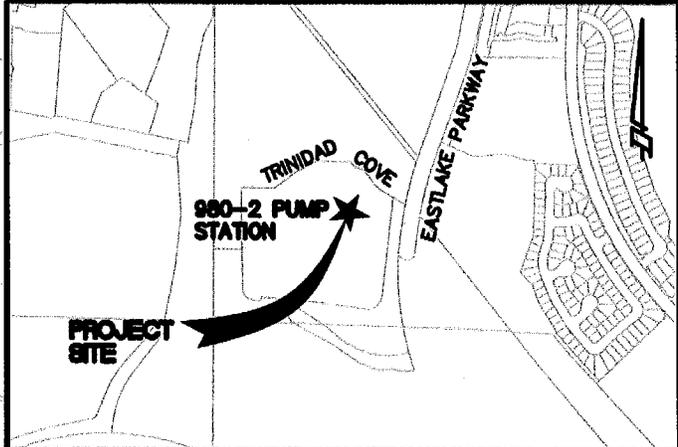
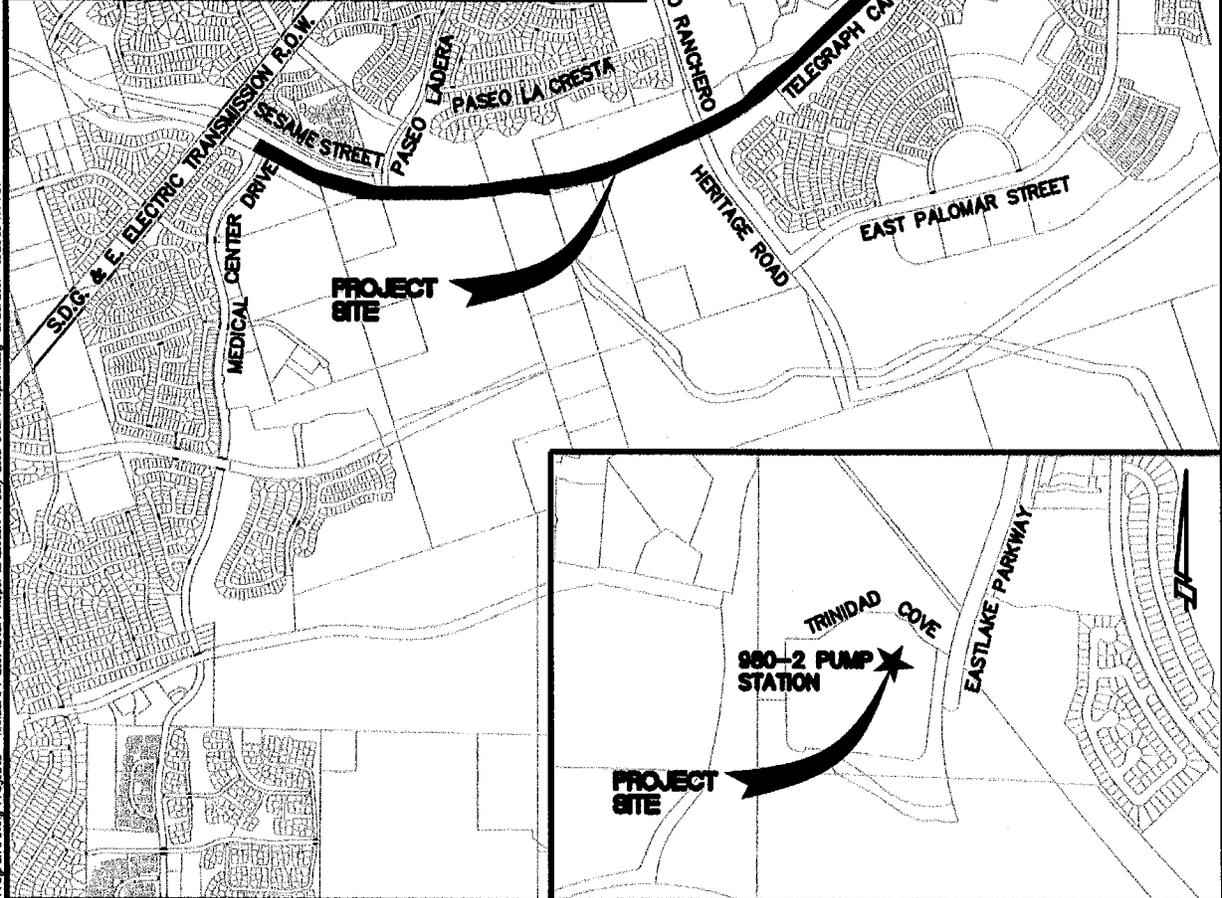
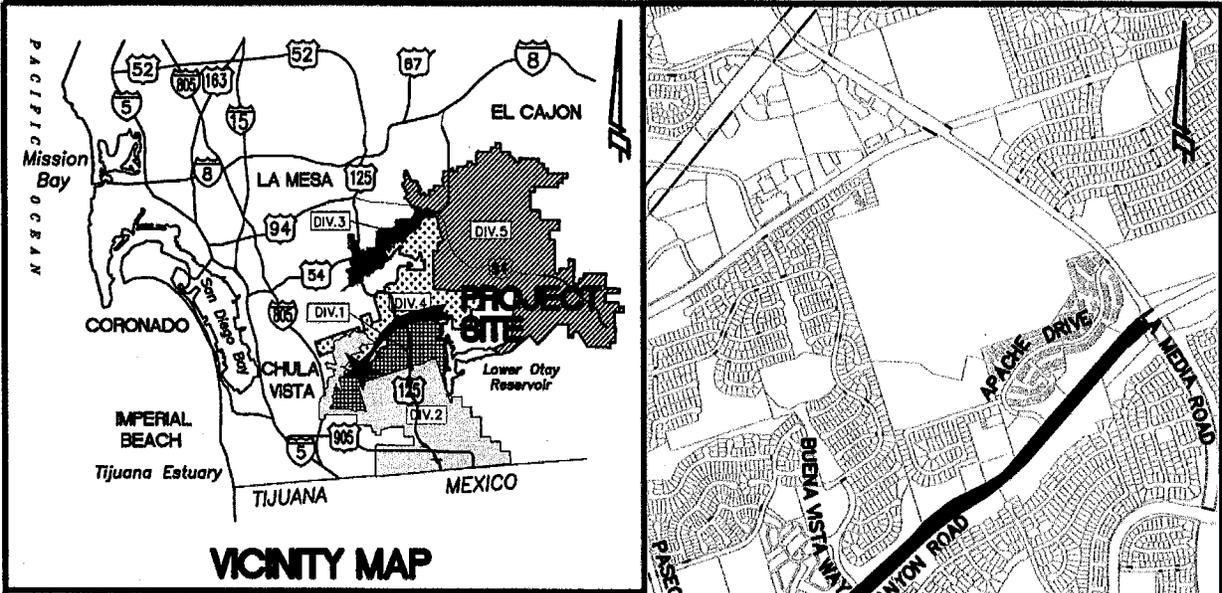
SUBJECT/PROJECT: P1270-007000	Award of a Construction Contract for the Facilities Pavement Program Telegraph Canyon Road Project (P1270)
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Otay Water District

Date Updated: March 29, 2007

Account 5261 (Outside Contracted Services)

	<i>Budget</i>	<i>Expenditures/ Commitment</i>	<i>Available Balance</i>
<i>Budget</i> \$264,500			
Planning Section			
No outside contracted services for construction			
Total Planning	\$ -	\$ -	\$ -
Design Section			
Construction Contract Efforts for painting	104,500	-	104,500
Construction Contract Efforts for Paving Projects	160,000	34,202	125,798
Award Construction contract for Telegraph Canyon Road Project		128,650	(128,650)
Inspection Fee by City of Chula Vista		20,000	(20,000)
Total Design	\$ 264,500	\$ 182,852	\$ 81,648
Construction Section			
No outside contracted services for construction	-	-	-
Total Construction	\$ -	\$ -	\$ -
Grand Total	\$ 264,500	\$ 182,852	\$ 81,648



PAVEMENT/DCIP 4270/Pavement/ Rpt Program/Paving Projects - Annual/VFY 2007 Staff Reports/Exhibit A July 2006 Staff Report-ang. 3/23/2007 10:23:30 AM PDT



OTAY WATER DISTRICT
FACILITIES PAVEMENT PROGRAM
TELEGRAPH CANYON ROAD

P1270

EXHIBIT A

AGENDA ITEM 6c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 2, 2007	
SUBMITTED BY:	Hossein Juybari <i>HJ</i> Senior Civil Engineer	PROJECT/ SUBPROJECT:	P2009/ 001102	DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering			
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations			
SUBJECT:	Award of a Professional Value Engineering and Constructability Review Services Contract to Harris & Associates for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project			

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into an Agreement for Professional Value Engineering Services with Harris & Associates (Harris) for an amount not to exceed \$107,138 for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to Regulatory Site Project (see Exhibit A for project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the award of a professional services contract to obtain value engineering services for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to Regulatory Site Project.

ANALYSIS:

The District will require the services of an engineering consultant firm to provide Professional Value Engineering and Constructability Review Services for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to Regulatory Site (36-Inch Pipeline) Project.

The purpose of Value Engineering and Constructability Review Services is to develop and present potential cost saving measures

that will not affect the utility or delivery service of the proposed 36-inch pipeline. The Study will strive to reduce potential inefficiencies, thus providing a successfully completed project that meets the District's needs of quality, cost and time. The Value Engineering Study will be based on guidelines of a five-phase process established by the Society of American Value Engineers (SAVE).

The District solicited Value Engineering and Constructability Review Services from engineering consulting firms by placing an advertisement on the District's website and with the following publications:

Date of Advertisement	Publication
2-8-07	San Diego Union Tribune
2-9-07	GreenSheet
2-7-07 to 2-16-07	Bid America
2-8-07	San Diego Daily Transcript
2-8-07 to 2-16-07	Associated General Contractors of America San Diego Chapter Inc.

Sixteen (16) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for Professional Value Engineering Services was sent to the sixteen (16) consulting firms resulting in four (4) proposals received on March 13, 2007 from the following:

Consulting Firms	Proposed Fee
Camp Dresser & McKee Inc.	\$88,000
Harris & Associates	\$107,138
Jacobs	\$108,744
URS Corporation	\$147,512

The twelve (12) firms that chose not to propose are Brown and Caldwell; Carollo Engineers, P.C.; DBE Psomas; Dudek & Associates, Inc.; HDR Engineering, Inc.; Lee & Ro, Inc.; RBF Consulting; rsr Solutions, Inc.; Swinerton; Value Management Institute; Vanir Construction Management; and Willdan.

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

Oral evaluations of the highest ranked consultants were not conducted. Under the condition of Policy 21, formal interviews are not required for intermediate projects with fees between \$50,000 to \$200,000.

The District recently worked with Harris on the Value Engineering Study for the proposed Otay Mesa Recycled Water System. The Study resulted in thirty-eight (38) suggested ideas of which seventeen (17) were ranked highly desirable and further developed. Their recommendations will result in an estimated \$6.4 million long-term capital savings to the District. Their staff worked well with the District's staff and delivered a complete report to the District.

FISCAL IMPACT:



The total budget for CIP P2009 is \$18,490,000, as approved in the 2007 budget process. The actual costs paid on this project as of March 29, 2007, are \$369,204. Total expenditures and commitments to date, including this contract, are approximately \$1,819,659. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment B is a table of commitments, expenditures, and the projected final cost for the project.

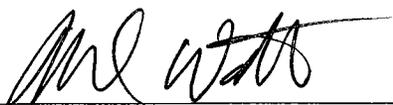
Finance has determined that 100% of the funding is currently available from the Expansion Fund.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None



General Manager

Attachment A Committee Action
Attachment B Commitments, Expenditures and Final Cost Table
BS/HJ/RR/RP:jf

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ATTACHMENT A

SUBJECT/PROJECT: P2009/001102	Award of Professional Value Engineering Services Contract to Harris & Associates for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project (CIP P2009)
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COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at the meeting held on April 24, 2007. The following comments were made:

- Staff indicated that these services of an engineering consultant firm is needed to provide professional value engineering and constructability review services for the 36-inch pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project.
- If a project exceeds \$5 million, value engineering services are required to develop and present potential cost saving measures for the project.
- The project was advertised in five publications.
- The District received 16 letters of interest. However, only four firms chose to submit proposals. There was discussion as to why only four proposals were received. Staff indicated that a Value Engineering Certification is required and not all of the firms had the certifications needed.

Upon completion of the discussion, the Committee supported staff's recommendation to forward this staff report to the Board of Directors on the consent calendar.



ATTACHMENT B

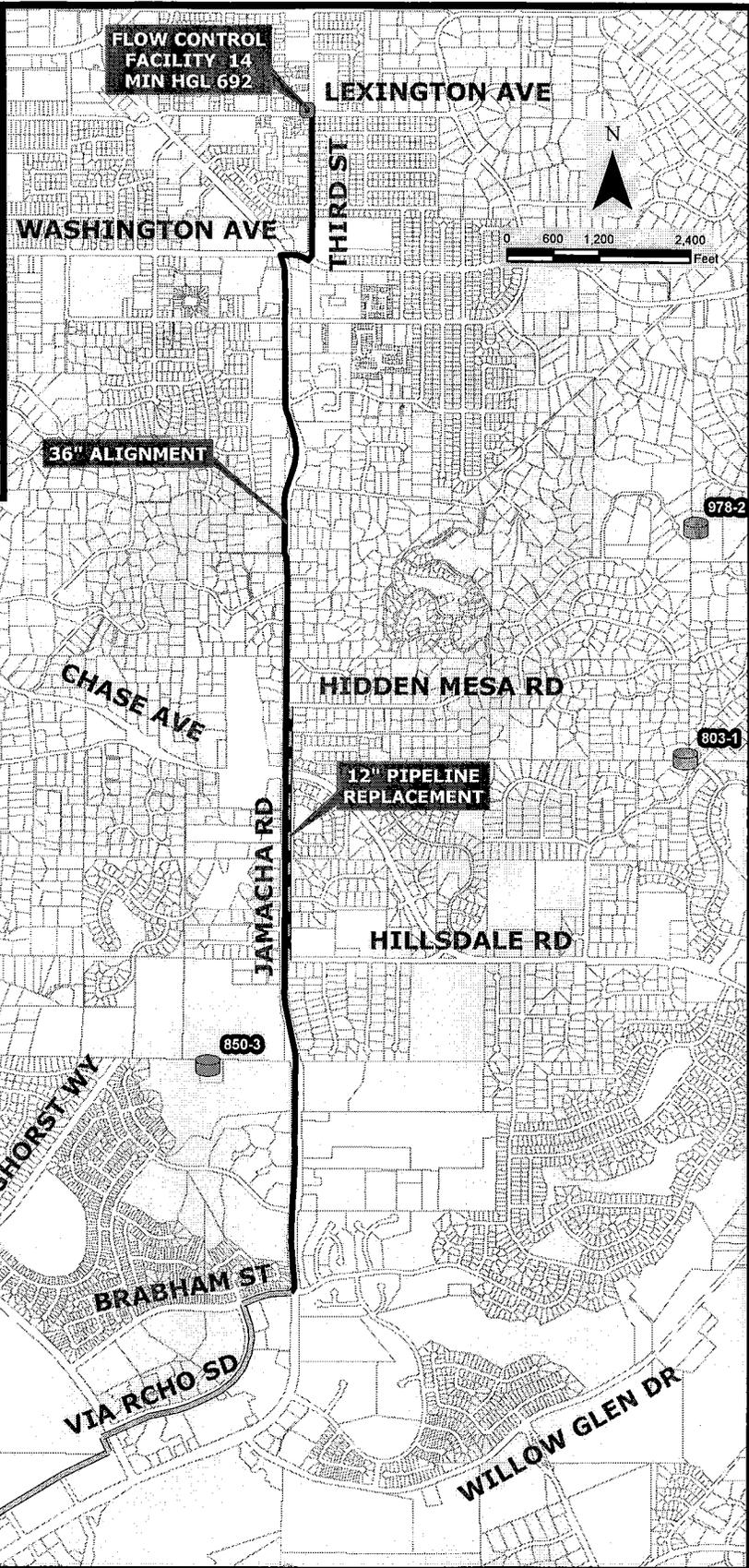
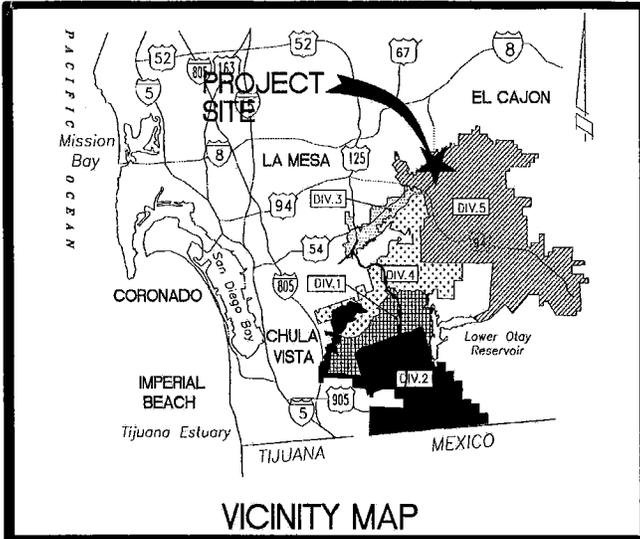
SUBJECT/PROJECT: P2009/001102	Award of Professional Value Engineering Services Contract to Harris & Associates for the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project (CIP P2009)
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Otay Water District

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

Date Updated: March 29, 2007

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$18,490,000					
Planning					
Labor	175,033	175,033	-	175,033	
Printing	993	993	-	993	OCB REPROGRAHICS
Professional Legal Fees	5,595	5,595	-	5,595	BURKE WILLIAMS & SORENSEN
Service Contracts	398	398	-	398	UNION TRIBUNE
	858	858	-	858	SD DAILY TRANSCRIPT
	350	350	-	350	RYAN BETHKE
	705	705	-	705	OLLI BROS
Subcontract	12,266	12,266	-	12,266	HELIX WATER DISTRICT
Temporary Labor	16	16	-	16	SEDONA STAFFING
Total Planning	\$ 196,214	\$ 196,214	\$ -	\$ 196,214	
Design					
Consultant Contract	1,333,808	125,019	1,208,789	1,333,808	INFRASTRUCTURE ENGINEERING
In House/Labor	47,304	47,304	375,000	422,304	
Consultant	99	99	-	99	PETTY CASH
Special Projects	48	48	-	48	SEDONA STAFFING
Meals and Incidentals	63	63	-	63	PETTY CASH
Advertising/Bid	87	87	-	87	SAN DIEGO DAILY TRANSCRIPT
Service Contracts	298	298	-	298	UNION TRIBUNE PUBLISHING CO
Value Engineering & Constructability Review	107,138	-	107,138	107,138	HARRIS & ASSOCIATES
Risk Assessment	-	-	20,000	20,000	
Easement Acquisition	-	-	400,000	400,000	
Total Design	\$ 1,488,844	\$ 172,917	\$ 2,110,927	\$ 2,283,844	
Construction					
In House/Labor	73	73	229,927	230,000	
Construction Contracts	-	-	14,076,942	14,076,942	
Construction Manager	-	-	900,000	900,000	
OWD to Pay CWA for FCF 14	700,000	-	700,000	700,000	
Acpt/close-out	-	-	103,000	103,000	
Total Construction	\$ 700,073	\$ 73	\$ 16,009,869	\$ 16,009,942	
Grand Total	\$ 2,385,131	\$ 369,204	\$ 18,120,796	\$ 18,490,000	



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

CIP P2009

W.O. 30136

EXHIBIT A

EXHIBIT B

PROPOSAL RANKING VALUE ENGINEERING SERVICES FOR CIP P2009

		WRITTEN								TOTAL SCORE	AVERAGE SCORE	REFERENCES
	Reviewer:	Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE, SBE			
	Reviewer:	15	15	10	10	20	15	10	5	100		✓
Camp Dresser & McKee Inc.	Manny Magaña	11	11	8	8	20	13	8	3	82	82.8	
	Rod Posada	11	12	12	7	20	12	8	3	85		
	Ron Ripperger	11	12	12	7	20	12	7	3	84		
	Jerry Muñoz	13	12	6	7	20	10	7	3	78		
	Hossein Juybari	13	12	9	7	20	12	9	3	85		
Harris & Associates	Manny Magaña	14	14	10	10	18	15	10	4	95	93.2	✓
	Rod Posada	13	14	14	9	18	14	9	4	95		
	Ron Ripperger	13	13	13	9	18	14	9	4	93		
	Jerry Muñoz	15	15	8	8	18	15	10	4	93		
	Hossein Juybari	13	13	9	10	18	14	9	4	90		
Jacobs	Manny Magaña	11	11	8	9	18	13	8	4	82	84.4	
	Rod Posada	11	13	12	9	18	13	8	4	88		
	Ron Ripperger	11	11	11	8	18	12	8	4	83		
	Jerry Muñoz	13	12	7	6	18	12	8	4	80		
	Hossein Juybari	13	13	9	9	18	14	9	4	89		
URS Corporation	Manny Magaña	12	12	10	8	10	15	9	3	79	77.4	
	Rod Posada	12	13	14	8	10	13	8	3	81		
	Ron Ripperger	12	13	13	8	10	13	8	3	80		
	Jerry Muñoz	15	13	8	8	10	12	10	3	79		
	Hossein Juybari	11	11	8	6	10	11	8	3	68		



AGENDA ITEM 6d

STAFF REPORT

TYPE MEETING:	Engineering and Operations Committee	BOARD MEETING DATE:	April 23, 2007
SUBMITTED BY:	Gary Stalker,  System Operations Manager	W.O./G.F. NO:	DIV. NO. 5
APPROVED BY: (Chief)	Pedro Porras, Chief of Water Operation 		
APPROVED BY: (Asst. GM):	Manny Magaña, Assistant General Manager, Engineering and Water Operations		
SUBJECT:	Acceptance of Amendments to Section 26 of the Code of Ordinances		

STAFF RECOMMENDATION:

To accept the proposed amendments to Section 26 of the Code of Ordinances and approve Ordinance Number 511.

PURPOSE:

The proposed amendments accomplish three primary purposes.

1. Make the language of Section 26 consistent with revisions made to the California Water Code.
2. Authorize the General Manager to issue a Temporary Recycled Water Use Permit, for up to 120 days, after a Recycled Water Use Permit is revoked or suspended. A temporary permit could allow a site to continue to receive recycled water while corrective actions are taken.
3. Incorporates remedies available to the District in connection with violations of the Recycled Water provisions, including suspension of applicable permits, payment of fines imposed on the District by regulatory agencies, and reimbursement to District of costs and expenses due to incurred by District in connection with the violation.
4. For the Board to adopt Ordinance Number 511.

ANALYSIS:

In 1995, AB 1247 required the substitution of "recycled water" for "reclaimed water" and "recycling" for "reclamation" in the California Water Code. The proposed amendments make the language in the ordinance consistent with AB 1247.

The General Manager presently has the authority to revoke a permit and terminate recycled water service for violations of the ordinance. However, for less severe infractions that do not warrant terminating service, there is not a provision for getting infractions resolved in a timely manner while continuing service. The temporary permit will give site owners a firm deadline to take corrective actions.

In Section 26.08 D of the present ordinance, the District can assess a fine, not exceeding \$1000 per day for violations of the ordinance. There is no provision in the existing Section 26 for the District to charge the owner for damages to District facilities, fines imposed on the District by regulatory agencies, and District expenses (staff time, equipment, and materials) due to the violation. Since the District holds the Master Recycled Water Permit for recycled water use in its boundaries, the regulatory agencies issue violations and fines to the District. Both the California Department of Health Services and the San Diego County Department of Environmental Health have informed the District they are not able to issue violations or fine site owners directly. It is the District's responsibility as a Master Permit holder to enforce recycled water rules and regulations. Therefore, these amendments will allow the District to charge the site owner for fines and other expenses related to a violation.

FISCAL IMPACT:



None

STRATEGIC GOAL:

Stewards of Public Infrastructure

LEGAL IMPACT:

None



General Manager

Attachment A: Committee Action Form

Attachment B: Ordinance 511, adopting amendments to Section 26.

Attachment C: Section 26, "Water Recycling Plan and Implementing Procedures"

Attachment D: Section 26, "Water Recycling Plan and Implementing Procedures", redlined to show changes to existing Section 26.



ATTACHMENT A

SUBJECT/PROJECT:	ACCEPTANCE OF AMENDMENTS TO SECTION 26 OF THE CODE OF ORDINANCES
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COMMITTEE ACTION:

The Engineering/Operations/Water Resources Committee reviewed this item at the meeting held on April 24, 2007. The following comments were made:

- Amendments to Section 26 of the District's Code of Ordinances will include language consistent in the California Water Code which changed the terms "reclaimed water" to "recycled water" and "water reclamation" to "water recycling."
- Staff indicated that the regulatory agencies hold the District responsible for any recycled water permit violations by the site staff after the recycled water meter.
- Section 26 was updated to incorporate language to allow the District to assess fines on site owners and to ensure that the District is reimbursed for penalties or violations imposed by regulatory agencies.
- The amendments will allow the District to issue a Temporary Recycled Water Use Permit to site owners in order to allow time for an infraction that is the site owner's responsibility to be corrected.
- Staff indicated that the amendments to Section 26 include a requirement that a site supervisor be the person responsible for the operation and maintenance of a recycled water use site and that this person be certified by the San Diego County Water Authority.

Upon completion of the discussion, the Committee supported staff's recommendation to forward this staff report to the Board of Directors on the consent calendar.

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT AMENDING SECTION 26 OF THE DISTRICT'S CODE OF ORDINANCE

WHEREAS, certain provisions of the Section 26 of the District's Code of Ordinance must be amended to update its language and provisions to more fully satisfy the requirements of the California Department of Health Services, as set forth in the California Code of Administrative Regulations, Title 22, relating to wastewater reclamation, and the requirements of the Regional Water Control Board; and

WHEREAS, it would be in the best interest of the District to also adopt additional revisions to Section 26 of the District's Code of Ordinance to clarify its procedures with respect to recycled water permits and the proper use, management and supervision of recycled water distribution systems; and

WHEREAS, all proposed revisions are reflected on the blacklined version of Section 26 attached as Attachment A to this Ordinance.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District as follows:

1. Section 26 of the Code of Ordinance of the Otay Water District is hereby amended to incorporate the revisions shown on Attachment A hereto.
2. The revised Section 26, commencing with Section 26.01, is hereby adopted, passed and approved.
3. The General Manager and the District Secretary are hereby ordered to take any and all actions and steps necessary to carry out the provisions of this ordinance, including, to the extent practicable, recalling and replacing any and all hard-copies of the Code of Ordinance previously provided to District staff, other public agencies or any other persons.

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

President

ATTEST:

Secretary

ATTACHMENT C

SECTION 26 WATER RECYCLING PLAN AND IMPLEMENTING PROCEDURES

26.01 FINDINGS

The state policies regarding use of recycled water are in the best interest of the Otay Water District. The majority of jurisdictions in San Diego County have adopted measures to promote water reclamation. This ordinance is necessary to protect the common water supply of the region which is vital to public health and safety, and to prevent endangerment of public and private property.

San Diego County is highly dependent on limited imported water for domestic, agricultural and industrial uses. The reliability of the supply of imported water is uncertain. By developing and utilizing recycled water, the need for additional imported water can be reduced. In light of these circumstances, certain uses of potable water may be considered unreasonable or to constitute a nuisance where recycled water is available.

26.02 USE OF RECYCLED WATER

- A. District Policy: It is the policy of the District that recycled water shall be used within the jurisdiction wherever its use is financially and technically feasible, and consistent with legal requirements, preservation of public health, safety and welfare, and the environment.
- B. Required Use for Greenbelt Purposes: Pursuant to Section 13550 of the California Water Code, no customer of the District shall make, cause, use or permit the use of potable water supplied by the District for greenbelt uses, including, but not limited to, cemeteries, golf courses, parks and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available for such greenbelt uses and that the following conditions are met:
1. the recycled water is of adequate quality;
 2. the recycled water may be furnished to such areas at a reasonable cost, comparable to or less than the cost of supplying potable domestic water;
 3. the State Department of Health Services has determined that such use would not be detrimental to public health; and

4. the use of recycled water will not adversely affect downstream water rights, will not degrade water quality.

The findings may include terms and conditions under which recycled water shall be used. In addition, the District may assist the customer in obtaining any permits or approvals required for the use of recycled water.

26.03 DEFINITIONS

The following terms are defined for purposes of this ordinance:

- A. Agricultural Purposes: Agricultural purposes include the growing of field and nursery crops, row crops, trees, and vines and the feeding of fowl and livestock.
- B. Artificial Lake: A human-made lake, pond, lagoon, or other body of water that is used wholly or partly for landscape, scenic or noncontact recreational purposes.
- C. Commercial Office Building: Any building for office or commercial uses with water requirements which include, but are not limited to, landscape irrigation, toilets, urinals and decorative fountains.
- D. Recycled Water Distribution System: A piping system intended for the delivery of recycled water separate from and in addition to the potable water distribution system.
- E. Greenbelt Areas: A greenbelt area includes, but is not limited to golf courses, cemeteries, parks and landscaping.
- F. Industrial Process Water: Water used by any industrial facility with process water requirements which include, but are not limited to, rinsing, washing, cooling and circulation, or construction, including any facility regulated for industrial waste or other objectionable discharge under District Code of Ordinances Sections 52.04, 52.05 and 52.06.
- G. Off-Site Facilities: Water facilities from the source of supply to the point of connection with the on-site facilities, normally up to and including the water meter.

- H. On-Site Facilities: Water facilities under the control of the owner normally downstream from the water meter.
- I. Potable Water: Water which conforms to the federal, state and local standards for human consumption.
- J. Recycled Water: Recycled water means water which, as a result of treatment, is suitable for a direct beneficial use or controlled use that would not otherwise occur. (See Water Code Section 13050(n).)
- K. Recycled Water Use Permit: A recycled water permit means a permit issued by the District approving and conditioning recycled water service for a particular site.
- L. Site Supervisor: A person responsible for the safe and efficient installation, operation and maintenance of a recycled water use site, including but not limited to compliance with all applicable permits, enforcement of the recycled water producer's rules and regulations and the prevention of potential hazards, such as cross-connections. The Site Supervisor must be certified by the San Diego County Water Authority as a Recycled Water Site Supervisor and must have evidence of valid certification at all times while acting as Site Supervisor.
- M. Temporary Recycled Water Use Permit: Temporary recycled water use permit means a permit issued by the District, at its discretion, to allow temporary use of recycled water pending issuance of a recycled water use permit or pending renewal of such permit following suspension or termination due to a violation of the provisions of this Section.
- N. Waste Discharge: Waste Discharge means water deposited, released or discharged into a sewer system from any commercial, industrial or residential source which contains levels of any substance or substances which may cause substantial harm to any water treatment or reclamation facility or which may prevent any use of reclaimed water authorized by law.

26.04 WATER RECLAMATION MASTER PLAN

- A. General: The General Manager shall prepare and adopt a Water Recycling Master Plan to define,

encourage, and develop the use of recycled water within the District's boundaries. The Master Plan shall be updated not less often than every five years.

- B. Contents of the Water Recycling Master Plan: The Master Plan shall include, but not be limited to, the following:
1. Plants and Facilities. Evaluation of the location and size of present and future recycling treatment plants, distribution pipelines, pump stations, reservoirs, and other related facilities, including cost estimates and potential financing methods.
 2. Recycled Water Service Areas. A designation, based on the criteria set forth in Section 26.02 and the information derived from Section 26.04B.1. and this Section 26.04B.2. of the areas within the District that can or may in the future use recycled water in lieu of potable water. Recycled water uses may include, but are not limited to, the irrigation of greenbelt and agricultural areas, filling of artificial lakes, and appropriate industrial and commercial uses.
 3. Designate Tributary Areas. For each water reclamation facility identified in the Master Plan, designate proposed tributary areas. Within such areas, discharges to the sewage system shall be subject to permitting, monitoring and control measures to protect public health, safety and public and private property. Designation of tributary areas shall be adopted by ordinances, and may be included in the Master Plan. Prior to designation of tributary areas, appropriate notice shall be given to property owners and residents of the area.
 4. Quality of Water to be Recycled. For each water reclamation treatment facility, evaluate water quality with respect to the effect on anticipated uses of recycled water to be served by each treatment facility. Evaluate sources of waste discharge and sewer inflow that may, directly or cumulatively, substantially contribute to adverse water quality conditions in recycled water.

5. Tributary Protection Measures. Develop recommended control measures and management practices for each designated tributary area to maintain or improve the quality of recycled water. Such control measures may include capital improvements to the sewer collection system and waste discharge restrictions for industrial, commercial and residential discharges.
6. Mandatory Recycled Water Use. For each recycled water service area, evaluate whether greenbelt irrigation, agricultural irrigation, commercial office buildings, filling of artificial lakes, or industrial processes shall be limited to the use of recycled water. As appropriate, mandate construction of recycled water distribution systems or other facilities in new and existing developments for current or future recycled water use as a condition of any development approval or continued water service if future reclamation facilities are proposed in the Master Plan that could adequately serve the development, in accordance with the procedures described in Section 26.05. Identify resources and adopt measures to assist water users in the financing of necessary conversions.
7. Rules and Regulations for Recycled Water Use. Establish general rules and regulations governing the use and distribution of recycled water.
8. Public Awareness Program. Establish a comprehensive water reclamation public awareness program.
9. Coordination Among Agencies. An examination of the potential for initiating a coordinated effort between the District and other regional agencies to share in the production and utilization of recycled water.

26.05 PROCEDURES

A. Existing Potable Water Service.

1. Preliminary Determination. Based upon the Master Plan, upon the designation of each recycled water service area or the commencement of the design of new recycled water facilities, the General Manager shall make

preliminary determinations as to which existing potable water customers shall be converted to the use of recycled water. Each water customer shall be notified of the basis for a determination that conversion to recycled water service will be required, as well as the proposed conditions and schedule for conversion.

2. Notice. The notice of the preliminary determination, including the proposed conditions and time schedule for compliance, and a recycled water permit application shall be sent to the water customer by certified mail.
3. Objections; Appeals. The water customer may file a notice of objection with the District within thirty (30) days after any notice of determination to comply is delivered or mailed to the customer, and may request reconsideration of the determination or modification of the proposed conditions or schedule for conversion. The objection must be in writing and specify the reasons for the objection. The preliminary determination shall be final if the customer does not file a timely objection. Staff (Engineering Department) shall review the objection and shall confirm, modify or abandon the preliminary determination. Upon issuance of a final determination by Staff, customer may appeal the determination upon written application to the Board of Directors after the final determination made by the Staff. (Engineering Department).

B. Development and Water Service Approvals.

1. Conditions. Upon application by a developer, owner or water customer (herein referred to as "applicant") for a tentative map, subdivision map, land use permit or other development project as defined by Government Code Section 65928 or for new or altered water service, the District Staff shall review the Master Plan and make a preliminary determination whether the current or proposed use of the subject property is required to be served with recycled water or to include facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled water and provision of recycled water distribution systems or other facilities for the use of recycled

water, and application for a permit for such use may be required a a condition of approval of any such application, in addition to any other conditions of approval for service.

2. Alterations and Remodeling. On a case-by-case basis, upon application for a permit for the alteration or remodeling of multifamily, commercial or industrial structures (including, for example, hotels), the District Staff shall review the Master Plan and make a preliminary determination whether the subject property shall be required to be served with recycled water or to include facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled water and provision of recycled water distribution systems or other facilities for the use of recycled water, and application for a permit for such use, may be required as a condition of approval of the application.
 3. Notice of Determination. A notice of the basis for the preliminary determination, proposed conditions of approval and schedule for compliance shall be provided to the applicant prior to approval of the development application or application for water service.
 4. Requested Service. On a case-by-case basis, upon application for a permit to use recycled water on a property not covered by Sections 26.05.A.1, 26.05.B.1, or 26.05.B.2 above, the General Manager shall review the Master Plan and make a determination whether the subject property shall be served with recycled water. Based upon such determination, the application for the permit shall be accepted and processed subject to Section 26.05.C.
- C. Recycled Water Permit Process. Upon a final determination by the General Manager that a property shall be served with recycled water, or adoption of a condition of development approval or water service requiring use or accommodation of the use of recycled water, the water customer owner or applicant shall obtain a recycled water permit.
1. Permit Conditions. The permit shall specify the design and operational requirements for the applicant's water distribution facilities

and schedule for compliance, based on the rules and regulations adopted pursuant to Section 26.04.B and shall require compliance with both the California Department of Health Services Wastewater Recycling Criteria (see California Code of Administrative Regulations, Title 22), and requirements of the Regional Water Quality Control Board.

2. Plan Approval. Plans for the recycled and non-recycled water distribution systems for the parcel shall be reviewed by the District Engineer and a field inspection conducted before the plans are approved.

3. Meter Permit Issuance. Upon completion of construction and approval by the District and the County Department of Environmental Health the meter permit shall be issued. Recycled water shall not be supplied to a property until inspection by the District determines that the applicant is in compliance with the permit conditions.

4. Recycled Water Use Permit Issuance. If the site has a certified Recycled Water Site Supervisor, a Recycled Water Use Permit will be issued by the District. If the site does not have a certified Site Supervisor identified, a Temporary Recycled Water Use Permit will be issued, for up to 120 days, to allow the site to receive recycled water while a proposed Site Supervisor is being certified.

D. Temporary Use of Potable Water. At the discretion of the General Manager, potable water may be made available on a temporary basis, until recycled water is available. Before the applicant receives temporary potable water, a water reclamation permit, as described in Section 26.05.C, must be obtained for new on-site distribution facilities. Prior to commencement of recycled water service, an inspection of the on-site facilities will be conducted to verify that the facilities have been maintained and are in compliance with the recycled water permit and current requirements for service. Upon verification of compliance, the applicant shall be notified of the corrective actions necessary and shall have at least thirty (30) days to take such actions prior to initiation of enforcement proceedings.

- E. Recycled Water Rate. The rate charged for recycled water shall be established by Ordinance of the Board of Directors.

26.06 REGULATION OF WASTE DISCHARGE TO SEWERAGE SYSTEMS

- A. Intent. The District recognizes that to maintain adequate wastewater quality for water reclamation treatment processes, and to protect public and private property, restrictions may be required on certain industrial, commercial and residential waste discharges to a sewerage system that is located within a designated tributary area of an existing or planned reclamation facility.
- B. Adopted Tributary Protection Measures. Waste discharges to the sewerage system from any industrial, commercial or residential source may be restricted or prohibited upon a finding, following a noticed public hearing, that the type or class of discharge involved is capable of causing or may cause substantial damage or harm to any sewage treatment or reclamation facility or to any significant user or users or potential user or users of recycled water within an area which has been planned for recycled water service. Prohibitions for certain discharges and guidelines for acceptability of wastes are set forth in District Code of Ordinances Sections 52.04, PROHIBITIONS AGAINST DISCHARGE OF OBJECTIONABLE WASTES, which prohibits discharge of certain items into the District sewer system, including, but not limited to, brine discharge from on-site self-regenerating water softener units; 52.05, GUIDELINES TO DETERMINE ACCEPTABILITY OF WASTES; and 52.06, DISCHARGE OF INDUSTRIAL WASTE.

26.07 SANCTIONS.

- A. Public Nuisance. Discharge of wastes or the use of recycled water in any manner in violation of this ordinance or of any permit issued hereunder is hereby declared a public nuisance and shall be corrected or abated as directed by the General Manager. Any person creating such a public nuisance is guilty of a misdemeanor.
- B. Injunction. Whenever a discharge of wastes or use of recycled water is in violation of this ordinance or otherwise causes or threatens to cause a public nuisance, the District may seek injunctive relief as may be appropriate to enjoin such discharge or use.

- C. Permit Suspension or Revocation. In addition to any other provision of this Code or state statute or rule authorizing termination of water service, the General Manager may suspend or revoke a permit issued hereunder if a violation of any provision of this ordinance or the Rules and Regulations for Recycled Water Use is found to exist or if a discharge of wastes or use of recycled water causes or threatens to cause a nuisance. If a permit is revoked, the General Manager may, at its discretion, issue the recycled water user a temporary recycled water permit for up to 120 days to allow service to continue while corrective measures are completed.
- D. Penalty. Any owner and/or operator who violates this ordinance shall, for each day of violation, or portion thereof, be subject to a fine not exceeding \$1,000, or other higher amount authorized by applicable law.
- E. Other Remedies. In addition to any fine, revocation, suspension or penalty imposed under this Section 26 in connection with any violation of this Section, the District may take any or all the following actions: (i) suspend or terminate water and or sewer service to the property, the owner and/or the operator; (ii) require payment by the owner for any damage to the District facilities, reimbursement to District of costs and expenses, or fines imposed on the District in connection with such violation; or (iii) prosecute the responsible party under any applicable provision of this Code, the Water Code or the Penal Code.

26.08 VALIDITY

If any provision of this Section 26 or the application thereof to any person or circumstance is held invalid, the remainder of Section 26 and the application of such provisions to other persons or circumstances shall not be affected thereby.

ATTACHMENT D

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SECTION 26 WATER RECYCLING PLAN AND IMPLEMENTING PROCEDURES

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26.01 FINDINGS

The state policies regarding use of recycled water are in the best interest of the Otay Water District. The majority of jurisdictions in San Diego County have adopted measures to promote water reclamation. This ordinance is necessary to protect the common water supply of the region which is vital to public health and safety, and to prevent endangerment of public and private property.

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San Diego County is highly dependent on limited imported water for domestic, agricultural and industrial uses. The reliability of the supply of imported water is uncertain. By developing and utilizing recycled water, the need for additional imported water can be reduced. In light of these circumstances, certain uses of potable water may be considered unreasonable or to constitute a nuisance where recycled water is available.

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26.02 USE OF RECYCLED WATER

A. District Policy: It is the policy of the District that recycled water shall be used within the jurisdiction wherever its use is financially and technically feasible, and consistent with legal requirements, preservation of public health, safety and welfare, and the environment.

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B. Required Use for Greenbelt Purposes: Pursuant to Section 13550 of the California Water Code, no customer of the District shall make, cause, use or permit the use of potable water supplied by the District for greenbelt uses, including, but not limited to, cemeteries, golf courses, parks and highway landscaped areas, when, following notice and a hearing, the District finds that recycled water is available for such greenbelt uses and that the following conditions are met:

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1. the recycled water is of adequate quality;
2. the recycled water may be furnished to such areas at a reasonable cost, comparable to or less than the cost of supplying potable domestic water;
3. the State Department of Health Services has determined that such use would not be detrimental to public health; and

4. the use of recycled water will not adversely affect downstream water rights, will not degrade water quality.

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The findings may include terms and conditions under which recycled water shall be used. In addition, the District may assist the customer in obtaining any permits or approvals required for the use of recycled water.

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26.03 DEFINITIONS

The following terms are defined for purposes of this ordinance:

- A. Agricultural Purposes: Agricultural purposes include the growing of field and nursery crops, row crops, trees, and vines and the feeding of fowl and livestock.
- B. Artificial Lake: A human-made lake, pond, lagoon, or other body of water that is used wholly or partly for landscape, scenic or noncontact recreational purposes.
- C. Commercial Office Building: Any building for office or commercial uses with water requirements which include, but are not limited to, landscape irrigation, toilets, urinals and decorative fountains.
- D. Recycled Water Distribution System: A piping system intended for the delivery of recycled water separate from and in addition to the potable water distribution system.
- E. Greenbelt Areas: A greenbelt area includes, but is not limited to golf courses, cemeteries, parks and landscaping.
- F. Industrial Process Water: Water used by any industrial facility with process water requirements which include, but are not limited to, rinsing, washing, cooling and circulation, or construction, including any facility regulated for industrial waste or other objectionable discharge under District Code of Ordinances Sections 52.04, 52.05 and 52.06.
- G. Off-Site Facilities: Water facilities from the source of supply to the point of connection with the on-site facilities, normally up to and including the water meter.

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H. On-Site Facilities: Water facilities under the control of the owner normally downstream from the water meter.

I. Potable Water: Water which conforms to the federal, state and local standards for human consumption.

J. Recycled Water: Recycled water means water which, as a result of treatment, is suitable for a direct beneficial use or controlled use that would not otherwise occur. (See Water Code Section 13050(n).)

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K. Recycled Water Use Permit: A recycled water permit means a permit issued by the District approving and conditioning recycled water service for a particular site.

L. Site Supervisor: A person responsible for the safe and efficient installation, operation and maintenance of a recycled water use site, including but not limited to compliance with all applicable permits, enforcement of the recycled water producer's rules and regulations and the prevention of potential hazards, such as cross-connections. The Site Supervisor must be certified by the San Diego County Water Authority as a Recycled Water Site Supervisor and must have evidence of valid certification at all times while acting as Site Supervisor.

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M. Temporary Recycled Water Use Permit: Temporary recycled water use permit means a permit issued by the District, at its discretion, to allow temporary use of recycled water pending issuance of a recycled water use permit or pending renewal of such permit following suspension or termination due to a violation of the provisions of this Section.

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N. Waste Discharge: Waste Discharge means water deposited, released or discharged into a sewer system from any commercial, industrial or residential source which contains levels of any substance or substances which may cause substantial harm to any water treatment or reclamation facility or which may prevent any use of reclaimed water authorized by law.

26.04 WATER RECLAMATION MASTER PLAN

A. General: The General Manager shall prepare and adopt a Water Recycling Master Plan to define,

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encourage, and develop the use of recycled water within the District's boundaries. The Master Plan shall be updated not less often than every five years.

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B. Contents of the Water Recycling Master Plan: The Master Plan shall include, but not be limited to, the following:

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1. Plants and Facilities. Evaluation of the location and size of present and future recycling treatment plants, distribution pipelines, pump stations, reservoirs, and other related facilities, including cost estimates and potential financing methods.

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2. Recycled Water Service Areas. A designation, based on the criteria set forth in Section 26.02 and the information derived from Section 26.04B.1. and this Section 26.04B.2. of the areas within the District that can or may in the future use recycled water in lieu of potable water. Recycled water uses may include, but are not limited to, the irrigation of greenbelt and agricultural areas, filling of artificial lakes, and appropriate industrial and commercial uses.

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3. Designate Tributary Areas. For each water reclamation facility identified in the Master Plan, designate proposed tributary areas. Within such areas, discharges to the sewage system shall be subject to permitting, monitoring and control measures to protect public health, safety and public and private property. Designation of tributary areas shall be adopted by ordinances, and may be included in the Master Plan. Prior to designation of tributary areas, appropriate notice shall be given to property owners and residents of the area.

4. Quality of Water to be Recycled. For each water reclamation treatment facility, evaluate water quality with respect to the effect on anticipated uses of recycled water to be served by each treatment facility. Evaluate sources of waste discharge and sewer inflow that may, directly or cumulatively, substantially contribute to adverse water quality conditions in recycled water.

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5. Tributary Protection Measures. Develop recommended control measures and management practices for each designated tributary area to maintain or improve the quality of recycled water. Such control measures may include capital improvements to the sewer collection system and waste discharge restrictions for industrial, commercial and residential discharges.

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6. Mandatory Recycled Water Use. For each recycled water service area, evaluate whether greenbelt irrigation, agricultural irrigation, commercial office buildings, filling of artificial lakes, or industrial processes shall be limited to the use of recycled water. As appropriate, mandate construction of recycled water distribution systems or other facilities in new and existing developments for current or future recycled water use as a condition of any development approval or continued water service if future reclamation facilities are proposed in the Master Plan that could adequately serve the development, in accordance with the procedures described in Section 26.05. Identify resources and adopt measures to assist water users in the financing of necessary conversions.

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7. Rules and Regulations for Recycled Water Use. Establish general rules and regulations governing the use and distribution of recycled water.

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8. Public Awareness Program. Establish a comprehensive water reclamation public awareness program.

9. Coordination Among Agencies. An examination of the potential for initiating a coordinated effort between the District and other regional agencies to share in the production and utilization of recycled water.

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26.05 PROCEDURES

A. Existing Potable Water Service.

1. Preliminary Determination. Based upon the Master Plan, upon the designation of each recycled water service area or the commencement of the design of new recycled water facilities, the General Manager shall make

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preliminary determinations as to which existing potable water customers shall be converted to the use of recycled water. Each water customer shall be notified of the basis for a determination that conversion to recycled water service will be required, as well as the proposed conditions and schedule for conversion.

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2. Notice. The notice of the preliminary determination, including the proposed conditions and time schedule for compliance, and a recycled water permit application shall be sent to the water customer by certified mail.

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3. Objections; Appeals. The water customer may file a notice of objection with the District within thirty (30) days after any notice of determination to comply is delivered or mailed to the customer, and may request reconsideration of the determination or modification of the proposed conditions or schedule for conversion. The objection must be in writing and specify the reasons for the objection. The preliminary determination shall be final if the customer does not file a timely objection. Staff (Engineering Department) shall review the objection and shall confirm, modify or abandon the preliminary determination. Upon issuance of a final determination by Staff, customer may appeal the determination upon written application to the Board of Directors after the final determination made by the Staff. (Engineering Department).

B. Development and Water Service Approvals.

1. Conditions. Upon application by a developer, owner or water customer (herein referred to as "applicant") for a tentative map, subdivision map, land use permit or other development project as defined by Government Code Section 65928 or for new or altered water service, the District Staff shall review the Master Plan and make a preliminary determination whether the current or proposed use of the subject property is required to be served with recycled water or to include facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled water and provision of recycled water distribution systems or other facilities for the use of recycled

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water, and application for a permit for such use may be required a a condition of approval of any such application, in addition to any other conditions of approval for service.

2. Alterations and Remodeling. On a case-by-case basis, upon application for a permit for the alteration or remodeling of multifamily, commercial or industrial structures (including, for example, hotels), the District Staff shall review the Master Plan and make a preliminary determination whether the subject property shall be required to be served with recycled water or to include facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled water and provision of recycled water distribution systems or other facilities for the use of recycled water, and application for a permit for such use, may be required as a condition of approval of the application.

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3. Notice of Determination. A notice of the basis for the preliminary determination, proposed conditions of approval and schedule for compliance shall be provided to the applicant prior to approval of the development application or application for water service.

4. Requested Service. On a case-by-case basis, upon application for a permit to use recycled water on a property not covered by Sections 26.05.A.1, 26.05.B.1, or 26.05.B.2 above, the General Manager shall review the Master Plan and make a determination whether the subject property shall be served with recycled water. Based upon such determination, the application for the permit shall be accepted and processed subject to Section 26.05.C.

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- C. Recycled Water Permit Process. Upon a final determination by the General Manager that a property shall be served with recycled water, or adoption of a condition of development approval or water service requiring use or accommodation of the use of recycled water, the water customer owner or applicant shall obtain a recycled water permit.

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1. Permit Conditions. The permit shall specify the design and operational requirements for the applicant's water distribution facilities

and schedule for compliance, based on the rules and regulations adopted pursuant to Section 26.04.B and shall require compliance with both the California Department of Health Services Wastewater Recycling Criteria (see California Code of Administrative Regulations, Title 22), and requirements of the Regional Water Quality Control Board.

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- 2. Plan Approval. Plans for the recycled and non-recycled water distribution systems for the parcel shall be reviewed by the District Engineer and a field inspection conducted before the plans are approved.

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- 3. Meter Permit Issuance. Upon completion of construction and approval by the District and the County Department of Environmental Health the meter permit shall be issued. Recycled water shall not be supplied to a property until inspection by the District determines that the applicant is in compliance with the permit conditions.

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- 4. Recycled Water Use Permit Issuance. If the site has a certified Recycled Water Site Supervisor, a Recycled Water Use Permit will be issued by the District. If the site does not have a certified Site Supervisor identified, a Temporary Recycled Water Use Permit will be issued, for up to 120 days, to allow the site to receive recycled water while a proposed Site Supervisor is being certified.

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- D. Temporary Use of Potable Water. At the discretion of the General Manager, potable water may be made available on a temporary basis, until recycled water is available. Before the applicant receives temporary potable water, a water reclamation permit, as described in Section 26.05.C, must be obtained for new on-site distribution facilities. Prior to commencement of recycled water service, an inspection of the on-site facilities will be conducted to verify that the facilities have been maintained and are in compliance with the recycled water permit and current requirements for service. Upon verification of compliance, the applicant shall be notified of the corrective actions necessary and shall have at least thirty (30) days to take such actions prior to initiation of enforcement proceedings.

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- E. Recycled Water Rate. The rate charged for recycled water shall be established by Ordinance of the Board of Directors.

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26.06 REGULATION OF WASTE DISCHARGE TO SEWERAGE SYSTEMS

- A. Intent. The District recognizes that to maintain adequate wastewater quality for water reclamation treatment processes, and to protect public and private property, restrictions may be required on certain industrial, commercial and residential waste discharges to a sewerage system that is located within a designated tributary area of an existing or planned reclamation facility.
- B. Adopted Tributary Protection Measures. Waste discharges to the sewerage system from any industrial, commercial or residential source may be restricted or prohibited upon a finding, following a noticed public hearing, that the type or class of discharge involved is capable of causing or may cause substantial damage or harm to any sewage treatment or reclamation facility or to any significant user or users or potential user or users of recycled water within an area which has been planned for recycled water service. Prohibitions for certain discharges and guidelines for acceptability of wastes are set forth in District Code of Ordinances Sections 52.04, PROHIBITIONS AGAINST DISCHARGE OF OBJECTIONABLE WASTES, which prohibits discharge of certain items into the District sewer system, including, but not limited to, brine discharger from on-site self-regenerating water softener units; 52.05, GUIDELINES TO DETERMINE ACCEPTABILITY OF WASTES; and 52.06, DISCHARGE OF INDUSTRIAL WASTE.

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26.07 SANCTIONS.

- A. Public Nuisance. Discharge of wastes or the use of recycled water in any manner in violation of this ordinance or of any permit issued hereunder is hereby declared a public nuisance and shall be corrected or abated as directed by the General Manager. Any person creating such a public nuisance is guilty of a misdemeanor.
- B. Injunction. Whenever a discharge of wastes or use of recycled water is in violation of this ordinance or otherwise causes or threatens to cause a public nuisance, the District may seek injunctive relief as may be appropriate to enjoin such discharge or use.

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C. Permit Suspension or Revocation. In addition to any other provision of this Code or state statute or rule authorizing termination of water service, the General Manager may suspend or revoke a permit issued hereunder if a violation of any provision of this ordinance or the Rules and Regulations for Recycled Water Use is found to exist or if a discharge of wastes or use of recycled water causes or threatens to cause a nuisance. If a permit is revoked, the General Manager may, at its discretion, issue the recycled water user a temporary recycled water permit for up to 120 days to allow service to continue while corrective measures are completed.

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D. Penalty. Any owner and/or operator who violates this ordinance shall, for each day of violation, or portion thereof, be subject to a fine not exceeding \$1,000, or other higher amount authorized by applicable law.

E. Other Remedies. In addition to any fine, revocation, suspension or penalty imposed under this Section 26 in connection with any violation of this Section, the District may take any or all the following actions: (i) suspend or terminate water and or sewer service to the property, the owner and/or the operator; (ii) require payment by the owner for any damage to the District facilities, reimbursement to District of costs and expenses, or fines imposed on the District in connection with such violation; or (iii) prosecute the responsible party under any applicable provision of this Code, the Water Code or the Penal Code.

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26.08 VALIDITY

If any provision of this Section 26 or the application thereof to any person or circumstance is held invalid, the remainder of Section 26 and the application of such provisions to other persons or circumstances shall not be affected thereby.



AGENDA ITEM 7a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 2, 2007
SUBMITTED BY:	Armando Buelna, <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2007/2008 Legislative Program		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2007/2008 Otay Water District Legislative Program.

PURPOSE:

To provide direction and guidelines to staff in the formulation of the District's response to legislative initiatives on issues affecting the District prior to and during the 2007/2008 legislative session.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

Each legislative session, representatives to the California legislature sponsor some 2,000 to 3,000 bills or significant resolutions. Many of these measures become law and affect special districts in substantive ways. The same is true with each session of the House of Representatives or the Senate.

Legislative programs establish guidelines and policy direction that can be used by staff in monitoring legislative activity, and facilitate actions that can be taken to quickly in response to legislative initiatives.

The principles provided in the 2007/2008 Legislative Program are meant to serve as guidelines for staff in formulating a consistent District response to legislative initiatives. This is particularly helpful in dealing with time sensitive matters such as last minute amendments should calls or letters to legislators be needed.

Sensitive or controversial policy matters will nevertheless be brought to your board for deliberation and direction.

FISCAL IMPACT:



None.

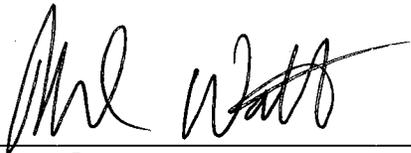
STRATEGIC GOAL:

This project is consistent with the following District strategic goals:

Planning for Infrastructure and Supply
Stewards of Public Infrastructure

LEGAL IMPACT:

None.



General Manager

Attachments

Attachment A - *Committee Action Report*

Attachment B - *2007/2008 Otay Water District Legislative Program*



ATTACHMENT A

SUBJECT/PROJECT:	2007/2008 Legislative Program
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on April 18, 2007. The following comments were made:

- It was noted that the presented Legislative Program provides direction and guidelines to staff in formulating consistent responses on legislative initiatives affecting the District for the 2007/2008 legislative session.;
- The Legislative Program document would be referenced for direction on the District's position should a request be received from CSDA, ACWA, etc. that the District take a position on certain legislation.;
- The program was updated to include efforts to clarify Proposition 218 's public notification procedures, Delta-Bay Vision Process, Global Climate Change, etc.
- The committee requested that legislation in which the board members have a broad opinion, such as recycled water/potable reuse, that the item be brought to a board ad hoc committee for discussion. In light of this, it was requested that the following items be removed from the Legislative Program under "Water Services" on Page 2 and instead indicate within the document that "There is a lack of consensus on potable reuse among board members and should such matters be addressed in proposed legislation, the matter will be brought to committee for consideration.":
 - Under "Support efforts to":
 - Reduce restrictions on recycled water usage.
 - Reduce restrictions on injecting recycled water into basins where there is no direct potable use.

- Provide financial incentives for recharge of groundwater aquifers using recycled water.
- Under "*Oppose efforts to*":
 - Restrict use of recycled water for groundwater recharge.
- The committee also suggested that the following items be removed under "Governance" on Page 4 as the committee felt that the issues have already been addressed:
 - Under "*Support efforts to*":
 - Establish reasonable standards for reporting director expenditures.
 - Establish meaningful, targeted special district reform.
 - Create consistent definitions of types of meeting directors may use for purposes of compensation.
 - Set fair, consistent and reasonable standards for board member compensation.
- The committee suggested that staff add information concerning universal health care.;
- The committee also recommended that staff poll board members in their interest in receiving legislative information via a subscription service from CSDA and ACWA and add interested members to the subscription service so that they may receive the information directly.;
- A proposed revised Legislative Program document is attached with the recommended changes from committee.

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

Otay Water District 2007-2008 Legislative Program

Legislative Policy Guidelines

Effective Date:

Introduction

The Otay Water District (District) is a special purpose agency first established in 1956 that today provides water, wastewater and recycled water services to its customers.

The District faces unprecedented growth necessitating the acquisition and development of water treatment and supply opportunities, infrastructure expansion and improvements, and enhanced customer services. It is also operating in an environment of escalating costs, increased regulatory compliance, customer demands for continuously improving services and competition for resources.

In this dynamic environment, the District strives to accomplish its mission of providing safe, reliable, affordable water, wastewater and recycled water services to its customers with innovation, in a cost efficient, water wise and environmentally responsible manner.

Legislative Program

1. Develop and update a list of bills that may affect the District and its customers.
2. Prepare regular updates accessible to the Board of Directors, the general manager and the senior management team.
3. Develop for Board of Directors' approval a legislative program for state and federal legislative sessions.
4. Represent the District before state and federal legislative and administrative bodies.
5. Sponsor or promote legislation which serves the District and its customers.

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2007-2008 Legislative Sessions include the following:

Water Services

Support efforts to:

- a. Provide a comprehensive plan to address Bay-Delta environmental issues.
- b. Study and promote "Around-the-Delta" alternatives as a way to improve water quality or water transport and reduce the possibility of levee failure.
- c. Support efforts to promote additional surface and underground water storage infrastructure to ensure water availability and quality.

Otay Water District 2007-2008 Legislative Program

- d. Study Global Climate Change and its potential impact on the snow-pack, rising sea levels, increased salinity in the Delta, the possibility of reduced precipitation or more severe storms.
- e. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- f. Provide ongoing federal and state funding for the California Bay-Delta.
- g. Support implementation of the Quantitative Settlement Agreement.
- h. Provide reliable water supplies to meet California's short and long-term needs.
- i. Develop a comprehensive state water plan that balances California's competing water needs and results in a reliable supply of high-quality water for the San Diego region.
- j. Provide conveyance and storage facilities that are cost effective, improve the reliability and quality of San Diego region's water supplies as well as the Bay-Delta region.
- k. Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements.
- l. Support agriculture to urban water transfers.
- m. Promote desalination pilot studies and projects.
- n. Reduce restrictions on recycled water usage.
- o. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- p. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- q. Encourage feasibility studies of water resource initiatives.
- r. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems.
- s. Provide funding for water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- t. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- u. Streamline grant application procedures.
- v. Limit the availability, or prohibit the installation, of water softening appliances that discharge brine to the sewer systems feeding treatment plants that produce recycled water.

Oppose efforts to:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing protocol.
- c. Create unrealistic or costly to obtain water quality standards for recycled water or storm water runoff.
- d. Restrict use of recycled water for groundwater recharge.
- e. Disproportionately apportion costs of water.
- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.

Otay Water District 2007-2008 Legislative Program

Financial

Support efforts to:

- a. Support efforts to clarify notification procedures, who may file a protest, how to count multiple votes on one property, and other provisions of Proposition 218 in the wake of the Bighorn decision.
- b. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- c. Give special districts the discretion to cease performance of unfunded mandates.
- d. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- e. Provide incentives for local agencies to work cooperatively, share costs or resources.
- f. Provide for the stable, equitable and reliable allocation of property taxes.
- g. Continue to reform workers compensation.
- h. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- i. Promote competition in insurance underwriting for public agencies.
- j. Establish spending caps on State of California overhead when administering voter approved grant programs.
- k. Require disbursement decisions in a manner appropriate to the service in question.
- l. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- m. Produce tangible results, such as water supply reliability or water quality improvement.
- n. Provide financial incentives to projects that increase reliability, diversity, and reduce green house gasses.

Oppose efforts to:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues to fund infrastructure improvements in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.

Otay Water District 2007-2008 Legislative Program

Governance

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Establish reasonable standards for reporting director expenditures.
- c. Establish meaningful, targeted special district reform.
- d. Create consistent definitions of types of meetings directors may use for purposes of compensation.
- e. Set fair, consistent and reasonable standards for board member compensation.
- f. Promote comprehensive long-range planning.
- g. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- h. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- i. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- j. Reaffirm the existing "all-in" financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts to:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors' ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.

Otay Water District 2007-2008 Legislative Program

- h. Create tax credits for citizen or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the State standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers to install water wise landscape in new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.

Oppose efforts to:

- a. Weaken federal or state water efficiency standards.

Information Technology

Support efforts to:

- a. Provide funding for information security upgrades.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.

Safety and Security

Support efforts which:

- a. Fund infrastructure and facility security improvements.
- b. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- c. Provide funds to support training or joint training exercises.
- d. Equitably allocate security funding based on need, threats and/or population.
- e. Encourage or promote compatible communication systems.

Oppose efforts that:

- a. Create unnecessary, costly or duplicative security mandates.

Optimize District Effectiveness

Support efforts to:

- a. Continue to reform Workers Compensation.
- b. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- c. Develop reasonable Air Pollution Control District engine permitting requirements.
- d. Reimburse or reduce local government mandates.
- e. Allow public agencies to continue offering defined benefit plans.

Otay Water District 2007-2008 Legislative Program

- f. Result in predictable costs and benefits for employees and taxpayers.
- g. Eliminate abuses.
- h. Retain local control of pension systems.
- i. Be constitutional, federally legal and technically possible.

Oppose efforts to:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Finance, Administration and Communications Committee Recommendation

Otay Water District 2005-2006 2007-2008 Legislative Program

Legislative Policy Guidelines

Effective Date: May 2, 2007

Introduction

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Recognizing there is a lack of consensus on potable reuse among board members and should such matters be addressed in proposed legislation, the matter will be brought to committee for consideration. The Otay Water Legislative Policy Guidelines for the 2005-2006-2007-2008 Legislative Sessions include the following:

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Otay Water District 2005-2006 2007-2008 Legislative Program

- c. Support efforts to promote additional surface and underground water storage infrastructure to ensure water availability and quality.
- d. Study Global Climate Change and its potential impact on the snow-pack, rising sea levels, increased salinity in the Delta, the possibility of reduced precipitation or more severe storms.
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- ~~n. Reduce restrictions on recycled water usage.~~
- ~~o. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.~~
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- r. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems.
- s. Provide funding for water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
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Otay Water District 2005-2006 2007-2008 Legislative Program

- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.

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- d. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- e. Provide incentives for local agencies to work cooperatively, share costs or resources.
- f. Provide for the stable, equitable and reliable allocation of property taxes.
- g. Continue to reform workers compensation.
- h. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- i. Promote competition in insurance underwriting for public agencies.
- j. Establish spending caps on State of California overhead when administering voter approved grant programs.
- k. Require disbursement decisions in a manner appropriate to the service in question.
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- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.

Otay Water District 2005-2006 2007-2008 Legislative Program

Governance

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Promote or provide state funding and set helpful standards for ethics and Brown Act training.
- ~~c. Establish reasonable standards for reporting director expenditures.~~
- ~~d. Establish meaningful, targeted special district reform.~~
- ~~e. Create consistent definitions of types of meetings directors may use for purposes of compensation.~~
- ~~f. Set fair, consistent and reasonable standards for board member compensation.~~
- g. Promote comprehensive long-range planning.
- h. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- i. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- j. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- k. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts to:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors’ ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.

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Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.

Finance, Administration and Communications Committee Recommendation

Otay Water District 2005-2006 2007-2008 Legislative Program

- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.
- h. Create tax credits for citizen or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the State standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers to install water wise landscape in new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.

Oppose efforts to:

- a. Weaken federal or state water efficiency standards.

Information Technology

Support efforts to:

- a. Provide funding for information security upgrades.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.

Safety and Security

Support efforts which:

- a. Fund infrastructure and facility security improvements.
- b. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- c. Provide funds to support training or joint training exercises.
- d. Equitably allocate security funding based on need, threats and/or population.
- e. Encourage or promote compatible communication systems.

Oppose efforts that:

- a. Create unnecessary, costly or duplicative security mandates.

Optimize District Effectiveness

Support efforts to:

- a. Continue to reform Workers Compensation.
- b. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.

Otay Water District 2005-2006 2007-2008 Legislative Program

- c. Develop reasonable Air Pollution Control District engine permitting requirements.
- d. Reimburse or reduce local government mandates.
- e. Allow public agencies to continue offering defined benefit plans.
- f. Eliminate abuses.
- g. Retain local control of pension systems.
- h. Be constitutional, federally legal and technically possible.

Oppose efforts to:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.
- e. Require unfunded health care mandates.
- f. Limit the district's flexibility to provide health care.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.



AGENDA ITEM 8

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	May 2, 2007
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2007 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2007 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2007 Board of Director's meeting calendars and amend the schedules as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

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

STRATEGIC GOAL:

N/A

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.

A handwritten signature in cursive script, appearing to read "M. L. Watts". The signature is written in black ink and is positioned above a horizontal line.

General Manager

Attachments: Calendar of Meetings for 2007

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**Board of Directors, Workshops
and Committee Meetings
2007**

Regular Board Meetings:

January 3, 2007
February 7, 2007
March 7, 2007
April 4, 2007
May 2, 2007
June 6, 2007
July 10, 2007
August 1, 2007
September 5, 2007
October 3, 2007
November 7, 2007
December 5, 2007

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

January 17, 2007
February 21, 2007
March 21, 2007
April 18, 2007
May 16, 2007
June 20, 2007
July 18, 2007
August 15, 2007
September 19, 2007
October 17, 2007
November 21, 2007
December 19, 2007

Board Workshops:

Budget Workshop, Tuesday, May 29, 2007
Board Retreat Workshop, TBD

AGENDA ITEM 9



STAFF REPORT

TYPE	Regular Board Meeting	MEETING	May 2, 2007		
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:

Update on the design of the potable water pipeline from FCF #14 to Regulatory Site:

- On April 3, 2007 Staff gave a brief presentation to the Valle de Oro Community Planning Group. The presentation focused on the five (5) alternate pipeline alignments. The Community Group approved the District's preferred alignment with one minor change if environmental and timing factors can be overcome, otherwise, it at all possible, they would prefer the alternate alignment which would run north of Cuyamaca College.

Update on the 30-inch Recycled Water Pipeline, 450-1 Reservoir, and 680-1 Pump Station Projects:

- Start up and testing is continuing. SBWRP has pumped over 250,000 gallons of recycled water to the 450 Reservoir. Otay's 680 Pump Station has pumped water from the reservoir into the 680 Pump Zone System.
- Start-up meetings with the City of San Diego are being held on a weekly basis to coordinate both agencies' work. To date everything is on track. The District began taking water from the City on March 29, 2007. Permanent water deliveries from the City are anticipated to begin at the end of testing which is projected for mid-May 2007.

Update on the 640-1 and 640-2 Reservoirs Project:

- Weekly progress meetings continue to be held to discuss project issues. Blasting is continuing as needed.
- Staff met at the regulatory site on April 6, 2007 with the San Miguel Fire Department and their consultants to review and coordinate the new Regional Training Center with the 640 Reservoir Project.
- Inlet/outlet valve vault #1 is under construction.

ADMINISTRATIVE SERVICES AND FINANCE:

Administrative Services:

- Six new hires started employment in the month of April; an Electrician, Reclamation Plant Operator II, Lead Reclamation Plant Operator, Sr. Civil Engineer, Confidential Secretary and a GIS Programmer Analyst.
- Otay Water District hosted its annual Bring Your Child to Work Day on Thursday, April 26, 2007. The children were provided a tour of the Water Conservation Garden during the morning and in the afternoon they had the opportunity to spend a few hours with their parents.
- On April 25, the Executive Team, Managers, and Supervisors attended the first of a two-part training that was provided by Terry Fisher from Insight Strategies, Inc. The training focused on the four points of leadership: Strategic Thinking, Self Awareness, Skill and Knowledge Building, and Execution. The second part is scheduled for May 30th.
- Firewise Garden Grand Opening: On April 12th, the Garden officially opened its Firewise Garden exhibit in conjunction with the San Miguel Consolidated Fire Protection District. The event was well attended and a mailing is planned shortly to announce the opening to all households within the San Miguel Fire District's service area.
- California Friendly Landscape Contest: The District received three applications for this year's contest and region wide there were roughly 60 applications received. Judging for the regional winners will take place in early May and the winners will be presented at next month's

Spring Garden Festival (May 19th) at the Water Conservation Garden.

- School Program Activity: Staff distributed two kits this month, involving 250 (9th through 12th grade) students at Eastlake High School and 30 children at KinderCare in Bonita. In addition, Metropolitan's Traveling Art Exhibit was displayed at the District's offices for the week of April 4-11.
- Chula Vista's Naturescape Program: On Saturday, April 21st, staff gave a water conservation presentation to 21 homeowners as part of Chula Vista's new Naturescape Program. The program is closely related to water conservation and encourages homeowners to make changes to their landscape in order to have them certified by the Natural Wildlife Federation as a "backyard habitat."
- In the month of April there were 154 purchase orders issued for a total of \$571,072.32.

Information Technology and Strategic Planning:

- The Senior Team reviewed Qualserve benchmark data on April 16th. After discussion, several data items need clarification before accurate conclusions can be formulated. The primary validation involves examining our metrics related to per unit costing for customer service and field maintenance procedures. This validation will occur in the next several weeks and be available in late May.
- Staff is in the final stages of testing two new telecommunications applications. The first is the automated dialing of customers for advanced warning of outages or as alerts for upcoming customer service actions, such as disconnects. The second application is the automated payment of bills using a credit card.
- IT is continuing to work with operations staff to expand the development of preventative maintenance work orders in our automated work order system.
- Staff is continuing to enter data into the new "Contract Management" module. Reports will be developed soon which will capture all contracts we currently have active at the agency.

- The "Special Assessments" modules for the Eden systems are in their final phase of testing. The modules will produce the District's tax statement for the County. Prior to the modules, the process was very time consuming and inefficient. The new modules will make life easier for all concerned.
- IT will be presenting a paper accepted by ESRI at this year's user conference regarding Business Applications for GIS in the Water Industry. The conference will be held in San Diego in June 2007.

Finance:

- 2008 Budget - All departments have provided their budget information. The preliminary results look to be in-line with prior year projections. Additional meetings are being scheduled to review each departmental budget and should be complete by the end of April. Staff will then make any necessary changes and bring together a final draft. The budget is scheduled to be presented at the May 29th Board Workshop.
- Audit - The interim audit work is starting the first week of May. Staff anticipates a smooth audit and looks forward to preparing another award-winning financial statement.
- 24-hour Credit Card bill payment by Phone - The live date for this new system is May 1st. The customer service phones will be programmed to allow the reps to transfer customers to EDS, the third party who will process credit card payments. The phone programming and a few new phone message recordings in the IVR system will be completed before month end.

The financial reporting for March 31, 2007 is as follows:

- For the nine months ended March 31, 2007, there are total revenues of \$44,220,998 and total expenses of \$42,989,252. The revenues exceeded expenses by \$1,231,746.

The financial reporting for investments for March 31, 2007 is as follows:

- The market value of the Portfolio Master Summary and the Investment Portfolio Details as of March 31, 2007 total \$105,488,491.64 with an average yield to maturity of 5.167%. The total earnings year-to-date are \$2,685,514.43. The effective duration is .267 of a year.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- The Construction Division received two new projects to be constructed by developers and performed two pre-construction meetings. In addition, two projects were completed and no projects were released from warranty.
- Approximately 6,068 linear feet of both CIP and developer project pipelines were installed totaling 43,839 feet since July 2006. The Construction Division performed quality assurance for these pipelines.
- 218 underground facilities were located, 9 hydrostatic pressure tests, 6 wet tap and tie-in, 52 meter set inspections, and 13 project walk-throughs were performed during the month.
- The preparation of the Integrated Water Resources Plan (IRP) is complete. CDM, our consultant who developed the IRP, has submitted the final IRP report and it has been distributed to Staff and the Board. Staff and CDM made a presentation on the IRP outcomes to the Board at the April Board Meeting. This IRP will serve as an important tool for future water supply studies and options.
- The City of San Diego has prepared and Otay has reviewed the second draft of an agreement for the San Diego 17 (SD17) Project. Otay is requesting 50 MGD capacity and the City may retain 10 MGD. The City states that approximately \$6.5 million of the DHS Proposition 50 Grant for their security project grant money is for the SD17 Project. The City is willing to share the \$6.5 million grant in proportion to capacity acquired by Otay Water District. The City has temporarily suspended negotiations on the SD17 Agreement until Mr. Jim Barrett has had time to consider all aspects of the draft SD17 Agreement.

- The adoption of the RWCWRF Master Reclamation Permit by the RWQCB has been postponed until the May 9th Board Meeting. This postponement was mutually agreed upon by the Regional Board Staff, OWD Staff and our consultant, PBS&J. The Regional Board has not completed their response to our comments on the Tentative Order and we want to have enough time to respond in turn to their comments. One of the most important points of discussion is whether or not OWD will be required to monitor the effluent from the Chapman Plant for a wide range of chemicals that are usually only monitored in drinking water, not recycled water used for irrigation. We are working on a compromise that will be acceptable to both the Regional Board and OWD. The Tentative Order is on the agenda for the May 9th Regional Board Meeting and will be adopted on that date.
- The following table summarizes purchase and change orders issued during the period of March 16, 2007 thru April 20, 2007 that are within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
3/19/07	C.O.	\$53,969.01	Ortiz Corporation	30-Inch Recycled Water Pipeline Project. Board approved at the March 7, 2007 meeting.
3/19/07	C.O.	\$167,743	TC Construction Company, Inc.	450-1 Recycled Water Reservoir & 680-1 Recycled Water Pump Station. Board approved at the March 7, 2007 meeting.
3/29/07	P.O.	\$1,196,735	RBF	Construction Management Services for the 640-1 & 640-2 Reservoir Project. Board approved at the January 3, 2007 meeting.
4/2/07	P.O.	\$150,000	Southern California Soil & Testing	As-needed geotechnical services. Board approved at the December 6, 2006 meeting.
4/2/07	C.O.	\$3,118	Zondiros Corporation	SR905 Relocations
4/17/07	C.O.	\$5,000	DeC Consultants, Inc.	Cathodic Protection Program FY06-FY07

Water Operations:

- Water purchased for the month of March was 2,875.7 acre-feet. Beginning FY 06/07 to date, July 1, 2006 to March 31, 2007, there has been 31,699.0 acre-feet of water purchased. This is a 0.9 percent increase from the same period last year, July 1, 2005 to March 31, 2006.
- The AMR change-out program is progressing. The District's contractor, Underground Utility, Inc. (UUI), and the District's Utility/Construction Section replaced 6,712 RAMAR/Badger units as of March 31, 2007, leaving 99 RAMAR units still in use.
- In the month of March, 2007 there were 43 new Automated Meter Reading (AMR) meters installed and zero meters were retrofitted to AMR meters.
- As of March 31, 2007 there was a total of 13,406 radio-read meters in the ground; 99 of these meters are RAMAR and 13,307 are 3G Master Meters.

Total number of potable water accounts is 47,488.

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

Total flow was 271.8 acre-feet or 88,549,362 gallons and the average daily flow was 2,856,431 gallons per day.

Total number of recycled water accounts is 558.

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

Total basin flow, gallons per day: 2,188,000.
Total Otay flow, gallons per day: 1,462,000.
Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 659,000.
Flow to Metro from Otay Water District, gallons per day: 803,000.

Total number of sewer connections is 6,060.

- The microturbine project at the Ralph W. Chapman Water Recycling Facility is progressing. The County of San

Diego's contractor has installed three microturbines, one electric panel, and is working on the cover and connections. The tentative completion date of the project is May 22, 2007


General Manager

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OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR NINE MONTHS ENDED MARCH 31, 2007

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	\$ 29,866,000	\$ 22,230,612	\$ 22,087,500	\$ 143,112	0.6%
Energy Charges	1,853,000	1,379,961	1,371,220	8,741	0.6%
System Charges	8,529,300	6,372,867	6,355,800	17,067	0.3%
Penalties	704,500	522,571	517,800	4,771	0.9%
MWD & CWA Fixed Charges	2,178,000	1,555,713	1,549,100	6,613	0.4%
Total Water Sales	<u>43,130,800</u>	<u>32,061,725</u>	<u>31,881,420</u>	<u>180,305</u>	<u>0.6%</u>
Reclamation Sales	4,485,400	2,986,645	2,930,900	55,745	1.9%
Sewer Charges	2,568,100	1,881,078	1,882,600	(1,522)	(0.1%)
Meter Fees	278,500	192,040	208,800	(16,760)	(8.0%)
Capacity Fee Revenues	1,000,200	1,128,369	750,300	378,069	50.4%
Annexation Fees	1,216,900	1,612,260	912,600	699,660	76.7%
Non-Operating Revenues	1,674,100	1,083,587	1,195,300	(111,713)	(9.3%)
Tax Revenues	3,427,400	2,186,919	1,961,300	225,619	11.5%
Interest	1,005,600	875,675	754,200	121,475	16.1%
General Fund Draw Down	283,600	212,700	212,700	-	0.0%
Total Revenue	<u>\$ 59,070,600</u>	<u>\$ 44,220,998</u>	<u>\$ 42,690,120</u>	<u>\$ 1,530,878</u>	<u>3.6%</u>
EXPENSES:					
Water Purchases	\$ 22,954,900	17,380,983	17,312,500	\$ (68,483)	(0.4%)
CWA-Infrastructure Access Charge	1,003,900	746,149	746,100	(49)	(0.0%)
CWA-Customer Service Charge	846,800	626,443	626,400	(43)	(0.0%)
CWA-Emergency Storage Charge	1,230,600	911,009	910,800	(209)	(0.0%)
MWD-Capacity Res Charge	514,800	394,148	386,100	(8,048)	(2.1%)
MWD-Readiness to Serve Charge	512,200	384,156	384,100	(56)	(0.0%)
Subtotal Water Purchases	<u>27,063,200</u>	<u>20,442,888</u>	<u>20,366,000</u>	<u>(76,888)</u>	<u>(0.4%)</u>
Power Charges	2,677,800	1,852,957	1,967,900	114,943	5.8%
Payroll & Related Costs	14,606,300	10,815,341	10,716,930	(98,411)	(0.9%)
Material & Maintenance	4,623,700	2,946,198	3,467,779	521,581	15.0%
Administrative Expenses	4,888,600	2,986,224	3,679,126	692,901	18.8%
Legal Fees	671,000	540,644	503,250	(37,394)	(7.4%)
Replacement Reserve	4,540,000	3,405,000	3,405,000	-	0.0%
Total Expenses	<u>\$ 59,070,600</u>	<u>\$ 42,989,252</u>	<u>\$ 44,105,985</u>	<u>\$ 1,116,733</u>	<u>2.5%</u>
Excess Revenue (Expense)	<u>\$ -</u>	<u>\$ 1,231,746</u>	<u>\$ (1,415,865)</u>	<u>\$ 2,647,611</u>	

**OTAY
Portfolio Management
Portfolio Summary
March 31, 2007**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	63,000,000.00	62,952,553.26	62,991,098.80	60.06	588	440	5.184	5.256
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.08	730	296	3.880	3.934
Local Agency Investment Fund (LAIF)	41,711,886.34	41,611,107.74	41,711,886.34	39.77	1	1	5.143	5.214
San Diego County Pool	104,688.19	104,706.60	104,688.19	0.10	1	1	5.142	5.213
	104,895,682.53	104,747,475.60	104,886,781.33	100.00%	354	265	5.167	5.238
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	741,016.04	741,016.04	741,016.04		1	1	0.099	0.100
Total Cash and Investments	105,636,698.57	105,488,491.64	105,627,797.37		354	265	5.167	5.238

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	438,400.24	2,685,514.43
Average Daily Balance	101,146,137.69	74,981,826.32
Effective Rate of Return	5.10%	4.77%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on January 19, 2000. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.

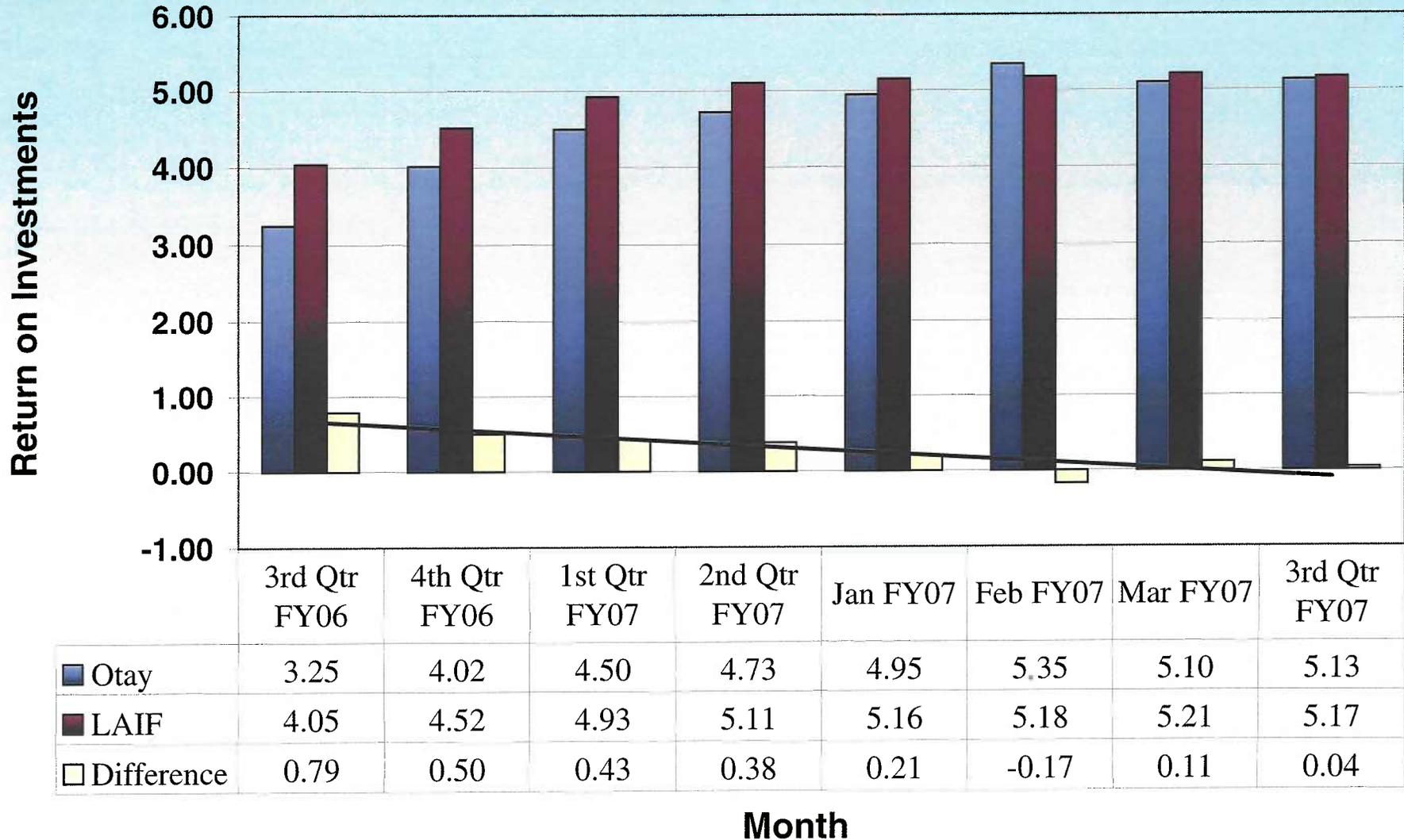

Joseph Beauchem, Chief Financial Officer

4-20-07

Performance Measure F-12

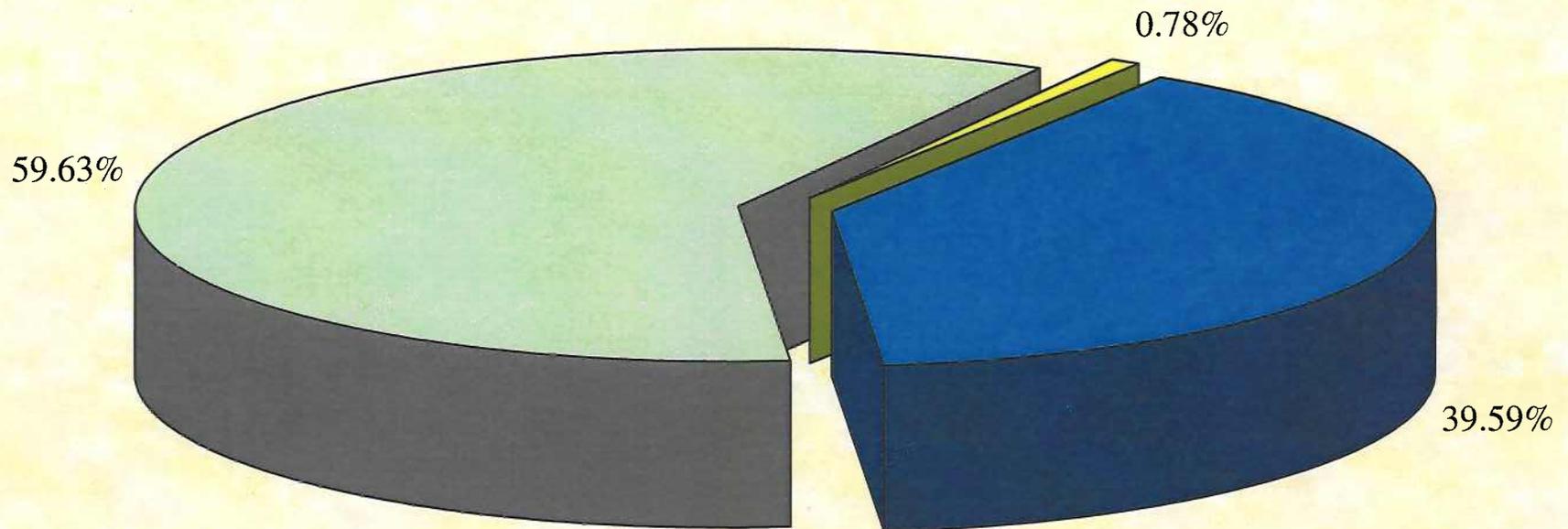
Return on Investment

Target: Meet or Exceed 100% of LAIF



Legend: Otay (blue bar), LAIF (maroon bar), Difference (yellow bar), Linear (Difference) (black line)

Otay Water District Investment Portfolio



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies

OTAY
Portfolio Management
Portfolio Details - Investments
March 31, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
31359M2L6	2012	FANNIE MAE		12/11/2006	3,000,000.00	2,999,062.50	3,000,000.00	5.250		5.178	437	06/11/2008
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	2,995,312.50	3,000,000.00	5.000		4.943	241	11/28/2007
3133XETX7	2001	Federal Home Loan Bank		03/14/2006	3,000,000.00	2,998,125.00	3,000,000.00	5.125		5.055	166	09/14/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.250		5.175	185	10/03/2007
3133XHDA	2009	Federal Home Loan Bank		10/20/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.150		5.076	9	04/10/2007
3133XJ2P2	2010	Federal Home Loan Bank		12/05/2006	3,000,000.00	2,999,062.50	3,000,000.00	5.200		5.129	248	12/05/2007
3133XJ6Q6	2013	Federal Home Loan Bank		12/29/2006	3,000,000.00	2,992,500.00	3,000,000.00	5.125		5.055	638	12/29/2008
3133XJJV1	2015	Federal Home Loan Bank		01/10/2007	3,000,000.00	3,000,000.00	3,000,000.00	5.375		5.301	466	07/10/2008
3133XJR91	2016	Federal Home Loan Bank		01/30/2007	3,000,000.00	2,999,062.50	3,000,000.00	5.400		5.326	670	01/30/2009
3133XJSD1	2017	Federal Home Loan Bank		01/30/2007	3,000,000.00	3,000,937.50	3,000,000.00	5.250		5.173	276	01/02/2008
3133XJVV7	2018	Federal Home Loan Bank		02/15/2007	3,000,000.00	3,000,000.00	3,000,000.00	5.250		5.178	320	02/15/2008
3133XJU55	2019	Federal Home Loan Bank		02/23/2007	3,000,000.00	2,997,187.50	3,000,000.00	5.350		5.277	694	02/23/2009
3133XK3C7	2022	Federal Home Loan Bank		03/15/2007	3,000,000.00	3,000,000.00	3,000,916.61	5.500		5.408	712	03/13/2009
3133XK6A8	2024	Federal Home Loan Bank		03/19/2007	3,000,000.00	2,999,062.50	3,000,000.00	5.300		5.227	537	09/19/2008
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	2,999,870.91	3,000,000.00	5.250		5.178	341	03/07/2008
3128X4DY4	2004	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,989,331.82	2,990,182.19	4.000		5.129	103	07/13/2007
3128X5C55	2020	Federal Home Loan Mortgage		03/05/2007	3,000,000.00	2,997,926.79	3,000,000.00	5.500		5.425	1,069	03/05/2010
3128X5G93	2021	Federal Home Loan Mortgage		03/06/2007	3,000,000.00	2,996,033.94	3,000,000.00	5.320		5.247	705	03/06/2009
3128X5P51	2023	Federal Home Loan Mortgage		03/14/2007	3,000,000.00	2,992,557.22	3,000,000.00	5.300		5.227	897	09/14/2009
3128X42L4	2025	Federal Home Loan Mortgage		03/30/2007	3,000,000.00	3,000,270.08	3,000,000.00	5.300		5.224	382	04/17/2008
31359MG31	1997	Federal National Mortgage Assoc		02/24/2006	3,000,000.00	2,996,250.00	3,000,000.00	5.000		4.932	145	08/24/2007
Subtotal and Average			55,053,855.39		63,000,000.00	62,952,553.26	62,991,098.80			5.184	440	
Treasury Securities - Coupon												
Subtotal and Average			2,902,413.19									
Certificates of Deposit - Bank												
2050003183R	1996	California Bank & Trust		01/22/2006	79,108.00	79,108.00	79,108.00	3.880		3.880	296	01/22/2008
Subtotal and Average			79,108.00		79,108.00	79,108.00	79,108.00			3.880	296	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	6,711,886.34	6,709,990.09	6,711,886.34	5.214		5.143	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	35,000,000.00	34,901,117.65	35,000,000.00	5.214		5.143	1	
Subtotal and Average			42,105,757.31		41,711,886.34	41,611,107.74	41,711,886.34			5.143	1	

Portfolio OTAY
AP

PM (PRF_PM2) SymRept 6.41.200

Report Ver. 5.00

OTAY
Portfolio Management
Portfolio Details - Investments
March 31, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
San Diego County Pool												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	104,688.19	104,706.60	104,688.19	5.213		5.142	1	
Subtotal and Average			104,688.19		104,688.19	104,706.60	104,688.19			5.142	1	
Total and Average			101,146,137.69		104,895,682.53	104,747,475.60	104,886,781.33			5.167	265	

OTAY
Portfolio Management
Portfolio Details - Cash
March 31, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION BANK	9002	STATE OF CALIFORNIA		07/01/2004	10,219.51	10,219.51	10,219.51	1.150		1.134	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
CALIF BANK & TR	9004	STATE OF CALIFORNIA		07/01/2004	689,586.29	689,586.29	689,586.29			0.000	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	25,135.14	25,135.14	25,135.14			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	13,275.10	13,275.10	13,275.10	4.690		4.626	1
		Average Balance	0.00								1
Total Cash and Investmentss			101,146,137.69		105,636,698.57	105,488,491.64	105,627,797.37			5.167	265

OTAY
Activity Report
Sorted By Issuer
July 1, 2006 - March 31, 2007

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 BANK	9002	STATE OF CALIFORNIA			1.150		73,317,587.70	73,362,386.47	
CALIF BANK & TR	9004	STATE OF CALIFORNIA					4,145,462.01	4,351,959.29	
PAYROLL	9005	STATE OF CALIFORNIA					7,659.25	31,423.04	
UNION IOC	9008	STATE OF CALIFORNIA			4.690		19,726,008.05	19,743,425.92	
Subtotal and Balance				1,033,493.75			97,196,717.01	97,489,194.72	741,016.04
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			5.214		41,244,365.99	47,100,000.00	
LAIF COPS07	9009	STATE OF CALIFORNIA			5.214		35,000,000.00	0.00	
Subtotal and Balance				12,567,520.35			76,244,365.99	47,100,000.00	41,711,886.34
San Diego County Pool									
SD COUNTY POOL	9007	STATE OF CALIFORNIA			5.213		5,596.46	0.00	
Subtotal and Balance				99,091.73			5,596.46	0.00	104,688.19
Issuer Subtotal			39.174%	13,700,105.83			173,446,679.46	144,589,194.72	42,557,590.57
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				79,108.00					79,108.00
Issuer Subtotal			0.073%	79,108.00			0.00	0.00	79,108.00
Issuer: FANNIE MAE									
Federal Agency Issues- Callable									
31359M2L6	2012	FANNIE MAE			5.250	12/11/2006	3,000,000.00	0.00	
Subtotal and Balance				0.00			3,000,000.00	0.00	3,000,000.00
Issuer Subtotal			2.761%	0.00			3,000,000.00	0.00	3,000,000.00

Portfolio OTAY
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OTAY
Activity Report
July 1, 2006 - March 31, 2007

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133X5ZG6	1977	Federal Home Loan Bank			2.510	07/28/2006	0.00		3,000,000.00	
3133X6LN4	1980	Federal Home Loan Bank			2.650	08/10/2006	0.00		3,000,000.00	
3133X8KE1	1988	Federal Home Loan Bank			3.025	12/29/2006	0.00		3,000,000.00	
3133X8KC5	1989	Federal Home Loan Bank			3.000	09/28/2006	0.00		3,000,000.00	
3133XARM1	1990	Federal Home Loan Bank			3.470	09/08/2006	0.00		3,000,000.00	
3133XASF5	1991	Federal Home Loan Bank			3.500	12/08/2006	0.00		3,000,000.00	
3133XARK5	1992	Federal Home Loan Bank			3.510	12/08/2006	0.00		3,000,000.00	
3133XEP45	1999	Federal Home Loan Bank			5.000	03/02/2007	0.00		3,000,000.00	
3133XFBX3	2003	Federal Home Loan Bank			5.250	02/04/2007	0.00		3,000,000.00	
3133XFS72	2007	Federal Home Loan Bank			5.350	12/28/2006	0.00		3,000,000.00	
3133XGCU6	2008	Federal Home Loan Bank			5.450	07/28/2006	3,000,000.00	0.00		
3133XGCU6	2008	Federal Home Loan Bank				01/29/2007	0.00		3,000,000.00	
3133XHDA	2009	Federal Home Loan Bank			5.150	10/20/2006	3,000,000.00	0.00		
3133XJ2P2	2010	Federal Home Loan Bank			5.200	12/05/2006	3,000,000.00	0.00		
3133XHR46	2011	Federal Home Loan Bank			5.300	12/04/2006	3,000,000.00	0.00		
3133XHR46	2011	Federal Home Loan Bank				02/15/2007	0.00		3,000,000.00	
3133XJ6Q6	2013	Federal Home Loan Bank			5.125	12/29/2006	3,000,000.00	0.00		
3133XGNZ3	2014	Federal Home Loan Bank			5.500	01/08/2007	3,000,000.00	0.00		
3133XGNZ3	2014	Federal Home Loan Bank				02/21/2007	0.00		3,000,000.00	
3133XJVV1	2015	Federal Home Loan Bank			5.375	01/10/2007	3,000,000.00	0.00		
3133XJR91	2016	Federal Home Loan Bank			5.400	01/30/2007	3,000,000.00	0.00		
3133XJSD1	2017	Federal Home Loan Bank			5.250	01/30/2007	3,000,000.00	0.00		
3133XJVV7	2018	Federal Home Loan Bank			5.250	02/15/2007	3,000,000.00	0.00		
3133XJU55	2019	Federal Home Loan Bank			5.350	02/23/2007	3,000,000.00	0.00		
3133XK3C7	2022	Federal Home Loan Bank			5.500	03/15/2007	3,000,000.00	0.00		
3133XK6A8	2024	Federal Home Loan Bank			5.300	03/19/2007	3,000,000.00	0.00		
Subtotal and Balance					39,000,000.00		39,000,000.00	39,000,000.00		39,000,000.00
Issuer Subtotal			35.899%		39,000,000.00		39,000,000.00	39,000,000.00		39,000,000.00

Issuer: Federal Home Loan Mortgage

Federal Agency Issues- Callable

3128X4CE9	2005	Federal Home Loan Mortgage			3.625	02/15/2007	0.00		3,000,000.00	
3128X5CC0	2006	Federal Home Loan Mortgage			5.340	12/01/2006	0.00		3,000,000.00	

Portfolio OTAY

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OTAY
Activity Report
July 1, 2006 - March 31, 2007

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Home Loan Mortgage										
Federal Agency Issues- Callable										
3128X5C55	2020	Federal Home Loan Mortgage			5.500	03/05/2007	3,000,000.00		0.00	
3128X5G93	2021	Federal Home Loan Mortgage			5.320	03/06/2007	3,000,000.00		0.00	
3128X5P51	2023	Federal Home Loan Mortgage			5.300	03/14/2007	3,000,000.00		0.00	
3128X42L4	2025	Federal Home Loan Mortgage			5.300	03/30/2007	3,000,000.00		0.00	
Subtotal and Balance							12,000,000.00		6,000,000.00	18,000,000.00
Issuer Subtotal			16.569%				12,000,000.00		6,000,000.00	18,000,000.00
Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
Subtotal and Balance										3,000,000.00
Issuer Subtotal			2.761%				3,000,000.00	0.00	0.00	3,000,000.00
Issuer: US TREASURY										
Treasury Securities - Coupon										
912828DJ6	1993	US TREASURY			3.125	01/31/2007	0.00		3,000,000.00	
912828DQ0	1994	US TREASURY			3.750	03/31/2007	0.00		0.00 **	
912827Z62	1995	US TREASURY			6.500	10/15/2006	0.00		3,000,000.00	
Subtotal and Balance							0.00		6,000,000.00	3,000,000.00
Issuer Subtotal			2.761%				0.00		6,000,000.00	3,000,000.00
Total			100.000%				227,446,679.46		195,589,194.72	108,636,698.57

** - Indicates incomplete recording of maturity redemption.

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 03/31/2007

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.000	5.012	5.321c	05/28/2007	0.000
3133XJ6Q6	2013	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,992,500.00	5.125	5.125	5.639c	06/29/2007	0.243
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.250	5.247	5.251	10/03/2007	0.479
3133XETX7	2001	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,998,125.00	5.125	5.125	5.253	09/14/2007	0.454
3133XJ2P2	2010	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.200	5.200	5.264c	06/05/2007	0.178
3133XHDA	2009	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.150	5.146	5.150	04/10/2007	0.024
31359M2L6	2012	99	FANNIE MAE	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.250	5.250	5.314c	06/11/2007	0.194
3133XJR91	2016	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.400	5.400	5.464c	04/30/2007	0.000
3133XJJV1	2015	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.375	5.375	5.375c	04/10/2007	0.000
3133XJSD1	2017	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,937.50	5.250	5.245	5.218	01/02/2008	0.722
3133XK6A8	2024	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.300	5.300	5.364c	04/19/2007	0.000
3128X5P51	2023	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,992,557.22	5.300	5.300	5.811c	09/14/2007	0.454
3128X5C55	2020	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,997,926.79	5.500	5.500	5.642c	09/05/2007	0.430
3128X4DY4	2004	99	Federal Home Loan Mortgage	Fair	2,990,182.19	3,000,000.00	2,989,331.82	4.000	5.200	4.728	07/13/2007	0.282
3128X42L4	2025	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,270.08	5.300	5.297	5.282c	04/17/2007	0.043
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,999,870.91	5.250	5.250	5.259	03/07/2008	0.896
3128X5G93	2021	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,996,033.94	5.320	5.320	5.592c	09/06/2007	0.432
3133XK3C7	2022	99	Federal Home Loan Bank	Fair	3,000,916.61	3,000,000.00	3,000,000.00	5.500	5.483	5.500c	06/13/2007	0.000
3133XJU55	2019	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,187.50	5.350	5.350	5.543c	08/23/2007	0.394
31359MG31	1997	99	Federal National Mortgage Assoc	Fair	3,000,000.00	3,000,000.00	2,996,250.00	5.000	5.000	5.257c	05/24/2007	0.000
3133XJVV7	2018	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.250	5.250	5.250c	08/15/2007	0.372
2050003183R	1996	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.880	3.934	3.880	01/22/2008	0.792 †
Report Total					63,070,206.80	63,079,108.00	63,031,661.26			5.354		0.267 †

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

Portfolio OTAY

AP

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MEMORANDUM

TO: Director Mark Robak

File No.

FROM: Mark Watton, General Manager

Date April 17, 2007

SUBJ: Legality of Retiring Debt that is Authorized
but Unissued

This is in response to your earlier inquiry of whether the District may legally retire debt that is authorized but unissued from our books, given that there is no intent of issuing the debt.

Summary

In summary, we have concluded that it is highly improbable that the District would ever issue such debt; there is no clear statutory authority for its removal. Please see Legal Analysis below.

Legal Analysis

After researching and analyzing existing law, legal counsel has determined that there is no clear statutory process that would allow the District to accomplish removal of this debt. Applicable statutes of the State of California do not provide a process nor is there any case law setting a precedent of how to terminate voter approval for the issuance of debt.

Background

The District has traditionally issued debt to finance capital facilities. When the process selected for the issuance of debt requires voter approval, the District obtains authorization from the voters of the amount estimated to be needed to fund all capital projects that are anticipated to be required over the next several years. A portion of the debt is then issued, pursuant to Board approval and direction, each time a critical mass of projects is ready to be constructed. Under this two-step process, amounts of authorized but unissued debt can be legally available for the District to issue over a period of years, pending appropriate Board actions to issue the debt.

Accounting Standards

Accounting standards require that all authorized and unissued debt be listed in the footnotes of the financial statements. This is required as they may be considered significant by the users of the financial statements. The current financial

statements, ending June 30, 2006, have the following list in Footnote #5:

<u>Date Authorized</u>	<u>Improvement District (ID)</u>	<u>Construction Purpose</u>	<u>Bond Amount</u>
December 30, 1960	5	Water System	\$605,000
December 20, 1960	6	Sewer System	\$705,000
August 23, 1960	1 - 3	Sewer System	\$405,000
August 23, 1961	1 - 4	Water System	\$75,000
March 18, 1970	U-18	Sewer System	\$2,700,000
April 19, 1971	U-19	Water System	\$1,000,000
May 17, 1971	U-20	Water System	\$13,000,000
June 5, 1972	U-22	Water System	\$6,000,000
May 1, 1978	U-25	Water System	\$5,050,000
November 1, 1989	U-27	Water System	\$88,500,000

Each line item represents separately authorized debt in the identified Improvement District (ID). ID's are geographic subsets of the District in which the voters establish authorized debt. It was anticipated that the removal of this footnote would take effect only upon termination of the District's authorization. The benefit of terminating the District's authorization and removing the footnote from the financial statements is perceived to be the avoidance of potential misunderstandings regarding the District's intention to issue this debt.

Improbability of Issuing this Authorized Debt

The District is in no way obligated to nor is their intent to issue this debt. So, while the District could still legally issue the debt if it satisfies certain requirements, there is no plan to do so. If for some reason a future Board were to go in a different direction there would be a number of difficulties in accomplishing this.

One of the most significant reasons why the District would not issue this debt is because this type of financing is now inconsistent with the District-wide view that the Board has approved for financing infrastructure and calculating capacity and annexation fees. None of the ID's or any combination of ID's total to include all water or all sewer customers. Therefore, to remain consistent with the District-wide financing structure, the use of this debt could be only a component of a larger and unnecessarily more complex financing plan.

Another serious consideration prior to any issuance would be the need to establish that a new issuance would be consistent with

the original purpose of the debt. There would have to be an apparent need for financing within the geographic area of the Improvement District that is consistent with the original authorizing actions. While there are certainly projects that would meet these criteria, it is unlikely that any projects would benefit only one Improvement District, meaning that the financing would be for only a portion of facilities. In most cases, this would limit the size of the issuance to relatively small amounts.

The size of the debt issuance makes a significant difference in the efficiency or cost of issuing the debt. In all but four of the ID's, the size of the available and unissued amounts would logically preclude the District from using the authorization.

In every case, if a new issuance were a part of any future financing plan, that issuance would be relatively inefficient as the credit ratings of any ID would be significantly less than the overall credit rating of the District. It is likely that at best, the ratings of these issuances would be BBB, at least four ratings lower than the District's current AA- rating.

Should you have any questions or require further clarification, please let me know.

cc: Board of Directors

AGENDA ITEM 9



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 2, 2007
SUBMITTED BY:	Sean Prendergast, Principal Accountant	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Joseph Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM):		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

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

FISCAL IMPACT:

SUMMARY	NET DEMANDS
CHECKS (2005530-2006086)	\$3,719,344.90
WIRE TO:	
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$55,663.48
PLAN HANDLERS - MEDICAL CLAIMS	\$200,000.00
SAN DIEGO COUNTY WATER AUTHORITY - CAP FEES	\$882,934.00
SAN DIEGO COUNTY WATER AUTHORITY - FEBRUARY	\$1,470,964.80
UNION BANK - PAYROLL TAXES	\$247,135.04
TOTAL CASH DISBURSEMENTS	\$6,576,042.22

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

jb

Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2005530 THROUGH 2006086
RUN DATES 4/4/2007 TO 4/25/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2005897	04/18/07	06833	4 IMPRINT INC	1007752	03/28/07	EMPLOYEE PROGRAMS	560.40	560.40
2005612	04/11/07	06839	A GLASCO	109774	03/19/07	TEMPERED SAFETY GLASS	530.00	530.00
2005613	04/11/07	03625	A Y MCDONALD MFG CO	6990430	03/16/07	ADAPTERS	263.88	263.88
2005978	04/25/07	02164	AAA RADIATOR WAREHOUSE	01119004	03/21/07	RADIATOR	161.56	161.56
2005530	04/04/07	01910	ABCANA INDUSTRIES	788410	03/12/07	SODIUM HYPOCHLORITE	1,373.98	1,373.98
2005614	04/11/07	01910	ABCANA INDUSTRIES	788683 788684	03/19/07 03/19/07	HYPOCHLORITE SOLUTION HYPOCHLORITE SOLUTION	1,749.48 886.44	2,635.92
2005898	04/18/07	01910	ABCANA INDUSTRIES	789117	03/26/07	SODIUM HYPOCHLORITE	1,234.85	1,234.85
2005979	04/25/07	01910	ABCANA INDUSTRIES	789689 789691 789690	04/02/07 04/02/07 04/02/07	SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE	1,136.36 935.68 799.02	2,871.06
2005899	04/18/07	02024	ACCOUNTING DAY ASSOCIATION	015824	04/17/07	SEMINAR REGISTRATION	130.00	130.00
2005700	04/18/07	07068	ADRIANNA TACHKOCA	Ref002373808	04/16/07	UB Refund Cst #0000074508	44.49	44.49
2005980	04/25/07	00132	AIRGAS WEST	103154059	03/31/07	BREATHING AIR	22.28	22.28
2005701	04/18/07	07140	ALAN RIDLON	Ref002373882	04/16/07	UB Refund Cst #0000090419	75.00	75.00
2005702	04/18/07	05241	ALBERTO G PARRA	Ref002373737	04/16/07	UB Refund Cst #0000019882	94.68	94.68
2005703	04/18/07	06997	ALLEN WALTERS	Ref002373736	04/16/07	UB Refund Cst #0000018351	75.00	75.00
2005981	04/25/07	01463	ALLIED ELECTRONICS INC	34449300 33660300 35364D00	03/16/07 03/07/07 03/28/07	RELAYS/ SOCKET BASES DIALIGHT LED LAMP STRAIN RELIEF CONNECTOR	227.63 221.02 69.74	518.39
2005615	04/11/07	03787	ALLIED TRENCH SHORING SERVICE	755533	03/19/07	STEEL PLATE RENTALS	151.84	151.84
2005982	04/25/07	03787	ALLIED TRENCH SHORING SERVICE	763345 763348 CR763345	04/03/07 04/03/07 04/17/07	STEEL PLATES RENTAL TRENCH SHORING RAILS PRICE ADJUSTMENT	796.18 743.80 (27.93)	1,512.05
2005900	04/18/07	02362	ALLIED WASTE SERVICES	0509002700612 0509002702160	03/25/07 03/25/07	TRASH REMOVAL SERVICES ASBESTOS DISPOSAL CONTAINER RENTAL	622.01 171.27	793.28
2005983	04/25/07	02362	ALLIED WASTE SERVICES	0509002703196	03/25/07	TRASH REMOVAL SERVICES	63.40	63.40

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2005530 THROUGH 2006086
RUN DATES 4/4/2007 TO 4/25/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2005616	04/11/07	05843	AMERICAN ARBITRATION ASSOC	73110J002010602J	03/20/07	ARBITRATION SERVICES	9,500.00	9,500.00
2005901	04/18/07	01369	AMERICAN BACKFLOW SPECIALTIES	INV01991	03/23/07	CALIBRATION OF BACK FLOW TEST GUAGES	153.90	
				INV01992	03/23/07	CALIBRATION OF BACK FLOW TEST GUAGES	171.90	
				INV01993	03/23/07	CALIBRATION OF BACK FLOW TEST GUAGES	134.00	459.80
2005531	04/04/07	06166	AMERICAN MESSAGING	L1109570HD	04/01/07	PAGER SERVICE	453.66	
				L1034315HD	04/01/07	PAGER SERVICES	9.89	463.55
2005617	04/11/07	00315	AMERICAN SOCIETY OF	341154030	04/09/07	MEMBERSHIP DUES	240.00	240.00
2005984	04/25/07	00315	AMERICAN SOCIETY OF	341700730	04/04/07	MEMBERSHIP RENEWAL	240.00	240.00
2005902	04/18/07	03446	AMERICAN SOCIETY OF CIVIL	015809	04/12/07	ANNUAL AWARDS DINNER	340.00	340.00
2005532	04/04/07	00107	AMERICAN WATER WORKS	2000548552	01/02/07	MEMBERSHIP RENEWAL	173.00	
				2000553064	01/27/07	MEMBERSHIP RENEWAL	71.00	244.00
2005903	04/18/07	00107	AMERICAN WATER WORKS	1000345969	04/03/07	REFERENCE BOOK	150.50	150.50
2005618	04/11/07	02518	AMERICAN WATER WORKS ASSN	015790	04/04/07	TRAINING WORKBOOKS	107.50	107.50
2005533	04/04/07	02811	AMERIGAS - SAN DIEGO	015776	03/13/07	PROPANE TANK ANNUAL PAYMENT	558.58	558.58
2005704	04/18/07	07020	ANDREW MEZA	Ref002373760	04/16/07	UB Refund Cst #0000050474	25.79	25.79
2005705	04/18/07	07106	ANGEL SANCHEZ	Ref002373846	04/16/07	UB Refund Cst #0000085774	23.93	23.93
2005706	04/18/07	07153	ANGELA HURTADO	Ref002373895	04/16/07	UB Refund Cst #0000092991	30.78	30.78
2005707	04/18/07	07073	ANNALIZE SAULOG	Ref002373813	04/16/07	UB Refund Cst #0000075530	75.00	75.00
2005619	04/11/07	00002	ANSWER INC	015767	03/22/07	TELEPHONE ANSWERING SERVICES	1,180.00	1,180.00
2005708	04/18/07	06991	ANTHONY JAHNIG	Ref002373730	04/16/07	UB Refund Cst #0000010078	8.79	8.79
2005709	04/18/07	07056	ANTHONY WALLACE	Ref002373796	04/16/07	UB Refund Cst #0000070896	75.00	75.00
2005985	04/25/07	01509	ARC ERGONOMICS	19134	03/26/07	ERGONOMIC KEYBOARD TRAY	289.90	289.90
2005710	04/18/07	07102	ARMANDO HERNANDEZ	Ref002373842	04/16/07	UB Refund Cst #0000085241	204.64	204.64
2005711	04/18/07	07100	ARNOLD LEE GASTON	Ref002373840	04/16/07	UB Refund Cst #0000085104	39.53	39.53
2005712	04/18/07	06983	ART SCHRECK	Ref002373722	04/16/07	UB Refund Cst #0000006739	75.00	75.00

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2005986	04/25/07	05514	ASSOCIATED TOWING INC	369386	03/12/07	TOWING	75.00	
				369387	03/12/07	TOWING	75.00	150.00
2005534	04/04/07	01583	AZTEC IMAGING	9F565A	03/14/07	FAX TONER	95.51	95.51
2005987	04/25/07	03529	BAME, STEVE L	015839	04/19/07	LICENSE RENEWAL REIMBURSEMENT	34.00	34.00
2005904	04/18/07	03186	BARNSTEAD INTERNATIONAL	755623	03/28/07	Recalibration of Official Laboratory	147.35	147.35
2005713	04/18/07	06979	BARRETT A GREEN	Ref002373718	04/16/07	UB Refund Cst #0000001784	54.76	54.76
2005620	04/11/07	00145	BARRETT ENGINEERED PUMPS	054757	03/16/07	REPAIR PARTS	236.17	236.17
2005905	04/18/07	00145	BARRETT ENGINEERED PUMPS	054965	03/29/07	REPAIR PARTS	118.08	118.08
2005535	04/04/07	06285	BARTEL ASSOCIATES, LLC	07134	03/12/07	ACTUARIAL CONSULTING SERVICES	1,340.00	1,340.00
2005988	04/25/07	06285	BARTEL ASSOCIATES, LLC	07203	04/01/07	PROFESSIONAL ACTUARY SERVICES	2,325.00	2,325.00
2005906	04/18/07	06970	BATTIKHA, SAM	829009912	04/02/07	SAFETY BOOTS REIMBURSEMENT	138.01	138.01
2005714	04/18/07	07022	BENJAMIN TABB	Ref002373762	04/16/07	UB Refund Cst #0000053053	23.96	23.96
2005907	04/18/07	02570	BEST LIFE & HEALTH INSURANCE	015833	04/16/07	VOLUNTARY LIFE INSURANCE	237.40	237.40
2005536	04/04/07	02787	BEST RENTALS INC	R31643	03/14/07	CONCRETE	122.84	122.84
2005715	04/18/07	07127	BILLY ADAMES	Ref002373868	04/16/07	UB Refund Cst #0000089443	39.10	39.10
2005716	04/18/07	07057	BLANCA HERNANDEZ	Ref002373797	04/16/07	UB Refund Cst #0000071619	129.06	129.06
2005717	04/18/07	07085	BLANCA PEREZ	Ref002373825	04/16/07	UB Refund Cst #0000081643	14.87	14.87
2005989	04/25/07	02197	BLUE CROSS OF CALIFORNIA	40541	04/15/07	EMPLOYEE ASSISTANCE PROGRAM SERVICES	582.45	582.45
2005621	04/11/07	00559	BOYLE ENGINEERING CORPORATION	041699	03/19/07	RW PLAN CHECK INSPECT SVCS	15,823.43	15,823.43
2005718	04/18/07	07139	BRAULIO MONTES	Ref002373881	04/16/07	UB Refund Cst #0000090349	75.00	75.00
2005990	04/25/07	01232	BRODING'S BATTERY WAREHOUSE	46959	03/15/07	AUTOMOTIVE BATTERIES	85.07	
				47409	03/30/07	AUTOMOTIVE BATTERIES	85.07	
				47565	04/04/07	AUTOMOTIVE BATTERIES	35.50	205.64
2005537	04/04/07	03721	BULLET LOGISTICS INC	8733	03/15/07	COURIER SERVICES	227.70	227.70
2005538	04/04/07	00223	C W MCGRATH INC	24093	03/12/07	CRUSHED ROCK	954.96	

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				24113	03/13/07	CRUSHED ROCK	283.81	1,238.77
2005622	04/11/07	00223	C W MCGRATH INC	24203	03/20/07	CRUSHED ROCK	302.48	302.48
2005908	04/18/07	00223	C W MCGRATH INC	24329	03/29/07	CRUSHED ROCK	463.16	
				24249	03/23/07	CRUSHED ROCK	584.00	1,047.16
2005991	04/25/07	00223	C W MCGRATH INC	24361	04/02/07	CRUSHED ROCK	574.61	574.61
2005623	04/11/07	00698	CALIF DEPT OF HEALTH SERVICES	015797	04/09/07	ANNUAL LICENSE FEE	1,112.00	1,112.00
2005909	04/18/07	00245	CALIFORNIA STAMP CO	722065	03/23/07	DATE STAMP	133.66	133.66
2005539	04/04/07	02972	CALIFORNIA WATER ENVIRONMENTAL	015735	04/01/07	MEMBERSHIP RENEWAL	330.00	330.00
2005624	04/11/07	04657	CALIFORNIA WATER ENVIRONMENTAL	015795	04/09/07	CONFERENCE REGISTRATION	190.00	190.00
2005910	04/18/07	01004	CALOLYMPIC SAFETY	018002	03/28/07	FIRE EXTINGUISHER SIGS & PROTECTION TAPE	15.90	15.90
2005992	04/25/07	01004	CALOLYMPIC SAFETY	016345	02/28/07	OXYGEN SENSOR	184.06	
				018047	03/30/07	FIRE EXTINGUISHER SIGS & PROTECTION TAPE	26.56	210.62
2005993	04/25/07	04215	CAMP DRESSER & MCKEE INC	8025272510	03/30/07	IRP PROJECT	44,032.60	44,032.60
2005994	04/25/07	03684	CANON BUSINESS SOLUTIONS-WEST	3710248	04/01/07	COPIER MAINTENANCE	732.69	732.69
2005625	04/11/07	04071	CAPITOL WEBWORKS LLC	18481	01/31/07	LOBBYING DISCLOSURE FORM FEE	45.00	45.00
2005719	04/18/07	07044	CAR QUEST AUTO PARTS	Ref002373784	04/16/07	UB Refund Cst #0000067967	47.42	47.42
2005720	04/18/07	07110	CARLOS MEDINA	Ref002373850	04/16/07	UB Refund Cst #0000086157	31.69	31.69
2005626	04/11/07	03572	CARLTON, DISANTE &	44699	03/28/07	LEGAL SERVICES FEB 2007	14,905.82	
				44700	03/28/07	LEGAL SERVICES FEB 2007	7,811.59	22,717.41
2005995	04/25/07	02758	CARMEL BUSINESS SYSTEMS INC	6466	04/01/07	STORAGE & DESTRUCTION OF DOCUMENTS	2,596.99	2,596.99
2005721	04/18/07	07116	CAROL CUSTER	Ref002373856	04/16/07	UB Refund Cst #0000087040	5.29	5.29
2005911	04/18/07	01195	CARROLL BUSINESS SUPPLY	6885340	03/28/07	OFFICE SUPPLIES	383.14	383.14
2005540	04/04/07	03491	CASA DE ORO CARWASH	328	03/08/07	CAR WASH SERVICES	1,010.98	1,010.98
2005722	04/18/07	07108	CATALINA RODRIGUEZ	Ref002373848	04/16/07	UB Refund Cst #0000085983	43.94	43.94
2005723	04/18/07	07024	CELAL OKUDAN	Ref002373764	04/16/07	UB Refund Cst #0000054231	59.69	59.69

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2005724	04/18/07	07054	CENTURY FINANCIAL RESOURCES	Ref002373794	04/16/07	UB Refund Cst #0000069864	66.22	66.22
2005996	04/25/07	01126	CENTURY WHEEL & RIM	CN4625701	03/29/07	HITCHES	400.67	400.67
2005725	04/18/07	06976	CHAD ARMSTRONG	Ref002373715	04/16/07	UB Refund Cst #0000000028	35.60	35.60
2005912	04/18/07	04349	CHAMBERS, JONATHAN	015815	04/11/07	TUITION REIMBURSEMENT	145.00	145.00
2005726	04/18/07	07125	CHANDRIA TYLER	Ref002373866	04/16/07	UB Refund Cst #0000088713	29.87	29.87
2005727	04/18/07	07134	CHARISSE VANCLEVE	Ref002373875	04/16/07	UB Refund Cst #0000089799	7.99	7.99
2005728	04/18/07	07144	CHERYL AYARS	Ref002373886	04/16/07	UB Refund Cst #0000091692	6.18	6.18
2005541	04/04/07	06652	CHILD SUPPORT SERVICES	Ben2373394	04/03/07	PAYROLL DEDUCTION	655.38	655.38
2005729	04/18/07	07029	CHRISTINE WIENER	Ref002373769	04/16/07	UB Refund Cst #0000058939	219.34	219.34
2005730	04/18/07	07146	CJ TORRE CONSTRUCTION	Ref002373888	04/16/07	UB Refund Cst #0000091788	699.27	699.27
2005627	04/11/07	04119	CLARKSON LAB & SUPPLY INC	33898	03/30/07	BACTERIOLOGICAL SAMPLING	190.00	190.00
2005997	04/25/07	04119	CLARKSON LAB & SUPPLY INC	33896 33897	03/30/07 03/30/07	BACTERIOLOGICAL SAMPLING BACTERIOLOGICAL SAMPLING	608.00 608.00	1,216.00
2005731	04/18/07	07104	CLAUDIA ESCOBAR	Ref002373844	04/16/07	UB Refund Cst #0000085424	11.54	11.54
2005732	04/18/07	07039	CLAUDIA TORO	Ref002373779	04/16/07	UB Refund Cst #0000066725	75.00	75.00
2005733	04/18/07	07003	CLINTON SPALDING	Ref002373743	04/16/07	UB Refund Cst #0000026497	6.94	6.94
2005734	04/18/07	06984	COLEY B DAVIS	Ref002373723	04/16/07	UB Refund Cst #0000007186	28.18	28.18
2005542	04/04/07	01666	COMMERCIAL PRINTING CENTRE	43354	03/13/07	PURCHASE REQUISITION FORM	336.66	336.66
2005998	04/25/07	01666	COMMERCIAL PRINTING CENTRE	43581	04/03/07	PRINTING SERVICES	369.13	369.13
2005999	04/25/07	07164	COMMUNITY LEARNING	015835	04/18/07	SEMINAR REGISTRATION FEES	108.00	108.00
2005543	04/04/07	04398	CONSTRUCTION MANAGEMENT	015778	03/26/07	SEMINAR REGISTRATION	165.00	165.00
2005628	04/11/07	04398	CONSTRUCTION MANAGEMENT	015799	03/26/07	REGISTRATION FEE	165.00	165.00
2005913	04/18/07	03307	CONSTRUCTION MANAGEMENT	015830	04/17/07	MEMBERSHIP DUES	120.00	120.00

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2005914	04/18/07	04398	CONSTRUCTION MANAGEMENT	015827	04/16/07	REGISTRATION FEE	85.00	85.00
2005915	04/18/07	04398	CONSTRUCTION MANAGEMENT	015829	04/09/07	REGISTRATION FEE	60.00	60.00
2005916	04/18/07	04398	CONSTRUCTION MANAGEMENT	015828	04/17/07	REGISTRATION FEE	60.00	60.00
2006000	04/25/07	03774	CONSTRUCTION RESIDUE RECYCLING	974430	03/31/07	DUMPING SERVICES	50.00	50.00
2005544	04/04/07	03624	COPY LINK INC	AR72813	03/15/07	COPIER	1,405.06	1,405.06
2005629	04/11/07	03624	COPY LINK INC	AR72975	03/20/07	COPIER MAINTENANCE	103.88	103.88
2005917	04/18/07	03624	COPY LINK INC	AR73244	03/27/07	FAX MACHINE	517.20	517.20
2006001	04/25/07	03624	COPY LINK INC	AR73762	04/10/07	FAX MACHINE	517.20	517.20
2005918	04/18/07	02612	COUNCIL OF WATER UTILITIES	015811	04/11/07	MEETING RESERVATION	25.00	25.00
2005545	04/04/07	00134	COUNTY OF SAN DIEGO	015785	04/04/07	FILING FEES	42.00	42.00
2005546	04/04/07	04498	COUNTY OF SAN DIEGO	CA71962	03/07/07	SVSD M&O AND CAPITAL REPLACEMENT	267,030.00	267,030.00
2005919	04/18/07	00099	COUNTY OF SAN DIEGO	46919A	12/04/06	EXCAVATION PERMITS	255.94	255.94
2005630	04/11/07	02122	COUNTY OF SD AIR POLLUTION	97095959 97095948	03/21/07 03/21/07	PERMIT TO OPERATE EQUIPMENT PERMIT TO OPERATE EQUIPMENT	270.00 270.00	540.00
2005735	04/18/07	07084	CRISTINA CARBONERO	Ref002373824	04/16/07	UB Refund Cst #0000081445	47.65	47.65
2005736	04/18/07	06981	CYNDI MCCANE	Ref002373720	04/16/07	UB Refund Cst #000006065	11.63	11.63
2005737	04/18/07	06989	DANA N BLASI	Ref002373728	04/16/07	UB Refund Cst #000009654	161.78	161.78
2005738	04/18/07	07043	DARIO GONZALEZ	Ref002373783	04/16/07	UB Refund Cst #0000067664	75.00	75.00
2005739	04/18/07	07001	DARVIN OPLIS	Ref002373741	04/16/07	UB Refund Cst #0000024127	44.44	44.44
2005547	04/04/07	03354	DATAPROSE INC	38217 40221	03/09/07 03/09/07	FEBRUARY POSTAGE BILLING PRINT SERVICES	14,631.92 8,818.69	23,450.61
2006002	04/25/07	03354	DATAPROSE INC	38217 40788	04/03/07 04/03/07	MARCH POSTAGE BILLING PRINT SERVICES	14,668.71 8,912.97	23,581.68
2006003	04/25/07	04550	DATATREE	90034037	03/31/07	MAP PURCHASING SERVICE	99.00	99.00
2005740	04/18/07	07137	DAVID WILSON	Ref002373879	04/16/07	UB Refund Cst #0000090025	45.79	45.79

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2005741	04/18/07	07058	DAVID WINTER	Ref002373798	04/16/07	UB Refund Cst #0000071886	44.01	44.01
2005920	04/18/07	00852	DEC CONSULTANTS INC	07000110	03/27/07	CATHODIC PROTECTION SERVICES	15,507.62	15,507.62
2005921	04/18/07	01797	DELL ENTERPRISES	181836 181894	03/28/07 04/16/07	EMPLOYEE SERVICE AWARD RETIREMENT PLAQUE	57.11 91.59	148.70
2006004	04/25/07	01797	DELL ENTERPRISES	181924	03/19/07	NAME PLATES	37.48	37.48
2005548	04/04/07	00319	DEPARTMENT OF HEALTH SERVICES	0710512	03/30/07	#3710034 AB 2995 WATER SYSTEM FEES	4,486.92	4,486.92
2005549	04/04/07	03744	DEPARTMENT OF JUSTICE	615717	03/09/07	FINGERPRINT ANALYSIS SERVICES	96.00	96.00
2005742	04/18/07	07117	DIANNE BRANCH	Ref002373857	04/16/07	UB Refund Cst #0000087274	46.49	46.49
2005550	04/04/07	01205	DIONEX CORPORATION	427731	03/15/07	DIONEX ACCESORIES	199.19	199.19
2005922	04/18/07	03417	DIRECTV	540759689	04/05/07	SATELLITE TV SERVICE	46.96	46.96
2005631	04/11/07	00028	DIXIELINE LUMBER COMPANY	1582192	03/22/07	CONCRETE	619.02	619.02
2005923	04/18/07	00028	DIXIELINE LUMBER COMPANY	1581649	03/23/07	CONCRETE	569.50	569.50
2006005	04/25/07	00009	DMV RENEWAL	015841	04/24/07	VEHICLE REGISTRATION FEE	25.00	25.00
2005743	04/18/07	07088	DOLPHIN INVESTMENTS LLC	Ref002373828	04/16/07	UB Refund Cst #0000082049	172.78	172.78
2005744	04/18/07	06487	DON SALMON	Ref002373876	04/16/07	UB Refund Cst #0000089806	75.00	75.00
2005745	04/18/07	07131	DOREEN DIKENS	Ref002373872	04/16/07	UB Refund Cst #0000089645	35.85	35.85
2005746	04/18/07	07126	DORIS MILLAN	Ref002373867	04/16/07	UB Refund Cst #0000089138	15.98	15.98
2005747	04/18/07	07101	DOUG DEGANGE	Ref002373841	04/16/07	UB Refund Cst #0000085233	12.40	12.40
2005748	04/18/07	07028	DOUG HILDENBRANDT	Ref002373768	04/16/07	UB Refund Cst #0000058735	45.73	45.73
2005749	04/18/07	07040	DUC HOANG	Ref002373780	04/16/07	UB Refund Cst #0000066932	44.14	44.14
2005750	04/18/07	07070	EARLE SHERMAN	Ref002373810	04/16/07	UB Refund Cst #0000074687	11.43	11.43
2005551	04/04/07	01926	EAST COUNTY URGENT CARE	100598207	03/22/07	DMV HEALTH EXAM	43.00	43.00
2005632	04/11/07	06971	EASTLAKE CO LLC	015804	04/10/07	REFUND METER & CAP FEES	35,638.00	35,638.00

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2005552	04/04/07	02447	EDCO DISPOSAL CORPORATION	015784	03/20/07	RECYCLING SERVICES	47.19	47.19
2005553	04/04/07	03261	EDEN SYSTEMS INC	INV0103541	01/15/07	ADDITIONAL PROFESSIONAL CONSULTING	2,400.00	2,400.00
2005633	04/11/07	03261	EDEN SYSTEMS INC	INV0105976 INV0105975	03/20/07 03/20/07	ADDITIONAL PROFESSIONAL CONSULTING ADDITIONAL PROFESSIONAL CONSULTING	6,565.33 5,895.57	12,460.90
2005924	04/18/07	03261	EDEN SYSTEMS INC	INV0106149 INV0106148	03/26/07 03/26/07	ADDITIONAL PROFESSIONAL CONSULTING ADDITIONAL PROFESSIONAL CONSULTING	3,500.00 300.00	3,800.00
2005751	04/18/07	06993	EDWARD MUNOZ	Ref002373732	04/16/07	UB Refund Cst #0000011281	75.00	75.00
2005752	04/18/07	07059	EDWARD RIENDEAU	Ref002373799	04/16/07	UB Refund Cst #0000072110	39.84	39.84
2005753	04/18/07	07055	ELEANOR GURROLA	Ref002373795	04/16/07	UB Refund Cst #0000069891	18.75	18.75
2005634	04/11/07	00331	EMPLOYMENT DEVELOPMENT DEPT	21760898	03/13/07	STATE UNEMPLOYMENT INSURANCE	135.11	135.11
2005635	04/11/07	06813	EMPLOYMENT TRAINING	015802	04/10/07	SEMINAR REGISTRATION	65.00	65.00
2005754	04/18/07	07065	ERIC OCAMPO	Ref002373805	04/16/07	UB Refund Cst #0000073718	45.47	45.47
2005755	04/18/07	07027	ERICA HAWLEY	Ref002373767	04/16/07	UB Refund Cst #0000057667	44.72	44.72
2005756	04/18/07	07076	ERNEST HUDSON JR	Ref002373816	04/16/07	UB Refund Cst #0000079290	28.29	28.29
2005757	04/18/07	07149	ESSEL ENTERPRISES	Ref002373891	04/16/07	UB Refund Cst #0000092043	10.64	10.64
2005758	04/18/07	07061	EUGENIA VENTURA	Ref002373801	04/16/07	UB Refund Cst #0000073001	21.84	21.84
2006006	04/25/07	03757	FANDEL ENTERPRISES	1241	04/02/07	TELECOMMUNICATIONS MAINTENANCE SERVIC	1,440.00	1,440.00
2005554	04/04/07	00645	FEDEX	873299962	03/09/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	47.46	47.46
2005636	04/11/07	00645	FEDEX	877299544	03/30/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	16.14	16.14
2006007	04/25/07	00645	FEDEX	879930059	04/13/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	34.05	34.05
2005555	04/04/07	03546	FERGUSON WATERWORKS	0202439 0201742 0201270 0202433 0202435 0202438 0201267 02000691	03/15/07 03/15/07 03/09/07 03/15/07 03/15/07 03/15/07 03/09/07 03/15/07	INVENTORY HYDRANTS CAPS INVENTORY INVENTORY INVENTORY CAST IRON TEES INVENTORY GASKETS	5,040.91 4,711.58 4,516.15 4,352.76 3,216.21 931.38 195.67 123.91	23,088.57

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2005637	04/11/07	03546	FERGUSON WATERWORKS	0200038	03/16/07	COUPLING ADAPTER	7,837.82	
				02024351	03/22/07	INVENTORY	1,384.70	
				0202797	03/21/07	INVENTORY	1,074.14	
				02024331	03/22/07	INVENTORY	651.52	
				0202798	03/21/07	BLUE RINGS AND GASKETS	430.57	
2005925	04/18/07	03546	FERGUSON WATERWORKS	0203978	03/26/07	INVENTORY	1,513.79	
				020099831	03/26/07	INVENTORY	1,698.68	
				0204285	03/29/07	INVENTORY	1,029.98	
				0204003	03/28/07	BOLTS & GASKETS & HYD PARTS	721.86	
2006008	04/25/07	03546	FERGUSON WATERWORKS	0203760	04/02/07	SHUT OFF TOOLS	1,455.92	
				0203979	04/02/07	INVENTORY	581.05	
				0203766	04/02/07	SHUT OFF TOOLS	290.85	
2005759	04/18/07	07142	FERNANDO PISCARENO	Ref002373884	04/16/07	UB Refund Cst #0000091291	218.20	218.20
2005638	04/11/07	03051	FIRST AMERICAN REAL ESTATE	4035116	03/21/07	REALQUEST NETWORK LICENSE	1,800.00	1,800.00
2005926	04/18/07	03051	FIRST AMERICAN REAL ESTATE	11846078	03/26/07	REALQUEST NETWORK LICENSE	900.00	900.00
2005927	04/18/07	02470	FIRST BANKCARD	015817	04/10/07	DISTRICT EXPENSES	0.82	138.67
				015816	04/10/07	DISTRICT EXPENSES	137.85	
2006009	04/25/07	02470	FIRST BANKCARD	015844	04/10/07	DISTRICT EXPENSES	158.52	158.52
2005928	04/18/07	04066	FIRST CHOICE SERVICES-SD	278340	03/26/07	COFFEE SUPPLIES	184.40	184.40
2006010	04/25/07	04066	FIRST CHOICE SERVICES-SD	279194	04/05/07	COFFEE SUPPLIES	246.03	246.03
2005639	04/11/07	00035	FISHER SCIENTIFIC	8709837	02/15/07	LABORATORY SUPPLIES	1,757.95	1,757.95
2005929	04/18/07	00035	FISHER SCIENTIFIC	9597600	03/28/07	GRAM STAIN SET	104.30	104.30
2006011	04/25/07	00035	FISHER SCIENTIFIC	9597601	03/28/07	LABORATORY SUPPLIES	587.19	867.90
				9438581	03/21/07	LABORATORY SUPPLIES	202.00	
				9502220	03/23/07	LABORATORY SUPPLIES	41.72	
				9776217	04/05/07	LABORATORY SUPPLIES	36.99	
2005556	04/04/07	06857	FIT TO WORK INC	6243	03/14/07	ERGONOMIC EVALUATION	312.50	312.50
2005557	04/04/07	01327	FRANK & SON PAVING INC	01015	02/09/07	PAVING SERVICES	1,508.00	1,508.00
2005640	04/11/07	01327	FRANK & SON PAVING INC	01019	02/09/07	PAVING SERVICES	4,940.00	
				01017	02/09/07	PAVING SERVICES	4,810.00	

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				01016	02/09/07	PAVING SERVICES	4,758.00	
				706017	02/09/07	PAVING SERVICES	4,680.00	
				01018	02/09/07	PAVING SERVICES	4,060.00	23,248.00
2005930	04/18/07	01327	FRANK & SON PAVING INC	01021	02/09/07	PAVING SERVICES	2,678.00	
				01024	03/09/07	PAVING SERVICES	4,726.00	
				01023	03/07/07	PAVING SERVICES	2,834.00	
				01022	03/07/07	PAVING SERVICES	4,924.50	
				01025	03/09/07	PAVING SERVICES	1,938.00	17,100.50
2006012	04/25/07	01327	FRANK & SON PAVING INC	01027	03/21/07	PAVING SERVICES	4,628.00	
				01026	03/21/07	PAVING SERVICES	4,264.00	
				01028	03/21/07	PAVING SERVICES	4,134.00	13,026.00
2005760	04/18/07	07121	FRANK R PADILLA	Ref002373862	04/16/07	UB Refund Cst #0000087994	25.81	25.81
2006013	04/25/07	02028	FT INTERACTIVE DATA CORP	05327037	03/31/07	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2005761	04/18/07	07030	GABRIEL CRUZ	Ref002373770	04/16/07	UB Refund Cst #0000060340	75.00	75.00
2005641	04/11/07	05626	GAME 7 CONSULTING	1524	04/10/07	CONSULTING SERVICES - IS DEPT	3,000.00	
				1521	04/03/07	CONSULTING SERVICES - IS DEPT	2,400.00	5,400.00
2005931	04/18/07	05626	GAME 7 CONSULTING	1526	04/17/07	CONSULTING SERVICES - IS DEPT	3,000.00	3,000.00
2005611	04/06/07	06968	GATTEY BARANIC LLP	015791	04/05/07	SETTLEMENT AGREEMENT	371,250.00	371,250.00
2005932	04/18/07	03609	GBA MASTER SERIES INC	813233	03/28/07	SUPPORT & MAINTENANCE FOR GBA	10,365.55	10,365.55
2006014	04/25/07	03609	GBA MASTER SERIES INC	813234	03/31/07	SUPPORT & MAINTENANCE FOR GBA	114.93	114.93
2005642	04/11/07	01573	GEOTECHNICS INC	236844	10/30/06	GEOTECHNICAL SERVICES	1,354.00	1,354.00
2005762	04/18/07	07005	GERARDO LOZANO	Ref002373745	04/16/07	UB Refund Cst #0000027944	70.00	70.00
2005558	04/04/07	03537	GHA TECHNOLOGIES INC	420814	03/12/07	WIRELESS HEADSET	245.68	245.68
2005643	04/11/07	03537	GHA TECHNOLOGIES INC	422720	03/22/07	TONERS	983.07	
				422221	03/19/07	HEADSET PARTS, CUSTOMER SERVICE	55.41	1,038.48
2005933	04/18/07	03537	GHA TECHNOLOGIES INC	423708	03/29/07	TONER	301.40	
				422445	03/23/07	WIRELESS HEADSET	245.68	547.08
2006015	04/25/07	03537	GHA TECHNOLOGIES INC	424016	03/29/07	MOTION COMPUTING ACCESSORIES	3,430.53	3,430.53
2005559	04/04/07	06276	GIFFORD ENGINEERING INC	3288	03/12/07	TWO-WAY RADIO REPAIRS	143.00	

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				3286	03/12/07	TWO-WAY RADIO REPAIRS	88.00	231.00
2005763	04/18/07	07011	GLADYS JONES	Ref002373751	04/16/07	UB Refund Cst #0000035414	200.00	200.00
2005764	04/18/07	07038	GLORIA LOPEZ	Ref002373778	04/16/07	UB Refund Cst #0000065741	42.58	42.58
2005765	04/18/07	07015	GORMAN FONG	Ref002373755	04/16/07	UB Refund Cst #0000038600	22.74	22.74
2006016	04/25/07	00131	GOVERNMENT FINANCE OFFICERS	015843	04/24/07	REFERENCE MANUALS	28.00	28.00
2005766	04/18/07	07151	GRACE M JOHNSON TRUST 2-14-92	Ref002373893	04/16/07	UB Refund Cst #0000092610	99.81	99.81
2005767	04/18/07	07087	GREGORY WEBB	Ref002373827	04/16/07	UB Refund Cst #0000081976	32.31	32.31
2005768	04/18/07	07111	GRETLER CONSTRUCTION	Ref002373851	04/16/07	UB Refund Cst #0000086211	28.75	28.75
2005560	04/04/07	04979	GROSSMONT WORK TRAINING CENTEF 20161		03/13/07	MASS MAILING LABOR/POSTAGE	3,173.35	3,173.35
2006017	04/25/07	00063	GROVE AUTO BODY INC	31689	04/03/07	BODY REPAIR	781.90	781.90
2006018	04/25/07	03773	GTC SYSTEMS INC	26313	03/30/07	TECHNICAL SUPPORT FOR CITRIX	4,839.72	4,839.72
2005769	04/18/07	07130	GUILLERMINA BASABE	Ref002373871	04/16/07	UB Refund Cst #0000089543	79.71	79.71
2006019	04/25/07	02630	HAAKER EQUIPMENT COMPANY	C53445	03/29/07	REPAIR PARTS	390.36	390.36
2005561	04/04/07	00174	HACH COMPANY	5068073	03/13/07	LABORATORY SUPPLIES	3,745.22	
				5069212	03/13/07	TEST KIT SUPPLIES	238.46	
				5069303	03/13/07	TEST KIT SUPPLIES	82.11	4,065.79
2005644	04/11/07	00174	HACH COMPANY	5076240	03/19/07	LABORATORY SUPPLIES	1,390.65	1,390.65
2006020	04/25/07	00174	HACH COMPANY	5084098	03/24/07	AMMONIA/MONOCHELRAMINE	1,454.65	
				5091677	03/30/07	LABORATORY SUPPLIES	124.63	1,579.28
2005770	04/18/07	07150	HAMMAN CONSTRUCTION	Ref002373892	04/16/07	UB Refund Cst #0000092168	352.27	352.27
2005645	04/11/07	04217	HATCH & PARENT	413817	02/28/07	LEGISLATIVE ADVOCACY FEB 2007	2,437.50	2,437.50
2005934	04/18/07	04472	HECTOR I MARES-COSSIO	24	03/01/07	CONSULTANT CONTRACT	3,000.00	3,000.00
2005646	04/11/07	02096	HELIX WATER DISTRICT	HWD03150702	03/15/07	SILICONE BRACELETS	1,395.00	1,395.00
2005935	04/18/07	00062	HELIX WATER DISTRICT	174639860407	04/04/07	WATER BILL-RUSSELL SQ	29.65	
				178540010407	04/04/07	WATER BILL-AVOCADO BLVD	29.65	59.30

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2006021	04/25/07	02096	HELIX WATER DISTRICT	015794	03/30/07	SHARED SERVICES W/SAWCUT	366.27	603.57
				HWD04160701	04/16/07	REIMB SPRING GARDEN FESTIVAL GIVEAWAY	137.30	
				327456	04/02/07	HELIX WATER/WATER TRUCK RENTAL	100.00	
2006022	04/25/07	06964	HERSHEY TECHNOLOGIES	028632	03/30/07	ASCENT CAPTURE SOFTWARE	11,604.68	14,829.68
				028634	03/30/07	SOFTWARE INSTALLATION	2,700.00	
				028633	03/30/07	ANNUAL SUPPORT ASCENT CAPTURE SOFTWA	525.00	
2005936	04/18/07	00713	HEWLETT-PACKARD COMPANY	42003154	03/23/07	32GB RAM MEMORY	22,330.11	22,330.11
2005771	04/18/07	07004	HIDEKI KINOSHITA	Ref002373744	04/16/07	UB Refund Cst #0000027253	80.66	80.66
2006023	04/25/07	07162	HILLSBOROUGH AT OTAY RANCH HOA	APN6430513400	04/18/07	REFUND SPECIAL ASSESSMENT CHARGE	47.10	47.10
2005937	04/18/07	01799	HIRSCH & COMPANY	7020491	03/23/07	I-905 UTILITY RELOCATION DESIGN SERVICES	560.00	560.00
2005647	04/11/07	06843	HI-TECH AIR CONDITIONING INC.	1071	03/20/07	HVAC EQUIPMENT REPAIR	856.07	856.07
2005562	04/04/07	01109	HOME DEPOT CREDIT SERVICES	3325815		RETURNED MERCHANDISE	(26.85)	116.45
				0026930	03/27/07	BUILDING MAINT SUPPLIES	143.30	
2005938	04/18/07	01109	HOME DEPOT CREDIT SERVICES	3161382	04/13/07	PAINT SUPPLIES	208.77	208.77
2006024	04/25/07	01109	HOME DEPOT CREDIT SERVICES	8612117	04/18/07	PRESSURE WASHER FOR TREATMENT PLANT	356.14	356.14
2005939	04/18/07	06540	HORIZON CRANE SERVICE LLC	3777	03/26/07	CRANE RENTAL	540.00	540.00
2005648	04/11/07	03615	I.M.P.A.C. GOVERNMENT SERVICES	015803	04/10/07	DISTRICT EXPENSES	5,229.89	6,633.77
				015788	02/22/07	DISTRICT EXPENSES	1,339.24	
				015789	03/22/07	DISTRICT EXPENSES	64.64	
2005649	04/11/07	06266	IDEAL WIPING RAG COMPANY	037986	03/22/07	WIPING RAGS	237.05	237.05
2005650	04/11/07	06657	INDUSTRIAL CONTROL LINKS INC	23233	03/16/07	SCADA BRIDGE	5,620.64	5,620.64
2006025	04/25/07	02943	INDUSTRIAL METAL SUPPLY CO	845740	04/02/07	STEEL	1,196.06	2,511.25
				845694	04/02/07	STEEL	1,011.33	
				845769	04/04/07	STEEL	303.86	
2005651	04/11/07	04220	INDUSTRIAL SUPPLY DISTRIBUTORS	029945	03/16/07	HAND CLEANER	64.90	64.90
2005652	04/11/07	03280	INFRASTRUCTURE ENGINEERING	2547	03/02/07	CONSTRUCTION CONSULTANTS/640-1 RESERV	7,877.21	7,877.21
2005653	04/11/07	04197	INTEGRITY STAFFING INC	3581	04/04/07	TEMPORARY SERVICES - HR DEPT	1,296.00	1,296.00
2005940	04/18/07	04197	INTEGRITY STAFFING INC	3589	04/11/07	TEMPORARY SERVICES - HR DEPT	1,620.00	1,620.00

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2006026	04/25/07	04197	INTEGRITY STAFFING INC	3605	04/16/07	TEMPORARY SERVICES - HR DEPT	1,620.00	1,620.00
2005563	04/04/07	02267	INTERNAL REVENUE SERVICE	Ben2373380	04/03/07	PAYROLL DEDUCTION	50.00	50.00
2005564	04/04/07	04077	INTERNAL REVENUE SERVICE	Ben2373390	04/03/07	PAYROLL DEDUCTION	64.00	64.00
2005772	04/18/07	02267	INTERNAL REVENUE SERVICE	Ben2373944	04/17/07	PAYROLL DEDUCTION	50.00	50.00
2005773	04/18/07	04077	INTERNAL REVENUE SERVICE	Ben2373954	04/17/07	PAYROLL DEDUCTION	64.00	64.00
2005941	04/18/07	03250	INTERNATIONAL PERSONNEL	015823	04/13/07	TRAINING REGISTRATION FEE	80.00	80.00
2006027	04/25/07	01591	IRON MOUNTAIN RECORDS	GZ23257 GZ23256	03/31/07 03/31/07	RECORDS STORAGE RECORDS STORAGE	1,866.80 0.61	1,867.41
2005774	04/18/07	07051	ITSURO MATSUEDA	Ref002373791	04/16/07	UB Refund Cst #0000069227	65.53	65.53
2005775	04/18/07	07006	IVONNE ZAZUETA	Ref002373746	04/16/07	UB Refund Cst #0000028590	75.00	75.00
2005565	04/04/07	06630	J C HEDEN AND ASSOCIATES INC	OWD004	03/09/07	AS NEEDED ENG DRAFTING SERVICES	3,258.75	3,258.75
2005776	04/18/07	07152	JACOBO JAJATI	Ref002373894	04/16/07	UB Refund Cst #0000092694	97.64	97.64
2005777	04/18/07	07042	JAESCHKE INC	Ref002373782	04/16/07	UB Refund Cst #0000067595	103.18	103.18
2006028	04/25/07	03077	JANI KING OF CALIFORNIA INC	SDO04070391 SDO04070400	04/01/07 04/01/07	JANITORIAL SERVICES OFF-SITE JANITORIAL SERVICES	3,905.00 990.00	4,895.00
2005778	04/18/07	07008	JASON CAMPBELL	Ref002373748	04/16/07	UB Refund Cst #0000029337	36.62	36.62
2005779	04/18/07	07154	JAVIER MANJARREZ	Ref002373896	04/16/07	UB Refund Cst #0000093764	49.32	49.32
2005780	04/18/07	07031	JEFFREN LEGASPI	Ref002373771	04/16/07	UB Refund Cst #0000060550	70.00	70.00
2005781	04/18/07	07074	JENNIE GIPSON	Ref002373814	04/16/07	UB Refund Cst #0000075680	17.19	17.19
2005782	04/18/07	06977	JENNIFER NORRIS	Ref002373716	04/16/07	UB Refund Cst #000000929	31.94	31.94
2005783	04/18/07	07018	JERRY TIN	Ref002373758	04/16/07	UB Refund Cst #0000047009	20.22	20.22
2005784	04/18/07	07063	JESUS ARELLANO	Ref002373803	04/16/07	UB Refund Cst #0000073123	75.00	75.00
2005654	04/11/07	01010	JOBS AVAILABLE INC	708081	04/03/07	JOB POSTINGS	595.00	595.00
2005785	04/18/07	07023	JOE ROBERTSON	Ref002373763	04/16/07	UB Refund Cst #0000053375	199.43	199.43

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2006029	04/25/07	06282	JOHNSON & ASSOCIATES LLC	11548	03/30/07	COMPENSATION STUDY	1,630.00	1,630.00
2005566	04/04/07	03172	JONES & STOKES	0040397 0040421	03/09/07 03/09/07	HABITAT MANAGEMENT ENVIRON SERVICES REVEGETATION MONITORING & MAINT SVCS	59,686.77 417.65	60,104.42
2005567	04/04/07	03172	JONES & STOKES	0040773 0040417 0040401	03/14/07 03/09/07 03/09/07	ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	2,445.00 162.50 162.50	2,770.00
2005786	04/18/07	07069	JOSE CHAIDEZ	Ref002373809	04/16/07	UB Refund Cst #0000074515	30.67	30.67
2005787	04/18/07	07071	JUAN RANGEL	Ref002373811	04/16/07	UB Refund Cst #0000075121	75.01	75.01
2005788	04/18/07	06990	JULIO ZAMORA	Ref002373729	04/16/07	UB Refund Cst #0000009894	19.69	19.69
2005655	04/11/07	06972	K HOVNANIAN AT BELL LAGO L	015805	04/10/07	OVERPMT ON METER PURCHASES	371.00	371.00
2005789	04/18/07	07136	KAPENA KALUHIWA	Ref002373878	04/16/07	UB Refund Cst #0000090020	22.36	22.36
2005790	04/18/07	07050	KEN OKUN	Ref002373790	04/16/07	UB Refund Cst #0000069073	28.28	28.28
2005942	04/18/07	07159	KENNETH WILSON	015822	04/16/07	REFUND OVERPAYMENT #623-2700-22	5,647.95	5,647.95
2005791	04/18/07	07129	KIMBERLY NEVANDRO	Ref002373870	04/16/07	UB Refund Cst #0000089518	13.84	13.84
2005568	04/04/07	04996	KNOX ATTORNEY SERVICE INC	229794 229792	03/12/07 03/12/07	DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS	27.50 27.50	55.00
2005656	04/11/07	04996	KNOX ATTORNEY SERVICE INC	231450 231449 231448 231066	03/20/07 03/20/07 03/20/07 03/20/07	DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS	27.50 27.50 27.50 17.25	99.75
2005943	04/18/07	04996	KNOX ATTORNEY SERVICE INC	232442	03/26/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	27.50
2005792	04/18/07	07046	KOCH-ARMSTRONG	Ref002373786	04/16/07	UB Refund Cst #0000068044	850.00	850.00
2005657	04/11/07	02063	LA MESA - SPRING VALLEY	2830	03/30/07	BUS FUNDING FOR FIELD TRIP	387.00	387.00
2005569	04/04/07	01859	LA PRENSA SAN DIEGO	21004	03/13/07	JOB POSTINGS	152.19	152.19
2005658	04/11/07	06497	LAKESIDE LAND COMPANY	190514	03/20/07	ASPHALT	20.00	20.00
2005659	04/11/07	01933	LARRY BRADFORD & ASSOCIATES	0308	03/19/07	DRINKING WATER DECALS	690.00	690.00

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2005793	04/18/07	06978	LARRY CABADING	Ref002373717	04/16/07	UB Refund Cst #0000001706	32.58	32.58
2005794	04/18/07	07145	LAUREL BRITAIN	Ref002373887	04/16/07	UB Refund Cst #0000091716	58.65	58.65
2005795	04/18/07	07077	LAVON SCHWARTZ	Ref002373817	04/16/07	UB Refund Cst #0000080200	34.73	34.73
2005796	04/18/07	07143	LAWRENCE LLORENTE	Ref002373885	04/16/07	UB Refund Cst #0000091293	27.06	27.06
2006030	04/25/07	06273	LIEBERT CASSIDY WHITMORE	76066	03/31/07	LABOR RELATIONS CONSULTING SERVICES	2,000.00	2,000.00
2005797	04/18/07	07047	LINDA MENDOZA	Ref002373787	04/16/07	UB Refund Cst #0000068162	75.00	75.00
2005798	04/18/07	07120	LISA HILDRETH	Ref002373860	04/16/07	UB Refund Cst #0000087643	8.80	8.80
2005660	04/11/07	03784	LIVESCAN SAN DIEGO	07168	03/16/07	FINGERPRINTING SERVICES	40.00	40.00
2005799	04/18/07	07089	LIZA HAMMERSTAD	Ref002373829	04/16/07	UB Refund Cst #0000082065	72.97	72.97
2005800	04/18/07	07033	LOBELIA JENNINGS	Ref002373773	04/16/07	UB Refund Cst #0000062383	25.17	25.17
2005801	04/18/07	07119	LOGAN DARBY	Ref002373859	04/16/07	UB Refund Cst #0000087541	47.58	47.58
2006031	04/25/07	05220	LOGICALIS INTEGRATION SOLUTION	S713600	03/31/07	CONSULTING SERVICES	130.00	130.00
2005802	04/18/07	07135	LUCIA CAZAREZ	Ref002373877	04/16/07	UB Refund Cst #0000089901	75.00	75.00
2005803	04/18/07	07090	LUIS RODRIGUEZ	Ref002373830	04/16/07	UB Refund Cst #0000083072	32.32	32.32
2005804	04/18/07	07099	LUSARDI CONSTRUCTION	Ref002373839	04/16/07	UB Refund Cst #0000085013	624.71	624.71
2005805	04/18/07	07080	LUZ GOMEZ DAVILA	Ref002373820	04/16/07	UB Refund Cst #0000081205	75.00	75.00
2006032	04/25/07	01464	MAG SYSTEMS INC	151274694 151524700	03/14/07 03/30/07	LOOP ISOLATORS SIGNAL CONDITIONERS	1,614.79 1,614.79	3,229.58
2005661	04/11/07	06413	MAINTENANCE SUPERINTENDANT	015796	04/09/07	CLASS REGISTRATION	270.00	270.00
2005806	04/18/07	07025	MAIRA SOSA	Ref002373765	04/16/07	UB Refund Cst #0000056216	75.00	75.00
2005662	04/11/07	00628	MANHATTAN NAT'L LIFE INS CO	015798	04/09/07	VOLUNTARY LIFE INSURANCE	433.80	433.80
2005807	04/18/07	07109	MANUEL JAMANDRE	Ref002373849	04/16/07	UB Refund Cst #0000086087	15.99	15.99
2005808	04/18/07	07118	MARGA DIZON	Ref002373858	04/16/07	UB Refund Cst #0000087352	49.96	49.96
2005809	04/18/07	07078	MARIA ELENA DOUGLAS	Ref002373818	04/16/07	UB Refund Cst #0000081005	14.47	14.47

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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2005810	04/18/07	07066	MARIBEL CORTEZ	Ref002373806	04/16/07	UB Refund Cst #0000074369	36.10	36.10
2005811	04/18/07	07092	MARIE QUINONES	Ref002373832	04/16/07	UB Refund Cst #0000083527	11.41	11.41
2005812	04/18/07	07016	MARILYN R TYLER	Ref002373756	04/16/07	UB Refund Cst #0000041069	16.24	16.24
2005813	04/18/07	06480	MARJORIE MCNAMARA	Ref002373861	04/16/07	UB Refund Cst #0000087917	75.00	75.00
2006033	04/25/07	02902	MARSTON & MARSTON INC	20073 20073A	04/01/07 04/01/07	PUBLIC RELATIONS SERVICES PUBLIC RELATIONS SERVICES	3,670.50 1,450.00	5,120.50
2005814	04/18/07	07010	MARTHA CALDERON	Ref002373750	04/16/07	UB Refund Cst #0000031087	38.52	38.52
2005570	04/04/07	05329	MASTER METER INC	0120444IN	03/13/07	COMPOUND METERS	16,691.66	16,691.66
2005944	04/18/07	05329	MASTER METER INC	0120993IN	03/26/07	INVENTORY	10,604.22	10,604.22
2005663	04/11/07	01183	MCMaster-CARR SUPPLY CO	61827075	03/22/07	ANCHORS	120.72	120.72
2006034	04/25/07	01183	MCMaster-CARR SUPPLY CO	61752971 62027992 62398900	03/21/07 03/26/07 04/02/07	STAINLESS STEEL PIPE FITTINGS SAFETY CANS OFFICE SUPPLIES	486.37 172.88 119.04	778.29
2005815	04/18/07	07017	MCMILLIN	Ref002373757	04/16/07	UB Refund Cst #0000046173	47.65	47.65
2005816	04/18/07	07021	MCMILLIN	Ref002373761	04/16/07	UB Refund Cst #0000052949	47.65	47.65
2005817	04/18/07	07026	MCMILLIN	Ref002373766	04/16/07	UB Refund Cst #0000056927	196.35	196.35
2005818	04/18/07	07123	MEDICAL REAL ESTATE DEV	Ref002373864	04/16/07	UB Refund Cst #0000088516	440.02	440.02
2006035	04/25/07	07167	METROPOLITAN WATER DISTRICT	34495	04/27/07	PLUMBING HANDBOOKS	330.00	330.00
2005819	04/18/07	07094	MICHAEL VIRNEG	Ref002373834	04/16/07	UB Refund Cst #0000083726	45.19	45.19
2005820	04/18/07	07133	MICHEAL RUBIO	Ref002373874	04/16/07	UB Refund Cst #0000089760	36.40	36.40
2005821	04/18/07	07072	MICHELE PHILLIPS	Ref002373812	04/16/07	UB Refund Cst #0000075163	72.04	72.04
2006036	04/25/07	02835	MIL-RAM TECHNOLOGY INC	980587	04/05/07	CHLORINE & AMMONIA CALIBRATION GAS	878.23	878.23
2006037	04/25/07	01577	MINARIK CORPORATION	10441665DD	03/30/07	PLC PROCESSOR REPAIR	254.12	254.12
2006038	04/25/07	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	209188	03/20/07	BRAKE PARTS	105.64	105.64

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2005664	04/11/07	03393	MOBILE MINI LLC - CA	904020578	03/18/07	RENTAL 40' METERS STORAGE CONTAINER	164.90	164.90
2005945	04/18/07	03393	MOBILE MINI LLC - CA	904022911	03/26/07	RENTAL 40' METERS STORAGE CONTAINERS	170.88	170.88
2005822	04/18/07	06980	MOLECULAR BIOPRODUCTS	Ref002373719	04/16/07	UB Refund Cst #0000003779	75.00	75.00
2005823	04/18/07	07049	MONIQUE JESTER	Ref002373789	04/16/07	UB Refund Cst #0000068812	75.00	75.00
2006039	04/25/07	07166	MOSS, PATTY	21008727998	04/24/07	SAFETY BOOTS REIMBURSEMENT	126.63	126.63
2006040	04/25/07	03623	MWH AMERICAS INC	1102828	04/01/07	PROFESSIONAL SERVICES	5,604.00	5,604.00
2005665	04/11/07	02037	MWH LABORATORIES	195610LI	03/09/07	REGULATORY ANALYSES	1,016.00	1,016.00
2005946	04/18/07	02037	MWH LABORATORIES	197788LI 197889LI	03/23/07 03/23/07	REGULATORY ANALYSES REGULATORY ANAYSES	1,016.00 2,915.00	3,931.00
2006041	04/25/07	02037	MWH LABORATORIES	197887LI	04/03/07	REGULATORY ANALYSES	1,400.00	1,400.00
2005824	04/18/07	07000	NADIA NEHMNE	Ref002373740	04/16/07	UB Refund Cst #0000022132	43.06	43.06
2005825	04/18/07	07075	NANCY DUNNAHOO	Ref002373815	04/16/07	UB Refund Cst #0000075959	75.00	75.00
2005666	04/11/07	04676	NAPA AUTO PARTS	064551	02/28/07	REPAIR PARTS	688.72	
				062735	02/14/07	REPAIR PARTS	279.07	
				064550	02/28/07	REPAIR PARTS	115.80	
				067019	03/19/07	REPAIR PARTS	111.42	
				066325	03/14/07	REPAIR PARTS	101.03	
				064830	03/02/07	REPAIR PARTS	97.37	
				066919	03/19/07	REPAIR PARTS	88.65	
				063735	02/21/07	REPAIR PARTS	82.91	
				064218	02/26/07	REPAIR PARTS	73.26	
				065697	03/08/07	REPAIR PARTS	60.32	
				064212	02/26/07	REPAIR PARTS	52.37	
				065350	03/06/07	REPAIR PARTS	50.21	
				066128	03/13/07	REPAIR PARTS	44.31	
				065347	03/06/07	REPAIR PARTS	43.96	
				067010	03/19/07	REPAIR PARTS	42.11	
				064532	02/28/07	REPAIR PARTS	40.82	
				067435	03/22/07	REPAIR PARTS	40.49	
				066078	03/12/07	REPAIR PARTS	40.47	
				066220	03/13/07	REPAIR PARTS	29.29	
				067167	03/20/07	REPAIR PARTS	26.77	
				066916	03/19/07	REPAIR PARTS	26.42	
				066009	03/12/07	REPAIR PARTS	21.50	
				066649	03/16/07	REPAIR PARTS	18.30	

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				065309	03/06/07	REPAIR PARTS	17.92	
				065264	03/06/07	REPAIR PARTS	16.98	
				063059	02/16/07	REPAIR PARTS	14.96	
				064439	02/27/07	REPAIR PARTS	11.20	
				066987	03/19/07	REPAIR PARTS	6.34	
				066448	03/15/07	REPAIR PARTS	5.59	2,248.56
2005947	04/18/07	04676	NAPA AUTO PARTS	067499	03/23/07	REPAIR PARTS	92.51	92.51
2006042	04/25/07	04676	NAPA AUTO PARTS	066630		CREDIT MEMO	(261.70)	
				067893		CREDIT MEMO	(60.32)	
				066628		CREDIT MEMO	(50.21)	
				066629		CREDIT MEMO	(16.37)	
				067832	03/26/07	REPAIR PARTS	635.05	
				069244	04/05/07	REPAIR PARTS	81.43	
				067951	03/27/07	REPAIR PARTS	52.00	
				068973	04/04/07	REPAIR PARTS	41.89	
				067288	03/21/07	REPAIR PARTS	40.28	
				068965	04/04/07	REPAIR PARTS	25.09	
				068974	04/04/07	REPAIR PARTS	20.95	
				066379	03/14/07	REPAIR PARTS	13.40	
				068987	04/04/07	REPAIR PARTS	13.02	
				067860	03/26/07	REPAIR PARTS	12.77	
				067862	03/26/07	REPAIR PARTS	11.58	
				068960	04/04/07	REPAIR PARTS	10.04	
				067830	03/26/07	REPAIR PARTS	8.62	
				067985	03/27/07	REPAIR PARTS	7.17	
				068025	03/27/07	REPAIR PARTS	4.95	
				067982	03/27/07	REPAIR PARTS	3.43	
				068114	03/28/07	REPAIR PARTS	2.13	595.20
2005826	04/18/07	06987	NATHANIEL TORRES	Ref002373726	04/16/07	UB Refund Cst #0000009353	14.85	14.85
2005571	04/04/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2373376	04/03/07	DEFERRED COMP PLAN	10,101.51	10,101.51
2005827	04/18/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2373940	04/17/07	DEFERRED COMP PLAN	10,117.86	10,117.86
2006043	04/25/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10237369	04/05/07	LABOR FOR PHONES SVCS	169.50	169.50
2006044	04/25/07	00996	NEW HORIZONS	2155531	03/28/07	COMPUTER TRAINING	3,500.00	
				2155591	03/28/07	COMPUTER TRAINING	3,000.00	6,500.00
2005572	04/04/07	03571	NEXTLEVEL INTERNET	12449	03/14/07	INTERNET WEB HOSTING	357.00	357.00
2005828	04/18/07	06982	NIFCU	Ref002373721	04/16/07	UB Refund Cst #0000006075	23.30	23.30

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2005829	04/18/07	06986	NIFCU	Ref002373725	04/16/07	UB Refund Cst #0000008612	23.30	23.30
2005830	04/18/07	07067	NOHEMI QUINTERO	Ref002373807	04/16/07	UB Refund Cst #0000074425	75.00	75.00
2005831	04/18/07	07112	NORA RAMIREZ	Ref002373852	04/16/07	UB Refund Cst #0000086475	14.30	14.30
2005573	04/04/07	03299	OCB REPROGRAPHICS	4671531	03/01/07	REPROGRAPHICS SERVICES	59.48	59.48
2005948	04/18/07	03299	OCB REPROGRAPHICS	4717792 4717752 4717746	03/29/07 03/29/07 03/29/07	REPROGRAPHICS SERVICES REPROGRAPHICS SERVICES REPROGRAPHICS SERVICES	10.78 12.93 1,083.31	1,107.02
2005949	04/18/07	06975	OCCUPATIONAL SAFETY & HEALTH	015814	04/13/07	OSH SETTLEMENT FEE	4,655.00	4,655.00
2005574	04/04/07	00510	OFFICE DEPOT INC	378833140001	03/14/07	OFFICE SUPPLIES	42.83	42.83
2005667	04/11/07	00510	OFFICE DEPOT INC	379885213001 379885213002	03/21/07 03/21/07	OFFICE SUPPLIES OFFICE SUPPLIES	101.80 42.65	144.45
2005950	04/18/07	00510	OFFICE DEPOT INC	381148762001	03/28/07	OFFICE SUPPLIES	1,782.80	1,782.80
2006045	04/25/07	00510	OFFICE DEPOT INC	382133158001 381588463001	04/04/07 04/04/07	OFFICE SUPPLIES LABEL MACHINE & TAPE	272.47 147.56	420.03
2005575	04/04/07	01837	OFFICE TEAM	18232976	04/03/07	TEMPORARY SERVICES - CUSTOMER SVC DEP	934.80	934.80
2005668	04/11/07	01837	OFFICE TEAM	18234147 18289101 18259800 18315840	03/26/07 04/02/07 03/26/07 04/02/07	TEMPORARY SERVICES - GM OFFICE TEMPORARY SERVICES - CUSTOMER SVC DEP TEMPORARY SERVICES - METER DEPT TEMPORARY SERVICES - METER DEPT	1,042.64 817.95 802.56 777.48	3,440.63
2005951	04/18/07	01837	OFFICE TEAM	18290228 18366608	04/02/07 04/09/07	TEMPORARY SERVICES - GM DEPT TEMPORARY SERVICES - CUSTOMER SVC DEP	750.48 934.80	1,685.28
2006046	04/25/07	03038	ORANGE LINE OIL COMPANY INC	96946	03/21/07	OIL	1,128.14	1,128.14
2006047	04/25/07	06856	ORPAK USA INC	27218	04/04/07	FUEL-O-MAT, FUEL MGT SYSTEM MAINT	10,608.20	10,608.20
2006048	04/25/07	02721	ORTIZ CORPORATION	21	04/01/07	30" RECYCLED PIPELINE	287,449.17	287,449.17
2005952	04/18/07	07160	OTAY 51, INC	015821	04/17/07	W/O REFUND D0335-XX1841	14,666.87	14,666.87
2005832	04/18/07	07053	OTAY RANCH NINE LLC	Ref002373793	04/16/07	UB Refund Cst #0000069455	75.00	75.00
2005953	04/18/07	04369	OTAY RANCH VII LLC	015818	04/16/07	OVERPAYMENT REFUND	210.00	210.00

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2005833	04/18/07	07009	OTAY RIVER CONSTRUCTORS	Ref002373749	04/16/07	UB Refund Cst #0000030125	650.69	650.69
2005834	04/18/07	07064	OTAY RIVER CONSTRUCTORS	Ref002373804	04/16/07	UB Refund Cst #0000073709	1,673.07	1,673.07
2005576	04/04/07	03101	OTAY WATER DISTRICT	Ben2373378	04/03/07	PAYROLL DEDUCTION - ASSN DUES	791.00	791.00
2005835	04/18/07	03101	OTAY WATER DISTRICT	Ben2373942	04/17/07	PAYROLL DEDUCTION - ASSN DUES	812.00	812.00
2005669	04/11/07	03780	OWEN, DOUGLAS WESTLEY	015807	04/10/07	COMPUTER LOAN PROGRAM	586.75	586.75
2005836	04/18/07	06992	PAC COAST COMMUNITIES	Ref002373731	04/16/07	UB Refund Cst #0000010203	150.00	150.00
2005577	04/04/07	04463	PACIFIC GREEN LANDSCAPE INC	0042499IN	03/15/07	LANDSCAPING SERVICES	7,850.00	7,850.00
2005670	04/11/07	04463	PACIFIC GREEN LANDSCAPE INC	0042664IN	03/21/07	LANDSCAPE TUMBLEWEED REMOVAL	1,545.00	1,545.00
2006049	04/25/07	06646	PACIFIC HYDROTECH CORPORATION	3	03/30/07	CONSTRUCTION SERVICES	670,225.50	670,225.50
2005837	04/18/07	07035	PARANETICS TECHNOLOGY INC	Ref002373775	04/16/07	UB Refund Cst #0000064320	150.00	150.00
2005838	04/18/07	07113	PATRICIA MARTINEZ	Ref002373853	04/16/07	UB Refund Cst #0000086729	12.69	12.69
2005578	04/04/07	05497	PAYPAL INC	551345	03/31/07	ON-LINE PAYMENT SERVICES	361.90	361.90
2005579	04/04/07	03308	PBS&J	0324363	03/15/07	OWD WASTE DISCHARGE PERMIT REV	6,430.83	6,430.83
2005671	04/11/07	03308	PBS&J	0325100	03/20/07	ENVIRONMENTAL SERVICES	5,619.38	5,619.38
2006050	04/25/07	00227	PELL MELL SUPPLY	43839600	04/05/07	HYDRANT BOLTS	440.71	440.71
2005672	04/11/07	03790	PENHALL COMPANY	5741	03/21/07	FLAT SAW CUTTING SERVICES	205.00	205.00
2006051	04/25/07	00593	PEPPER OIL COMPANY INC	602095 602057	04/02/07 03/29/07	DIESEL FUEL DIESEL FUEL	5,640.71 5,443.32	11,084.03
2005580	04/04/07	03457	PERSONAL TOUCH WEST	19871	03/14/07	PENCILS	310.87	310.87
2005954	04/18/07	03457	PERSONAL TOUCH WEST	19881	03/21/07	SEED PACKETS	913.00	913.00
2005581	04/04/07	00137	PETTY CASH CUSTODIAN	015782	04/02/07	PETTY CASH REIMBURSEMENT	950.03	950.03
2005839	04/18/07	00137	PETTY CASH CUSTODIAN	015820	04/16/07	PETTY CASH REIMBURSEMENT	524.86	524.86
2005582	04/04/07	02786	PIONEER AMERICAS LLC	5538788593	03/14/07	CHLORINE	2,187.55	2,187.55
2005955	04/18/07	00053	PITNEY BOWES INC	328341	03/24/07	E-Z SEALING SOLUTION FOR MAILING MACHINE	45.78	45.78

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2005956	04/18/07	02264	PLASTERER, MICHAEL L	015826	04/17/07	TUITION REIMBURSEMENT	125.00	125.00
2006052	04/25/07	03351	POSADA, ROD	15570407	04/24/07	REIMBURSE CONF EXPENSES	899.99	899.99
2005957	04/18/07	07161	POULIN, BILL	015825	04/17/07	REIMB FOR TRAINING FEE	995.00	995.00
2005673	04/11/07	00622	PRACTITIONERS PUBLISHING CO	9617230	12/22/06	GAAS GUIDE & GAAP CDROM	413.23	413.23
2005583	04/04/07	05499	PRAXAIR DISTRIBUTION INC	25545435	03/12/07	WELDING SUPPLIES	116.37	116.37
2005958	04/18/07	05499	PRAXAIR DISTRIBUTION INC	25692206	03/27/07	WELDING SUPPLIES	116.67	116.67
2005959	04/18/07	02976	PRE-PAID LEGAL SERVICES INC	015832	04/16/07	LEGAL SERVICES	89.70	89.70
2005584	04/04/07	06410	PRISM S C SYSTEMS INC	S031220071	03/12/07	SURVEYING EQUIPMENT	362.44	362.44
2006053	04/25/07	06844	PROCESS MEASUREMENT	061625	03/21/07	LEVEL TRANSMITTERS	1,097.66	1,097.66
2005585	04/04/07	06641	PRUDENTIAL OVERALL SUPPLY	6265753	03/15/07	UNIFORMS	317.57	
				6265752	03/15/07	MATS, TOWELS & SUPPLIES	138.86	
				6265754	03/15/07	MATS, TOWELS & SUPPLIES	90.60	
				6258477	03/14/07	MATS, TOWELS & SUPPLIES	90.40	
				6265755	03/15/07	UNIFORMS	67.92	
				6258476	03/14/07	UNIFORMS	58.35	763.70
2005674	04/11/07	06641	PRUDENTIAL OVERALL SUPPLY	6300909	03/22/07	UNIFORMS	333.57	
				6195271	03/01/07	UNIFORMS	295.84	
				6300908	03/22/07	MATS, TOWELS & SUPPLIES	138.86	
				6195270	03/01/07	TOWELS, SUPPLIES & MATS	138.86	
				6223230	03/07/07	UNIFORMS	108.35	
				6187913	02/28/07	UNIFORMS	108.35	
				6300910	03/22/07	MATS, TOWELS & SUPPLIES	90.60	
				6195272	03/01/07	TOWELS, SUPPLIES & MATS	90.60	
				6293635	03/21/07	MATS, TOWELS & SUPPLIES	90.40	
				6187914	02/28/07	TOWELS, SUPPLIES & MATS	90.40	
				6223231	03/07/07	TOWELS, SUPPLIES & MATS	90.40	
				6300911	03/22/07	UNIFORMS	67.92	
				6195273	03/01/07	UNIFORMS	67.92	
				6293634	03/21/07	UNIFORMS	58.35	1,770.42
2005960	04/18/07	06641	PRUDENTIAL OVERALL SUPPLY	6335989	03/29/07	TOWELS, SUPPLIES & MATS	138.86	
				6335992	03/29/07	UNIFORMS	67.92	
				6328698	03/28/07	MATS, TOWELS & SUPPLIES	90.40	
				6328697	03/28/07	UNIFORMS	53.35	
				6335990	03/29/07	UNIFORMS	326.25	

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				6335991	03/29/07	TOWELS, SUPPLIES & MATS	90.60	767.38
2006054	04/25/07	06641	PRUDENTIAL OVERALL SUPPLY	6089441	02/08/07	UNIFORMS	601.66	
				6371065	04/05/07	UNIFORMS	292.24	
				6046693	01/31/07	TOWELS, SUPPLIES & MATS	153.77	
				6089440	02/08/07	UNIFORMS	142.38	
				6371064	04/05/07	MATS, TOWELS & SUPPLIES	136.98	
				6371066	04/05/07	MATS, TOWELS & SUPPLIES	89.25	
				6363800	04/04/07	MATS, TOWELS & SUPPLIES	88.95	
				6371067	04/05/07	UNIFORMS	74.12	
				6363799	04/04/07	UNIFORMS	64.80	
				6089452	02/14/07	UNIFORMS	54.66	
				6089453	02/08/07	TOWELS, SUPPLIES & MATS	39.95	
				6089452	02/08/07	TOWELS, SUPPLIES & MATS	18.12	1,756.88
2006055	04/25/07	07163	PUBLIC AGENCY RISK MANAGERS	015834	04/17/07	MEMBERSHIP DUES	100.00	100.00
2005586	04/04/07	02749	PUBLIC EMPLOYEES	8932	02/24/07	ACTUARIAL STUDIES	600.00	600.00
2005675	04/11/07	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2373372	04/03/07	PERS CONTRIBUTION	105,900.80	105,900.80
2006056	04/25/07	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2373936	04/17/07	PERS CONTRIBUTION	107,723.19	107,723.19
2005840	04/18/07	07012	R LEGGS	Ref002373752	04/16/07	UB Refund Cst #0000036544	38.97	38.97
2005841	04/18/07	07138	RACHEL KENNEDY	Ref002373880	04/16/07	UB Refund Cst #0000090261	19.75	19.75
2005842	04/18/07	07002	RACQUEL ECHANIS	Ref002373742	04/16/07	UB Refund Cst #0000025092	32.28	32.28
2005843	04/18/07	07095	RAFAEL JASSO	Ref002373835	04/16/07	UB Refund Cst #0000084225	29.00	29.00
2005844	04/18/07	07060	RAMOS FAMILY TRUST	Ref002373800	04/16/07	UB Refund Cst #0000072931	49.19	49.19
2005676	04/11/07	00766	RANROY PRINTING COMPANY	088066	03/19/07	BUSINESS CARDS	73.27	73.27
2006057	04/25/07	00766	RANROY PRINTING COMPANY	088217	04/03/07	GENERIC BUSINESS CARDS	743.48	743.48
2005845	04/18/07	07041	RAOZ GENERAL ENGINEERING	Ref002373781	04/16/07	UB Refund Cst #0000067515	850.00	850.00
2005846	04/18/07	06995	RAY PEREZ	Ref002373734	04/16/07	UB Refund Cst #0000014275	85.79	85.79
2005677	04/11/07	02041	RBF CONSULTING	7010111	02/23/07	CIP P2185-CONST MGMT SVCS	44,646.00	44,646.00
2005961	04/18/07	02041	RBF CONSULTING	7021283	03/23/07	CONSTRUCTION MGT/INSPEC SVCS	15,131.00	
				7021280	03/23/07	CIP P2185-CONST MGMT SVCS	54,201.00	
				7020492	03/23/07	DRAFTING SERVICES	13,863.63	83,195.63

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2006058	04/25/07	03669	RCL & ASSOCIATES INC	00006906	03/13/07	REPAIR TOOL	1,269.17	1,269.17
2006059	04/25/07	01916	RED WING SHOE STORE	00829009946	04/05/07	SAFETY BOOTS	124.21	124.21
2006060	04/25/07	06645	RELIABLE ELEVATOR INC	8733	04/01/07	ELEVATOR SERVICE & MAINTENANCE	390.00	390.00
2005847	04/18/07	07103	RICKEY EARL BAILEY	Ref002373843	04/16/07	UB Refund Cst #0000085347	11.52	11.52
2005848	04/18/07	07128	RITA SOMERA	Ref002373869	04/16/07	UB Refund Cst #0000089444	12.63	12.63
2006061	04/25/07	04542	ROBAK, MARK	70140307	04/24/07	MILEAGE REIMBURSEMENT	45.59	45.59
2005849	04/18/07	07124	ROBERT CAMOU	Ref002373865	04/16/07	UB Refund Cst #0000088638	5.15	5.15
2005850	04/18/07	07147	ROBERT KING	Ref002373889	04/16/07	UB Refund Cst #0000091865	63.33	63.33
2005851	04/18/07	07007	ROBIN NISBET	Ref002373747	04/16/07	UB Refund Cst #0000028860	43.43	43.43
2005852	04/18/07	07013	ROD HOYLE	Ref002373753	04/16/07	UB Refund Cst #0000036791	75.00	75.00
2005853	04/18/07	06999	ROGER WAGNER	Ref002373739	04/16/07	UB Refund Cst #0000021569	30.46	30.46
2005854	04/18/07	07062	RORY MCMANUS	Ref002373802	04/16/07	UB Refund Cst #0000073041	9.29	9.29
2005855	04/18/07	07014	ROSARIO DE LEON	Ref002373754	04/16/07	UB Refund Cst #0000037840	75.00	75.00
2005856	04/18/07	07045	ROSE JOHNSON	Ref002373785	04/16/07	UB Refund Cst #0000067968	75.00	75.00
2005857	04/18/07	07098	ROXANA MENA	Ref002373838	04/16/07	UB Refund Cst #0000084971	31.47	31.47
2005858	04/18/07	07115	RUTH CASTANEDA	Ref002373855	04/16/07	UB Refund Cst #0000087015	42.87	42.87
2005859	04/18/07	07155	RUTH STRACKBINE	Ref002373897	04/16/07	UB Refund Cst #0000093794	14.85	14.85
2005587	04/04/07	00217	RW LITTLE CO INC	81695	03/12/07	POWDER COAT PARTS	200.00	200.00
2005860	04/18/07	07037	SALVADOR ALTAMIRANO	Ref002373777	04/16/07	UB Refund Cst #0000065501	92.00	92.00
2005861	04/18/07	07114	SAMUEL MONTOYA	Ref002373854	04/16/07	UB Refund Cst #0000086974	43.16	43.16
2005862	04/18/07	07096	SAMUEL RODRIGUEZ	Ref002373836	04/16/07	UB Refund Cst #0000084664	21.52	21.52
2006062	04/25/07	03803	SAN DIEGO CLIPPING SERVICE INC	439070403	04/03/07	NEWSPAPER CLIPPING SERVICE	96.00	96.00
2006063	04/25/07	00247	SAN DIEGO DAILY TRANSCRIPT	46806	04/05/07	BID PUBLICATION	216.00	

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				46807	04/05/07	BID PUBLICATION	174.00	390.00
2005588	04/04/07	00121	SAN DIEGO GAS & ELECTRIC	015781	03/31/07	UTILITY EXPENSES	53,911.44	
				015780	03/26/07	UTILITY EXPENSES	35,730.80	89,642.24
2005678	04/11/07	00121	SAN DIEGO GAS & ELECTRIC	015793	03/31/07	UTILITY EXPENSES	64,752.87	
				015792	03/31/07	UTILITY EXPENSES	372.22	65,125.09
2005679	04/11/07	06974	SAN DIEGO GAS & ELECTRIC	015808	04/11/07	CONTRACT FOR SPECIAL FACILITIES	2,457.00	2,457.00
2006064	04/25/07	00121	SAN DIEGO GAS & ELECTRIC	015838	04/18/07	UTILITY EXPENSES	16,146.07	16,146.07
2005589	04/04/07	03809	SAN DIEGO NEIGHBORHOOD NEWS	20629643001	03/09/07	JOB POSTING	80.50	80.50
2005962	04/18/07	03809	SAN DIEGO NEIGHBORHOOD NEWS	26029752001	03/23/07	ADVERTISEMENT	430.00	430.00
2005680	04/11/07	01679	SANCHEZ, EDUARDO	015787	04/04/07	TUITION REIMBURSEMENT	145.00	145.00
2005863	04/18/07	07019	SARA DEMAURO	Ref002373759	04/16/07	UB Refund Cst #0000048837	17.87	17.87
2006065	04/25/07	04556	SAVE-A-LIFE EDUCATORS INC	015819	04/11/07	TRAINING FEES	550.00	550.00
2005681	04/11/07	05321	SCHIFF & ASSOCIATES	14656	02/28/07	CATHODIC PROTECTION DESIGN & INSP SVCS	23,509.18	23,509.18
2005864	04/18/07	06998	SCOTT BUCKLEY	Ref002373738	04/16/07	UB Refund Cst #0000020318	74.47	74.47
2005865	04/18/07	07032	SCOTT WALKER	Ref002373772	04/16/07	UB Refund Cst #0000060835	58.32	58.32
2005590	04/04/07	00429	SECRETARY OF STATE	015779	03/28/07	STATEMENT OF INFO FILING	20.00	20.00
2005866	04/18/07	07107	SELEDONIO GUZMAN	Ref002373847	04/16/07	UB Refund Cst #0000085839	49.30	49.30
2005963	04/18/07	00468	SETON IDENTIFICATION PRODUCTS	9305461865	03/23/07	PROPERTY ID TAGS	874.20	874.20
2005682	04/11/07	00419	SHAPE PRODUCTS CO	128294	03/22/07	LABORATORY SUPPLIES	52.25	52.25
2005683	04/11/07	01651	SHARP REES-STEALY MEDICAL CTRS	186	03/17/07	NEW HIRE PHYSICAL	264.00	264.00
2005867	04/18/07	07148	SHEILA LIPIN	Ref002373890	04/16/07	UB Refund Cst #0000092041	77.14	77.14
2005868	04/18/07	07081	SHERRY LORD	Ref002373821	04/16/07	UB Refund Cst #0000081282	36.84	36.84
2005869	04/18/07	07122	SHIELA SAN ANTONIO	Ref002373863	04/16/07	UB Refund Cst #0000088197	25.25	25.25
2005591	04/04/07	05983	SIEMENS WATER	4364678	03/01/07	DEIONIZED PROCESSING TANK RENTAL	66.00	66.00

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2005684	04/11/07	05983	SIEMENS WATER	2070918	03/20/07	CHLORINATOR PM KITS	408.17	408.17
2005964	04/18/07	05983	SIEMENS WATER	2075419	03/23/07	W&T MICRO 2000 ANALYZER PARTS	30.17	
				2077166	03/26/07	W&T MICRO 2000 CL2 ANALYZER PARTS WET E	257.05	
				2075415	03/23/07	CHLORINATOR MANUAL OPERATION PARTS	223.07	510.29
2006066	04/25/07	05983	SIEMENS WATER	2062997	03/12/07	GAS DETECTOR PARTS	1,552.03	
				2075445	03/23/07	PUMP METERING PARTS	667.19	
				2055173	03/01/07	CHLORINE GAS REGULATORS REBUILT	606.00	
				2086471	04/02/07	VACUUM REGULATOR KIT	301.14	3,126.36
2005965	04/18/07	04544	SIGN CRAFTERS	0032707	03/27/07	NO TRESPASSING SIGNS	1,616.25	1,616.25
2006067	04/25/07	05627	SIGNA DIGITAL SOLUTIONS INC	ARS07680	04/03/07	COPIER MAINTENANCE	454.88	
				ARS07724	04/04/07	COPIER MAINTENANCE	101.00	
				ARS07665	04/02/07	COPIER MAINTENANCE	100.00	
				ARS07700	04/03/07	COPIER MAINTENANCE	24.00	679.88
2005870	04/18/07	07156	SKYLINE CHURCH	Ref002373898	04/16/07	UB Refund Cst #0000094572	402.99	402.99
2005871	04/18/07	07157	SKYLINE CHURCH	Ref002373899	04/16/07	UB Refund Cst #0000094574	585.85	585.85
2005872	04/18/07	07158	SKYLINE CHURCH	Ref002373900	04/16/07	UB Refund Cst #0000094575	427.91	427.91
2005966	04/18/07	00258	SLOAN ELECTRIC CO	0051527	03/15/07	VERTICAL 40HP MOTOR	3,060.66	3,060.66
2005873	04/18/07	06996	SONIA TORNEL	Ref002373735	04/16/07	UB Refund Cst #0000016777	79.61	79.61
2005592	04/04/07	03103	SOUTHCOAST HEATING &	C32395	03/12/07	AIR CONDITIONING MAINTENANCE	857.00	857.00
2006068	04/25/07	06853	SOUTHERN CALIFORNIA SOIL	341176	03/31/07	ON CALL GEOTECHNICAL SERVICES	660.00	660.00
2005593	04/04/07	06537	SOUTHLAND TECHNOLOGY INC	SI19850	03/12/07	TROUBLESHOOT AUDIO RECORDING IN BOARD	312.50	312.50
2005685	04/11/07	03760	SPANKY'S PORTABLE SERVICES INC	658893	03/16/07	PORTABLE TOILET RENTAL	68.62	
				658895	03/16/07	PORTABLE TOILET RENTAL	67.02	
				658894	03/16/07	PORTABLE TOILET RENTAL	67.02	
				658892	03/16/07	PORTABLE TOILET RENTAL	67.02	
				659059	03/19/07	PORTABLE TOILET RENTAL	67.02	336.70
2005967	04/18/07	03760	SPANKY'S PORTABLE SERVICES INC	661198	03/29/07	PORTABLE TOILET RENTAL	84.12	
				660949	03/28/07	PORTABLE TOILET RENTAL	55.64	139.76
2006069	04/25/07	03760	SPANKY'S PORTABLE SERVICES INC	663401	04/05/07	PORTABLE TOILET RENTAL	84.12	84.12
2005686	04/11/07	03516	SPECIAL DISTRICT RISK	GC2957	03/21/07	INSURANCE DEDUCTIBLE	926.53	

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				GC2902	03/18/07	INSURANCE DEDUCTIBLE	500.00	
				GC2563	03/18/07	INSURANCE DEDUCTIBLE	500.00	
				GC2935	03/21/07	INSURANCE DEDUCTIBLE	500.00	
				20520	03/26/07	PROPERTY & LIABILITY COVERAGE CERT	125.00	2,551.53
2005968	04/18/07	03516	SPECIAL DISTRICT RISK	20573	04/09/07	PROPERTY & LIABILITY INSURANCE	3,809.45	3,809.45
2006070	04/25/07	03516	SPECIAL DISTRICT RISK	GC2998	04/16/07	PROPERTY DAMAGE DEDUCTIBLE	500.00	500.00
2005594	04/04/07	02354	STANDARD ELECTRONICS	9200	03/14/07	SECURITY SERVICE & REPAIRS	907.24	
				9227	03/15/07	SECURITY SERVICE & REPAIRS	127.50	
				9201	03/14/07	SECURITY SERVICE & REPAIRS	85.00	1,119.74
2005687	04/11/07	02354	STANDARD ELECTRONICS	9239	03/21/07	SECURITY SERVICE & REPAIRS	127.50	
				9240	03/21/07	SECURITY SERVICE & REPAIRS	85.00	212.50
2005969	04/18/07	02354	STANDARD ELECTRONICS	9253	03/26/07	SECURITY SERVICE & REPAIRS	127.50	
				9259	03/29/07	SECURITY SERVICE & REPAIRS	127.50	255.00
2005595	04/04/07	06524	STANLEY ACCESS TECH LLC	98076930	02/22/07	AUTOMATIC SWING DOOR MAINTENANCE	125.00	125.00
2005874	04/18/07	07091	STANLEY MAIN	Ref002373831	04/16/07	UB Refund Cst #0000083500	14.56	14.56
2005688	04/11/07	00097	STATE BOARD OF EQUALIZATION	440221330307	04/09/07	FUEL STORAGE TANK MAINT FEE	349.43	
				440221331206	01/25/07	FUEL STORAGE TANK MAINT FEE	156.22	505.65
2005689	04/11/07	00480	STATE BOARD OF EQUALIZATION	015801	03/31/07	CA SALES USE TAX - 1ST QTR 2007 PMT	1,012.74	1,012.74
2005596	04/04/07	06295	STATE DISBURSEMENT UNIT	Ben2373386	04/03/07	PAYROLL DEDUCTION	294.46	294.46
2005597	04/04/07	06299	STATE DISBURSEMENT UNIT	Ben2373384	04/03/07	PAYROLL DEDUCTION	237.69	237.69
2005598	04/04/07	06303	STATE DISBURSEMENT UNIT	Ben2373388	04/03/07	PAYROLL DEDUCTION	482.76	482.76
2005875	04/18/07	06295	STATE DISBURSEMENT UNIT	Ben2373950	04/17/07	PAYROLL DEDUCTION	294.46	294.46
2005876	04/18/07	06299	STATE DISBURSEMENT UNIT	Ben2373948	04/17/07	PAYROLL DEDUCTION	237.69	237.69
2005877	04/18/07	06303	STATE DISBURSEMENT UNIT	Ben2373952	04/17/07	PAYROLL DEDUCTION	482.76	482.76
2005599	04/04/07	02261	STATE STREET BANK & TRUST CO	Ben2373374	04/03/07	DEFERRED COMP PLAN	4,779.89	4,779.89
2005878	04/18/07	02261	STATE STREET BANK & TRUST CO	Ben2373938	04/17/07	DEFERRED COMP PLAN	4,779.89	4,779.89
2006071	04/25/07	01460	STATE WATER RESOURCES	0632334	04/11/07	STORM WATER PERMIT FEE	830.00	830.00

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2005879	04/18/07	07079	STEVEN WRIGHT	Ref002373819	04/16/07	UB Refund Cst #0000081203	118.00	118.00
2005970	04/18/07	02656	STEVENS, GEOFFREY	015786	04/04/07	CONF TRAVEL EXPENSES	151.00	151.00
2005880	04/18/07	07086	STEWART SHARP	Ref002373826	04/16/07	UB Refund Cst #0000081966	49.01	49.01
2005881	04/18/07	07132	SUMMER HAVINS	Ref002373873	04/16/07	UB Refund Cst #0000089655	75.00	75.00
2005882	04/18/07	07105	SUNG KIM	Ref002373845	04/16/07	UB Refund Cst #0000085434	9.82	9.82
2005600	04/04/07	04221	SUTHERLIN ASSOCIATED SERVICES	OWD031007	03/09/07	PROFESSIONAL SERVICES	375.00	375.00
2006072	04/25/07	04221	SUTHERLIN ASSOCIATED SERVICES	OWD040107	04/05/07	PROFESSIONAL SERVICES	134.00	134.00
2005883	04/18/07	07082	SWEETWATER UNION HIGH SCHOOL	Ref002373822	04/16/07	UB Refund Cst #0000081346	680.57	680.57
2006073	04/25/07	01736	SWIGGERS, JULIE M	015842	04/24/07	REIMB CERTIFICATION RENEWAL	90.00	90.00
2005884	04/18/07	06985	TADASHI UTSUGI	Ref002373724	04/16/07	UB Refund Cst #0000007722	59.41	59.41
2005885	04/18/07	07036	TAKATOSHI SETO	Ref002373776	04/16/07	UB Refund Cst #0000065484	74.32	74.32
2006075	04/25/07	01834	TC CONSTRUCTION INC	18703	04/03/07	450-1 RESERVOIR & 680-1 P. STATION	501,556.81	501,556.81
2005886	04/18/07	06994	TED SANCHEZ	Ref002373733	04/16/07	UB Refund Cst #0000013991	6.77	6.77
2005601	04/04/07	05004	TEG STAFFING INC	10313322 3563	03/30/07 03/26/07	TEMPORARY SERVICES - HR DEPT TEMPORARY SERVICES - HR	1,848.00 1,620.00	3,468.00
2005690	04/11/07	05004	TEG STAFFING INC	10314058	04/06/07	TEMPORARY SERVICES - HR DEPT	1,478.40	1,478.40
2005971	04/18/07	05004	TEG STAFFING INC	10315048	04/13/07	TEMPORARY SERVICES - HR DEPT	1,108.80	1,108.80
2005887	04/18/07	06988	THE PEPPER TREE BAR & GRILL	Ref002373727	04/16/07	UB Refund Cst #0000009488	150.00	150.00
2005888	04/18/07	07097	TIMOTHY SMITH	Ref002373837	04/16/07	UB Refund Cst #0000084794	52.20	52.20
2006074	04/25/07	04977	T-MOBILE	415086045	04/04/07	CELL PHONE & BLACKBERRIES SERVICE	2,689.70	2,689.70
2006076	04/25/07	06861	TOYOTA CARLSBAD	17594348	04/11/07	VEHICLE PURCHASE CP #107	19,126.66	19,126.66
2005691	04/11/07	06860	TOYOTA OF EL CAJON	17189751 18863400	04/05/07 04/05/07	CP #125 TOYOTA MATRIX CP #124 TOYOTA MATRIX	16,843.61 16,843.61	33,687.22
2006077	04/25/07	06829	U. S. SECURITY ASSOCIATES INC	825207	03/31/07	AFTER HOURS SECURITY SVCS	110.00	110.00

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2006078	04/25/07	00427	UNDERGROUND SERVICE ALERT OF	320070457	04/01/07	UNDERGROUND TRENCH SERVICE ALERTS	435.20	435.20
2005972	04/18/07	03563	UNDERGROUND UTILITIES INC	036567	03/29/07	METER REPLACEMENT/RETROFIT TO RTR	17,296.00	17,296.00
2006079	04/25/07	00075	UNION TRIBUNE PUBLISHING CO	C070302692 C070302693	03/31/07 03/31/07	JOB POSTINGS BID ADVERTISEMENT	4,716.44 238.70	4,955.14
2005602	04/04/07	02613	UNITED RENTALS NORTHWEST INC	63398785001 63394885001 63324922001	03/13/07 03/13/07 03/09/07	CONCRETE CONCRETE CONCRETE	156.24 137.92 137.92	432.08
2005692	04/11/07	02613	UNITED RENTALS NORTHWEST INC	63533664001 63561677001	03/19/07 03/20/07	CONCRETE CONCRETE	156.24 137.92	294.16
2006080	04/25/07	02613	UNITED RENTALS NORTHWEST INC	63926944001 63987329001	04/03/07 04/05/07	CONCRETE CONCRETE	118.53 118.53	237.06
2005603	04/04/07	05417	UNITED STATES DEPARTMENT	Ben2373392	04/03/07	PAYROLL DEDUCTION	100.00	100.00
2005889	04/18/07	05417	UNITED STATES DEPARTMENT	Ben2373956	04/17/07	PAYROLL DEDUCTION	100.00	100.00
2005973	04/18/07	00350	UNITED STATES POSTAL SERVICE	015831	04/18/07	REIMBURSE POSTAGE MACHINE	1,500.00	1,500.00
2005604	04/04/07	00853	UNIVAR USA INC	SD62031	03/14/07	CALCIUM HYPOCHLORITE	3,088.50	3,088.50
2005693	04/11/07	00853	UNIVAR USA INC	SD627414 SD627415	03/20/07 03/20/07	BULK AQUA AMMONIA BULK AQUA AMMONIA	1,921.51 1,080.84	3,002.35
2005605	04/04/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2373382	04/03/07	DEFERRED COMP PLAN	4,957.93	4,957.93
2005890	04/18/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2373946	04/17/07	DEFERRED COMP PLAN	5,157.93	5,157.93
2005606	04/04/07	03329	VERIZON WIRELESS	2124853715	03/21/07	CELL PHONE SERVICE	6,060.31	6,060.31
2005891	04/18/07	07034	VICTORIA J VINTON	Ref002373774	04/16/07	UB Refund Cst #0000063122	72.66	72.66
2005607	04/04/07	00101	W W GRAINGER INC	9320723597	03/15/07	TERMINAL LUG	49.61	49.61
2005694	04/11/07	00101	W W GRAINGER INC	9323999731 9322967291	03/20/07 03/19/07	THOMAS & BETTS TERMINAL LUG TOOLS	496.08 36.27	532.35
2005974	04/18/07	00101	W W GRAINGER INC	9330935280 9329194006 9327330388 9327148327 9329146204	03/29/07 03/27/07 03/23/07 03/23/07 03/27/07	PNEUMATIC TAMPERS ELECTRONIC SIREN FOR CHLORINE SCRUBBER BLOWER, 265 CFM 115V 90WATT LAMP PAINT SUPPLIES	1,243.22 424.27 462.57 394.49 148.57	

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				9331149758	03/29/07	BANDING TOOL & BANDS	210.80	2,883.92
2006081	04/25/07	00101	W W GRAINGER INC	9324167973	03/20/07	SOLENOID VALVE	837.38	
				9331302936	03/29/07	LEGEND PLATES	363.66	
				9322869885	03/19/07	TOOLS	320.69	
				9329136924	03/27/07	LEGEND PLATES	169.71	
				9325669258	03/22/07	SHOP TOOL	146.62	
				9336343703	04/05/07	AC SENSOR	77.39	
				9328149266	03/26/07	LEGEND PLATES	58.45	
				9334235612	04/03/07	ELECTRICAL PARTS	52.02	
				9323124561	03/19/07	TOOLS	46.28	
				9336107876	04/05/07	AC SENSOR	34.67	2,106.87
2005975	04/18/07	00262	WATER AGENCIES ASSOCIATION	015810	04/11/07	MEETING RESERVATION	37.00	37.00
2006082	04/25/07	02700	WATER CONSERVATION GARDEN	042007OWD	04/24/07	OPERATING COSTS FOR WATER GARDEN	18,750.00	18,750.00
2006083	04/25/07	00215	WATER EDUCATION FOUNDATION	015845	04/24/07	SUBSCRIPTION RENEWAL	50.00	50.00
2005608	04/04/07	00014	WAXIE SANITARY SUPPLY	69941190	03/15/07	JANITORIAL SUPPLIES	877.40	877.40
2005695	04/11/07	00014	WAXIE SANITARY SUPPLY	69951326	03/21/07	JANITORIAL SUPPLIES	74.35	74.35
2005609	04/04/07	01343	WE GOT YA PEST CONTROL	40582	03/15/07	PEST CONTROL SERVICES	200.00	200.00
2005696	04/11/07	01343	WE GOT YA PEST CONTROL	33619	03/16/07	BEE REMOVAL	100.00	100.00
2005976	04/18/07	01343	WE GOT YA PEST CONTROL	40585	03/15/07	PEST CONTROL	40.00	
				40581	03/15/07	PEST CONTROL	40.00	
				40250	02/28/07	PEST CONTROL	40.00	
				40768	03/29/07	PEST CONTROL	40.00	160.00
2005610	04/04/07	00190	WEST PAYMENT CENTER	813332163	03/20/07	UPDATES/SUBSCRIPTION SERVICE	559.23	559.23
2006084	04/25/07	00125	WESTERN PUMP INC	0058676IN	04/05/07	APCD TESTING	625.00	625.00
2005977	04/18/07	03131	WESTFLEX INDUSTRIAL	180709	03/05/07	SUCTION HOSE	665.55	665.55
2005697	04/11/07	03437	WIENHOFF DRUG TESTING INC	13389	03/29/07	RANDOM TESTING	100.00	100.00
2005698	04/11/07	02725	WILLIAMS SCOTSMAN	70532281	03/08/07	MOBILE OFFICE RENTAL	310.52	310.52
2006085	04/25/07	02725	WILLIAMS SCOTSMAN	71196688	04/02/07	28' TRAILER RENTAL	287.53	287.53
2005892	04/18/07	07083	WILLIE J JOHNSON	Ref002373823	04/16/07	UB Refund Cst #0000081357	36.32	36.32

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2005530 THROUGH 2006086
RUN DATES 4/4/2007 TO 4/25/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2005699	04/11/07	03468	WILSON, PETTY, KOSMO &	21378	02/28/07	LEGAL SERVICES FEB 2007	17,653.70	17,653.70
2005893	04/18/07	07141	WISDOM MOON	Ref002373883	04/16/07	UB Refund Cst #0000090853	25.06	25.06
2005894	04/18/07	07048	XIN SIU	Ref002373788	04/16/07	UB Refund Cst #0000068534	46.92	46.92
2005895	04/18/07	07093	YUK CHEUNG	Ref002373833	04/16/07	UB Refund Cst #0000083656	75.00	75.00
2005896	04/18/07	07052	YVETTE STRICKLAND	Ref002373792	04/16/07	UB Refund Cst #0000069318	75.00	75.00
2006086	04/25/07	06288	ZONDIROS CORPORATION	4	04/03/07	I 905 UTILITY RELOCATIONS	134,070.65	134,070.65
GRAND TOTAL							3,719,344.90	3,719,344.90