



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Bob Kennedy <i>BK</i> Senior Civil Engineer	PROJECT/ SUBPROJECT:	D0834- DIV. 2 090094 NO.
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:	Approval of Water Supply Assessment Report (July 2011) for the Pio Pico Energy Center Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approves the Water Supply Assessment Report (WSA Report) dated July 2011 for the Pio Pico Energy Center (PPEC) Project, as required by Senate Bill 610 (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board approval of the July 2011 WSA Report for the PPEC Project, as required by Senate Bill 610 (SB 610).

ANALYSIS:

The California Energy Commission (CEC) is conducting an environmental review of the proposed PPEC Project. SB 610 requires the agency conducting the environmental review to evaluate whether total water supplies will meet the projected water demand for certain "projects" that are otherwise subject to the requirement of the California Environmental Quality Act

(CEQA). SB 610 provides its own definition of "project" in Water Code Section 10912. The CEC submitted a request for a WSA to the District pursuant to SB 610. In response to such request, SB 610 requires that, upon request of the agency conducting the environmental review, a water purveyor, such as the District, prepare the water supply assessment to be included in the CEQA documentation.

The requirements of SB 610 are addressed by the WSA Report for the PPEC Project. Prior to transmittal to the CEC, the WSA Report must be approved by the District Board. Additional information of the intent of SB 610 is provided in Exhibit B and the PPEC Project WSA Report is attached as Exhibit C.

For the PPEC Project, the CEC is the responsible agency that requested the SB 610 water supply assessment from the District, as the water purveyor for the proposed Pio Pico Energy Center Project. The request for the WSA Report, in compliance with SB 610 requirements, was made by the CEC because the PPEC Project meets or exceeds one or both of the following SB 610 criteria:

- A proposed industrial, manufacturing or processing plant or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of area.
- A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during construction and operational periods. Since recycled water is currently not available at the Project site and the Otay Mesa area in general, the PPEC Project will rely on and use currently available potable water provided by the District. The PPEC Project's interim potable water demands exceed the thresholds contained in the legislation enacted by SB 610 criteria of a project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project and therefore requires preparation of a WSA report.

The District, as the proposed water purveyor for the PPEC Project, does not have to comply with the requirements of Senate Bill 221 (SB 221) because the Project is an industrial development and SB 221 applies to residential subdivisions.

Pursuant to SB 610, the WSA Report incorporates by reference the current Urban Water Management Plans and other water resources planning documents of the District, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (MWD). The District prepared the WSA Report in consultation with Atkins North America, Inc. and the Water Authority which demonstrates and documents that sufficient water supplies are planned for and are intended to be made available over a 20-year planning horizon under normal supply conditions and in single and multiple dry years to meet the projected demand of the PPEC Project and other planned development projects within the District.

The PPEC Project calculated that the interim potable demand for the PPEC plant operation is expected to be approximately 369 acre feet per year (ac-ft/yr), due to higher plant efficiency using potable water. Approximately 1.5 ac-ft/yr of potable demand will serve the PPEC Project administration building and will not convert to recycled water. The total interim potable demand, including 1.2 ac-ft/yr of irrigation, of 372 ac-ft/yr is 306 ac-ft/yr higher than the potable demand estimate in the Otay Water District's 2008 Water Resources Master Plan, updated November 2010 (2010 WRMP Update). However, the projected permanent potable PPEC Project demand of 1.5 ac-ft/yr is 64.5 ac-ft/yr less than the potable demands included in the 2010 WRMP Update.

MWD's Integrated Resource Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. MWD's 2010 update to the IRP (2010 IRP Update) includes a water supply planning buffer to mitigate the risk associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of the establishment of the planning buffer, MWD periodically evaluates supply development to ensure that the region is not under- or over-developing supplies. If managed properly, the planning buffer, along with other alternative supplies, will help ensure that the Southern California region, including San Diego County, will have adequate supplies to meet future demands.

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

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

As per the requirements of SB 610, if the water supply assessment finds that the supply is sufficient, then the governing body of the water supplier (District) must approve the water supply assessment and deliver it to the lead agency (CEC) within 90 days. The CEC's letter dated July 19, 2011 requested the WSA for the PPEC Project. The deadline for the District to provide a Board approved WSA to the CEC is October 17, 2011. An extension can be requested to provide 30 additional days, if necessary.

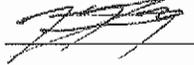
Pursuant to SB 610, if the water supply assessment finds overall supplies are insufficient, the water supplier shall provide to the lead agency "its plans for acquiring additional water supplies, setting forth measures that are being undertaken to acquire and develop those water supplies," and the water supplier governing body must approve the assessment and deliver it to the lead agency within 90 days. If the water supplier does conclude that additional water supplies are required, the water supplier should indicate the status or stage of development of the actions identified in the plans it provides. Identification of a potential future action in such plans does not by itself indicate that a decision to approve or to proceed with the action has been made.

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

SB 610 provides that if the SB 610 water supply assessment is not received by the lead agency from the water supplier within the prescribed 90 day period, and any requested time extension, the lead agency may seek legal relief, such as writ of mandamus. The CEC's request letter dated July 19, 2011 was received by the District July 19, 2011 so the 90 day deadline for the District to provide the WSA Report to the CEC is October 17, 2011. If a 30 day extension is requested, the new deadline will be November 16, 2011.

Water supply agencies throughout California continue to face climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court ruling regarding the Sacramento-San Joaquin Delta issues. Challenges such as these are always present. The regional water supply agencies, the Water Authority, MWD, and the District nevertheless fully intend to have sufficient, reliable supplies to serve the PPEC Project.

FISCAL IMPACT:



The District has been reimbursed \$8,000 for all costs associated with the preparation of the PPEC Project WSA Report. The reimbursement was accomplished via an \$8,000 deposit the Project proponents placed with the District on February 8, 2011.

STRATEGIC GOAL:

The preparation and approval of the PPEC Project WSA Report supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of the Otay Water District, in a professional, effective, and efficient manner" and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT:

Approval of a WSA Report for the PPEC Project in form and content satisfactory to the Board of Directors would allow the District to comply with the requirements of Senate Bill 610.



General Manager

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BK/RP:jf

- Attachments: Attachment A - Committee Actions
Exhibit A - Project Location Map
Exhibit B - Explanation of the Intent of SB 610
Exhibit C - Pio Pico Energy Center WSA Report
Exhibit D - Presentation



ATTACHMENT A

SUBJECT/PROJECT: Approval of Water Supply Assessment Report (July 2011) for
D0834-090094 the Pio Pico Energy Center Project

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a Committee Meeting held on September 28, 2011 and the following comments were made:

- Staff is requesting that the Otay Water District (District) Board of Directors (Board) approve the July 2011 Water Supply Assessment Report for the Pio Pico Energy Center (PPEC), as required by Senate Bill 610.
- Staff indicated that Board approval for the submittal of the WSA Report to the California Energy Commission is required. It was noted that the District has approved four (4) water supply assessments since the first of the year.
- Staff discussed the background of Senate Bills 610 and 221, and indicated that SB 221 does not apply to this industrial development project.
- Staff stated that the PPEC Project is a 300-megawatt (MW) natural gas-fired power generating facility located within the County of San Diego's East Otay Mesa community planning area at the southeast corner of Alta Road and Calzada de la Fuente. "Exhibit A" was provided to the Committee that showed the location of the project site.
- Staff indicated that the PPEC LLC has negotiated a power purchase agreement with SDG&E and is expected to operate approximately 4,000 hours per year (46%). Construction is expected to start February 2013 and plant start up in May 2014.

- The PPEC Project is designed to use recycled water for cooling. Staff indicated that recycled water is currently not available and therefore the PPEC Project will rely on potable water for cooling which is estimated to require 369 acre-foot per year (AFY).
- The onsite domestic use and sprinkler use will bring the total interim potable water demand for this project to 372 AFY, and once recycled water is available to the site, the PPEC Project will use 379 AFY of recycled water and less than 2 AFY of potable water for onsite domestic use.
- Staff indicated that the WSA Report states the following:

“The regional and local water supply agencies acknowledge the challenges of supply and fully intend to develop sufficient reliable supplies to meet demands. Water suppliers recognize additional water supplies are necessary and portfolios need to be reassessed and redistributed with intent to serve existing and future needs.”
- Staff indicated that the status of the current water supply situation is documented in the WSA Report with the intent that the water agencies plan to develop sufficient water supplies to meet demands. Staff believes that the Board has met the intent of SB 610 statute in that Land use agencies and water suppliers have demonstrated strong linkage.
- It was noted that the PPEC Project WSA Report includes (4) four other Otay Water District Planned Local Water Supply Projects:
 - Rancho Del Rey Groundwater Well (500-600 AFY)
 - Rosarito Ocean Desalination Project (24,000-50,000 AFY)
 - Otay Mesa Lot 7 Groundwater Well (300-400 AFY)
 - Otay Mesa Recycled Water Supply Link Project (400-800 AFY)
- A slide was presented that showed the Projected Balance of Supply and Demand based on data from the District’s 2010 Urban Water Management Plan. Staff indicated that it projects the District demand for single dry year and multiple dry years and is based on meeting the SBX 7-7 conservation goal of a 10% per capita reduction by 2015.

- Staff indicated that water demand and supply forecasts are included in the planning documents of Metropolitan, Water Authority, and the Otay Water District.
- Staff stated that the PPEC Project SB 610 WSA demonstrates and documents that sufficient water supplies are planned for and are intended to be available over the next 20 years.
- Staff indicated that the District received a copy of a letter that was sent to Roger Bailey at the City of San Diego from the Otay Mesa Property Owners Association in support of the District's discussion with the City to secure the quantity of recycled water needed to meet the District's peak demand at a reasonable cost. Staff noted they received a copy of a similar letter sent to Roger Bailey by the California Energy and Commission (see attached letters).
- In response to a question by the Committee, staff indicated that the PPEC Project will be another "peaker" plant similar to the Calpine Power Plant and that both plants are close in proximity at approximately one sub-station/business lot away.
- In response to a question by the Committee, staff stated that the PPEC project is using the newest technology available to maximize the number of cooling cycles from each gallon of water.
- In response to the Committee's inquiry about the Project's land use, staff referred the Committee to page 19 of the WSA Report for detailed land use information.
- The Committee recommended for staff to specify that annexation of the project site is not required because it already is within the Otay Water District's and the CWA's jurisdictional boundaries.

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

OMPOA

Otay Mesa Property Owners Association

September 23, 2011

Mr. Roger Bailey
Utilities Director
The City of San Diego
9192 Topaz Way, MS 904A
San Diego, CA 92123

OTAY MESA PROPERTY OWNERS ASSOCIATION
2011 SEP 26 PM 1:32

Mr. Bailey:

On behalf of the Otay Mesa Property Owners Association (OMPOA), I am writing to request your assistance with issues affecting the timely implementation of recycled water pipelines in Otay Mesa. The OMPOA consists of 15 property owners who have an interest in overseeing the timely development of Otay Mesa. Over the past two years, the OMPOA has received several briefings from the Otay Water District (OWD) on the status of recycled water projects in Otay Mesa. At our Association meeting on August 4, 2011, we received an update from David Charles and Bob Kennedy on the status of the projects in Otay Mesa. It came to our attention that there are two primary issues that are delaying the implementation of the project at this time: capacity constraints at the South Bay Reclamation Plant and recycled water rates.

Capacity:

We understand that the City is in a contractual agreement with OWD to supply recycled water from the South Bay Reclamation Plant. As it stands now, OWD cannot obtain the recycled water from the City that it needs in order to meet summer peak demand. In order to resolve this issue, we urge you to work with OWD to facilitate the construction of a sewer diversion structure to the South Bay Reclamation Plant along with 2.5 miles of recycled lines in Chula Vista to accommodate the additional capacity that OWD's customers require. Building the sewer diversion structure will provide the underutilized San Ysidro Water Treatment Facility with additional sewer flow that will allow the facility to meet the recycled water need of OWD, and it will still leave the facility with remaining capacity. Additionally, construction of the missing 2.5 miles of 24" recycled line in Chula Vista will connect existing recycled lines in Otay Mesa to recycled water, which in-turn will provide an additional benefit for businesses in Otay Mesa, thereby creating additional jobs and tax base.

We are aware that in response to a forthcoming California Energy Commission condition on the Pio Pico Energy Center (PPEC) project, PPEC has agreed to contribute \$0.25M toward the construction of this diversion structure and another \$1.25M for a recycled water pipeline to supply recycled water to the power plant IF the City and OWD can reach an agreement within the next 12 months on the terms

3111 Camino del Rio North, Ste. 100
San Diego, CA 92108

OMPOA

Otay Mesa Property Owners Association

(quantity, quality and price) of the recycled water. We request that you coordinate with PPEC to determine the feasibility of accepting this contribution and completing construction of these facilities within one year.

Recycled Water Rates:

It is our understanding that the City commissioned Raftelis Financial Consultants to conduct the "Recycled Water Pricing Study", which will be completed in the Fall of 2011, to recommend a pricing structure for recycled water. The findings in this study will serve as the basis in establishing the price of recycled water, which OWD and other districts will charge their ratepayers. As property owners and developers, it is imperative that the rate that is established be reasonable and feasible to promote the use of recycled water.

As developers, our members have installed 16.5 miles of purple pipe on the Mesa, which has yet to realize its value, as it has not been connected to a recycled water source. Since the Association as a whole has been a strong advocate of OWD providing recycled water to the Mesa, we would like to see the above issues resolved in a timely manner and see the completion of the recycled water network. To that end, we request that you convene a meeting with OWD and City leadership to determine an appropriate solution to this issue.

Additionally, since the OMPOA is actively following this issue, we would appreciate an update from the City on the status of its negotiations with OWD in this regard.

We appreciate your attention to this important issue. If you have questions, please don't hesitate to contact me at (619) 696-8350 or Rob.Hixson@cbre.com.

Sincerely,



Rob Hixson

Chairman, Otay Mesa Property Owners Association

Cc: Councilmember David Alvarez
Mayor Jerry Sanders
Mark Watton, OWD
David Charles, OWD
Bob Kennedy, OWD
Supervisor Greg Cox
Michael De La Rosa

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CALIFORNIA ENERGY COMMISSION

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SACRAMENTO, CA 95814-5512
www.energy.ca.gov



July 25, 2011

Mr. Roger Bailey, Utilities Director
City of San Diego
9192 Topaz Way, MS 904A
San Diego, CA 92123

Subject: Otay Water District's Procurement of Reclaimed Water

Dear Mr. Bailey,

On behalf of the California Energy Commission staff, I'd like to express our support for the Otay Water District's (OWD) effort to procure additional reclaimed water from the City of San Diego under your October 20, 2003 Agreement to supply reclaimed water from the South Bay Water Reclamation Plant.

As part of the Natural Resources Agency, the Energy Commission works diligently to uphold state water policies that require the use of reclaimed water in industrial applications, such as thermal power plants which are under our exclusive permitting authority. We are currently conducting an environmental review of the proposed Pio Pico Energy Center (PPEC) which is a 300-megawatt (MW) power plant that proposes to use reclaimed water supplied through existing infrastructure owned and operated by the OWD. Understanding whether or not there is a reliable supply of reclaimed water for PPEC's operation is a significant consideration in our environmental review.

Additionally, the Energy Commission previously permitted the Otay Mesa Generating Station (OMGS) which is a 400MW, natural gas-fired power plant adjacent to the PPEC site. The OMGS was approved to use potable water under a Condition of Certification that requires the water supply to be switched to reclaimed water when reclaimed water becomes available. As such, we again support any efforts by the City of San Diego to supply more reclaimed water to the OWD under your October 20, 2003 agreement.

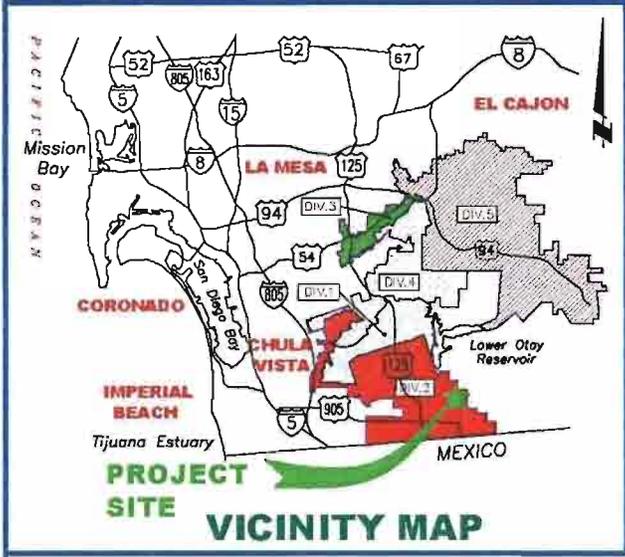
Please feel free to call me at 916-654-3933 with any questions. Thank you.

Sincerely,

TERRENCE O'BRIEN, Deputy Director
Siting, Transmission, and
Environmental Protection Division

cc: Mayor Jerry Sanders
Councilmember David Alvarez, Council District 8
Mr. Mark Walton, General Manager, Otay Water District

P:\WORKING\WO D0834-APEX POWER PIO PICO PLANT\STAFF REPORT\EXHIBIT A



SCALE: 1"=800'



OTAY WATER DISTRICT

PIO PICO ENERGY CENTER
LOCATION MAP

D-0834-090094

EXHIBIT A

EXHIBIT B

Background Information

The Otay Water District (District) prepared the July 2011 Water Supply Assessment Report (WSA Report) for the Pio Pico Energy Center Project (PPEC Project) development proposal at the request of the California Energy Commission (CEC). The CEC's WSA request letter dated July 19, 2011 was received by the District on July 19, 2011 so the 90 day deadline for the District to provide the Board approved WSA Report to the CEC ends October 17, 2011. The Pio Pico Energy Center LLC, A California Limited Liability Company submitted an Application for Certification to the CEC seeking permission to construct and operate the PPEC power generation facility.

The PPEC Project is located within the jurisdictions of the District, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (MWD). See Exhibit A for Project location. To obtain permanent imported water supply service, land areas are required to be within the jurisdictions of the District, Water Authority, and MWD.

The July 2011 WSA Report for the PPEC Project has been prepared by the District in consultation with Atkins North America, Inc., the Water Authority, and the CEC pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610. SB 610 amended state law, effective January 1, 2002, intending to improve the link between information on water supply availability and certain land use decisions made by cities, counties, and other regulatory agencies. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. The requirements of SB 610 are addressed in the July 2011 WSA Report for the PPEC Project.

The PPEC is a 300-megawatt (MW) natural gas-fired simple-cycle generating facility. The project is proposed to be located within the East Otay Mesa community planning area of the County of San Diego. The Project site is located at the southeast corner of the intersection of Alta Road and Calzada de la Fuente. The generating facility will utilize three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs). The Project will interconnect to an existing substation that serves two (2) existing 230-kilovolt (kV) transmission lines. This substation is located approximately 1,700 feet from the PPEC Project.

The PPEC Project proposes to have a maximum annual capacity factor of approximately 46 percent or a maximum of 4,000 hours per year. Pio Pico Energy Center LLC has negotiated a power purchase agreement (PPA) with San Diego Gas & Electric (SDG&E) which is designed to directly satisfy the San Diego County area demand for peaking and load-shaping generation, near- and long-term.

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during the construction and operational periods. Since recycled water is currently not available at the Project site and in Otay Mesa, the PPEC Project will rely on currently available potable water provided by the District.

The PPEC Project proposes to use recycled water service once available at the Project site. The recycled water demand for the proposed PPEC Project includes 378 ac-ft/yr for plant operation and 1.2 ac-ft/yr for irrigation, for a total of 379 ac-ft/yr.

The PPEC Project calculated that the interim potable demand for the PPEC plant operation is expected to be approximately 369 acre feet per year (ac-ft/yr), due to higher plant efficiency using potable water. Approximately 1.5 ac-ft/yr of potable demand will serve the PPEC Project administration building and will not convert to recycled water. The total interim potable demand, including 1.2 ac-ft/yr of irrigation, of 372 ac-ft/yr is 306 ac-ft/yr higher than the potable demand estimate in the Otay Water District's 2008 Water Resources Master Plan, updated November 2010 (2010 WRMP Update). However, the projected permanent potable PPEC Project demand of 1.5 ac-ft/yr is 64.5 ac-ft/yr less than the potable demands included in the 2010 WRMP Update.

The District currently depends on the Water Authority and the MWD for all of its potable water supplies and regional water resource planning.

The District's 2010 Urban Water Management Plan (UWMP) relies heavily on the UWMP's and Integrated Water Resources Plans (IRPs) of the Water Authority and MWD for documentation of supplies available to meet projected demands. These plans are developed to manage the uncertainties and variability of multiple supply sources and demands over the long-term through preferred water resources strategy adoption and resource development target approvals for implementation.

The new uncertainties that are significantly affecting California's water resources include:

- The Federal Court ruling on previous operational limits on Sacramento-San Joaquin Delta to protect the Delta species. Water agencies are still trying to determine what effect the ruling will have on state water project deliveries. Actual supply curtailments for MWD are contingent upon fish distribution, behavioral patterns, weather, Delta flow conditions, and how water supply reductions are divided between state and federal projects.
- Periodic extended drought conditions.

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

MWD's October 9, 2007 IRP Implementation Report acknowledges that significant challenges in some resource areas will likely require changes in strategies and implementation approaches in order to reach long-term IRP water supply targets. Significant progress in

program implementation is being realized in most resource areas. However, a further examination of the uncertainty of State Water Project supplies, among other uncertainties, will be required to assess the ability of achieving the long-term IRP targets.

MWD is currently involved in several proceedings concerning Delta operations to evaluate and address environmental concerns. In addition, at the State level, the Delta Vision and Bay-Delta Conservation Plan processes are defining long-term solutions for the Delta. MWD is actively engaged in these processes and in October 2010, approved the update of their IRP. An approved implementation strategy update may not be forthcoming for a year or more.

The State Water Project (SWP) represents approximately 9% of MWD's 2025 Dry Resources Mix with the supply buffer included. A 22% cutback in SWP supply represents an overall 2% (22% of 9% is 2%) cutback in MWD supplies in 2025. Neither the Water Authority nor MWD has stated that there is insufficient water for future planning in Southern California. Each agency is in the process of reassessing and reallocating their water resources.

Under preferential rights, MWD can allocate water without regard to historic water purchases or dependence on MWD. Therefore, the Water Authority and its member agencies are taking measures to reduce dependence on MWD through development of additional supplies and a water supply portfolio that would not be jeopardized by a preferential rights allocation.

As calculated by MWD, the Water Authority's current preferential right is 17.47% of MWD's supply, while the Water Authority accounted for approximately 21% of MWD's total revenue. So MWD could theoretically take a 3.5% cut out of the Water Authority's supply and theoretically, the Water Authority should have alternative water supply sources to make up for the difference. In the Water Authority's 2010 UWMP, they had already planned to reduce reliance on MWD supplies. This reduction is planned to be achieved through diversification of their water supply portfolio.

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

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

the PPEC Project, along with existing and other planned development projects within the District's service area.

If the regional water suppliers determine additional water supplies will be required, or in this case, that water supply portfolios need to be reassessed and redistributed with the intent to serve the existing and future water needs throughout Southern California, the agencies must indicate the status or stage of development of actions identified in the plans they provide. MWD's 2010 IRP update will then cause the Water Authority to update its IRP, which will then provide the District with the necessary water supply documentation. Identification of a potential future action in such plans does not by itself indicate that a decision to approve or to proceed with the action has been made. The District's Board approval of the PPEC Project WSA Report does not in any way guarantee water supply to the PPEC Project.

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

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

With District Board approval of the PPEC Project WSA Report, the Project proponents can proceed with the draft environmental documentation required for the CEQA review process. The water supply issues will be addressed in these environmental documents, consistent with the WSA Report.

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

Some recent actions regarding water supply assessments and verification reports by entities within Southern California are as follows:

- The City approved water supply assessment reports for both the La Jolla Crossings Project and the Quarry Falls Project in September 2007.
- Padre Dam Municipal Water District approved a water supply assessment report for the City of Santee's Fanita Ranch development project in April 2006. In October 2007, a follow-up letter was prepared stating the current uncertainties associated with the regional water supply situation. However, the letter concludes that sufficient water exists over the long run in reliance upon the assurances, plans, and projections of the regional water suppliers (MWD and Water Authority).
- The Otay Water District unanimously approved in July 2007 the Eastern Urban Center Water Supply and Assessment Report. The Board also approved the Judd Company

Otay Crossings Commerce Park WSA Report on December 5, 2007 and the Otay Ranch L.P. Otay Ranch Preserve and Resort Project Water Supply Assessment and Verification Report on February 4, 2009.

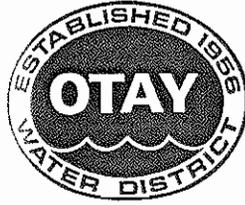
- The Otay Water District approved water supply assessment and verification reports for the City of Chula Vista Village 8 West Sectional Plan Area and Village 9 Sectional Plan Area. The District also approved the water supply assessment report for the San Diego-Tijuana Cross Border Facility and the Rabago Technology Park.

Water supplies necessary to serve the demands of the proposed PPEC Project, along with existing and other projected future users, as well as the actions necessary to develop these supplies, have been identified in the water supply planning documents of the District, the Water Authority, and MWD.

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

Accordingly, after approval of a WSA Report for the PPEC Project by the District's Board of Directors, the WSA Report may be used to comply with the requirements of the legislation enacted by Senate Bills 610 as follows:

Senate Bill (SB) 610 Water Supply Assessment: The District's Board of Directors approved WSA Report may be incorporated into the California Environmental Quality Act (CEQA) compliance process for the PPEC Project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The CEC, as lead agency under the CEQA for the PPEC Project environmental documentation, may cite the approved WSA Report as evidence that a sufficient water supply is planned and intended to be available to serve the PPEC Project.



OTAY WATER DISTRICT

WATER SUPPLY ASSESSMENT REPORT the Pio Pico Energy Center

Prepared by:

**Bob Kennedy, P.E.
Senior Civil Engineer
Otay Water District**

**In consultation with
Atkins North America, Inc.**

**And
San Diego County Water Authority**

July 2011

**Otay Water District
Water Supply Assessment Report
July 2011
Pio Pico Energy Center**

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Otay Water District Water Supply Assessment Report July 2011

Pio Pico Energy Center

Executive Summary

The Otay Water District (OWD) prepared this Water Supply Assessment Report (WSA Report) at the request of the California Energy Commission (CEC) for the Pio Pico Energy Center (PPEC) Project. The Pio Pico Energy Center, LLC submitted an Application for Certification (AFC) to the CEC seeking permission to construct and operate a power generation facility.

PPEC Overview and Water Use

The PPEC Project is located within the jurisdictions of the OWD, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (MWD). To obtain permanent imported water supply service, land areas are required to be within the jurisdictions of the OWD, Water Authority, and MWD.

The PPEC is a 300-megawatt (MW) natural gas-fired simple-cycle generating facility. The project is proposed to be located within the East Otay Mesa community planning area of the County of San Diego. The Project site is located at the southeast corner of the intersection of Alta Road and Calzada de la Fuente. The generating facility will utilize three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs). The Project will interconnect to an existing substation that serves two existing 230-kilovolt (kV) transmission lines. This substation is located approximately 1,700 feet from the PPEC Project.

The PPEC Project proposes to have a maximum annual capacity factor of approximately 46 percent or a maximum of 4,000 hours per year. Pio Pico Energy Center LLC has negotiated a power purchase agreement (PPA) with San Diego Gas & Electric (SDG&E) which is designed to directly satisfy the San Diego County area demand for peaking and load-shaping generation, near and long term.

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during the construction and operational periods. Since recycled water is currently not available at the Project site and

in Otay Mesa, the PPEC Project will rely on currently available potable water provided by OWD.

The PPEC Project proposes to use recycled water service once available at the Project site. The recycled water demand for the proposed PPEC Project includes 378 ac-ft/yr for plant operation and 1.2 ac-ft/yr for irrigation, for a total of 379 ac-ft/yr.

The PPEC Project calculated that the interim potable demand for the PPEC plant operation is expected to be approximately 369 acre feet per year (ac-ft/yr), due to higher plant efficiency using potable water. Approximately 1.5 ac-ft/yr of potable demand will serve the PPEC Project administration building and will not convert to recycled water. The total interim potable demand, including 1.2 ac-ft/yr of irrigation, of 372 ac-ft/yr is 306 ac-ft/yr higher than the potable demand estimate in the Otay Water District's 2008 Water Resources Master Plan, updated November 2010 (2010 WRMP Update). However, the projected permanent potable PPEC Project demand of 1.5 ac-ft/yr is 64.5 ac-ft/yr less than the potable demands included in the 2010 WRMP Update.

Planned Imported Water Supplies from the Water Authority and MWD

The Water Authority and MWD have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the San Diego Association of Governments (SANDAG) updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and MWD update their demand forecasts and supply needs based on the most recent SANDAG forecast approximately every five years to coincide with preparation of their Urban Water Management Plans (UWMP). Prior to the next forecast update, local jurisdictions with land use authority may require water supply assessment and/or verification reports for proposed land developments that are not within the OWD, Water Authority, or MWD jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans with either lower or higher development intensities than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations, or revised land use plans, typically result in creating higher demand and supply requirements than previously anticipated. The OWD, Water Authority, and MWD next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions.

The California Urban Water Management Planning Act (Act), which is included in the California Water Code, requires all urban water suppliers within the state to prepare an UWMP and update it every five years. The purpose and importance of the UWMP has evolved since it was first required 25 years ago. State agencies and the public frequently use

the document to determine if agencies are planning adequately to reliably meet future demands. As such, UWMPs serve as an important element in documenting supply availability for the purpose of compliance with state laws, Senate Bill 610, linking water supply sufficiency to large land-use development approval. Agencies must also have a UWMP prepared, pursuant to the Act, in order to be eligible for state funding and drought assistance.

MWD's 2010 IRP long term water plan offers a strategy to protect the region from future supply shortages, with an emphasis on water-use efficiency through conservation and local supply development. The 2010 IRP includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs and for the risk that future demands could be higher than projected. The planning buffer identifies an additional increment of water that could potentially be developed when needed or if other supplies are not fully implemented as planned. As part of implementation of the planning buffer, MWD periodically evaluates supply development, supply conditions, and projected demands to ensure that the region is not under or over developing supplies. Managed properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate water supplies to meet long-term future demands.

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

In Section ES-5 of their 2010 RUWMP, MWD states that MWD has supply capacities that would be sufficient to meet expected demands from 2015 through 2035. MWD has plans for supply implementation and continued development of a diversified resource mix including programs in the Colorado River Aqueduct, State Water Project, Central Valley Transfers, local resource projects, and in-region storage that enables the region to meet its water supply needs. MWD's 2010 RUWMP identifies potential reserve supplies in the supply capability analysis (Tables 2-9, 2-10, and 2-11), which could be available to meet the unanticipated demands such as those related to the PPEC Project.

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

As part of preparation of a written water supply assessment report, an agency's shortage contingency analysis should be considered in determining sufficiency of supply. Section 11 of the Water Authority's 2010 UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency

Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, adopted in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from MWD due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

Otay Water District Water Supply Development Program

In evaluating the availability of sufficient water supply, the PPEC, LLC will be required to participate in the water supply development program being implemented by the OWD. This is intended to be achieved through financial participation in several local and/or regional water supply development projects envisioned by the OWD. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and MWD UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues. These new additional water supply projects are not currently developed and are in various stages of the planning process. Imported water supplies along with the OWD water supply development projects supplies are planned to be developed and are intended to increase water supplies to serve the PPEC Project water supply needs and that of other similar situated development projects. The OWD water supply development program includes but is not limited to projects such as the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the Rosarito Ocean Desalination Facility project, and the Rancho del Rey Groundwater Well project. The Water Authority and MWD's next forecasts and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the OWD.

Findings

This WSA Report for the PPEC Project has been prepared by the OWD in consultation with Atkins North America, Inc., the Water Authority, and the California Energy Commission (CEC) pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10657, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610. SB 610 amended state law, effective January 1, 2002, to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. The CEC requested that OWD prepare a water supply assessment as per the requirements of SB 610. The requirements of SB 610 are being addressed by this WSA Report

The PPEC Project development concept exceeds the thresholds contained in the legislation enacted by SB 610 and therefore requires preparation of a WSA report. The PPEC Project is considered as an industrial development and is not a residential subdivision project of more than 500 units and hence it is not subject to the requirements of Senate Bill 221 for preparation of a Water Supply Verification Report.

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

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

Accordingly, after approval of a WSA Report for the PPEC Project by the Otay Water District Board of Directors (Board), the WSA Report may be used to comply with the requirements of the legislation enacted by Senate Bill 610 as follows:

Senate Bill 610 Water Supply Assessment: The Otay Water District Board approved PPEC Project WSA Report may be incorporated into the California Environmental Quality Act (CEQA) compliance process for the PPEC Project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The CEC, as lead agency under CEQA for the PPEC Project EIR, may cite the approved WSA Report as evidence that a sufficient water supply is planned for and is intended to be made available to serve the PPEC Project.

Section 1 - Purpose

Pio Pico Energy Center, LLC submitted an Application for Certification (AFC) to the California Energy Commission (CEC) seeking permission to construct and operate a power generation facility, the Pio Pico Energy Center (PPEC) Project, adjacent to the existing Otay Mesa Generating Project. The CEC requested that the Otay Water District (OWD) prepare a

Water Supply Assessment (WSA) Report for the PPEC Project. The PPEC Project description is provided in Section 3 of this WSA Report.

This WSA Report for the PPEC Project has been prepared by the OWD in consultation with Atkins North America, Inc., the San Diego County Water Authority (Water Authority), and the CEC pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610. SB 610 amended state law, effective January 1, 2002, intending to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. The requirements of SB 610 are being addressed by this WSA Report.

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during construction and operational periods. Since recycled water is currently not available at the Project site and the Otay Mesa area in general, the PPEC Project will rely on and use currently available potable water provided OWD. The PPEC Project's interim potable water demands exceed the thresholds contained in the legislation enacted by SB 610 and therefore requires preparation of a WSA report. The PPEC Project is considered as an industrial development and is not a residential subdivision project of more than 500 units and hence it is not subject to the requirements of Senate Bill 221 for preparation of a Water Supply Verification Report.

This WSA Report evaluates water supplies that are planned to be available during normal, single dry year, and multiple dry water years during a 20-year planning horizon to meet existing demands, expected demands of the PPEC Project, and reasonably foreseeable planned future water demands to be served by OWD. The Otay Water District Board of Directors approved WSA Report is planned to be used by the CEC in its evaluation of the PPEC Project under the CEQA approval process procedures.

Section 2 - Findings

Pio Pico Energy Center, LLC submitted an Application for Certification (AFC) to the California Energy Commission (CEC) seeking permission to construct and operate a power generation facility, the Pio Pico Energy Center (PPEC) Project, adjacent to the existing Otay Mesa Generating Project. The OWD prepared this WSA Report at the request of the CEC for the PPEC Project.

The PPEC Project is located within the jurisdictions of the OWD, the Water Authority, and the Metropolitan Water District of Southern California (MWD). To obtain permanent

imported water supply service, land areas are required to be within the jurisdictions of the OWD, Water Authority, and MWD to utilize imported water supply.

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during the construction and operational periods. Since recycled water is currently not available at the Project site and in Otay Mesa, the PPEC Project will rely on and use currently available potable water provided by OWD.

The PPEC Project proposes to use recycled water service once available at the Project site. The recycled water demand for the proposed PPEC Project includes 378 ac-ft/yr for plant operation and 1.2 ac-ft/yr for irrigation, for a total of 379 ac-ft/yr.

The PPEC Project calculated that the interim potable demand for plant operation is expected to be approximately 369 acre feet per year (ac-ft/yr), due to higher plant efficiency using potable water. Approximately 1.5 ac-ft/yr of potable demand will serve the PPEC Project administration building and will not convert to recycled water. The total interim potable demand, including 1.2 ac-ft/yr of irrigation, of 372 ac-ft/yr is 306 ac-ft/yr higher than the projected potable demand estimate for the PPEC Project site in the Otay Water District's 2008 Water Resources Master Plan, updated November 2010 (2010 WRMP Update). However, the projected permanent potable PPEC Project demand is 1.5 ac-ft/yr. This is 64.5 ac-ft/yr less than the projected potable demand included in the 2010 WRMP Update for the PPEC Project site.

In evaluating the availability of sufficient water supply, the PPEC project proponents are required to participate in the development of alternative water supply project(s). This can be achieved through payment of the New Water Supply Fee adopted by the Otay Water District Board in May 2010. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and MWD UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues related to the Sacramento-San Joaquin Delta and the current ongoing western states drought conditions. These new additional water supply projects are not currently developed and are in various stages of the planning process. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the Middle Sweetwater River Basin Groundwater Well project, the OWD Desalination project, and the Rancho del Rey Groundwater Well project. The Water Authority and MWD next forecast and supply planning documents would capture any increase in water supplies resulting from verifiable new water resources developed by the OWD.

The Water Authority and MWD have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the San Diego Association of Governments (SANDAG) updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the

regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and MWD update their demand forecasts and supply needs based on the most recent SANDAG forecast approximately every five years to coincide with preparation of their urban water management plans. Prior to the next forecast update, local jurisdictions may require water supply assessment and/or verification reports for proposed land developments that are not within the OWD, Water Authority, or MWD jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans with lower or higher land use intensities than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations, or revised land use plans, typically result in creating higher demand and supply requirements than anticipated. The OWD, the Water Authority, and MWD next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions.

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

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

The Otay Water District 2010 UWMP included a water conservation component to comply with Senate Bill 7 of the Seventh Extraordinary Session (SBX 7-7), which became effective February 3, 2010. This new law was the water conservation component to the Delta legislation package, and seeks to achieve a 20 percent statewide reduction in urban per capita water use in California by December 31, 2020. Specifically, SBX 7-7 from this Extraordinary Session requires each urban retail water supplier to develop urban water use targets to help meet the 20 percent reduction goal by 2020 (20x2020), and an interim water reduction target by 2015.

OWD has adopted Method 1 to set its 2015 interim and 2020 water use targets. Method 1 requires setting the 2020 water use target to 80 percent of baseline per capita water use target

as provided in the State's Draft 20x2020 Water Conservation Plan. The OWD 2015 target is 171 gpcd and the 2020 gpcd target at 80 percent of baseline is 152 gpcd.

The OWD's recent per capita water use has been declining to the point where current water use already meets the 2020 target for Method 1. This recent decline in per capita water use is largely due to drought water use restrictions, increased water costs, and economic conditions. However, OWD's effective water use awareness campaign and enhanced conservation mentality of its customers will likely result in some long-term carryover of these reduced consumption rates.

Based on a normal water supply year, the five-year increments for a 20-year projection indicate projected potable and recycled water supply is being planned for and is intended to be acquired to meet the estimated water demand targets of the OWD (44,883 acre-feet (ac-ft) in 2015 to 56.614 ac-ft in 2035 per the Otay Water District 2010 UWMP). Based on dry year forecasts, the estimated water supply is also being planned for and is intended to be acquired to meet the projected water demand, during single dry and multiple dry year scenarios. On average, the dry-year demands are about 6.4 percent higher than the normal year demands. The OWD recycled water supply is assumed to be drought-proof and not subject to reduction during dry periods.

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

Section 3 - Project Description

The PPEC Project is located at the southeast corner of the intersection of Alta Road and Calzada de la Fuente. Refer to Appendix A for a vicinity map of the proposed PPEC Project. The project is proposed to be located on 9.99 acres within the East Otay Mesa community planning area of the County of San Diego (County). Although the proposed development is located within the municipal boundaries of the County and subject to the County's land use jurisdiction, the OWD is the potable and recycled water purveyor. The PPEC Project is within the jurisdictions of the OWD, the Water Authority, and Metropolitan Water District of Southern California (MWD).

The PPEC is a 300-megawatt (MW) natural gas-fired simple-cycle generating facility. The generating facility will utilize three General Electric (GE) LMS100 natural gas-fired combustion turbine generators (CTGs). The Project will interconnect to an existing substation

that serves two existing 230-kilovolt (kV) transmission lines. This substation is located approximately 1,700 feet from the PPEC Project.

The PPEC Project proposes to have a maximum annual capacity factor of approximately 46 percent or a maximum of 4,000 hours per year. Pio Pico Energy Center, LLC has negotiated a power purchase agreement (PPA) with San Diego Gas & Electric (SDG&E) which is designed to directly satisfy the San Diego County area demand for peaking and load-shaping generation, near and long-term.

The CEC is the lead agency for licensing thermal power plants 50 megawatts and larger under the California Environmental Quality Act (CEQA) and has a certified regulatory program under CEQA. Under its certified program, the Energy Commission is exempt from having to prepare an environmental impact report. Its certified program, however, does require environmental analysis of the project, including an analysis of alternatives and mitigation measures to minimize any significant adverse effect the project may have on the environment. The Otay Water District (OWD) prepared this Water Supply Assessment Report (WSA Report) at the request of the CEC for the PPEC Project.

The County has discretionary authority on land use decisions for the PPEC Project and can establish actions and/or permit approval requirements. The projected potable and recycled water demands associated with the PPEC Project have considered the anticipated County discretionary actions and/or permit approvals and are incorporated into and used in this WSA Report. The water demands for the proposed PPEC Project are included in the projected water demand estimates provided in Section 5 – Historical and Projected Water Demands.

Section 4 – Otay Water District

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

The OWD currently meets all its potable demands with imported treated water from the Water Authority. The Water Authority is the agency responsible for the supply of imported water into San Diego County through its membership in MWD. The Water Authority currently obtains about half of its imported supply from MWD, but is in the process of further diversifying its available supplies.

The OWD provides water service to residential, commercial, industrial, and agricultural customers, and for environmental and fire protection uses. In addition to providing water throughout its service area, OWD also provides sewage collection and treatment services to a

portion of its service area known as the Jamacha Basin. The OWD also owns and operates the Ralph W. Chapman Water Reclamation Facility (RWCWRF) which has an effective treatment capacity of 1.2 million gallons per day (mgd) or about 1,300 acre feet per year (ac-ft/yr) to produce recycled water. On May 18, 2007, an additional source of recycled water supply of at least 6 mgd, or about 6,720 ac-ft/yr, became available to OWD from the City of San Diego's South Bay Water Reclamation Plant (SBWRP).

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

The planning area addressed in the Otay Water District 2010 WRMP Update and the Otay Water District 2010 UWMP includes both the land within the jurisdictional boundary of the OWD and those areas outside of the present OWD boundaries considered to be in the Area of Influence of the OWD. Figure 1 contained within the Otay Water District 2010 UWMP shows the jurisdictional boundary of the OWD and the Area of Influence. The planning area is approximately 143 square miles, of which approximately 125 square miles are within the OWD current boundaries and approximately 18 square miles are in the Area of Influence. The area east of OWD is rural and currently not within any water purveyor jurisdiction and potentially could be served by the OWD in the future if the need for imported water becomes necessary, as is the case for the Area of Influence.

The City of Chula Vista, the City of San Diego, and the County of San Diego are the three land use planning agencies within the OWD jurisdiction. Data on forecasts for land use planning, demographics, economic projections, population, and the future rate of growth within OWD were obtained from the San Diego Association of Governments (SANDAG). SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information through the year 2050. Population growth within the OWD service area is expected to increase from the 2010 figure of approximately 198,616 to an estimated 284,997 by 2035. Land use information used to develop water demand projections are based upon Specific or Sectional Planning Areas, the Otay Ranch General Development Plan/Sub-regional Plan, East Otay Mesa Specific Plan Area, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans.

The OWD long-term historic growth rate has been approximately 4 percent. The growth rate has significantly slowed due to the current economic conditions and it is expected to slow as the inventory of developable land is diminished.

Climatic conditions within the OWD service area are characteristically Mediterranean near the coast, with mild temperatures year round. Inland areas are both hotter in summer and cooler in winter, with summer temperatures often exceeding 90 degrees and winter temperatures occasionally dipping to below freezing. Most of the region's rainfall occurs during the months of December through March. Average annual rainfall is approximately 12.17 inches per year.

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

Urban Water Management Plan

In accordance with the California Urban Water Management Planning Act and recent legislation, the Otay Water District Board of Directors adopted an UWMP in June 2011 and subsequently submitted the plan to the California Department of Water Resources (DWR). The Otay Water District 2010 UWMP is currently being reviewed by DWR. As required by law, the Otay Water District 2010 UWMP includes projected water supplies required to meet future demands through 2035. In accordance with Water Code Section 10910 (c)(2) and Government Code Section 66473.7 (c)(3), information from the Otay Water District 2010 UWMP along with supplemental information from the Otay Water District 2010 WRMP Update have been utilized to prepare this WSA Report and are incorporated herein by reference.

The state Legislature passed Senate Bill 7 as part of the Seventh Extraordinary Session (SBX 7-7) on November 10, 2009, which became effective February 3, 2010. This new law was the water conservation component to the Delta legislation package and seeks to achieve a 20 percent statewide reduction in urban per capita water use in California by December 31, 2020. Specifically, SBX 7-7 from this Extraordinary Session requires each urban retail water supplier to develop urban water use targets to help meet the 20 percent reduction goal by 2020 (20x2020), and an interim water reduction target by 2015.

The SBX 7-7 target setting process includes the following: (1) baseline daily per capita water use; (2) urban water use target; (3) interim water use target; (4) compliance daily per capita water use, including technical bases and supporting data for those determinations. In order for an agency to meet its 2020 water use target, each agency can increase its use of recycled water to offset potable water use and also step up its water conservation measures. The required water use targets for 2020 and an interim target for 2015 are determined using one of four target methods – each method has numerous methodologies. The 2020 urban water use target may be updated in a supplier's 2015 UWMP.

In 2015, urban retail water suppliers will be required to report interim compliance followed by actual compliance in 2020. Interim compliance is halfway between the baseline water use and 2020 target. Baseline, target, and compliance-year water use estimates are required to be reported in gallons per capita per day (gpcd).

Failure to meet adopted targets will result in the ineligibility of a water supplier to receive grants or loans administered by the State unless one (1) of two (2) exceptions is met. Exception one (1) states a water supplier may be eligible if they have submitted a schedule, financing plan, and budget to DWR for approval to achieve the per capita water use reductions. Exception two (2) states a water supplier may be eligible if an entire water service area qualifies as a disadvantaged community.

OWD has adopted Method 1 to set its 2015 interim and 2020 water use targets. Method 1 requires setting the 2020 water use target to 80 percent of baseline per capita water use target as provided in the State's Draft 20x2020 Water Conservation Plan. The OWD 2015 target is 171 gpcd and the 2020 gpcd target at 80 percent of baseline is 152 gpcd.

The OWD's recent per capita water use has been declining to the point where current water use already meets the 2020 target for Method 1. This recent decline in per capita water use is largely due to drought water use restrictions, increased water costs, and poor economic conditions. However, OWD's effective water use awareness campaign and enhanced conservation mentality of its customers will likely result in some long-term carryover of these reduced consumption rates beyond the current drought period.

Section 5 – Historical and Projected Water Demands

The projected demands for OWD are based on Specific or Sectional Planning Areas, the Otay Ranch General Development Plan/Sub-regional Plan, the East Otay Mesa Specific Plan Area, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans. This land use information is also used by SANDAG as the basis for its most recent forecast data. This land use information was utilized for the preparation of the Otay Water District 2010 WRMP Update and Otay Water District 2010 UWMP to develop the forecasted demands and supply requirements.

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

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

Consistent with the previous CWA-MAIN modeling efforts, on February 26, 2010, the SANDAG Board of Directors accepted the Series 12: 2050 Regional Growth Forecast. The 2050 Regional Growth Forecast will be used by SANDAG as the foundation for the next Regional Comprehensive Plan update. SANDAG forecasts were used by local governments for planning, including the Water Authority 2010 UWMP.

The municipal and industrial forecast also included an updated accounting of projected conservation savings based on projected regional implementation of the California Urban Water Conservation Council (CUWCC) Best Management Practices and SANDAG demographic information for the period 2010 through 2035. These savings estimates were then factored into the baseline municipal and industrial demand forecast.

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

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

supply planning documents would then capture any increase or decrease in demands caused by annexations or revised land use plans.

The state of California Business and Professions Code Section 11010 and Government Code Sections 65867.5, 66455.3, and 66473.7, are referred to as SB 221, requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. SB 221 compliance does not apply to the PPEC Project, as it is an industrial project and not a residential subdivision.

In evaluating the availability of sufficient water supply, the PPEC project proponents are required to participate in the development of alternative water supply project(s). This can be achieved through payment of the New Water Supply Fee adopted by the OWD Board in May 2010. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and MWD UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues related to the Sacramento-San Joaquin Delta and the current ongoing western states drought conditions. These new additional water supply projects are not currently developed and are in various stages of the planning process. A few examples of these alternative water supply projects include the Middle Sweetwater River Basin Groundwater Well project, the OWD Desalination project, and the Rancho del Rey Groundwater Well project. The Water Authority and MWD next forecast and supply planning documents would capture any increase in water supplies resulting from verifiable new water resources developed by the OWD.

In addition, MWD's 2010 Regional Urban Water Management Plan identified potential reserve supplies in the supply capability analysis (Tables 2-9, 2-10, and 2-11), which could be available to meet any unanticipated demands. The Water Authority and MWD's next forecasts and supply planning documents would capture any increase in necessary supply resources resulting from any new water supply resources.

Demand Methodology

The OWD water demand projection methodology in the 2010 WRMP Update utilizes a component land use approach. This is done by applying representative values of water use to the acreage of each land use type and then aggregating these individual land use demand projections into an overall total demand for the OWD. This is called the water duty method, and the water duty is the amount of water used in gallons per day per acre per year. This approach is used for all the land use types except residential development where a demand per dwelling unit was applied. In addition, commercial and industrial water use categories are further subdivided by type including separate categories for golf courses, schools, jails, prisons, hospitals, etc. where specific water demands are established.

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

Given the unusual nature of the PPEC Project, the development of reasonable and supportable estimates of water demand in this instance merits a customized approach. After carefully considering the proposed design and function of the facility, water use for the PPEC Project is evaluated based on plant operation patterns and efficiency.

The 2010 WRMP Update calculates potable water demand by taking the gross acreage of a site and applying a potable water reduction factor (PWRF), which is intended to represent the percentage of acreage to be served by potable water and that not served by recycled water for irrigation. For industrial land use, as an example, the PWRF is 0.95 (i.e., 95% of the site is assumed to be served by potable water, 5% of the site is assumed to be irrigated with recycled water). The potable net acreage is then multiplied by the unit demand factor corresponding to its respective land use. This approach is used in the 2010 WRMP Update for all the land use types except residential development where a demand per dwelling unit is applied. In addition, commercial and industrial water use categories are further subdivided by type including separate categories for golf courses, schools, jails, prisons, hospitals, etc. where specific water demands are allocated.

Otay Water District Projected Demand

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

The historical and projected potable water demands for OWD are shown in Table 1.

Table 1
Historical and Projected Potable Water Fiscal Year Demands (acre-feet)

Water Use Sectors	2005	2010	2015	2020	2025	2030	2035
Single Family	21,233	17,165	23,633	28,312	33,600	37,211	40,635
Multi-Family	3,095	3,605	3,444	4,126	4,897	5,423	5,922
Commercial &	1,657	2,243	1,844	2,209	2,622	2,904	3,171
Institutional &	2,262	1,867	2,518	3,017	3,580	3,965	4,330
Landscape	6,458	3,732	10,134	12,141	14,408	15,957	17,425
Other	2,426	584	2,700	3,235	3,839	4,252	4,643
Unaccounted for	547	23	608	729	865	958	1,046
Totals	37,668	29,270	44,883	53,768	63,811	70,669	77,171

Source: Otay Water District 2010 UWMP.

The historical and projected recycled water demands for OWD are shown in Table 2.

Table 2
Historical and Projected Recycled Water Fiscal Year Demands (acre-feet)

Water Use Sector	2005	2010	2015	2020	2025	2030	2035
Landscape	4,090	4,000	4,400	5,000	5,800	6,800	8,000
Totals	4,090	4,000	4,400	5,000	5,800	6,800	8,000

Source: Otay Water District 2010 UWMP, Table 10.

PPEC Project Projected Water Demand

The PPEC Project's design consultant, Kiewit Power, Inc. (Kiewit), prepared water use calculations for the PPEC Project under average, average high, summer high, peak hour, and peak average conditions based on recycled water quality data. The recycled water demands are presented in gallon per minute (gpm) rates as well as gallons per day (gpd) and acre-feet per year (ac-ft/yr). The PPEC Project is able to operate more efficiently using potable water and Kiewit calculated that the interim potable plant demand would be 378 ac-ft/yr. Projected potable water annual average demands for the PPEC Project, including administration building use and irrigation, are presented in Table 3.

Table 3. PPEC Facility Project Projected Potable Water Annual Average Demands

Demands	Units	Average Annual
Water Required by Plant	ac-ft/yr	369
Administration Building	ac-ft/yr	1.5
Irrigation (5% of acreage)	ac-ft/yr	1.2
Total	ac-ft/yr	372

The PPEC Project is designed to use recycled water as its primary source of cooling and process water. The PPEC Project will use recycled water, if available, during construction and operational periods. Since recycled water is currently not available at the Project site and in Otay Mesa, the PPEC Project will rely on and use currently available potable water provided by OWD. The interim potable demand for the PPEC Project is expected to average approximately 372 ac-ft/yr, as shown in Table 3.

The Otay Water District 2010 WRMP Update and 2010 Urban Water Management Plan (UWMP) anticipated that the land area to be utilized for the PPEC Project would use both potable and recycled water, but also identified the PPEC Project as a potential future user of recycled water.

**Table 4
 PPEC Project Projected Recycled Water Average Demands**

Demands	Units	Average	Average High	Summer High	Peak Hour	Average Annual
Water Required by Plant	gpm	452	497	564	658	513
	gph	27,120	29,820	33,840	39,480	30,807
Annual Operation	hours	1,100	1,600	1,000	300	4,000 ^a
	gallons	29,832,000	47,712,000	33,840,000	11,844,000	123,228,000
	ac-ft/yr	92	146	104	36	378
	gpd					337,611
Irrigation (5% of acreage)	ac-ft/yr					1.2
Total	ac-ft/yr					379

^a Permitted maximum hours of annual operation.

The water demands presented in Table 4 represent temperature-dependent operational periods throughout the year. The “average annual” demand represents the water demands for the PPEC Project over the course of the year, where the PPEC Project operates for a maximum of 4,000 hours annually. A detailed water balance sheet is included in Appendix C.

The PPEC Project proposes to convert to recycled water service once available at the site. The recycled water demand for the proposed PPEC Project, including irrigation, is 379 ac-ft/yr.

The Otay Water District 2010 WRMP Update projected a potable water demand for the project site based on currently approved land uses. Using the OWD unit demand factors, the 2010 WRMP Update potable demand for the PPEC Project site 9.99 acre parcel is expected to be 59,338 gpd or about 66 ac-ft/yr. This is 317,429 gpd or 306 ac-ft/yr higher than the potable demand estimate in the Otay Water District 2010 WRMP Update as summarized in Table 5. However, the projected permanent potable PPEC Project demand, which assumes that PPEC will ultimately rely on recycled water for process needs, is 1.5 ac-ft/yr. This annual volume is 64.5 ac-ft/yr less than the potable demands included in the 2010 WRMP Update.

**Table 5
 PPEC Project Projected Potable Water Demand/Supply Comparison**

Demand/Supply Projection	Water Demand/Supply	
	Gallons per day	Acre feet per year
PPEC Project Projection	376,767	372
Otay Water District 2010 WRMP Update Projection	59,338	66
Difference	317,429	306

5.1 Demand Management (Water Conservation)

Demand management, or water conservation is a critical part of the Otay Water District 2010 UWMP and its long-term strategy for meeting water supply needs of the OWD customers. Water conservation, is frequently the lowest cost resource available to any water agency. The goals of the OWD water conservation programs are to:

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

The OWD is signatory to the Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California, which created the California Urban Water Conservation Council (CUWCC) in 1991 in an effort to reduce California's long-term water demands. Water conservation programs are developed and implemented on the premise that water conservation increases the water supply by reducing the demand on available supply, which is

vital to the optimal utilization of a region's water supply resources. The OWD participates in many water conservation programs designed and typically operated on a shared cost participation program basis among the Water Authority, MWD, and their member agencies. The demands shown in Tables 1 and 2 take into account implementation of water conservation measures within OWD.

As one of the first signatories to the MOU Regarding Urban Water Conservation in California, the OWD has made BMP implementation for water conservation the cornerstone of its conservation programs and a key element in its water resource management strategy. As a member of the Water Authority, OWD also benefits from regional programs performed on behalf of its member agencies. The BMP programs implemented by OWD and regional BMP programs implemented by the Water Authority that benefit all their member agencies are addressed in the Otay Water District 2010 UWMP. In partnership with the Water Authority, the County of San Diego, City of San Diego, City of Chula Vista, and developers, the OWD water conservation efforts are expected to grow and expand. The resulting savings directly relate to additional available water in the San Diego County region for beneficial use within the Water Authority service area, including the OWD.

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

Supervisory Control and Data Acquisition System

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

Water Conservation Ordinance

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

1. A general water supply shortage due to increased demand or limited supplies.

2. Distribution or storage facilities of the Water Authority or other agencies become inadequate.
3. A major failure of the supply, storage, and distribution facilities of MWD, Water Authority, and/or OWD.

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

OWD continues to promote water conservation at a variety of events, including those involving developers in its service area. In addition, OWD developed and manages a number of its own programs such as the Cash for WaterSmart Plants retrofit program, the Water Smart Irrigation Upgrade Program, and the Commercial Process Improvement Program.

OWD is currently engaged in a number of conservation and water use efficiency activities. Listed below are the current programs that are either on-going or were recently concluded:

- Residential Water Surveys: 1,349 completed since 1994
- Large Landscape Surveys: 194 completed since 1990
- Cash for Water Smart Plants Landscape Retrofit Program: over 217,600 square feet of turf grass replaced with water wise plants since 2003
- Rotating Nozzles Rebated: 3,170
- Residential Weather-Based Irrigation Controller (WBIC) Incentive Program: 231 distributed or rebated since 2004
- Residential High Efficiency Clothes Washers: 7,187 rebates since 1994
- Residential ULFT/HET Rebate Program: 22,376 rebates provided between 1991-2010
- Outreach Efforts to OWD Customers - the OWD promotes its conservation programs through staffing outreach events, bill inserts, articles in the OWD's quarterly customer Pipeline newsletter, direct mailings to OWD customers, the OWD's webpage and through the Water Authority's marketing efforts.
- School Education Programs- the OWD funds school tours of the Water Conservation Garden, co-funds Splash Labs, provides classroom water themed kits, maintains a library of school age appropriate water themed books, DVDs, and videos, and runs both a school poster contest and a water themed photo contest.
- Water efficiency in new construction through Cal Green and the Model Water Efficient Landscape Ordinance
- Focus on Commercial/Institutional/Industrial through Promoting MWD's Save a Buck (Commercial) Program in conjunction with the OWD's own Commercial Process Improvement Program

As a signatory to the MOU Regarding Urban Water Conservation in California, the OWD is required to submit biannual reports that detail the implementation of current water conservation practices. The OWD voluntarily agreed to implement the fourteen water conservation Best Management Practices beginning in 1992. The OWD submits its report to the CUWCC every two years. The OWD BMP Reports for 2005 to 2010, as well as the BMP Coverage Report for 1999-2010, are included in the Otay Water District 2010 UWMP.

Section 6 - Existing and Projected Supplies

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

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

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

6.1 Metropolitan Water District of Southern California 2010 Regional Urban Water Management Plan

In November 2010, MWD adopted its 2010 Regional Urban Water Management Plan (RUWMP). The 2010 RUWMP provides MWD's member agencies, retail water utilities, cities, and counties within its service area with, among other things, a detailed evaluation of the supplies necessary to meet future demands, and an evaluation of reasonable and practical efficient water uses, recycling, and conservation activities. During the preparation of the 2010 RUWMP, MWD also utilized the previous SANDAG regional growth forecast in calculating regional water demands for the Water Authority service area.

6.1.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

MWD is a wholesale supplier of water to its member public agencies and obtains its supplies from two primary sources: the Colorado River, via the Colorado River Aqueduct (CRA), which it owns and operates, and Northern California, via the State Water Project (SWP). The 2010 RUWMP documents the availability of these existing supplies and additional supplies necessary to meet future demands.

MWD's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. The 2010 update to the IRP (2010 IRP Update) includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs and for the risk that future demands could be higher than projected. The planning buffer identifies an additional increment of water that could potentially be developed when needed and if other supplies are not fully implemented as planned. As part of implementation of the planning buffer, MWD periodically evaluates supply development, supply conditions, and projected demands to ensure that the region is not under or over developing supplies. Managed properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate water supplies to meet future demands.

In November 2010, MWD adopted its 2010 RUWMP in accordance with state law. The resource targets included in the preceding 2010 IRP Update serve as the foundation for the planning assumptions used in the 2010 RUWMP. MWD's 2010 RUWMP contains a water supply reliability assessment that includes a detailed evaluation of the supplies necessary to meet demands over a 25-year period in average, single dry year, and multiple dry year periods. As part of this process, MWD also uses the current SANDAG regional growth forecast in calculating regional water demands for the Water Authority's service area.

As stated in MWD's 2010 RUWMP, the plan may be used as a source document for meeting the requirements of SB 610 and SB 221 until the next scheduled update is completed in 2015. The 2010 RUWMP includes a "Justifications for Supply Projections" in Appendix A.3, that provides detailed documentation of the planning, legal, financial, and regulatory basis for including each source of supply in the plan. A copy of MWD's 2010 RUWMP can be found on the internet at the following site address:

http://www.mwdh2o.com/mwdh2o/pages/yourwater/RUWMP/RUWMP_2010.pdf

The UWMPs for both MWD and the Water Authority will include the increase in demand projections included in SANDAG's Series 12 Update and from the projections from Otay Water District 2010 WRMP Update.

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

6.1.2 MWD Capital Investment Plan

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

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

6.2 San Diego County Water Authority Regional Water Supplies

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

- In accordance with the Urban Water Management Planning Act, the Water Authority adopted their 2010 UWMP in June 2011. The updated Water Authority 2010 UWMP identifies a diverse mix of local and imported water supplies to meet future demands. A copy of the updated Water Authority 2005 UWMP can be found on the internet at <http://www.sdewa.org/2010-urban-water-management-plan>
- As part of the October 2003 Quantification Settlement Agreement (QSA), the Water Authority was assigned MWD's rights to 77,700 ac-ft/yr of conserved water from the All-American Canal (AAC) and Coachella Canal (CC) lining projects. Deliveries of this conserved water from the CC reached the region in 2007 and deliveries from the AAC reached the region in 2010. Expected supplies from the canal lining projects are considered verifiable Water Authority supplies.

- Deliveries of conserved agricultural water from the Imperial Irrigation District (IID) to San Diego County have increased annually since 2003, with 70,000 ac-ft of deliveries in Fiscal Year (FY) 2010. The quantities will increase annually to 200,000 ac-ft/yr by 2021, then remain fixed for the duration of the transfer agreement.

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

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

6.2.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The Water Authority currently obtains imported supplies from MWD, conserved water from the AAC and CC lining projects, and an increasing amount of conserved agricultural water from IID. Of the twenty-seven member agencies that purchase water supplies from MWD, the Water Authority is MWD's largest customer.

Section 135 of MWD's Act defines the preferential right to water for each of its member agencies. As calculated by MWD, the Water Authority's preferential right as of June 30, 2010 is 17.47 percent of MWD's supply, while the Water Authority accounted for approximately 21 percent of MWD's water sales. Under preferential rights, MWD could allocate water without regard to historic water purchases or dependence on MWD. The Water Authority and its member agencies are taking measures to reduce dependence on MWD through development of additional supplies and a water supply portfolio that would not be jeopardized by a preferential rights allocation. MWD has stated, consistent with Section 4202 of its Administrative Code that it is prepared to provide the Water Authority's service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. When and as additional water resources are required to meet increasing needs, MWD stated it will be prepared to deliver such supplies. In Section ES-5 of their 2010 RUWMP, MWD states that MWD has supply capacities that would be sufficient to meet expected demands from 2015 through 2035. MWD has plans for supply implementation and continued development of a diversified resource mix including programs in the Colorado River Aqueduct, State Water Project, Central Valley Transfers, local resource projects, and in-region storage that enables the region to meet its water supply needs.

The Water Authority has made large investments in MWD’s facilities and will continue to include imported supplies from MWD in the future resource mix. As discussed in the Water Authority’s 2010 UWMP, the Water Authority and its member agencies are planning to diversify the San Diego regions supply portfolio and reduce purchases from MWD.

As part of the Water Authority’s diversification efforts, the Water Authority is now taking delivery of conserved agricultural water from IID and water saved from the AAC and CC lining projects. The CC lining project is complete and the Water Authority has essentially completed construction of the AAC lining project. Table 6 summarizes the Water Authority’s supply sources with detailed information included in the sections to follow. Deliveries from MWD are also included in Table 6, which is further discussed in Section 6.1 above. The Water Authority’s member agencies provided the verifiable local supply targets for groundwater, groundwater recovery, recycled water, and surface water, which are discussed in more detail in Section 5 of the Water Authority’s 2010 UWMP.

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

Water Supply Sources	2015	2020	2025	2030	2035
Water Authority Supplies					
MWD Supplies	358,189	230,601	259,694	293,239	323,838
Water Authority/IID Transfer	100,000	190,000	200,000	200,000	200,000
AAC and CC Lining Projects	80,200	80,200	80,200	80,200	80,200
Proposed Regional Seawater Desalination	0	56,000	56,000	56,000	56,000
Member Agency Supplies					
Surface Water	48,206	47,940	47,878	47,542	47,289
Water Recycling	38,660	43,728	46,603	48,278	49,998
Groundwater	11,710	11,100	12,100	12,840	12,840
Groundwater Recovery	10,320	15,520	15,520	15,520	15,520
Total Projected Supplies	647,285	675,089	717,995	753,619	785,685

Source: Water Authority 2010 Urban Water Management Plan – Table 9-1.

Section 5 of the Water Authority’s 2010 UWMP also includes a discussion on the local supply target for seawater desalination. Seawater desalination supplies represent a significant future local resource in the Water Authority’s service area. The Water Authority is pursuing the purchase of a water supply from the Carlsbad Desalination Project, a fully-permitted private desalination project at the Encina Power Station site located in the City of Carlsbad. In 2010, the Water Authority’s Board of Directors approved a Term Sheet between the Water Authority and the private investor-owned company, Poseidon Resources (Poseidon), and directed staff to prepare a draft Water Purchase Agreement based on its provisions. The Water Authority’s water purchase agreement with Poseidon is expected to include water purchase price, allocation of risk and options to eventually purchase the project’s pipeline and

the entire desalination plant. Before negotiations begin on a final agreement, Poseidon must secure sufficient financial commitments from private investors to meet requirements for fully funding project construction. In addition, Poseidon must execute all agreements for construction and operation of the project and finalize the documents needed to finance the project in the bond market.

The Water Authority's existing and planned supplies from the IID transfer and canal lining projects are considered "drought-proof" supplies and should be available at the yields shown in Table 6 in normal water year supply and demand assessment. Single dry year and multiple dry year scenarios are discussed in more detail in Section 9 of the Water Authority's 2010 UWMP.

As part of preparation of a written water supply assessment and/or verification report, an agency's shortage contingency analysis should be considered in determining sufficiency of supply. Section 11 of the Water Authority's 2010 UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, adopted in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from MWD due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies throughout the San Diego region.

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

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

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

Implementation Status

On October 10, 2003, the Water Authority and IID executed an amendment to the original 1998 Transfer Agreement. This amendment modified certain aspects of the Transfer Agreement to be consistent with the terms and conditions of the QSA and related agreements. It also modified other aspects of the agreement to lessen the environmental impacts of the transfer of conserved water. The amendment was expressly contingent on the approval and implementation of the QSA, which was also executed on October 10, 2003. Section 6.2.1, "Colorado River," contains details on the QSA.

On November 5, 2003, IID filed a complaint in Imperial County Superior Court seeking validation of 13 contracts associated with the Transfer Agreement and the QSA. Imperial County and various private parties filed additional suits in Superior Court, alleging violations of the California Environmental Quality Act (CEQA), the California Water Code, and other laws related to the approval of the QSA, the water transfer, and related agreements. The lawsuits were coordinated for trial. The IID, Coachella Valley Water District, MWD, the Water Authority, and state are defending these suits and coordinating to seek validation of the contracts. In January 2010, a California Superior Court judge ruled that the QSA and 11 related agreements were invalid, because one of the agreements created an open-ended financial obligation for the state, in violation of California's constitution. The QSA parties appealed this decision and are continuing to seek validation of the contracts. The appeal is currently pending in the Third District Court of Appeal. A stay of the trial court judgment has been issued during the appeal. Implementation of the transfer provisions is proceeding during litigation.

Expected Supply

Deliveries into San Diego County from the transfer began in 2003 with an initial transfer of 10,000 AF. The Water Authority received increasing amounts of transfer water each year, according to a water delivery schedule contained in the transfer agreement. In 2010, the Water Authority received 70,000 AF. The quantities will increase annually to 200,000 AF by 2021 then remain fixed for the duration of the transfer agreement. The initial term of the Transfer Agreement is 45 years, with a provision that either agency may extend the agreement for an additional 30-year term.

During dry years, when water availability is low, the conserved water will be transferred under IID's Colorado River rights, which are among the most senior in the Lower Colorado River Basin. Without the protection of these rights, the Water Authority could suffer delivery cutbacks. In recognition for the value of such reliability, the 1998 contract required the Water Authority to pay a premium on transfer water under defined regional shortage circumstances. The shortage premium period duration is the period of consecutive days during which any of the following exist: 1) a Water Authority shortage; 2) a shortage condition for the Lower Colorado River as declared by the Secretary; and 3) a Critical Year. Under terms of the October 2003 amendment, the shortage premium will not be included in the cost formula until Agreement Year 16.

Transportation

The Water Authority entered into a water exchange agreement with MWD on October 10, 2003, to transport the Water Authority–IID transfer water from the Colorado River to San Diego County. Under the exchange agreement, MWD takes delivery of the transfer water through its Colorado River Aqueduct. In exchange, MWD delivers to the Water Authority a like quantity and quality of water. The Water Authority pays MWD’s applicable wheeling rate for each acre-foot of exchange water delivered. Under the terms of the water exchange agreement, MWD will make delivery of the transfer water for 35 years, unless the Water Authority and MWD elect to extend the agreement another 10 years for a total of 45 years.

Cost/Financing

The costs associated with the transfer are financed through the Water Authority’s rates and charges. In the agreement between the Water Authority and IID, the price for the transfer water started at \$258/AF and increased by a set amount for the first seven years. In December 2009, the Water Authority and IID executed a fifth amendment to the water transfer agreement that sets the price per acre-foot for transfer water for calendar years 2010 through 2015, beginning at \$405/AF in 2010 and increasing to \$624/AF in 2015. For calendar years 2016 through 2034, the unit price will be adjusted using an agreed-upon index. The amendment also required the Water Authority to pay IID \$6 million at the end of calendar year 2009 and another \$50 million on or before October 1, 2010, provided that a transfer stoppage is not in effect as a result of a court order in the QSA coordinated cases. Beginning in 2035, either the Water Authority or IID can, if certain criteria are met, elect a market rate price through a formula described in the water transfer agreement.

The October 2003 exchange agreement between MWD and the Water Authority set the initial cost to transport the conserved water at \$253/AF. Thereafter, the price is set to be equal to the charge or charges set by MWD’s Board of Directors pursuant to applicable laws and regulation, and generally applicable to the conveyance of water by MWD on behalf of its member agencies. The transportation charge in 2010 was \$314/AF.

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

As part of implementation of the QSA and water transfer, the Water Authority also entered into an environmental cost sharing agreement. Under this agreement the Water Authority is contributing a total of \$64 million to fund environmental mitigation projects and the Salton Sea Restoration Fund.

Written Contracts or Other Proof

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

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

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

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

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

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

Fifth Amendment to Agreement Between Imperial Irrigation District and San Diego County Water Authority for Transfer of Conserved Water (December 21, 2009). This agreement implements a settlement between the Water Authority and IID regarding the base contract price of transferred water.

Federal, State, and Local Permits/Approvals

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

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

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

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

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

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

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

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

6.2.1.2 All-American Canal and Coachella Canal Lining Projects

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

Implementation Status

The CC lining project began in November 2004 and was completed in 2006. Deliveries of conserved water to the Water Authority began in 2007. The project constructed a 37-mile parallel canal adjacent to the CC. The AAC lining project was begun in 2005 and was completed in 2010. The lining project constructed a concrete-lined canal parallel to 24 miles of the existing AAC from Pilot Knob to Drop 3.

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

Expected Supply

The AAC lining project makes 67,700 AF of Colorado River water per year available for allocation to the Water Authority and San Luis Rey Indian water rights settlement parties. The CC lining project makes 26,000 AF of Colorado River water each year available for allocation. The 2003 Allocation Agreement provides for 16,000 ac-ft/yr of conserved canal lining water to be allocated to the San Luis Rey Indian Water Rights Settlement Parties. The remaining amount, 77,700 ac-ft/yr, is to be available to the Water Authority, with up to an additional 4,850 ac-ft/yr available to the Water Authority depending on environmental requirements from the CC lining project. For planning purposes, the Water Authority assumes that 2,500 AF of the 4,850 AF will be available each year for delivery, for a total of 80,200 ac-ft/yr of that supply. According to the Allocation Agreement, IID has call rights to a portion (5,000 ac-ft/yr) of the conserved water upon termination of the QSA for the remainder of the 110 years of the Allocation Agreement and upon satisfying certain conditions. The term of the QSA is for up to 75 years.

Transportation

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

Cost/Financing

Under California Water Code Section 12560 et seq., the Water Authority received \$200 million in state funds for construction of the canal lining projects. In addition, \$20 million

was made available from Proposition 50 and \$36 million from Proposition 84. The Water Authority was responsible for additional expenses above the funds provided by the state.

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

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

Written Contracts or Other Proof

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

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

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

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

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

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

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

projects for at least 110 years to the Water Authority, the San Luis Rey Indian Water Rights Settlement Parties, and IID, if it exercises its call rights.

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

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

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

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

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

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

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

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

Federal, State, and Local Permits/Approvals

AAC Lining Project Final EIS/EIR (March 1994). A final EIR/EIS analyzing the potential impacts of lining the AAC was completed by the Bureau of Reclamation (Reclamation) in March

1994. A Record of Decision was signed by Reclamation in July 1994, implementing the preferred alternative for lining the AAC. A re-examination and analysis of these environmental compliance documents by Reclamation in November 1999 determined that these documents continued to meet the requirements of the NEPA and the CEQA and would be valid in the future.

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

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

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

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

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

6.2.1.3 Carlsbad Seawater Desalination Project

Development of seawater desalination in San Diego County will assist the region in diversifying its water resources, reduce dependence on imported supplies, and provide a new drought-proof, locally treated water supply. The Carlsbad Desalination Project is a fully-permitted seawater desalination plant and conveyance pipeline currently being developed by Poseidon, a private investor-owned company that develops water and wastewater infrastructure. The project, located at the Encina Power Station in Carlsbad, has been in development since 1998 and was incorporated into the Water Authority's 2003 Water Facilities Master Plan and the 2010 UWMP. The Carlsbad Desalination Project has obtained all required permits and environmental clearances and, when completed, will provide a highly reliable local supply of 56,000 ac-ft/yr for the region.

Implementation Status

The Project has obtained all required permits and environmental clearances, including the following:

- National Pollutant Discharge Elimination System (NPDES) Discharge Permit (Regional Water Quality Control Board)
- Conditional Drinking Water Permit (California Department of Health Services)
- State Lands Commission Lease (State Lands Commission)

- Coastal Development Permit (California Coastal Commission)

IDE Technologies, a worldwide leader in the design, construction, and operation of desalination plants, was selected by Poseidon to be the desalination process contractor for the Project.

In July 2010, the Water Authority Board approved a Term Sheet between the Water Authority and Poseidon and directed staff to prepare a Water Purchase Agreement based on its provisions. Prior to the Water Authority engaging (in 2010) as a potential purchaser of all the water produced by the Project, Poseidon was pursuing a project structure where nine local water agencies had signed water purchase agreements. Ultimately, that project structure was found to be financially infeasible and the Water Authority was asked to step into the role of purchaser of the supply. Key terms for a potential Water Purchase Agreement between the Water Authority and Poseidon include the following:

- The term of the agreement will be for 30 years once commercial operation begins, subject to early buyout provisions beginning at 10 years.
- The Water Authority will shift the risks associated with the design, permitting, financing, construction, and operation of the Project to Poseidon.
- The price for water will be based on the actual cost of production.
- There will be the option to buy the entire plant beginning 10 years after the start date for commercial operation at a price to be specified in the water purchase agreement, as well as the right to purchase the plant at the end of the 30-year water purchase agreement term for \$1. This ensures eventual public ownership of the plant, securing long-term price certainty and regional public benefit from ratepayers' past investments in the plant through 30 years of water purchase payments.

Expected Supply

When completed, the Project will provide a highly reliable local supply of 56,000 ac-ft/yr of supply for the region, available in both normal and dry hydrologic conditions.

Transportation

A 54-inch pipeline will be constructed to convey product water from the desalination plant 10.5 miles east to the Water Authority's Second Aqueduct. The water will be then be conveyed 5 miles north to the Water Authority's Twin Oaks Valley Water Treatment Plant facility, where it will be blended with treated imported water and subsequently distributed into the Water Authority's existing aqueduct system.

Cost/Financing

The Term Sheet between the Water Authority and Poseidon provides the basis for a potential purchase agreement whereby the Water Authority would purchase the entire output from the Project at a price based on the cost of production. A preliminary September 2010 unit cost estimate was \$1,600/AF. The Water Authority's water purchase costs would be financed through Water Authority rates and charges. If the water purchase agreement is approved by the Water Authority Board, Poseidon plans to finance the capital cost of the Project with a combination of private equity and tax-exempt Private Activity Bonds.

Written Contracts or Other Proof

The expected supply and costs associated with the Carlsbad Desalination Project are based primarily on the following documents:

Development Agreement between City of Carlsbad and Poseidon (October 2009). A Development Agreement between Carlsbad and Poseidon was executed on October 5, 2009

Agreement of Term Sheet between the Water Authority and Poseidon Resources (July 2010). The Water Authority approved the Term Sheet at its July 2010 Board Meeting. The Term Sheet outlines the terms and conditions of a future Water Purchase Agreement with Poseidon and allocates the resources to prepare the draft Water Purchase Agreement.

Federal, State, and Local Permits/Approvals

Carlsbad Desalination Project Final EIR (June 2006). The City of Carlsbad certified the Final EIR and the final Notice of Determination for the project was signed on June 14, 2006.

NPDES Discharge Permit (August 2006). The Regional Water Quality Control Board issues the NPDES Discharge Permit for the project on August 16, 2006.

Drinking Water Permit (October 2006). The California Department of Health Services approved the Conditional Drinking Water Permit on October 19, 2006.

Coastal Development Permit (November 2007). The California Coastal Commission approved, with conditions, the Coastal Development Permit on November 15, 2007. The Coastal Development Permit allows construction and operation of the project in the Coastal Zone.

State Lands Commission Lease Application (August 2008). Amends lease of land by Cabrillo Power I LLC (Cabrillo) from the State Lands Commission for the lands where the project will be constructed. Cabrillo and Poseidon entered into agreement on July 1, 2003, authorizing Poseidon to use those lands to construct the project.

Addendum to Final EIR (September 2009). An Addendum to the Final EIR was certified by the City of Carlsbad and Notice of Determination for the Addendum was signed on September 15, 2009. The Addendum modified water conveyance pipeline alignments.

6.2.2 Water Authority Capital Improvement Program and Financial Information

The Water Authority's Capital Improvement Program (CIP) can trace its beginnings to a report approved by the Board in 1989 entitled, The Water Distribution Plan, a Capital Improvement Program through the Year 2010. The Water Distribution Plan included ten projects designed to increase the capacity of the aqueduct system, increase the yield from existing water treatment plants, obtain additional supplies from MWD, and increase the reliability and flexibility of the aqueduct system. Since that time the Water Authority has made numerous additions to the list of projects included in its CIP as the region's infrastructure needs and water supply outlook have changed.

The current list of projects included in the CIP is based on the results of planning studies, including the 2005 UWMP and the 2002 Regional Water Facilities Master Plan. These CIP projects, which are most recently described in the Water Authority's Adopted Multi-Year Budget, include projects valued at \$3.50 billion. These CIP projects are designed to meet projected water supply and delivery needs of the member agencies through 2035. The projects include a mix of new facilities that will add capacity to existing conveyance, storage, and treatment facilities, as well as repair and replace aging infrastructure:

- **Asset Management** – The primary components of the asset management projects include relining and replacing existing pipelines and updating and replacing metering facilities.
- **New Facilities** – These projects will expand the capacity of the aqueduct system, complete the projects required under the Quantification Settlement Agreement (QSA), and evaluate new supply opportunities.
- **Emergency Storage Project** – Projects remaining to be completed under the ongoing ESP include the San Vicente Dam Raise, the Lake Hodges projects, and a new pump station to extend ESP supplies to the northern reaches of the Water Authority service area.
- **Other Projects** – This category includes out-of-region groundwater storage, increased local water treatment plant capacity, and projects that mitigate environmental impacts of the CIP.

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

Authority's biennial budget, which also contains selected financial information and summarizes the Water Authority's investment policy.

6.3 Otay Water District

The Otay Water District 2010 WRMP Update and the 2010 UWMP contain comparisons of projected supply and demands through the year 2035. Projected potable water resources to meet planned demands as documented were planned to be supplied entirely with imported water received from the Water Authority. Recycled water resources to meet projected demands are planned to be supplied from local wastewater treatment plants. The OWD currently has no local supply of raw water, potable water, or groundwater resources.

The development and/or acquisition of potential groundwater, recycled water market expansion, and seawater desalination supplies by the OWD have evolved and are planned to occur in response to the regional water supply issues. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and MWD UWMP, IRP, Master Plans, and other planning documents. These new additional water supply projects are not currently developed and are in various stages of the planning process. These local and regional water supply projects will allow for less reliance upon imported water and are considered a new water supply resource for the OWD.

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

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

6.3.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The availability of sufficient potable water supplies and plans for acquiring additional potable water supplies to serve existing and future demands of the OWD is founded upon the preceding discussions regarding MWD's and the Water Authority's water supply resources and water supplies to be acquired by the OWD. Historic imported water deliveries from the Water Authority to OWD and recycled water deliveries from the OWD Ralph W. Chapman Water Reclamation Facility (RWCWRF) are shown in Table 7. Since the year 2000 through mid May 2007, recycled water demand has exceeded the recycled water supply capability typically in the summer months. The RWCWRF is limited to a maximum production of about 1,300 ac-ft/yr. The recycled water supply shortfall had been met by supplementing

with potable water into the recycled water storage system as needed by adding potable water supplied by the Water Authority. On May 18, 2007 an additional source of recycled water supply from the City of San Diego’s South Bay Water Reclamation Plant (SBWRP) became available. The supply of recycled water from the SBWRP is a result of essentially completing construction and commencement of operations of the transmission, storage, and pump station systems necessary to link the SBWRP recycled water supply source to the existing OWD recycled water system.

Table 7
Otay Water District
Historic Imported and Local Water Supplies

Calendar Year	Imported Water (acre-feet)	Recycled Water (acre-feet)	Total (acre-feet)
1980	12,558	0	12,558
1985	14,529	0	14,529
1990	23,200	0	23,200
1995	20,922	614	21,536
2000	29,901	948	30,849
2005	37,678	1,227	38,905
2010	29,270	4,090	33,270

Source: Otay Water District operational records.

6.3.1.1 Imported and Regional Supplies

The availability of sufficient imported and regional potable water supplies to serve existing and planned uses within OWD is demonstrated in the above discussion on MWD and the Water Authority’s water supply reliability. The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority “as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs.” The Water Authority provides between 75 to 95 percent of the total supplies used by its 24 member agencies, depending on local weather and supply conditions. In calendar year 2010 the supply to OWD was 29,270 ac-ft of supply from the Water Authority. An additional 4,090 ac-ft of recycled water was provided from the City of San Diego and from OWD’s Ralph W. Chapman Water Reclamation Facility. The total baseline demand for potable water within the OWD is expected to increase to about 77,171 ac-ft by 2035 as per the Otay Water District 2010 UWMP.

Potable Water System Facilities

The OWD continues to pursue diversification of its water supply resources to increase reliability and flexibility. The OWD also continues to plan, design, and construct potable water system facilities to obtain these supplies and to distribute potable water to meet

customer demands. The OWD has successfully negotiated two water supply diversification agreements that enhance reliability and flexibility, which are briefly described as follows.

- The OWD entered into an agreement with the City of San Diego, known as the Otay Water Treatment Plant (WTP) Agreement. The Otay WTP Agreement provides for raw water purchase from the Water Authority and treatment by the City of San Diego at their Otay WTP for delivery to OWD. The supply system link to implement the Otay WTP Agreement to access the regions raw water supply system and the local water treatment plant became fully operational in August 2005. This supply link consists of the typical storage, transmission, pumping, flow measurement, and appurtenances to receive and transport the treated water to the OWD system. The City of San Diego obligation to supply 10 mgd of treated water under the Otay WTP Agreement is contingent upon there being available 10 mgd of surplus treatment capacity in the Otay WTP until such time as OWD pays the City of San Diego to expand the Otay WTP to meet the OWD future needs. In the event that the City of San Diego's surplus is projected to be less than 10 mgd the City of San Diego will consider and not unreasonably refuse the expansion of the Otay WTP to meet the OWD future needs. The Otay WTP existing rated capacity is 40 mgd with an actual effective capacity of approximately 34 mgd. The City of San Diego's typical demand for treated water from the Otay WTP is approximately 20 mgd. It is at the City of San Diego's discretion to utilize either imported raw water delivered by the Water Authority Pipeline No. 3 or local water stored in Lower Otay Reservoir for treatment to supply the OWD demand.
- The OWD entered into an agreement with the Water Authority, known as the East County Regional Treated Water Improvement Program (ECRTWIP Agreement). The ECRTWIP Agreement provides for transmission of raw water to the Helix WD R. M. Levy WTP for treatment and delivery to OWD. The supply system link to implement the ECRTWIP Agreement is complete allowing access to the regions raw water supply system and the local water treatment plant. This supply link consists of the typical transmission, pumping, storage, flow control, and appurtenances to receive and transport the potable water from the R. M. Levy WTP to OWD. The OWD is required to take a minimum of 10,000 ac-ft/yr of treated water from the R.M. Levy WTP supplied from the regions raw water system.

Cost and Financing

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

Written Agreements, Contracts, or Other Proof

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

Agreement for the Purchase of Treated Water from the Otay Water Treatment Plant between the City of San Diego and the Otay Water District. The OWD entered into an agreement dated January 11, 1999 with the City of San Diego that provides for 10 mgd of surplus treated water to the OWD from the existing Otay WTP capacity. The agreement allows for the purchase of treated water on an as available basis from the Otay WTP. The OWD pays the Water Authority at the prevailing raw water rate for raw water and pays the City of San Diego at a rate equal to the actual cost of treatment to potable water standards.

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

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

Federal, State, and Local Permits/Approvals

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

The transmission main project constructed about 26,000 feet of a 36-inch diameter steel pipeline from the Otay 14 Flow Control Facility to the 640-1 and 640-2 Reservoirs project. The Otay 14 Flow Control Facility modification increased the capacity of the existing systems from 8 mgd to 16 mgd. CEQA documentation is complete for both projects. Construction of both of these projects was completed October 2010.

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

6.3.1.2 Recycled Water Supplies

Wastewater collection, treatment, and disposal services provided by the OWD is limited to a relatively small area within what is known as the Jamacha Basin, located within the Middle Sweetwater River Basin watershed upstream of the Sweetwater Reservoir and downstream of Loveland Reservoir. Water recycling is defined as the treatment and disinfection of municipal wastewater to provide a water supply suitable for non-potable reuse. The OWD owns and operates the Ralph W. Chapman Water Reclamation Facility, which produces recycled water treated to a tertiary level for landscape irrigation purposes. The recycled water market area of the OWD is located primarily within the eastern area of the City of Chula Vista and on the Otay Mesa. The OWD distributes recycled water to a substantial market area that includes but is not limited to the U.S. Olympic Training Center, the Eastlake Golf Course, Otay Ranch, and other development projects.

The OWD projects that annual average demands for recycled water will increase to 8,000 ac-ft/yr by 2035. About 1,300 ac-ft/yr of supply is generated by the RWCWRF, with the remainder planned to be supplied to OWD by the City of San Diego's SBWRP.

North District Recycled Water Concept

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

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

Several opportunities that could be realized with the implementation of the use of recycled water in the North District were identified. These include a reduction of demand on the potable water system and maximizing recycled water resources which in turn minimizes treated wastewater discharges to the local ocean outfall. Other opportunities are a possible partnership with Sweetwater Authority to monitor any benefits and impacts of increased

recycled water use in the watershed and stakeholder outreach to resolve any water quality concerns and to retain consumer confidence. Also identified were two major constraints associated with the North District Recycled Water System Development Project. One constraint is the water quality objectives for the Middle Sweetwater Basin that will affect the effluent limitations for the recycled water produced at the RWCWRF. At this time, the effluent limit that is of concern is total nitrogen. An examination as to how the treatment process might be modified to enhance nitrogen removal and a design is underway to remedy the total nitrogen issue. The other major constraint is the cost of the infrastructure needed to convey and store recycled water in the North District. These costs are estimated to be in the range of \$14 to \$15 million dollars.

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

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

Recycled Water System Facilities

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

Cost and Financing

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

Written Agreements, Contracts, or Other Proof

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

Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant. The agreement provides for the purchase of at least 6,721 ac-ft per year of recycled water from the SBWRP at an initial price of \$350 per acre-foot. The Otay Water District Board of Directors approved the final agreement on June 4, 2003 and the San Diego City Council approved the final agreement on October 20, 2003.

Federal, State, and Local Permits/Approvals

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

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

6.3.1.3 Potential Groundwater Supplies

The Otay Water District 2010 WRMP Update, 2010 UWMP, and the Otay Water District March 2007 Integrated Water Resources Plan (2007 IRP) both contain a description of the development of potential groundwater supplies. Over the past several years, OWD has studied numerous potential groundwater supply options that have shown, through groundwater monitoring well activities, poor quality water and/or insufficient yield from the basins at a cost effective level. The OWD has developed capital improvement program projects to continue the quest to develop potential groundwater resources. Local OWD groundwater supply development is currently considered as a viable water supply resource to meet projected demands.

The development and/or acquisition of potential groundwater supply projects by the OWD have evolved and have been resurrected in response to the regional water supply issues related

to water source supply conditions. Local ground water supply projects will allow for less reliance upon imported water, achieve a level of independence of the regional wholesale water agencies, and diversify the OWD water supply portfolio consistent the Otay Water District 2007 IRP.

In recognition of the need to develop sufficient alternative water supplies, the OWD has taken the appropriate next steps towards development of production groundwater well projects.

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

Middle Sweetwater River Basin Groundwater Well

The Middle Sweetwater River Basin Groundwater Well is an additional water supply project that was thoroughly studied and documented in the 1990s. The Middle Sweetwater River Basin is located within the Sweetwater River watershed and that reach of the river extends from Sweetwater Reservoir to the upstream Loveland Reservoir. The next step in development of the Middle Sweetwater River Basin Groundwater Well is the implementation of a pilot well project. The ultimate objective of the OWD is to develop a groundwater well production system within the Middle Sweetwater River Basin capable of producing a sustainable yield of potable water as a local supply.

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

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

The groundwater conjunctive use concept is described as the extraction of the quantity of water from the groundwater basin that was placed there by customers of the Otay Water District, Helix Water District, and Padre Dam Municipal Water District by means of their use of imported treated water that contributed to the overall volume of groundwater within the basin. An estimated quantity was developed to be approximately 12.5 percent of the total consumption of the OWD customers within that basin, as measured by water meters. In the

1994-1995 period, the quantity of water that was returned to the groundwater basin by OWD customers was estimated to be 810 ac-ft/yr. Currently, that 12.5 percent quantity could be on the order of 1,000 ac-ft/yr. A future scope of work will need to address this concept while considering further development of the groundwater basin as an additional supply resource. If it is deemed that a Middle Sweetwater River Basin Groundwater Well Production Project is viable then the consultant will develop and provide a groundwater well production project implementation plan, cost estimate, and related scope of work.

Further development of the groundwater basin to enhance the total groundwater production could be accomplished by the OWD by means of additional extraction of water from the basin that is placed there by means of either injection and/or spreading basins using imported untreated water as the resource supply. The existing La Mesa Sweetwater Extension Pipeline, owned by the Water Authority, once converted to an untreated water delivery system, could be the conveyance system to transport untreated water for groundwater recharge in support of this conjunctive use concept. These two distinct water resource supply conjunctive use concepts will be addressed so they may coexist and to allow for their development as separate phases.

The scope of work to complete Middle Sweetwater River Basin Groundwater Well Pilot Project consists of many major tasks and is to address the groundwater supply concepts outlined above. It is anticipated that the cost for the entire scope of work, will be on the order of \$2,000,000, which includes a contingency and may take up to one and a half years to complete.

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

Otay Mesa Lot 7 Groundwater Well

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

The May 2001 Geoscience Support Services, Inc. completed for the OWD the preparation of a report entitled, "Otay Mesa Lot 7 Well Investigation," to assess the Otay Mesa Lot 7 Well. The scope of work included a geohydrologic evaluation of the well, analyses of the water quality samples, management and review of the well video log, and documentation of well pump testing. The primary findings, as documented in the report, formed the basis of the following recommendations:

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

The existing Otay Mesa Lot 7 Well, based upon the above findings, was determined not to be a reliable municipal supply of potable water and that better water quality and quantity perhaps could be discovered deeper or at an alternative location within the San Diego Formation.

The OWD may still continue to pursue the Otay Mesa groundwater well opportunity with due consideration of the recommendations of the existing report. Based on the recommendations of the investigation report, a groundwater well production facility at Otay Mesa Lot 7 could realistically extract approximately 300 ac-ft/yr.

Rancho del Rey Groundwater Well

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

In 1997, the OWD purchased an existing 7-inch well and the surrounding property on Rancho del Rey Parkway from the McMillin Company with the intent to develop it as a source of potable water. Treatment was required to remove salts and boron, among other constituents, using reverse osmosis membranes and ion exchange.

In 2000, having received proposals for the design and construction of a reverse osmosis treatment facility that far exceeded the allocated budget, the Board of Directors instructed staff to suspend the project until such time as it became economically viable.

In January 2010, citing the rising cost of imported water and the OWD's interest in securing its own water source for long-term supply reliability, the Board authorized Phase I for drilling and development of the Rancho del Rey Well.

In September 2010, a new 12-inch production well was drilled to a depth of 900 feet through the groundwater formation and into fractured bedrock. Testing showed the long-term yield of the new well to be 450 gpm, higher than previous studies had estimated. Separation Processes, Inc. (SPI), a highly qualified membrane treatment firm, was hired to conduct a detailed economic feasibility study to confirm that the annualized unit cost of the new water source was economically competitive with other sources. The economic study estimated the unit cost of water to be \$1,500 to \$2,000 per ac-ft for an alternative that utilizes a seawater membrane for treating both salts and boron. When compared with the current imported treated water rate from the Water Authority, and with the knowledge that this rate will continually increase as MWD and the Water Authority raise their rates, the Rancho del Rey Well project appears to be economically viable.

The OWD is continuing to pursue the Rancho del Rey groundwater well opportunity with due consideration of the recommendations of the existing reports and plans to develop a groundwater well production facility to extract approximately 500 ac-ft/yr. For water planning purposes, production of groundwater from the Rancho del Rey well is considered "additional planned" for local supplies. During preparation of this 2010 UWMP, the OWD has contracted for design services for the wellhead treatment facilities.

6.3.1.4 Otay Water District Desalination Project

The OWD is currently investigating the feasibility of purchasing desalinated water from a seawater reverse osmosis plant that is planned to be located in Rosarito, Mexico, known as the Otay Mesa Desalinated Water Conveyance System (Desalination) project. The treatment facility is intended to be designed, constructed, and operated in Mexico by a third party. The OWD's draft Desalination Feasibility Study, prepared in 2008, discusses the likely issues to be considered in terms of water treatment and monitoring, potential conveyance options within the United States from the international border to potential delivery points, and environmental, institutional, and permitting considerations for the OWD to import the Desalination project product water as a new local water supply resource.

While the treatment facility for the Desalination project will likely not be designed or operated by the OWD as the lead agency, it is important that the OWD maintain involvement with the planning, design, and construction of the facility to ensure that the implemented processes provide a product water of acceptable quality for distribution and use within the OWD's system as well as in other regional agencies' systems that may use the product water, i.e. City of San Diego, the Water Authority, etc. A seawater reverse osmosis treatment plant removes constituents of concern from the seawater, producing a water quality that far exceeds established United States and California drinking water regulations for most parameters,

however, a two-pass treatment system may be required to meet acceptable concentrations of boron and chlorides, similar to the levels seen within the existing OWD supply sources. The Desalination Feasibility Study addresses product water quality that is considered acceptable for public health and distribution.

The OWD, or any other potential participating agencies, will be required to get approval from the CDPH in order to use the desalinated seawater as a water source. Several alternative approaches are identified for getting this approval. These alternatives vary in their cost and their likelihood of meeting CDPH approval.

The Rosarito Desalination Facility Conveyance and Disinfection System Project report addresses two supply targets for the desalinated water (i.e. local and regional). The local alternative assumes that only OWD would participate and receive desalinated water, while the regional alternative assumes that other regional and/or local agencies would also participated in the Rosarito project.

On November 3, 2010, the OWD authorized the General Manager to enter into an agreement with AECOM for the engineering design, environmental documentation, and the permitting for the construction of the conveyance pipeline, pump station, and disinfection facility to be constructed within the OWD. The supply target is assumed to be 50 mgd while the ultimate capacity of the plant will be 100 mgd.

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

6.3.2 Otay Water District Capital Improvement Program

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

New water facilities that are required to accommodate the forecasted growth within the entire OWD service area are defined and described within the Otay Water District 2010 WRMP Update. These facilities are incorporated into the annual OWD Six Year Capital Improvement Program (CIP) for implementation when required to support development activities. As major development plans are formulated and proceed through the land use jurisdictional agency approval processes, OWD prepares water system requirements specifically for the proposed development project consistent with the Otay Water District 2010 WRMP Update. These requirements document, define, and describe all the potable water and recycled water system facilities to be constructed to provide an acceptable and adequate level of service to the proposed

land uses, as well as the financial responsibility of the facilities required for service. The OWD funds the facilities identified as CIP projects. Established water meter capacity fees and user rates are collected to fund the CIP project facilities. The developer funds all other required water system facilities to provide water service to their project.

Section 7 – Conclusion: Availability of Sufficient Supplies

The PPEC Project is currently located within the jurisdictions of the OWD, Water Authority, and MWD. To obtain permanent imported water supply service, land areas are required to be within the jurisdictions of the OWD, Water Authority, and MWD to utilize imported water supply.

The Water Authority and MWD have an established process that ensures supplies are being planned to meet future growth. Any annexations and revisions to established land use plans are captured in the San Diego Association of Governments (SANDAG) updated forecasts for land use planning, demographics, and economic projections. SANDAG serves as the regional, intergovernmental planning agency that develops and provides forecast information. The Water Authority and MWD update their demand forecasts and supply needs based on the most recent SANDAG forecast approximately every five years to coincide with preparation of their urban water management plans. Prior to the next forecast update, local jurisdictions with land use authority may require water supply assessment and/or verification reports for proposed land developments that are not within the OWD, Water Authority, or MWD jurisdictions (i.e. pending or proposed annexations) or that have revised land use plans with either lower or higher development intensities than reflected in the existing growth forecasts. Proposed land areas with pending or proposed annexations, or revised land use plans, typically result in creating higher demand and supply requirements than previously anticipated. The OWD, Water Authority, and MWD next demand forecast and supply requirements and associated planning documents would then capture any increase or decrease in demands and required supplies as a result of annexations or revised land use planning decisions.

MWD's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, State Water Project supplies, Colorado River supplies, groundwater banking, and water transfers. The 2010 update to the IRP includes a planning buffer supply intended to mitigate against the risks associated with implementation of local and imported supply programs and for the risk that future demands could be higher than projected. The planning buffer identifies an additional increment of water that could potentially be developed when needed and if other supplies are not fully implemented as planned. As part of implementation of the planning buffer, MWD periodically evaluates supply development, supply conditions, and projected demands to ensure that the region is not under or over developing supplies. Managed properly, the

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

In Section ES-5 of their 2010 RUWMP, MWD states that MWD has supply capacities that would be sufficient to meet expected demands from 2015 through 2035. MWD has plans for supply implementation and continued development of a diversified resource mix including programs in the Colorado River Aqueduct, State Water Project, Central Valley Transfers, local resource projects, and in-region storage that enables the region to meet its water supply needs. MWD's 2010 RUWMP identifies potential reserve supplies in the supply capability analysis (Tables 2-9, 2-10, and 2-11), which could be available to meet the unanticipated demands.

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

As part of preparation of a written water supply assessment report, an agency's shortage contingency analysis should be considered in determining sufficiency of supply. Section 11 of the Water Authority's 2010 Updated UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, adopted in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from MWD due to prolonged drought or other supply shortfall conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

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

This WSA Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, water supply projects, or agreements relevant to the identified water supply needs for the proposed PPEC Project. This WSA Report assesses, demonstrates, and documents that sufficient water supplies are planned for and are intended to be available over a 20-year planning horizon, under normal conditions

and in single and multiple dry years to meet the projected demand of the proposed PPEC Project and the existing and other planned development projects to be served by the OWD.

Table 8 presents the forecasted balance of water demands and required supplies for the OWD service area under average or normal year conditions. The total actual demand for FY 2010 was 33,270 acre feet. The demand for FY 2010 is 5,635 acre feet lower than the demand in FY 2005 of 38,905 acre feet. The drop in demand is a result of the unit price of water, the conservation efforts of users as a result of the prolonged drought, and the economy.

Table 9 presents the forecasted balance of water demands and supplies for the OWD service area under single dry year conditions. Table 10 presents the forecasted balance of water demands and supplies for the OWD service area under multiple dry year conditions for the three year period ending in 2018. The multiple dry year conditions for periods ending in 2023, 2028, and 2033 are provided in the Otay Water District 2010 UWMP. The projected potable demand and supply requirements shown the Tables 8, 9, and 10 are from the Otay Water District 2010 UWMP adjusted to reflect the additional 372 ac-ft/yr of potable water demand for the PPEC Project. Hot, dry weather may generate urban water demands that are about 6.4 percent greater than normal. This percentage was utilized to generate the dry year demands shown in Tables 9 and 10. The recycled water supplies are assumed to experience no reduction in a dry year.

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

Description	FY 2015	FY 2020	FY 2025	FY 2030	FY 2035
Demands					
OWD Demands	44,883	53,768	63,811	70,669	77,171
PPEC Project Demand Increase	372	372	372	372	372
Additional Conservation Target	(372)	(7,819)	(14,368)	(18,267)	(20,929)
Total Demand	44,883	46,321	49,815	52,774	56,614
Supplies					
Water Authority Supply	40,483	41,321	44,015	45,974	48,614
Recycled Water Supply	4,400	5,000	5,800	6,800	8,000
Total Supply	44,883	46,321	49,815	52,774	56,614
Supply Surplus/(Deficit)	0	0	0	0	0

Table 9 presents the forecasted balance of water demands and supplies for the OWD service area under single dry year and multiple dry year conditions as from the Otay Water District 2010 UWMP. The PPEC Project proposes to have a maximum annual capacity factor of 46 percent or a maximum of 4,000 hours per year so their demands do not need adjustment for multiple dry year conditions.

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

	Normal Year	Single Dry Year	Multiple Dry Years		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Demands					
OWD Demands	37,176	41,566	43,614	46,385	50,291
PPEC Project Demand Increase				372	372
Additional Conservation Target				(372)	(372)
Total Demand	37,176	41,566	43,614	46,385	50,291
Supplies					
Water Authority Supply	33,268	37,535	39,460	42,108	45,891
Recycled Water Supply	3,908	4,031	4,154	4,277	4,400
Total Supply	37,176	41,566	43,614	46,385	50,291
Supply Surplus/(Deficit)	0	0	0	0	0
District Demand totals with SBX7-7 conservation target achievement plus single dry year increase as shown. The Water Authority could implement its DMP. In this instances, the Water Authority may have to allocate supply shortages based on it equitable allocation methodology in its DMP.					

Dry year demands assumed to generate a 6.4% increase in demand over normal conditions for each year in addition to new demand growth.

Table 9 also presents the forecasted balance of water demands and supplies for the OWD service area under multiple dry year conditions for the three year period ending in 2015.

In evaluating the availability of sufficient water supply, the PPEC Project development proponents will be required to participate in the development of alternative water supply project(s). This can be achieved through payment of the New Water Supply Fee adopted by the OWD Board in May 2010. These water supply projects are in addition to those identified as sustainable supplies in the current Water Authority and MWD UWMP, IRP, Master Plans, and other planning documents. These new water supply projects are in response to the regional water supply issues related to climatological, environmental, legal, and other challenges that impact water source supply conditions, such as the court rulings regarding the Sacramento-San Joaquin Delta and the current ongoing western states drought conditions. These new additional water supply projects are not currently developed and are in various stages of the planning process. The OWD water supply development program includes but is not limited to projects such as the Middle Sweetwater River Basin Groundwater Well project, the North District Recycled Water Supply Concept, the OWD Desalination project, and the Rancho del Rey Groundwater Well project. The Water Authority and MWD's next forecasts and supply planning documents would capture any increase in water supplies resulting from any new water resources developed by the OWD.

The OWD acknowledges the ever-present challenge of balancing water supply with demand and the inherent need to possess a flexible and adaptable water supply implementation

strategy that can be relied upon during normal and dry weather conditions. The responsible regional water supply agencies have and will continue to adapt their resource plans and strategies to meet climate, environmental, and legal challenges so that they may continue to provide water supplies to their service areas. The regional water suppliers along with OWD fully intend to maintain sufficient reliable supplies through the 20-year planning horizon under normal, single, and multiple dry year conditions to meet projected demand of the PPEC Project, along with existing and other planned development projects within the OWD service area.

This WSA Report assesses, demonstrates, and documents that sufficient water supplies are planned for and are intended to be acquired, as well as the actions necessary and status to develop these supplies, to meet projected water demands of the PPEC Project as well as existing and other reasonably foreseeable planned development projects within the OWD for a 20-year planning horizon, in normal and in single and multiple dry years.

Source Documents

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Camp Dresser & McKee, Inc., "Rosarito Desalination Facility Conveyance and Disinfection System Project," June 21, 2010.

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

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

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

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

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

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

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

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

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

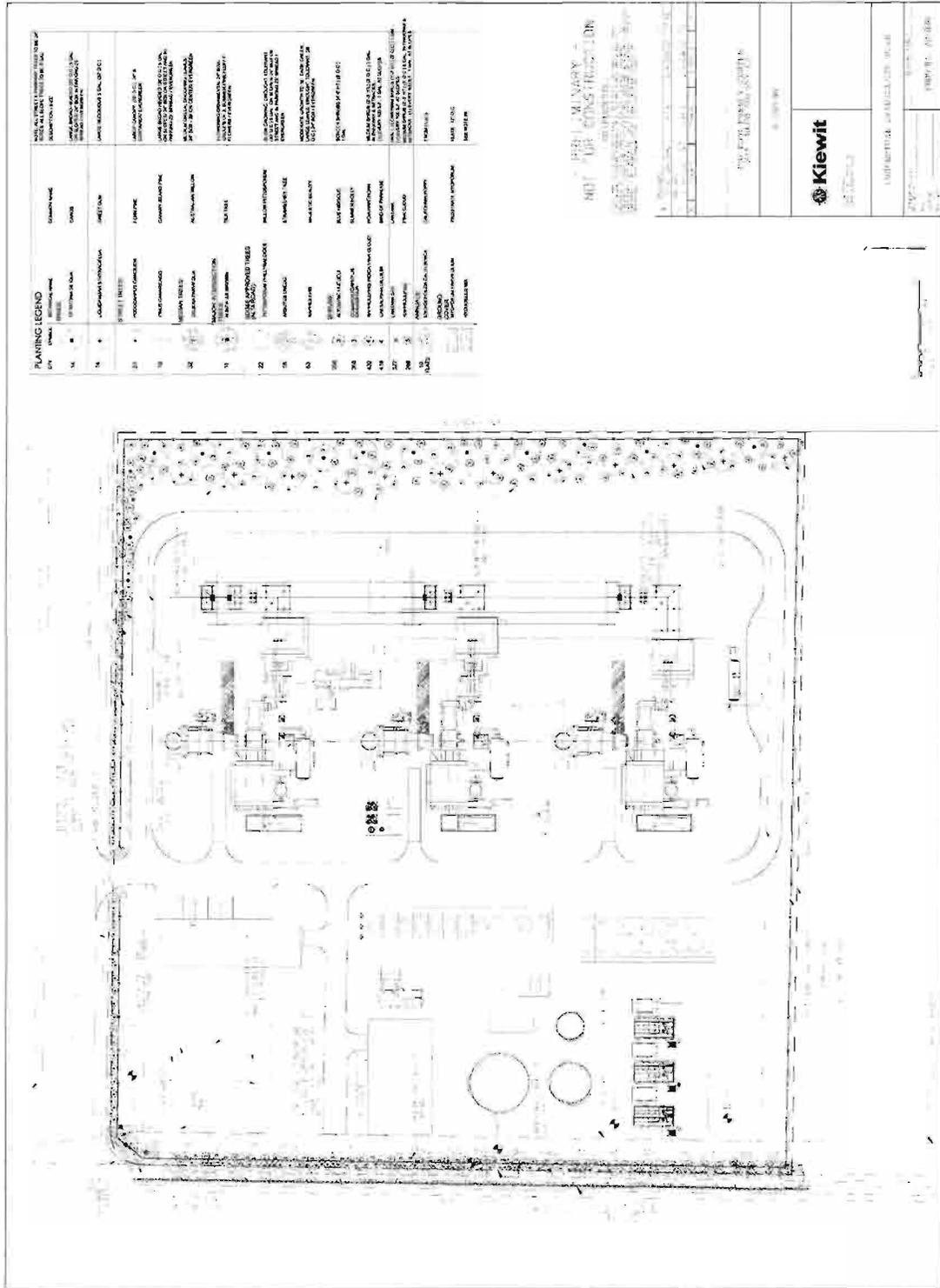
Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant.

Appendix A PPEC Project Vicinity Map



APPENDIX A

Appendix B PEC Project Development Plan



Appendix C
 PPEC Project Water Balance

CASE	ISO	Average High	Summer High	Peak Hour	Peak Day Average	
Ambient Temperature	59	70	80	93	82	
Wet Bulb Temperature	61	60	63	65	63	
Relative Humidity %	60	57	39	22	36	
Ambient Pressure	14.36	14.36	14.38	14.36	14	
Gross Turbine Output, MW	104.3	102.4	101.8	99.3	100.7	
Inlet Air Cooler Status	On	On	On	On	On	
Description	CTs in service					
	3	3	3	3	3	
A	Water Required by Plant	452	497	564	658	573
B	Required Makeup to Cooling System	215	178	177	185	172
C	Service Water Flow	5	98	167	259	182
D	Service water to evap coolers	0	93	162	254	177
E	Washdown hose use	5	5	5	5	5
F1	UF System Feed	232	222	219	212	218
F2	UF System Backwash	12	11	11	11	11
T	Oil/Water Sep Effluent	19	18	18	18	18
F3	RO System Feed	222	211	208	204	208
G	RO Pass 1 Inlet Flow	248	238	234	230	224
H	RO Pass 2 Inlet Flow	186	178	176	173	175
I	RO Pass 2 Reject to Pass 1	28	27	26	26	26
J	RO Product Water	158	152	149	147	149
S	RO rejects	62	59	59	58	58
K	Potable water to admin plug	2	2	2	2	2
L	Demineralized Water Flow	158	152	149	147	149
M	Demin water to evap coolers	0	0	0	0	0
N	NOx injection	158	152	149	147	149
O	Evap cooler evaporation	0	19	32	51	35
	Evap cooler Cycles of Concentration	1.25	1.25	1.25	1.25	1.25
P	Evaporative cooler blowdown	0	74	130	203	142
	Evap cooler Total Makeup	0	93	162	254	177
	Evap cooler makeup demin fraction	0%	0%	0%	0%	0%
Q	Intercooler condensation	0	23	35	43	36
	Heat Rejection (MMBtu/hr)	118	123	124	126	124
	Percent Dry Cooling	71%	63%	56%	46%	54%
R	Cooling System Evaporation	191	259	311	385	322
	Cooling System Cycles of Concentration	3.25	4.03	4.60	4.75	4.75
U	Cooling System Blowdown	85	83	89	103	86
	Cooling System Total Makeup	277	333	400	488	408
V	Wastewater Flow	104	103	107	121	104
Annual:						
Annual Operation	hours	1,100	1,603	1,000	300	4,000
Water Used	Acre-ft	92	147	184	36	378
Water Saved, compared to 100% evaporative cooling	Acre-ft	139	173	92	23	427
	%	60%	54%	47%	38%	53%
Wastewater Disposal	Acre-ft	21	33	20	7	78

- Notes:
- 1) All Flows are displayed in GPM
 - 2) Based on GE APPS performance
 - 3) Ultrafilter recovery rate 95%
 - 4) RO 1st Pass Recovery Rate 75%
 - 5) RO 2nd Pass Recovery Rate 95%
 - 6) Overall RO Recovery Rate 72%
 - 7) Cooling system Util 0.0010%
 - 8) Service Water Use gpm 5
 - 9) Annual Capacity Factor 48%
 - 10) Annual Water Savings 53% compared to 100% evaporative cooling
 - 11) Operating hours are estimated to maximize operation at higher temperatures

1	Flow	REF	CON	TOTD
PIO PICO ENERGY CENTER				
SAN DIEGO COUNTY, CA				
3.6 HRS FOR SIMPLE CYCLE				
 Kiewit				
1401 Renner Blvd Lenexa, Kansas 66219				
WATER BALANCE FLOW VALUES				
Drawn	By	Date	DRAWING NUMBER	
Checked			Figure 3.5-3B	
Approved				

Otay Water District Board of Directors Meeting

October 5, 2011



**Water Supply Assessment Report for the
Pio Pico Energy Center
SB 610 Compliance**



Background

Senate Bills 610 and 221 became effective on January 1, 2002, with the primary intent to improve the link between water supply availability and land use decisions.

SB 610 Water Supply Assessment (WSA):

- Requires water purveyor to prepare a Water Supply Assessment report for inclusion in agency CEQA documentation.

SB 221 Water Supply Verification:

- Does not apply to the PPEC Project for it is an industrial subdivision.

The PPEC Project Water Supply Assessment Report:

- Board approval required for submittal of the WSA to the California Energy Commission.

Pio Pico Energy Center

- **300 Megawatt Natural Gas Fired Power Generating Facility**
- **Operate up to 4,000 Hours a Year**



Pio Pico Energy Center

- Plant Startup May 2014
- Interim Potable Demand of 369 AFY until Recycled Water is Available



PPEC Project Water Supply Assessment

- **The regional and local water supply agencies acknowledge the challenges and fully intend to develop sufficient, reliable supplies to meet demands.**
- **Water suppliers recognize additional water supplies are necessary and portfolios need to be reassessed and redistributed with intent to serve existing and future needs.**

PPEC Project Water Supply Assessment

- **The WSA Report documents the planned water supply projects and the actions necessary to develop the supplies.**
- **Water supply for the PPEC Project and for existing and future developments within the District for a 20-year planning horizon, under normal and in single and multiple dry years are planned for and are intended to be made available.**

Otay Water District Planned Local Water Supply Projects

- **Rancho Del Rey Groundwater Well (500-600 AFY)**
- **Rosarito Ocean Desalination Project (24,000-50,000 AFY)**
- **Otay Mesa Lot 7 Groundwater Well (300-400 AFY)**
- **Otay Mesa Recycled Water Supply Link Project (400-800 AFY)**

Otay Water District Projected Balance of Supply and Demand

	Normal Year	Single Dry Year	Multiple Dry Years		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Demands					
Otay Water District Demands	37,176	41,566	43,614	46,385	50,291
PPEC Project Demand Increase				372	372
Additional Conservation Target				(372)	(372)
Total Demand	37,176	41,566	43,614	46,385	50,291
Supplies					
Water Authority Supply	33,268	37,535	39,460	42,108	45,891
Recycled Water Supply	3,908	4,031	4,154	4,277	4,400
Total Supply	37,176	41,566	43,614	46,385	50,291
Supply Surplus/(Deficit)	0	0	0	0	0

Table 9 of PPEC WSA Report

District Demand totals with SBX7-7 conservation target achievement with single dry year and multiple dry year increase as shown. The Water Authority could implement its DMP. In these instances, the Water Authority may have to allocate supply shortages based on the equitable allocation methodology in its DMP.

Conclusion

- **Water demand and supply forecasts are included in the planning documents of MWD, Water Authority, and the Otay Water District.**
- **Actions necessary to develop the identified water supplies are documented.**
- **PPEC Project SB 610 WSA demonstrates and documents that sufficient water supplies are planned for and are intended to be available over the next 20 years.**

Conclusion continued

- **It is believed that the Board has met the intent of SB 610 statute in that:**
 - 1) Land use agencies and water suppliers have demonstrated strong linkage.**
 - 2) The PPEC Project Water Supply Assessment clearly documents the current water supply situation.**

Staff Recommendation

That the Board of Directors approve the Senate Bill 610 Water Supply Assessment Report dated July 2011 for the PPEC Project.

Questions?



Water Supply Assessment Report for the Pio Pico Energy Center Project SB 610 Compliance





STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2011 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2011 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2011 Board of Director's meeting calendars and amend the schedule as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

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

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

Attachments: Calendar of Meetings for 2011

**Board of Directors, Workshops
and Committee Meetings
2011**

Regular Board Meetings:

January 5, 2011
February 2, 2011
March 2, 2011
April 6, 2011
May 4, 2011
June 1, 2011
July 15, 2011
August 10, 2011
September 7, 2011
October 5, 2011
November 2, 2011
December 7, 2011 (Canceled)

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

January 19, 2011
February 16, 2011
March 16, 2011
April 20, 2011
May 18, 2011
June 15, 2011
July 20, 2011
August 17, 2011
September 21, 2011
October 19, 2011
November 16, 2011

Board Workshops:

Budget Workshop: Monday, May 16, 2011



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Gary Stalker, System <i>GS</i> Operations Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Pedro Porras, Chief of Operations <i>P. Porras</i>		
APPROVED BY: (Asst. GM):	Manny Magaña, Assistant General Manager, Engineering and Water Operations <i>M. Magaña</i>		
SUBJECT:	Regional Power Outage Summary Report		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item and requires no Board action.

COMMITTEE ACTION:

See Attachment "A"

PURPOSE:

This is to inform the Board of the District's experiences and actions taken during the regional power outage on September 8, 2011.

ANALYSIS:

The power was out for approximately 10 hours at the main headquarters building and from six to twelve hours at other District facilities. Water service was maintained at normal pressures throughout the District's service area during the outage. District staff responded as needed and back-up staff were designated to come in as relief.

Seventeen staff from Water Operations and the safety and security administrator worked after-hours to monitor potential effects due to the outage. The power outage did bring forth some potential areas of improvements in our emergency power systems that need to be evaluated. Some of these issues were already recognized and equipment has been budgeted this fiscal year to improve them.

The primary issue was that the SCADA system radio communications were largely offline because long term back-up power equipment has not been purchased for the new Ethernet radio system. Two water systems operators visually checked reservoir levels and manually started pumps where necessary. Most of the new Ethernet radios were initially installed with small UPS batteries to handle short localized power outages of up to 30 minutes. Larger battery back-up was to be added later once the combined power needs for operations, security, and other IT equipment was determined. The present plan is to connect SCADA radios at pump stations, and reservoirs near pump stations, to the emergency generators to provide considerably longer back-up time. In addition, a three day emergency battery back-up will be supplied at remote reservoir sites so that the reservoir level signals will be transmitted to the pump station. These batteries can be recharged using small portable generators during more extended emergencies. Staff is also evaluating partnering with cellular site companies to use power from their generators as back-up power for radios. Many reservoirs have cellular sites on or adjacent to them that have generator power.

The District's major computer systems stayed up in the headquarters building and most workstations were back online within a few minutes when the back-up generator kicked in. A UPS failure was detected in the first floor switch-room, but its impact was minor. The cellular communications were impacted and spotty initially, but our internet and radio systems worked well.

The generator in the Operations Center/EOC also kicked in immediately and kept systems on-line. When SDG&E power was restored, the automatic transfer switch (ATS) for this generator did not work properly and power had to be manually switched back to the grid by one of our electricians. The pump electric supervisor will have the ATS tested. In addition, one generator was previously evaluated to power both the Warehouse and fuel island. This generator was budgeted for this fiscal year and the purchase of it will be expedited.

All of the permanently installed back-up generators for the pump stations functioned properly. Fleet maintenance staff topped off fuel as needed and the District has enough fuel on-hand to normally operate all pump stations for approximately eight days during high demand periods. In addition, during extended power outages, demands are expected to be lower than normal due to loss of power to dishwashers, washing machines and sprinkler systems controllers. Two portable generators needed to be manually wired to pump stations because the Air Pollution Control District does not allow portable generators to be continually connected at a facility. Permanent generators have been budgeted this fiscal year for these two pump stations.

The treatment plant's back-up generator started properly but overheated and shutdown due to being overloaded, which also shutdown the treatment plant. After non-critical load was shed, the generator

was restarted and continued operating to power the aeration blowers and lighting. It was decided not to restart the plant during the outage while flows were diverted to Metro. The District has already purchased a larger generator for the plant, which will be installed during the low recycled water demand period this winter.

Other improvements that could be made to be more efficient during similar emergencies are:

- Add generator fuel level readings to SCADA so staff does not need to manually check fuel levels.
- Add battery powered emergency lights at the Operations Center/EOC and Treatment Plant office, in case a generator does not function properly.
- Evaluate emergency access to facilities with electric gates. Some electric gates are not powered by a generator and do not have convenient alternative entry. Also evaluate emergency access to gated communities that have District facilities within.
- Identify stores that have emergency back-up power and would likely remain open in emergencies.
- The County of San Diego Office of Emergency Services' WebEOC website was monitored and was useful for information updates and requests for mutual aid from other agencies. The San Diego County Water Authority has staff at this EOC. The District did not receive any requests for mutual aid, such as equipment or staffing. The Sweetwater Authority took 5,250 gallons of water through an interconnection that automatically opens when their water pressure gets low in the Naples/Oleander area of Chula Vista.

In short, this outage was a good test for the District's emergency response and communications. The District maintained full service to customers and the improvements/upgrades mentioned above will be further evaluated.

FISCAL IMPACT:

None

STRATEGIC GOAL:

Meets the District's strategy to "Improve business functionality by constantly improving the efficiency and effectiveness of important business processes".

LEGAL IMPACT: _____

Not applicable.



General Manager



ATTACHMENT A

SUBJECT/PROJECT: Regional Power Outage Summary Report

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a Committee Meeting held on September 28, 2011 and the following comments were made:

- Staff indicated that the purpose of the Regional Power Outage Summary Report is to inform the Board of the District's experiences and actions taken on September 8, 2011, during the power outage.
- It was noted that the District's water services was maintained at normal pressures throughout its service area during the outage. However, staff indicated that the power outage did bring forth some potential areas of improvements in the District's emergency power systems that need to be evaluated. Staff discussed those areas in need of improvements.
- Staff highlighted that no spills were reported in the District's service area and also noted that its customers did not have to boil water. The Committee stated that it was nice to hear that the District was well-prepared during the regional power outage and continued to maintain service to its customers.
- It was discussed that staff monitored the County of San Diego Office of Emergency Services' WebEOC to obtain useful information updates and to see if requests for mutual aid from other local agencies were needed. Staff noted that the District did not receive any mutual aid requests, but did indicate that the Sweetwater Authority took 5,250 gallons of water through an interconnection in the Naples/Oleander area of Chula Vista that automatically opens when their water pressure gets low.

- In response to a question by the Committee, staff stated that the District has thirty-two (32) interconnections where it is able to receive water from or supply water to other agencies. The Committee inquired if a potential cross-contamination could occur within those interconnections while the other agency is under a Boil Water Order. Staff stated that it would be unlikely since the other agencies pressure would be lower than ours. However, staff indicated that they would research the potential impacts of receiving water supply from other local agencies through its interconnections and will also provide the location of the District's interconnections at the Board meeting.

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



STAFF REPORT

TYPE MEETING:	Board Meeting	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Joseph R. Beachem, Chief Financial Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration		
SUBJECT:	Retiree Healthcare Benefits - Substantiation of the Actuarial Report and Validation that the Enhancement of the Retiree Healthcare Benefits is Fully Funded by Employee Contributions		

GENERAL MANAGER'S RECOMMENDATION:

This staff report is an informational item that provides additional findings to the Board of Directors regarding the recent enhancement to the retiree healthcare benefits:

- 1) The peer review by Milliman, Inc. of the 2011 actuarial study performed by Bartel Associates, LLC.
- 2) The results of the net savings calculation by Bartel Associates, LLC of the retiree healthcare benefits.
- 3) Statement by John Bartel on the proper use of an actuarial study.

COMMITTEE ACTION: _____

N/A

PURPOSE:

To provide the Board of Directors with the findings of the peer review of the recent actuarial study; the results of the net savings calculation by Bartel Associates, LLC; along with an explanation of the proper use of an actuarial study.

ANALYSIS:

SUMMARY

The Board of Directors has approved the enhancement of the retiree medical plan after reviewing the anticipated savings that result from the employee proposal to pay additional costs of the CalPERS retirement plan. This action has been highly criticized by Lani Lutar of the San Diego Taxpayers Association.

The District has since validated the financial information by hiring an independent professional actuary to perform a peer review, and retaining the District's existing actuary to validate staff's projections of the anticipated savings. Staff has reviewed both the reports and concludes that they clearly confirm that the Board's decision was fiscally sound.

BACKGROUND

The District employees approached the Otay Water District Board of Directors with a proposal which was effectively cost neutral to the District. The proposal was that the employees would pay an additional amount toward the CalPERS retirement plan, relieving the District of this expense, and in return the District would provide an enhancement to the retiree healthcare benefits. The employees made this proposal which would reduce their take home pay, an immediate sacrifice, for the opportunity to receive an improved retirement in the event they retire with the required age and years of service.

This plan went through various iterations. In order to insure that the plan would not cause the District's ratepayers any additional financial burden, the proposed annual payment by the employees was set at a rate that exceeded the annual cost of the enhancement. The District hired the actuarial firm of Bartel Associates, LLC, a well respected firm, to calculate the cost of the existing retiree healthcare benefits and various plan proposals. The change in the annual cost was then compared, by District staff, with the cost of the projected annual payment by employees. For each of the various levels of enhancement considered by the employees, the additional payment by employees was set at a rate that would exceed the annual cost of the enhancement. The employees then had to consider if this future benefit was worth the immediate sacrifice of take home pay. The decision by the various employee groups was far from unanimous but in the end it was approved by the employee associations and the request went to the Board.

It is understood that over time, some assumptions will prove to be higher or lower than originally estimated. In the event that this causes the cost of the enhancement to exceed the payments by the employees, the District is able to renegotiate the benefit level or the payment, or both. This is the ultimate protection of the intended cost neutrality of this agreement.

The employees of the District are very appreciative that the Board of Directors was willing to look at the merits of this

decision and support the employees' willingness to sacrifice current take home pay for the hope of a more stable retirement.

SUBSTANTIATION OF ACTUARIAL REPORT

The merits of this decision are based on the overall cost of the changes to the retiree medical plan which were determined by an actuarial study. The Taxpayers Association has highlighted Tier III, a subset of employees, who had a very small medical retirement benefit and who would therefore receive the greatest benefit of this enhancement. The cost of this benefit prior to the enhancement was very small, with approximately 97% of all plans evaluated by the actuaries providing a greater benefit. The cost of the benefit after the enhancement was more in line with a typical plan coming in at the 62nd percentile of all plans evaluated by the actuaries. The change in Tier III is significantly greater than the overall enhancement of the plan. The Taxpayers Association's focus on this subset of employees misrepresents the entirety of the Board's action. The District, in order to accurately reflect the action, recognizes the employee contribution, and that this contribution is greater than the increased cost of the benefit. The employee contribution must be considered in order to have a complete evaluation of the employees' proposal.

At the August 10, 2011 Board Meeting, numerous questions were raised regarding the legitimacy of the actuarial report. Someone in the audience recommended that the District use another actuarial firm, which they specifically referenced, to confirm the cost information. The District hired this firm, Milliman, Inc., who has an exceptional reputation, to perform an independent peer review of the study by Bartel Associates, LLC. The results of this review are very positive and can be summarized by this quote from their report:

"Since the plan participates in the California Employers' Retiree Benefit Trust Fund (CERBT), many of the assumptions and methods must conform to the CalPERS OPEB assumption model. Based on our review of the reports, the valuation does conform to this requirement. Where the CalPERS OPEB assumption model allows for some latitude, the assumptions described in the report seemed reasonable and conformed to GASB 45 requirements and actuarial standards of practice."

This report is a substantiation of the quality of information in the Bartel Associates, LLC report and gives even greater assurance that the information used by District staff and the

Otay Board of Directors is accurate and fairly assess the cost of the retirement medical plan enhancements.

VALIDATION OF NET SAVINGS

In an effort to substantiate the position that the Board's support of the employee's proposal would not burden the District's ratepayers, the District engaged Bartel Associates, LLC to do a separate calculation of the savings. The actuary used a more complicated and detailed approach to measure the projected net savings. The result of their study shows an annual net savings following a net cost in the first year. The net cost in the first year is a result of the 2 year phasing in of employee contributions. In the second year and in all subsequent years there is a net savings. This savings begins at approximately \$140,000 and increases steadily in all future years. The results of the Bartel Associates, LLC calculation validate that the enhancement to the retiree healthcare benefits is fully funded by employee contributions. This net savings adds a measure of security and protection to the ratepayers, ensuring that they will not be burdened financially by this decision.

USE OF THE ACTUARIAL STUDY

In conversations with the District's actuary they have stated that it would be misleading to focus on just one subset of the employees to characterize the Board's action as a whole. The District's approach has always been to use the entire report which reflects the entire change. The Taxpayers Association's portrayal of the Board's action is focused on only one group of employees, which is a misrepresentation. The Taxpayers Association also ignores the employee's additional contribution to CalPERS.

The Otay Water District Board used sound information that has been validated and substantiated. The Otay Water District's Board of Directors also retains the ability to modify the agreement as future situations demand. The Board's decision has not added to the financial burdens of the ratepayers.

FISCAL IMPACT:



None as this is an information report only. This report is further support that the action by the Board of Director's was based on sound financial information and added no cost to the ratepayers.

STRATEGIC GOAL:

Sound financial decisions.

LEGAL IMPACT: _____

None.

A handwritten signature in blue ink, appearing to be "M. J. [unclear]", written over a horizontal line.

General Manager

Attachments:

- A) Bartel Associates Net Savings Calculation
- B) Bartel Associates Memorandum
- C) Retiree Healthcare Benefits Presentation



**OTAY WATER DISTRICT
RETIREE HEALTHCARE PLAN**

June 30, 2011 GASB 45 Actuarial Valuation
CalPERS Savings Versus OPEB ARC Increase

Bartel Associates, LLC
John E. Bartel, President
Joseph R. D'Onofrio
Adam Zimmerer
September 30, 2011

CONTENTS

<u>Topic</u>	<u>Page</u>
Methods & Assumptions	1
Savings Projections	3
Projected Payroll	5

METHODS & ASSUMPTIONS

■ CalPERS Member Contributions

CalPERS Member Rate	Unrepresented		Represented	
	7/15/11	7/1/12	8/15/11	7/1/12
New Rate	4.50%	8.00%	5.25%	8.75%
Prior Rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Savings	3.50%	7.00%	4.25%	7.75%

■ OPEB ARC Increase (000's)

Plan Design	Unfunded Actuarial Accrued Liability	Normal Cost	UAAL Amortization	Annual Required Contribution (ARC)
New Plan	\$ 10,419	\$ 640	\$ 673	\$ 1,313
Prior Plan	<u>5,478</u>	<u>145</u>	<u>350</u>	<u>495</u>
Increase	4,941	495	323	818



September 30, 2011

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METHODS & ASSUMPTIONS

■ OPEB Annual Required Contribution

- ARC projection assumes funding contribution equals ARC each year
- Unfunded Actuarial Accrued Liability fully funded in 26 years

■ Assumptions

- District payroll estimate for 2011/12:
 - Unrepresented - \$5,021,100
 - Represented - \$7,704,600
- Payroll increases 3.75% for 2012/13 and 3.25% per year thereafter
- Present value uses a discount rate of 4.5%
- Other assumptions same as June 30, 2011 actuarial valuation



September 30, 2011

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SAVINGS PROJECTIONS

CalPERS Savings vs OPEB ARC Increase Projection

(Amounts in 000's)

Fiscal Year End	CalPERS Contribution Savings	OPEB ARC Increase	Annual Savings	Cumulative Savings	Present Value of Cumulative Savings
2012	\$ 457	\$ 818	\$ (361)	\$ (361)	\$ (361)
2013	984	845	140	(222)	(228)
2014	1,016	872	144	(78)	(96)
2015	1,049	900	149	71	35
2016	1,083	930	154	225	163
2021	1,271	1,091	180	1,071	785
2026	1,492	1,280	212	2,064	1,370
2031	1,750	1,502	248	3,230	1,921
2036	2,054	1,762	291	4,597	2,440
2041	2,410	1,251	1,158	9,317	3,856
2046	2,828	1,468	1,359	15,699	5,415



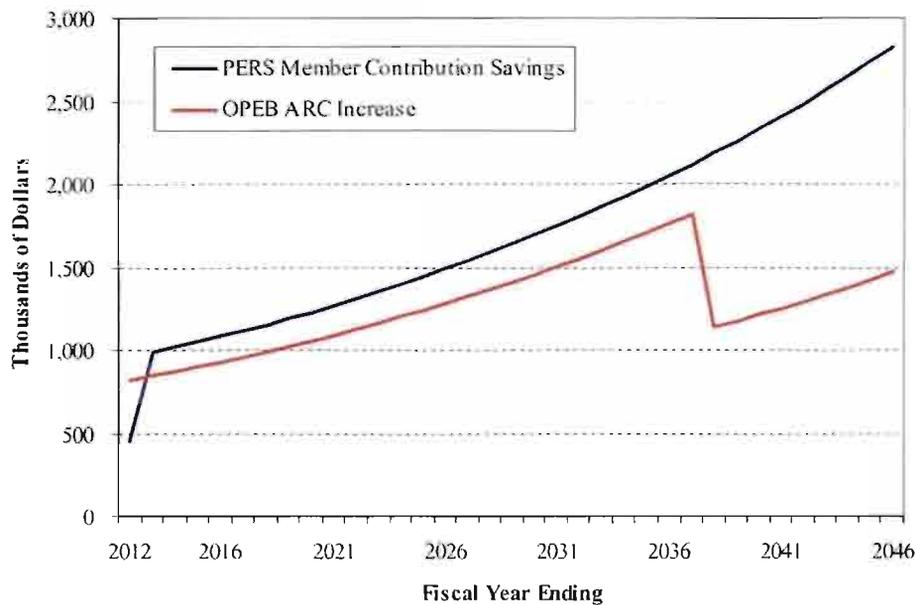
September 30, 2011

3



SAVINGS PROJECTIONS

CalPERS Savings vs OPEB ARC Increase



September 30, 2011

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PROJECTED PAYROLL

Payroll Projection

(Amounts in 000's)

Fiscal Year End	Unrepresented CalPERS Payroll	Represented CalPERS Payroll	Total CalPERS Payroll
2012	\$ 5,021	\$ 7,705	\$ 12,726
2013	5,209	7,994	13,203
2014	5,379	8,253	13,632
2015	5,554	8,522	14,075
2016	5,734	8,798	14,532
2021	6,728	10,324	17,053
2026	7,895	12,115	20,010
2031	9,264	14,215	23,480
2036	10,871	16,681	27,551
2041	12,756	19,573	32,329
2046	14,968	22,967	37,935



September 30, 2011



Date: October 4, 2011
To: Mark Watton, General Manager, Otay Water District
From: John E. Bartel, President, Bartel Associates, LLC
Cc: Joseph R. D'Onofrio, Bartel Associates, LLC
Re: **Retiree Medical Benefit Study**

Bartel Associates has completed an analysis of the retiree medical benefit plan changes approved by the District's Board of Directors on August 10, 2011, including a projection of the cost impact of those changes as compared to the savings expected as the District phases out paying its employees' CalPERS member contributions. A copy of our discussion outline summarizing anticipated net District savings is attached. This memo summarizes information contained in this report and provides the District a brief response to comments made by Mr. Chris Cate representing the San Diego Taxpayers Association (SDCTA).

Cost Versus Savings Projections

For 2011/12, when the transition to the employees paying their CalPERS member contributions is only partially phased in, the District's CalPERS member contribution savings is less than the retiree medical plan change cost, resulting in a net cost increase to the District of approximately \$361,000. However, there is a net savings to the District of approximately \$140,000 in 2012/13 when the member contributions are entirely paid by the employees, effective in the middle of the year. This net savings increases steadily to approximately \$300,000 in 25 years for 2036/37. Beginning with 2037/38 the net savings increases dramatically to over \$1 million annually because the initial Unfunded Actuarial Accrued Liability is paid off, resulting in a much lower retiree medical Annual Required Contribution. Discounting projected savings results in a present value (in today's dollars) of approximately \$1.9 million after 20 years and \$2.4 million after 25 years. Projected net savings, of course, would be much higher using longer projection periods.

Comments on SDCTA Transcripts

We reviewed transcripts of comments made by Mr. Chris Cate of the SDCTA at the August 10, 2011 and September 7, 2011 Board of Directors' meetings and have the following comments:

- In general, Mr. Cate's calculations are accurate.
- Mr. Cate appears to understand the basics and basis of our benefit change study
- However, Mr. Cate:
 - Takes our study results out of context, and
 - Does not consider:
 - The retiree medical plan in total.
 - How the District's results compare with other agencies throughout California both before and after the benefit change.

Date: October 4, 2011
To: Mark Watton
From: John E. Bartel
Page: 2



- Whether or not the District's contribution policy impacts his analysis, including the District's funded status.

We believe Mr. Cate has taken the results of our analysis out of context. A more reasonable reading of our report results in the following conclusions:

- Tier III retiree medical benefits before the benefit changes were much lower than our other California public agency clients. Comparing results with other Bartel Associates clients, we found:
 - Approximately 3% of our clients have a lower normal cost and approximately 97% of our clients have a higher normal cost than District tier III employees had before the benefit changes.
 - Approximately 62% of our clients have a lower normal cost and approximately 38% of our clients have a higher normal cost than District tier III employees have after the benefit changes.
- District retiree medical benefits after the plan change in total for all Tiers were reasonable compared to other California public agencies. Comparing results with other Bartel Associates clients, we found:
 - Approximately 23% of our clients have a lower normal cost and approximately 77% of our clients have a higher normal cost than all District employees had before the benefit changes.
 - Approximately 61% of our clients have a lower normal cost and approximately 39% of our clients have a higher normal cost than all District employees have after the benefit changes.
- Total District retiree healthcare costs increased from 4.0% of pay to 10.6% of pay. Comparing results with other Bartel Associates clients we found:
 - Approximately 32% of our clients have a lower Annual Required Contribution (ARC) and approximately 68% of our clients have a higher ARC than the District had for all employees before the benefit changes.
 - Approximately 53% of our clients have a lower Annual Required Contribution (ARC) and approximately 47% of our clients have a higher ARC than the District has for all employees after the benefit changes.

Please call Joe D'Onofrio (650/377-1610) or me (650/377-1601) with any questions about our analysis.

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OTAY WATER DISTRICT

RETIREE HEALTHCARE BENEFITS



Purpose of the Presentation



- ❑ Substantiation of the current actuarial report.
- ❑ Validation that the enhancement of the retiree healthcare benefits is fully funded by increased employee contributions.
- ❑ Highlight the proper use of an actuarial report.

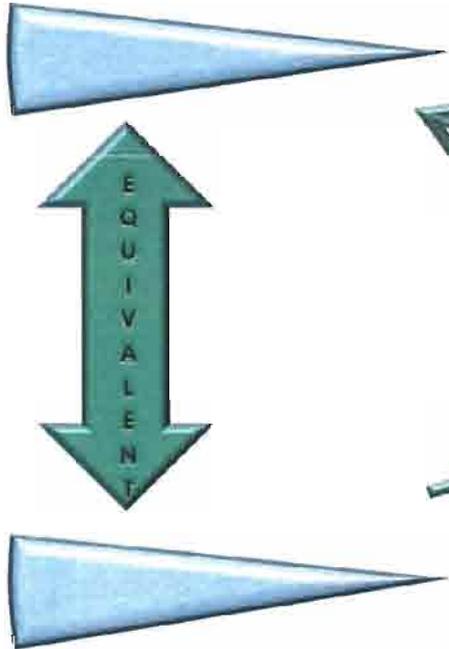
Background



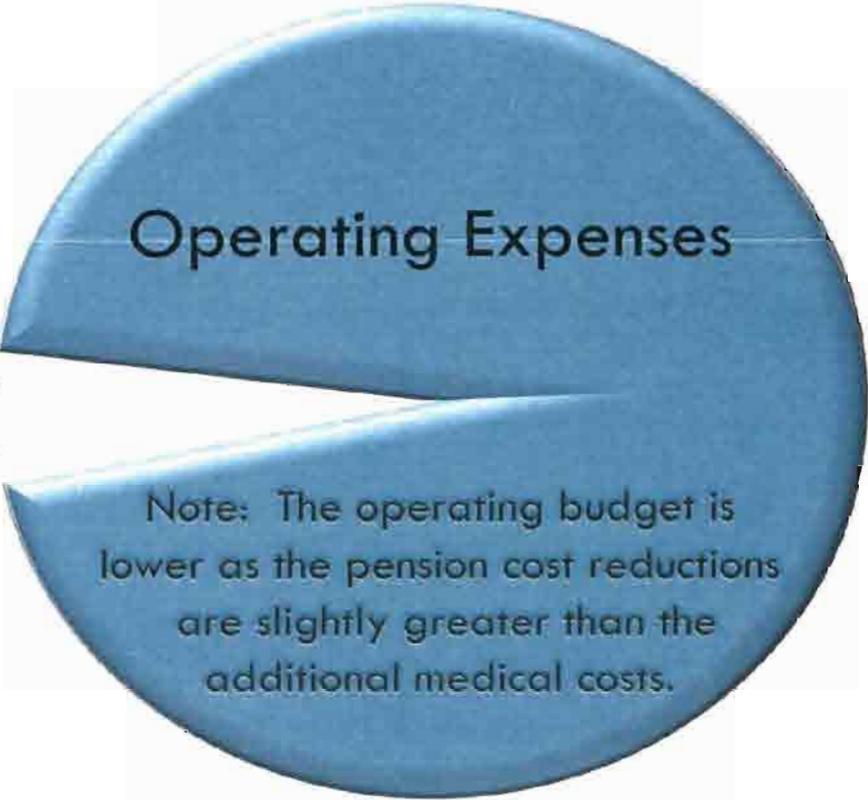
- ❑ Employee groups proposed a payroll deduction to pay a greater share of the PERS retirement cost, in return for an enhancement to the retiree healthcare benefits.
- ❑ Bartel Associates, LLP, was hired to calculate the added cost of the retiree medical.
- ❑ The payroll deduction was set at an amount greater than the added cost of the retiree healthcare benefits.
- ❑ The Board approved the proposal based on an understanding that the customers would not be negatively impacted by this change.

Proposal Swaps Equivalent Pension Costs for Retirement Medical Costs

Pension Costs
Removed from Operating Budget



Retiree Healthcare Costs
Added to Operating Budget



Taxpayers Association Criticism



- TPA questioned the legitimacy of the Actuarial Study.

- Different firm was recommended – Milliman, Inc.
 - ▣ The District hired Milliman, Inc. to perform a Peer Review
 - ▣ Results show that Bartel Associates used reasonable methods and assumptions.

- This independent third party peer review substantiates the Bartel Associates actuarial study.

Taxpayers Association Criticism



- TPA questioned the legitimacy of the net savings as calculated by district staff.
- This challenges the District's assertion that the customers will not be financially harmed.
- Bartel Associates was hired to recalculate the net savings using actuarial methods.
 - ▣ The results validated that the enhancement to the retiree healthcare benefits is fully funded by the employee contribution.
 - ▣ The annual net savings beginning in 2013, as calculated by Bartel Associates, LLC, is \$140,000 and projected to increase over time.

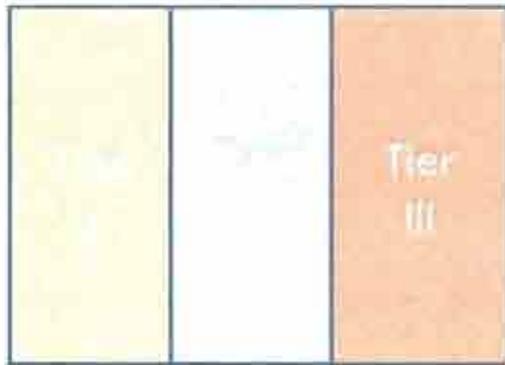
Proper Use of an Actuarial Study



- ❑ To use a subset of the employees to characterize the Board's action is misleading.
- ❑ The Taxpayers Association pulled a subset of employees and used this to represent the Board's action.

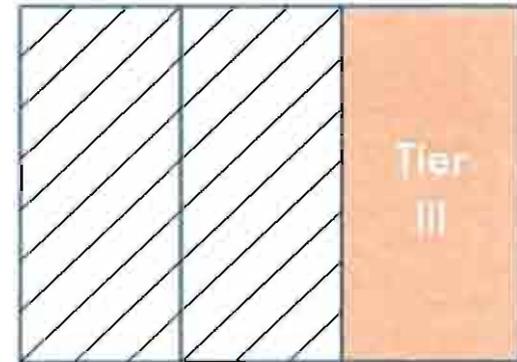
Proper Use of the Actuarial Report

Actuarial study covers All Three categories of employees



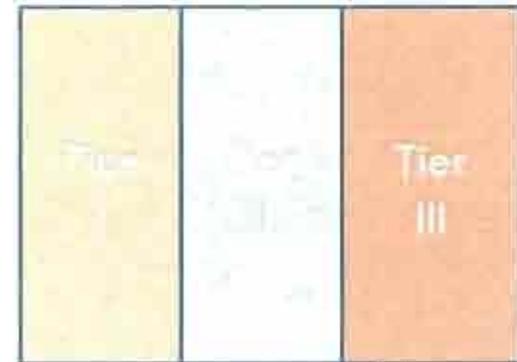
Taxpayers' approach only looks at Tier III which misrepresents the Board's action

Taxpayers' Approach



District's Approach

The District's approach takes into account all changes to all tiers



Conclusion

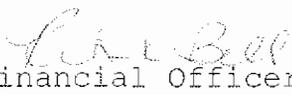


The employees will pay for the cost of enhancement.

- The actuarial study has been substantiated.
- The net savings has been verified to fully fund the cost of the enhancement.
- The criticisms are without merit and are a result of the misuse of the actuarial study.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Alice Mendez-Schomer,  Customer Service Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer 		
APPROVED BY: (Asst. GM):	German Alvarez  , Assistant General Manager, Administration and Finance		
SUBJECT:	Informational Item Regarding Customer Notices of the Approved Water and Sewer Rate Increases Effective January 1, 2012		

GENERAL MANAGER'S RECOMMENDATION:

Informational item regarding customer notices of the approved water and sewer rate increases effective January 1, 2012.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To present to the Board the attached notices that will be mailed to customers in November outlining the approved January 1, 2012 water and sewer rate increases.

ANALYSIS:

At a Special Board meeting held on May 16, 2011, the Board approved the Fiscal Year 2011-2012 Operating and Capital Budget. At that time, the Board also approved an average water rate increase of 7.7% and an average sewer rate increase of 7.5%. At that meeting draft copies of the rate increase notices were provided.

The District has always sent notices of rate increases to its customers to ensure that customers are well informed of rate changes. Not only are these notices customary but they are now required by Proposition 218. The attached notices of the rate increases effective January 1, 2012, will be inserted in the monthly customer bills beginning November 8th running through November 28, 2011.

The following table outlines the seven different notices and the quantity that the District's bill print vendor will insert into the customer bills and mail. A small amount of these notices will be printed and mailed by Otay staff.

Type of Notice	Quantity
Residential Water	39,973
Residential Sewer	1,124
Public and Commercial Water	871
Commercial Sewer	35
Master Metered Water	232
Recycled Water	91
Landscape, Ag., Construction Water	466

Notices will be mailed in November to ensure that all customers will receive this notice at least 30 days prior to when service will be priced at the new rates. Proposition 218 requires a minimum notice period of 30 days.

FISCAL IMPACT:

P13

None.

STRATEGIC GOAL:

Ensure financial health through formalized policies, long-term financial planning, and efficient operations.

LEGAL IMPACT:

None.



General Manager

Attachments:

- A) Committee Action Form
- B) Residential Water Rate Increase Notice
- C) Residential Sewer Rate Increase Notice
- D) Public and Commercial Water Rate Increase Notice
- E) Commercial Sewer Rate Increase Notice
- F) Master Metered Water Rate Increase Notice
- G) Recycled Water Rate Increase Notice
- H) Landscape, Agricultural and Construction Water Rate Increase Notice



ATTACHMENT A

SUBJECT/PROJECT:	Informational Item Regarding Customer Notices of the Approved Water and Sewer Rate Increases Effective January 1, 2012
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 19, 2011. The following comments were made:

- Staff presented the customer notices of the water and sewer rate increases, approved at the May 2011 board meeting, that will become effective January 1, 2012.
- The notices are scheduled to mail to the District's customers in November 2011, beginning November 8 and through the end of the month, to comply with the 30-day notice requirement.
- It was noted that the notices were also included with the May 2011 budget workshop board materials and are very similar to the notices that have been utilized since 2007. The notices have just been updated to reflect the current rate information.
- The board approved a 5-year rate increase plan under Proposition 218 as allowed by State law and the District is in the 3rd year of the plan. The increases are well within the boundaries identified in the rate increase plan which was adopted in 2009.
- The District would remain in the lower third in comparison to other San Diego County water agencies in terms of the cost of water service (lowest cost provider) with the implementation of this increase.
- It was noted that the District's water rate increase of 7.7% is less than the District's wholesaler (CWA) increase of 9.97%.

Following the discussion the committee supported presentation to the full board as an informational item.



Notice of Residential Water Rate Increase

Otay Water District
 2554 Sweetwater Springs Blvd.
 Spring Valley, CA 91978
 www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.7% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. This action is necessary due to higher costs from wholesale water suppliers. The rate increase herein noticed is a 100% pass-through to those suppliers. The new water rates and charges will apply to water billed beginning February 1, 2012 and, depending on your billing cycle, may apply to water usage as early as the beginning of January 2012. **This letter serves as a 30-day notice of rate increases.**

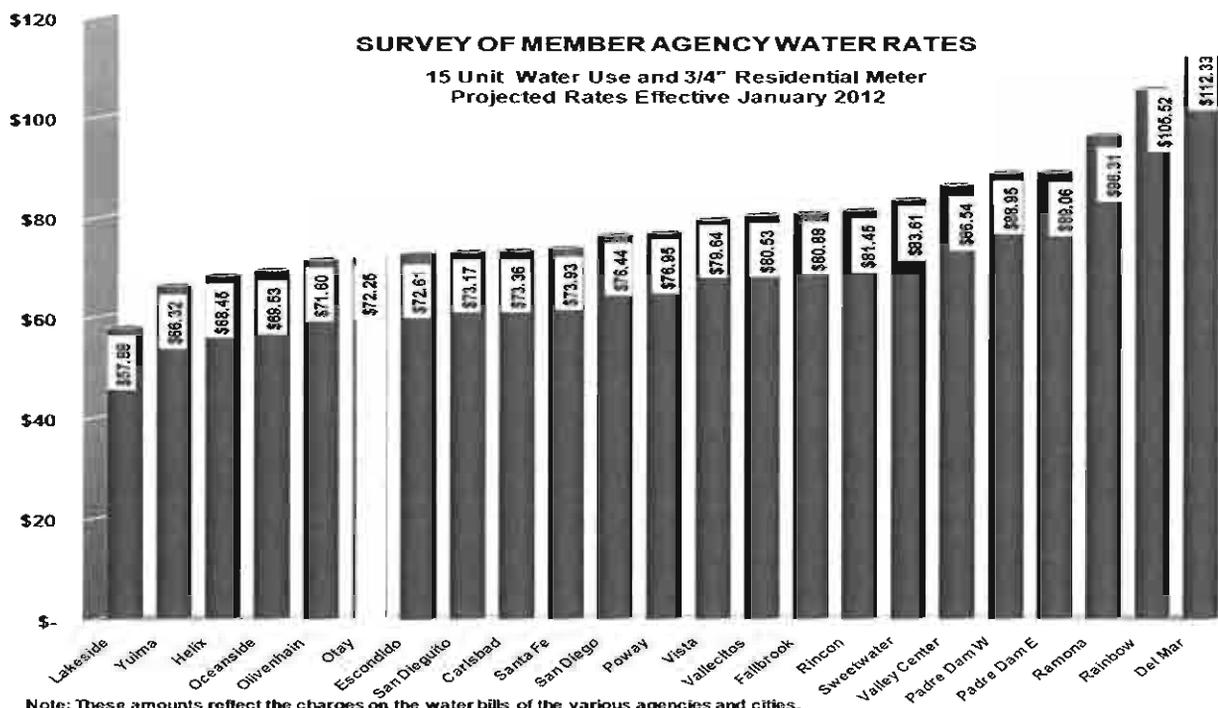
The District is a revenue neutral public agency. To continue providing reliable high-quality water services, the District must implement rate increases and must pass-through to its customers higher costs from suppliers including the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

Water wholesalers are raising their rates to obtain new and more reliable supplies of water. These include more reliable emergency supplies, agricultural to urban water transfers, canal lining projects that conserve water in Imperial County and transfer that water to end users in San Diego County, as well as new potential sources of water. In addition, rate increases cover the higher cost of acquiring imported water from the Colorado River and Northern California.

Water wholesalers are raising their rates by 9.97% in January 2012, but by cutting internal costs, including reducing the number of full-time employees and efficiency programs such as automated meter reading and online billing services, the District is able to absorb a significant amount of those costs and pass-through a smaller rate increase to its customers.

On August 24, 2009, the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This increase is within the limits contemplated in that five-year schedule of rates.

Customers interested in learning ways they can reduce their water usage to minimize the effects of the higher cost of water can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego offers various conservation exhibits and classes. To learn more about the Garden, visit www.thegarden.org. For more information about the District, please go to www.otaywater.gov or contact us via email at info@otaywater.gov.





Notice of Residential and Multi-Residential Sewer Rate Increase

ATTACHMENT C
 Otay Water District
 2554 Sweetwater Springs Blvd.
 Spring Valley, CA 91978
 619-670-2222
 www.otaywater.gov

NOTICE OF INCREASED SEWER RATES AND CHARGES EFFECTIVE ON SEWER SERVICE BEGINNING IN JANUARY 2012

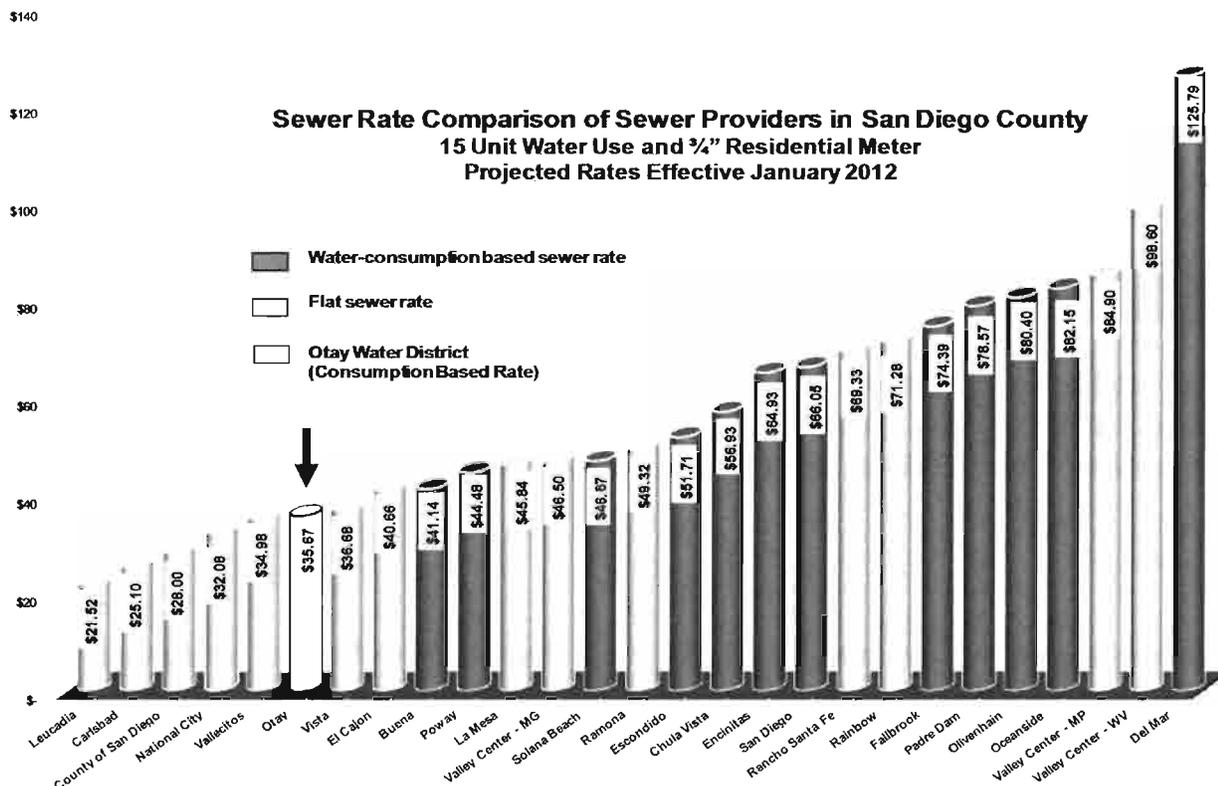
Dear Customer,

An overall rate increase of 7.5% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. One hundred percent of this increase is the result of higher service rates for wastewater disposal from the City of San Diego. The new sewer rates and charges will apply to service billed beginning February 1, 2012 and, depending on your billing cycle, may apply to service as early as the beginning of January 2012. For a typical residential sewer customer whose water usage is approximately 15 units per month your sewer bill will increase by \$1.96 per month. **This letter serves as a 30-day notice of rate increases.**

The District is a revenue neutral public agency. Your sewer bill reflects only those charges sufficient to support your sewer service. To continue providing sewer services, the District must adjust its rates for service, implement certain rate increases and pass-through higher costs to its customers based on rate changes from the District's sewage treatment and disposal providers. Though the County of San Diego has decreased its rates for service, this positive action was offset by a 9.4% increase from the City of San Diego.

On August 24, 2009 the District adopted a five-year schedule of rates in compliance with applicable provisions of law. The sewer rate increase is within the limits contemplated in the five-year schedule of rates.

For its part, the District has worked diligently to reduce internal costs to minimize the impact of higher costs from sewage treatment providers. The chart below shows how the District's sewer rates compare to other agencies in San Diego County. For more information, please visit www.otaywater.gov or contact us via email at info@otaywater.gov.



* Rates include availability charges collected on the property tax bill.



Notice of Public and Commercial Water Rate Increase

ATTACHMENT D

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
619-670-2222
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.7% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. This action is necessary due to higher costs from wholesale water suppliers. The rate increase herein noticed is a 100% pass-through to those suppliers. The new water rates and charges will apply to water billed beginning February 1, 2012, and depending on your billing cycle, may apply to water usage as early as the beginning of January 2012. **This letter serves as a 30-day notice of rate increases.**

The District is a revenue neutral public agency. To continue providing reliable high-quality water services, the District must implement rate increases and must pass-through to its customers higher costs from suppliers including the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

Water wholesalers are raising their rates to obtain new and more reliable supplies of water. These include more reliable emergency supplies, agricultural to urban water transfers, canal lining projects that conserve water in Imperial County and transfer that water to end users in San Diego County, as well as new potential sources of water. In addition, rate increases cover the higher cost of acquiring imported water from the Colorado River and Northern California.

Water wholesalers are raising their rates by 9.97% in January 2012, but by cutting internal costs, including reducing the number of full-time employees and efficiency programs such as automated meter reading and online billing services, the District is able to absorb a significant amount of those costs and pass-through a smaller rate increase to its customers.

On August 24, 2009 the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This increase is within the limits contemplated in that five-year schedule of rates.

Customers interested in learning ways they can reduce their water usage to minimize the effects of the higher cost of water can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego offers various conservation exhibits and classes. To learn more about the Garden, visit www.thegarden.org. For more information about the District, please go to www.otaywater.gov or contact us via email at info@otaywater.gov.

Dedicated to Community Service



ATTACHMENT E
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
www.otaywater.gov

Notice of Commercial Sewer Rate Increase

NOTICE OF INCREASED SEWER RATES AND CHARGES EFFECTIVE ON SEWER SERVICE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.5% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. The new sewer rates and charges will apply to service billed beginning February 1, 2012 and, depending on your billing cycle, may apply to service as early as the beginning of January 2012. **This letter provides a 30-day prior notice of rate increases.**

The District is a revenue neutral public agency. Your sewer bill reflects only those charges sufficient to support your sewer service. To continue providing sewer services, the District must adjust its rates for service, implement certain rate increases and pass-through higher costs to its customers based on rate changes from the District's sewage treatment and disposal providers. For instance, while the County of San Diego decreased its rates for service, this positive action was offset by a 9.4% increase from the City of San Diego for wastewater disposal.

On August 24, 2009 the District adopted a five-year schedule of rates in compliance with applicable provisions of law. The rate increases herein noticed reflect a pass-through increase of 7.5%. One hundred percent of this increase is the result of higher service rates for wastewater disposal from the City of San Diego. The sewer rate increase is within the limits contemplated in the five-year schedule of rates.

For its part, the District has worked diligently to reduce internal costs to minimize the impact of higher costs from public sewage treatment and disposal agencies. For more information, please visit www.otaywater.gov or contact us via email at info@otaywater.gov.

Dedicated to Community Service



Notice of Master Metered Water Rate Increase

ATTACHMENT F
Otay Water District 2554
Sweetwater Springs Blvd.
Spring Valley, CA 91978
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.7% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. This action is necessary due to higher costs from wholesale water suppliers. The rate increase herein noticed is a 100% pass-through to those suppliers. The new water rates and charges will apply to water billed beginning February 1, 2012 and depending on your billing cycle may apply to water usage as early as the beginning of January 2012. **This letter serves as a 30-day notice of rate increases.**

The District is a revenue neutral public agency. To continue providing reliable high-quality water services, the District must implement rate increases and must pass-through to its customers higher costs from suppliers including the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

Water wholesalers are raising their rates to obtain new and more reliable supplies of water. These include more reliable emergency supplies, agricultural to urban water transfers, canal lining projects that conserve water in Imperial County and transfer that water to end users in San Diego County, as well as new potential sources of water. In addition, rate increases cover the higher cost of acquiring imported water from the Colorado River and Northern California.

Water wholesalers are raising their rates by 9.97% in January 2012, but by cutting internal costs, including reducing the number of full-time employees and efficiency programs such as automated meter reading and online billing services, the District is able to absorb a significant amount of those costs and pass-through a smaller rate increase to its customers.

On August 24, 2009, the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This increase is within the limits contemplated in that five-year schedule of rates.

Customers interested in learning ways they can reduce their water usage to minimize the effects of the higher cost of water can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego offers various conservation exhibits and classes. To learn more about the Garden, visit www.thegarden.org. For more information about the District, please go to www.otaywater.gov or contact us via email at info@otaywater.gov.

Dedicated to Community Service



Notice of Recycled Water Rate Increase

ATTACHMENT G

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.7% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. The action is necessary due to higher costs from wholesale water suppliers. The rate increase herein noticed is a 100% pass-through to those suppliers. The new water rates and charges will apply to water billed beginning February 1, 2012 and, depending on your billing cycle, may apply to water usage as early as the beginning of January 2012. **This letter serves as a 30-day notice of rate increases.**

The District is a revenue neutral public agency. To continue providing reliable high-quality water services, the District must implement rate increases and must pass-through to its customers higher costs imposed by water wholesalers, the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

Water wholesalers are raising their rates to obtain new and more reliable supplies of water. These include more reliable emergency supplies, agricultural to urban water transfers, canal lining projects that conserve water in Imperial County and transfer that water to end users in San Diego County, as well as new potential sources of water.

Water wholesalers are raising their rates by 9.97% in January 2012, but by cutting internal costs, including reducing the number of full-time employees and efficiency programs such as automated meter reading and online billing services, the District is able to absorb a significant amount of those costs and pass-through a smaller rate increase to customers.

On August 24, 2009 the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This increase is within the limits contemplated in the five-year schedule of rates.

Customers interested in learning ways in which they can reduce their water usage to minimize the effects of this increase can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego is free to the public and offers various conservation exhibits and classes. To learn more about the Garden, please visit www.thegarden.org. For more information about the District, visit www.otaywater.gov or contact us via email at info@otaywater.gov.

Dedicated to Community Service



Notice of Landscape, Agricultural and Construction Water Rate Increase

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

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Dedicated to Community Service



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	October 5, 2011		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:		NO.	
SUBJECT:	General Manager's Report				

ADMINISTRATIVE SERVICES:

Human Resources:

- **Benefits Review for Open Enrollment** - HR staff is preparing for Open Enrollment that occurs during the month of October each year. HR is working with IT to further streamline the open enrollment process. Most information will be available for review and submittal online and employees will only be required to participate if a change is made or if they wish to enroll in the flexible spending account.

HR staff is also working with our benefit consultant, Willis, to conduct a review of all ancillary benefit plans to include dental providers, short-term and long-term disability carriers, employee assistance plans, COBRA and flexible spending account administrators in preparation for Open Enrollment.

Based on a review of the dental providers, it was decided to change dental plan carriers to Delta Dental. Delta Dental is considered a premier dental plan. While the change to this plan was cost-neutral, with the expanded premier list of dental providers, more employees will be able to take advantage of discounted rates for dental services. More information is included in the Open Enrollment materials.

- **Workers' Compensation New Company Nurse Program** - Earlier this month, SDRMA, the District's Workers' Compensation Administrator, implemented a new nurse triage program called "Company Nurse". This program is being provided at no charge

to Otay. By utilizing the professional nurse triage service, the number of workers' compensation claim filed can be reduced, which will in turn reduce costs for Otay. The way the program works is that an injured employee will call a toll-free "injury hotline" number with their supervisor present and receive an assessment from a triage nurse. Based upon approved medical treatment protocols, the triage nurse identifies a course of treatment and can refer the injured employee to the most appropriate level of care, such as a referral to an approved medical clinic or provide simple first aid/self-care guidelines to the employee.

- **New Hires/Promotions** - There were no new hires/promotions in the month of September.

Safety and Security:

- **Claims** - The District processed the following claims:
 - o George Osper - Rejected claim for \$2,169, for leak detection and repair charges incurred due to a water leak at his residence; leak was on customer's side of the meter.
 - o Lance Brady - Settled claim for \$777.97, for repair charges incurred due to tire and wheel damage caused as a result of one of the District's missing valve lids.
 - o Bea Bastien - Rejected claim for \$3,324.37, for damage to kitchen sink filtration unit as a result of a meter change-out by Pacific Meter Services (Contractor); customer is responsible for the installation, maintenance, and repair of the customer's pressure regulator.
 - o Elizabeth Navarro - Rejected claim for \$475, for leak detection and repair charges incurred due to a water leak at her residence; leak was on customer's side of the meter.

Water Conservation and School Education:

- **Outreach Events** - On Saturday, September 24th, the District staffed a booth at the 39th Annual BonitaFest.
- **Water Conservation Phone Helpline** - The District created a detailed phone helpline for our single-family customers which has water conservation tips for both indoors and outdoors, and in both English and Spanish. The helpline went live at the end of September and is being used by District staff to help answer frequently asked conservation questions.
- **Chula Vista CLEAN (Green) Business Program** - The District qualified this month as one of the first 100 CLEAN businesses with the City of Chula Vista. As part of their centennial

celebration, the District will be presented with a certificate at the October 11th City Council Meeting, and recognized during the City of Chula Vista's Centennial Celebration on October 15th at the Olympic Training Center. Chula Vista's CLEAN Business Program is their equivalent of a Green Business program that recognizes businesses for meeting or exceeding standards set for water and energy efficiency, pollution prevention, and solid waste reduction.

- **School Program** - To date, 21 tours are scheduled with staff at the Water Conservation Garden. Three tours were completed this month involving 135 2nd and 3rd graders, and 30 adults from Olympic View and Tiffany Elementary Schools.

Purchasing and Facilities:

- **Purchase Orders** - There were 119 purchase orders processed in September 2011 for a total of \$1,184,330.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- **Historic Power Outage** - On September 8th, the District, along with the rest of San Diego County, experienced a 10-hour power outage. The District's major computer systems stayed up in the headquarters building and most work stations were back online within a few minutes when the back-up generator kicked in. A UPS failure was detected in the first floor switch room, but its impact was minor.
- **Asset Management** - The Asset Management program completed a significant milestone this month. We now have "criticality ratings" for all facilities. Criticality, along with condition assessment, are key pieces of information for effective asset management. Operations and Engineering lead the effort to finalize these criticality ratings. Operations Staff is engaged in collecting asset information and also in developing an approach to condition assessment.
- **New Facilities in GIS** - GIS staff has put in place a program that will add new facility types into the GIS database and system. This program will provide more accurate information for Engineering and Operations departments. GIS will also collect the District's system meters, which provides water to Otay from CWA and other water districts.
- **Otay Map for Board Room** - GIS staff updated the Board Room map with the latest information, including a clearer definition of the Directors' boundaries. Staff also produced the same

version maps (smaller size) for the Board Conference Room and the General Manager's Conference Room.

- **EDEN Upgrade (Version 5.5)** - Staff successfully upgraded the EDEN Billing and Financial applications to the 5.5 version. The major functionality that is now available is Account Group Billing. The Account Group Billing gives the District the ability to provide a better way to print a single billing statement for customers with multiple accounts in a group.
- **Adobe Enterprise Agreement** - Staff entered into an agreement with Adobe that will enable us to place Acrobat X Pro on all our desktops, laptops, and ToughBooks at a considerable savings to the District (retail \$199, Adobe EA2 \$56 per license).
- **BlackBerry Enterprise Server** - Staff entered into an annual support and maintenance contract with Research in Motion (RIM), the manufacturer of BlackBerry devices, for our mission critical BlackBerry server.

FINANCE:

- **Annual AMR Testing Testing** - Meter Reading staff has started the annual comparison testing of AMR routes. From July through the end of August, staff has tested 6 of the 15 routes scheduled for this year, which equates to approximately 3,500 meters. These meters will be manually read and compared with the automated readings. This is an annual process to ensure the integrity of our metering system.
- **FY 2011 Year-End Audit** - With all of the public interest in government financial issues during the last year, the outside audit firm (Diehl, Evans) is looking at more audit areas in more detail than previous audits. To make sure all questions are answered correctly and in sufficient detail, staff has discussed the timing of the final audited financial report with the auditors and the current estimate is that it can be completed in time for the October Committee and November Board meetings. This is consistent with the previous four years reporting to the Board.
- **Banking Services** - In an effort to maintain optimal banking services, staff will be preparing Requests for Proposals for banking services and performing an evaluation of proposals from interested and qualified banks. The District has a highly integrated banking relationship, which will require months of preparation and evaluation before a recommendation can be made.

- **Financial Reporting:**

- o The financial reporting for August 31, 2011, is as follows: for the two months ended August 31, 2011, there are total revenues of \$15,469,337 and total expenses of \$13,882,007. The revenues exceeded expenses by \$1,587,330.
- o The financial reporting for investments for August 31, 2011, is as follows: the market value shown in the Portfolio Summary and in the Investment Portfolio Details as of August 31, 2011, total \$98,290,004.80 with an average yield to maturity of .701%. The total earnings year-to-date are \$128,724.82.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **Rancho del Rey Groundwater Well Development:** The consultant, Tetra Tech, Inc., and the District reviewed draft preliminary design report and 30% design drawings. Activities are underway to secure a sewer discharge permit from the City of Chula Vista, power supply from SDG&E, and other components. The design is anticipated to be completed in the third quarter of Fiscal Year 2012, with construction completed in the fourth quarter of Fiscal Year 2013. (P2434)
- **North District - South District Interconnections System:** This project consists of installing approximately 5.2 miles of 30-inch diameter pipe from Proctor Valley Road in Chula Vista to Paradise Valley Road in Spring Valley. The project is currently in the early design phase with Lee & Ro, Inc. working on the preliminary design report. Work includes surveying, geotechnical, environmental, and community outreach. The EIR public scoping meeting was completed on August 29, 2011. Several community outreach efforts have been completed including meetings with politicians and/or their aids including Mayor Cheryl Cox, Senator Juan Vargas, Congressman Bob Filner, Assembly Member Ben Hueso, and County Supervisor Greg Cox and a presentation to the Sweetwater Valley Civic Association. A meeting with City Council Member Patricia Aguilar has been scheduled. The alignment study will be updated to address comments received through community outreach efforts. (2511)
- **657-1 & 2 Reservoirs Coating:** The contractor, Blastco, Inc., has completed the interior and exterior coating of the 657-1 and 657-2 Reservoirs. The 657-1 Reservoir is completed and in service. After the 657-2 reservoir was recoated and filled with water, "VOC" tests were performed and just recently passed. The 657-2 Reservoir is expected to be in service by October 2011.

Project is on budget and scheduled to be completed by October 2011. (P2505, P2506)

- **944-1R Recycled Water Pump Station Upgrades & Enhancements:** This project consists of upgrading the 944-1R Pump Station with new pumps, new pipe configurations, and electrical upgrades to keep up with current and future recycled water demands. The contractor, Sepulveda Construction, Inc. (Sepulveda), will start mobilizing at the end of September. Project is scheduled to be completed in June 2012. (R2091)
- **Ralph W. Chapman Water Reclamation Facility Upgrade:** This project consists of an upgrade to the treatment plant to reduce the nitrogen levels in the plant effluent. The upgrade includes modifications to the aeration basins, the addition of energy-efficient turbo blowers and replacement of corroded air piping, a new cover for the filter backwash storage tank, a new filter air scour system, and automation enhancements. The contractor, NEWest Construction Company, Inc., continues the investigation of existing utilities and has exposed the existing aeration piping for replacement. Construction is anticipated to be completed in June 2012. (R2096)
- **USBR Title XVI Funding:** The United States Department of the Interior Bureau of Reclamation (USBR) sent the District \$370,000 per terms of our Title XVI Cooperative Agreement. These are funds reallocated from other agencies who were unable to spend their allocated funds before the end of USBR's Fiscal Year which ended September 30, 2011. Including the \$370,000, the total funding received by the District from USBR is \$11,480,000. The District still has about \$400,000 pending from the USBR and it is not certain when these funds will be received.
- For the month of August 2011, the District sold 58 meters (124 EDUs) generating \$686,798 in revenue; which is 144% above projection. Projection for this period was 23 meters (36.7 EDUs) with budgeted revenue of \$281,350. Projected revenue from July 1, 2011 through June 30, 2012 is \$3,376,200 against a budget of \$994,527.
- For the month of August 2011, staff reviewed 9 potential easement encroachments and will be gathering all the necessary information prior to informing customers of the removal of the encroachments. The above is part of an on-going program of easement monitoring.

- Approximately 519 linear feet of both CIP and developer project pipeline was installed in August 2011. The Construction Division performed quality control for these pipelines.

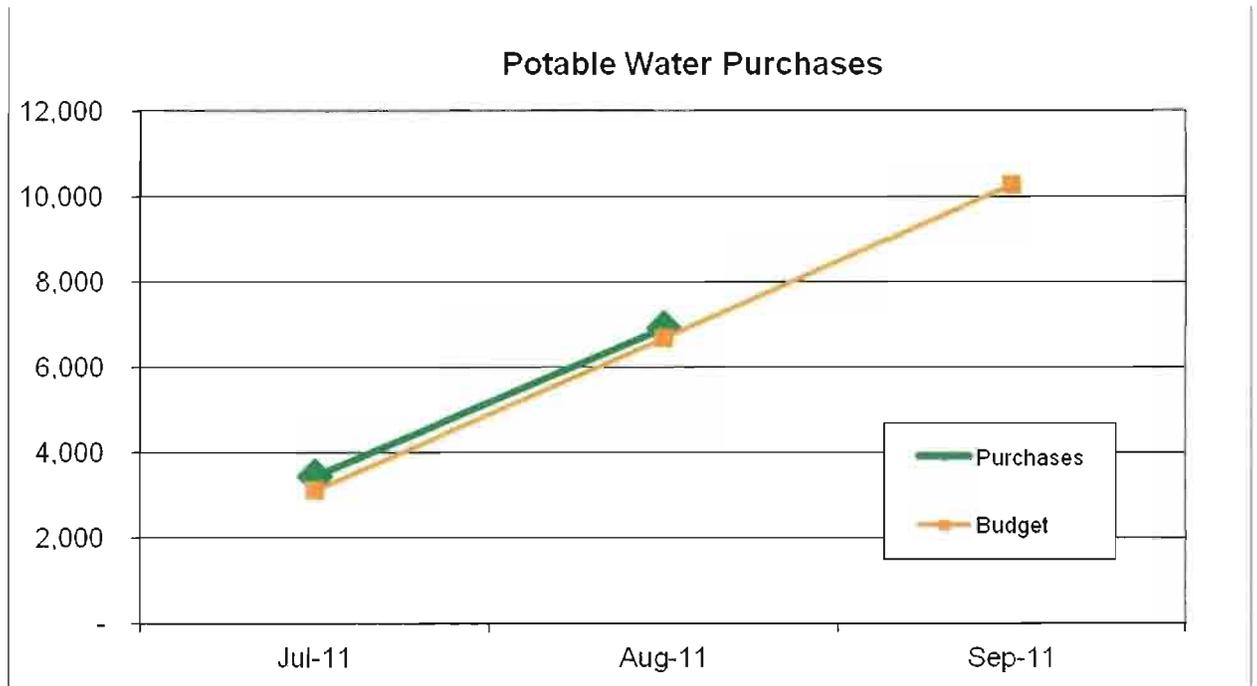
The following table summarizes Engineering's project purchases and Change Orders issued during the period of August 15 through September 22, 2011 that were within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
8/15/11	Check Request	\$9,705.00	City of Chula Vista	Construction permit for Geotechnical borings (P2511)
8/15/11	Check Request	\$4,000.00	City of Chula Vista	Construction permit for Hunte Parkway north of Proctor Valley (P2514)
8/29/11	Check Request	\$10,272.00	SDG&E	Electrical service at Olympic Parkway and Eastlake Parkway (R2091)
9/1/11	P.O.	\$5,000.00	HDR Engineering Inc.	Temporary Labor Service (R2091)
9/12/11	C.O.	(\$10,895.31)	LH Woods & Sons	Del Rio Road/ Gillispie Drive Interconnections (P2488/P2489)
9/22/11	P.O.	\$4,500.00	Keagy Real Estate	Appraisal Fee (P2504)

Water Operations:

- The District has decided not to renew an agreement with the County of San Diego to purchase power from microturbines located at the Ralph W. Chapman Water Recycling Facility. The total cost for the District to purchase power from the County has recently become more expensive than purchasing power directly from SDG&E, primarily due to a standby demand charge that SDG&E charges the District to supply power if the microturbines fail. The original five-year agreement ended in July, 2011.
- Total number of potable water meters is 48,529.

- Potable sales in units are 5.4% above budget and recycled sales in units are 6.4% above budget for July 2011.



- The August 2011 potable water purchases were 3,457.8 acre-feet. This is 2.3% less than budgeted water sales of 3,538.5, but 3.7% above budget cumulatively for the fiscal year.

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

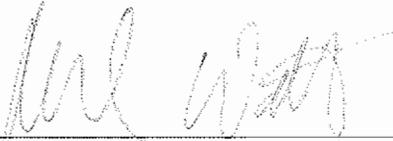
Total consumption was 561.4 acre-feet or 182,865,056 gallons and the average daily consumption was 5,898,873 gallons per day.

Total number of recycled water meters is 689.

Total recycled water consumption to date for FY 2012 is 1129.3 acre-feet.

- Wastewater flows for the month of August were as follows:
 - Total basin flow, gallons per day: 1,935,912.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 640,770.

- Total Otay flow, gallons per day: 1,292,807.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,203,129.
 - Flow to Metro from Otay Water District, gallons per day: 92,013.00.
-
- As of the end of August, there were 6,081 wastewater connections/EDUs.



General Manager

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR TWO MONTHS ENDED AUGUST 31, 2011

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUES:					
Water Sales	\$ 36,598,100	\$ 8,330,150	\$ 8,091,900	\$ 238,250	2.9%
Energy Charges	1,874,000	418,880	414,800	4,080	1.0%
System Charges	9,542,100	1,595,480	1,590,000	5,480	0.3%
MWD & CWA Fixed Charges	8,981,500	1,386,007	1,382,400	3,607	0.3%
Penalties	913,100	110,799	136,300	(25,501)	(18.7%)
Total Water Sales	<u>57,908,800</u>	<u>11,841,316</u>	<u>11,615,400</u>	<u>225,916</u>	<u>1.9%</u>
Reclamation Sales	7,395,500	2,014,445	1,982,100	32,345	1.6%
Sewer Charges	2,336,000	387,603	388,300	(697)	(0.2%)
Meter Fees	82,000	29,458	28,700	758	2.6%
Capacity Fee Revenues	1,044,000	182,420	180,000	2,420	1.3%
Betterment Fees for Maintenance	628,600	172,414	169,800	2,614	1.5%
Non-Operating Revenues	2,021,600	307,851	309,400	(1,549)	(0.5%)
Tax Revenues	3,839,600	73,536	80,100	(6,564)	(8.2%)
Interest	158,300	18,995	20,400	(1,405)	(6.9%)
Transfer from OPEB	1,380,000	230,000	230,000	-	0.0%
Transfer from Betterment Reserve	30,000	5,000	5,000	-	0.0%
Transfer from Replacement	120,000	20,000	20,000	-	0.0%
General Fund Draw Down	522,800	87,100	87,100	-	0.0%
Transfer from General Fund	595,000	99,200	99,200	-	0.0%
Total Revenues	<u>\$ 78,062,200</u>	<u>\$ 15,469,337</u>	<u>\$ 15,215,500</u>	<u>\$ 253,837</u>	<u>1.7%</u>
EXPENSES:					
Potable Water Purchases	\$ 27,793,100	\$ 6,111,214	\$ 5,909,900	\$ (201,314)	(3.4%)
Recycled Water Purchases	1,452,800	438,790	399,900	(38,890)	(9.7%)
CWA-Infrastructure Access Charge	1,756,900	286,126	286,200	74	0.0%
CWA-Customer Service Charge	1,562,600	242,428	242,400	(28)	(0.0%)
CWA-Emergency Storage Charge	3,585,800	531,234	531,200	(34)	(0.0%)
MWD-Capacity Res Charge	603,900	109,202	110,800	1,598	1.4%
MWD-Readiness to Serve Charge	1,488,600	248,102	248,000	(102)	(0.0%)
Subtotal Water Purchases	<u>38,243,700</u>	<u>7,967,096</u>	<u>7,728,400</u>	<u>(238,696)</u>	<u>(3.1%)</u>
Power Charges	2,440,900	525,343	524,200	(1,143)	(0.2%)
Payroll & Related Costs	18,119,600	2,764,946	2,785,741	20,795	0.7%
Material & Maintenance	4,300,000	607,522	609,667	2,145	0.4%
Administrative Expenses	4,180,700	494,668	528,857	34,189	6.5%
Legal Fees	380,000	53,733	63,333	9,601	15.2%
Expansion Reserve	555,000	92,500	92,500	-	0.0%
Replacement Reserve	3,330,000	555,000	555,000	-	0.0%
Transfer to Sewer Fund Reserve	786,800	131,100	131,100	-	0.0%
Transfer to General Fund Reserve	2,420,500	403,400	403,400	-	0.0%
Transfer to Sewer Replacement	1,720,000	286,700	286,700	-	0.0%
Transfer to New Supply Reserve	1,585,000	264,200	264,200	-	0.0%
Total Expenses	<u>\$ 78,062,200</u>	<u>\$ 13,882,007</u>	<u>\$ 13,708,898</u>	<u>\$ (173,109)</u>	<u>(1.3%)</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ 1,587,330</u>	<u>\$ 1,506,602</u>	<u>\$ 80,728</u>	

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
AUGUST 31, 2011**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 32-months. On December 16, 2008, at the Federal Reserve Board's regular scheduled meeting, the federal funds rate was lowered from 1.00% to "a target range of between Zero and 0.25%" in response to the nation's ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. There have been no further changes made to the federal funds rate at the Federal Reserve Board's subsequent regular scheduled meetings, the most recent of which was held on August 9, 2011. They went on to say: "The Committee currently anticipates that economic conditions--including low rates of resource utilization and a subdued outlook for inflation over the medium run--are likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013.

Despite the large drop in available interest rates, the District's overall effective rate of return at August 31st was 0.71%, which was a decrease of 7 basis points (0.07%) from the prior month. At the same time the LAIF return on deposits has fluctuated slightly over the last several months, reaching an average effective yield of 0.41% for the month of August 2011. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy are being considered at this time.

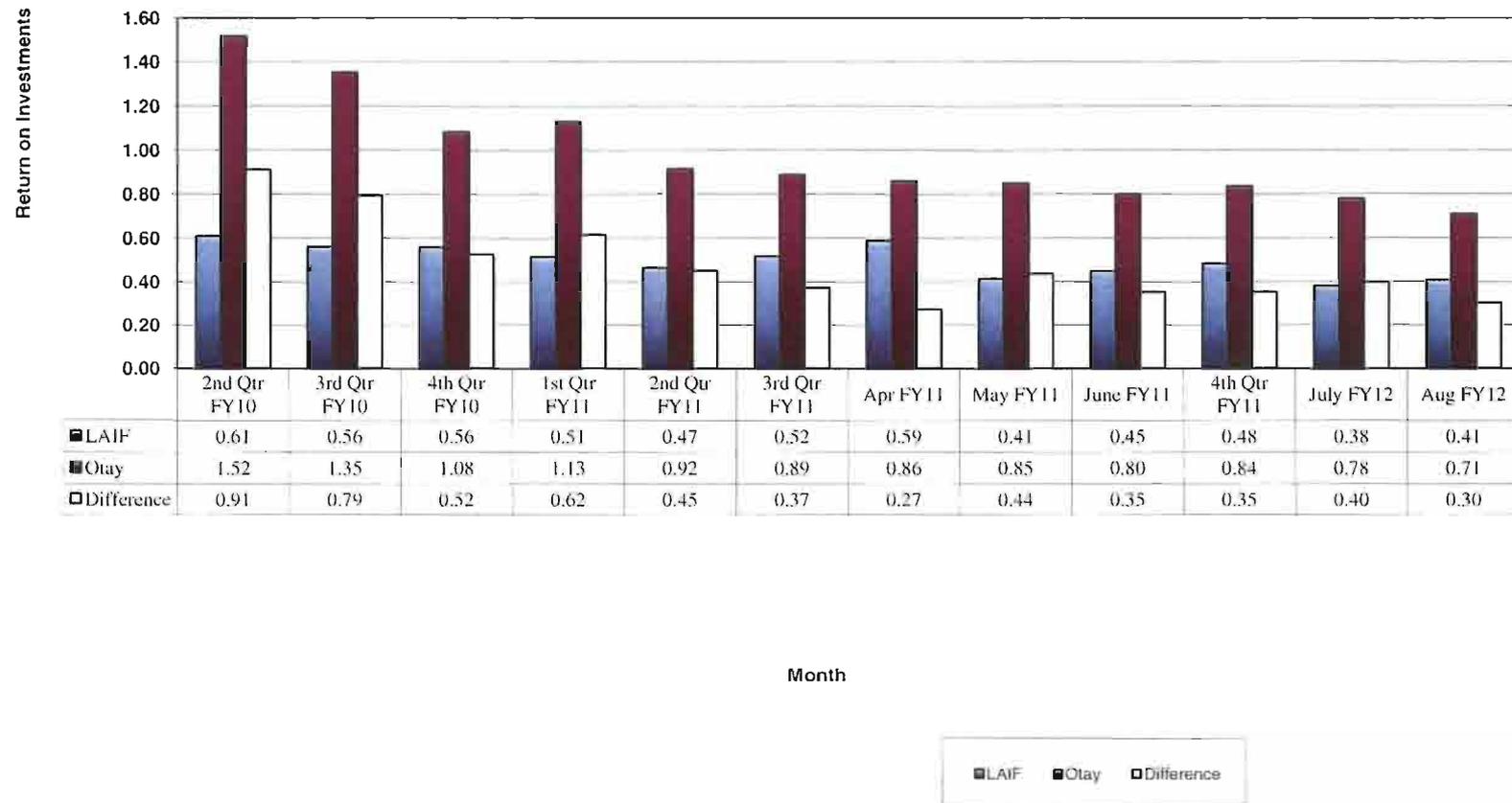
In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: August 31, 2011

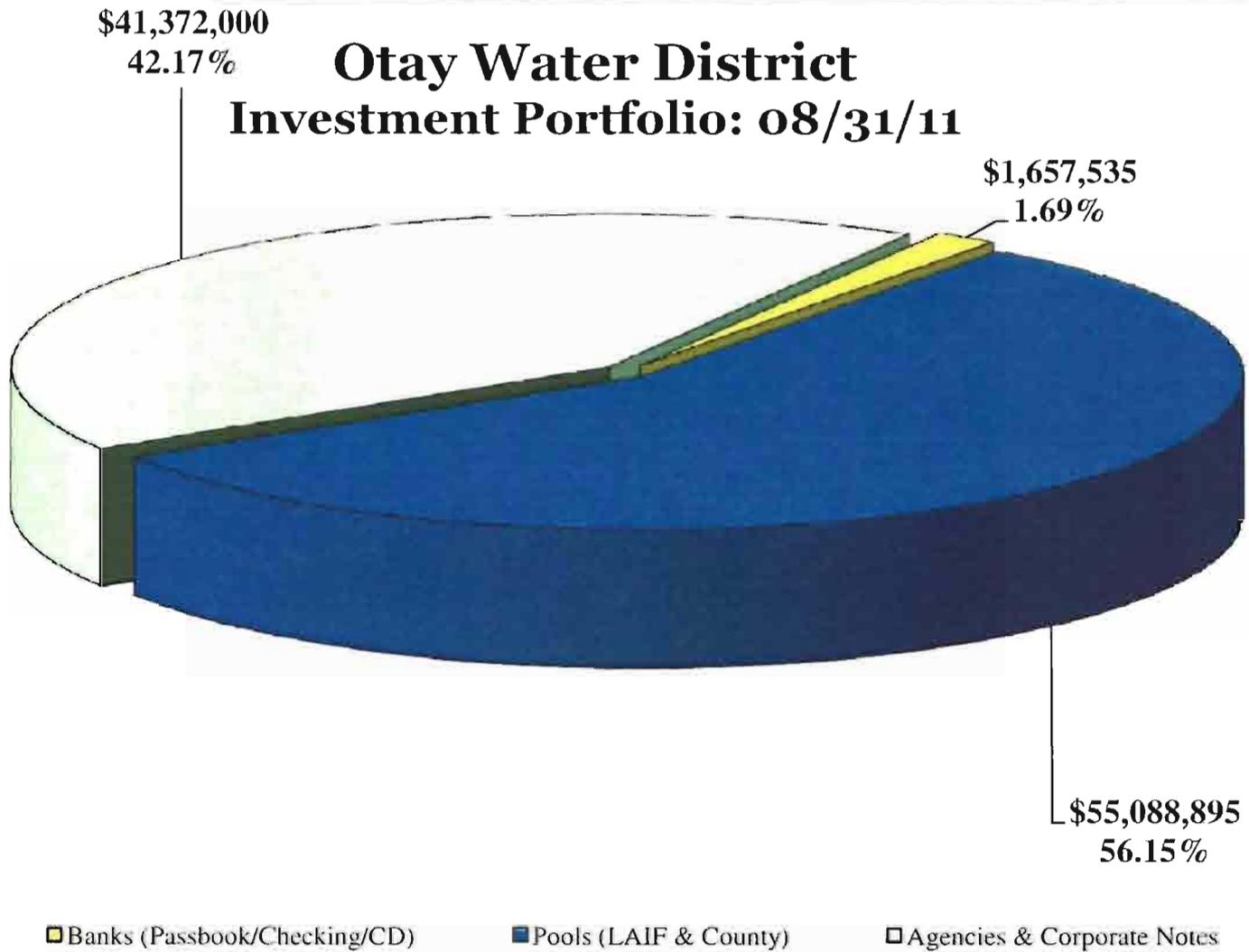
	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	\$50 Million	\$50 Million	\$29.00 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	4.13%
8.03:	Federal Agency Issues	100%	100%	42.17%
8.04:	Certificates of Deposit	30%	15%	0.08%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	0
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	22.45%
12.0:	Maximum Single Financial Institution	100%	50%	1.61%

Performance Measure F-12 Return on Investment

Target: Meet or Exceed 100% of LAIF



Otay Water District Investment Portfolio: 08/31/11



OTAY
Portfolio Management
Portfolio Summary
August 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	41,372,000.00	41,452,591.33	41,371,598.25	42.85	881	748	0.982	0.996
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.08	730	143	1.380	1.399
Local Agency Investment Fund (LAIF)	33,058,761.92	33,110,878.07	33,058,761.92	34.24	1	1	0.402	0.408
San Diego County Pool	22,030,133.52	22,069,000.00	22,030,133.52	22.82	1	1	0.619	0.628
Investments	96,540,003.44	96,711,577.40	96,539,601.69	100.00%	379	321	0.701	0.711
Cash								
Passbook/Checking (not included in yield calculations)	1,578,427.40	1,578,427.40	1,578,427.40		1	1	0.014	0.015
Total Cash and Investments	98,118,430.84	98,290,004.80	98,118,029.09		379	321	0.701	0.711

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	60,988.88	128,724.82
Average Daily Balance	101,163,084.99	101,910,959.95
Effective Rate of Return	0.71%	0.74%

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 September 6, 2006. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.



 Joseph Beachem, Chief Financial Officer

9-20-11

OTAY
Portfolio Management
Portfolio Details - Investments
August 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
313373QJ4	2196	Federal Home Loan Bank		05/25/2011	2,000,000.00	2,003,520.00	2,000,000.00	1.125	AAA	1.110	816	11/25/2013
313373UD2	2197	Federal Home Loan Bank		06/09/2011	2,000,000.00	2,003,560.00	2,000,000.00	1.050	AAA	1.036	830	12/09/2013
313373V25	2198	Federal Home Loan Bank		06/06/2011	2,000,000.00	2,000,160.00	2,000,000.00	0.875	AAA	0.863	736	09/06/2013
313374EL0	2201	Federal Home Loan Bank		06/30/2011	2,000,000.00	2,002,320.00	2,000,000.00	0.875		0.863	851	12/30/2013
3133747H7	2202	Federal Home Loan Bank		06/27/2011	2,000,000.00	2,000,660.00	2,000,000.00	0.875	AAA	0.863	848	12/27/2013
313374T83	2208	Federal Home Loan Bank		07/28/2011	2,000,000.00	2,001,200.00	2,000,000.00	0.900	AAA	0.888	880	01/28/2014
313374ZW3	2209	Federal Home Loan Bank		08/08/2011	2,000,000.00	2,000,740.00	2,000,000.00	0.650	AAA	0.641	707	08/08/2013
3133755W3	2210	Federal Home Loan Bank		08/23/2011	2,000,000.00	2,001,140.00	2,000,000.00	0.700	AAA	0.693	722	08/23/2013
3137EACK3	2146	Federal Home Loan Mortgage		05/28/2010	2,000,000.00	2,015,080.00	1,999,598.25	1.147	AAA	1.154	330	07/27/2012
3137EACK3A	2148	Federal Home Loan Mortgage		05/27/2010	1,030,000.00	1,037,766.20	1,030,000.00	1.125	AAA	1.109	330	07/27/2012
3137EACK3B	2149	Federal Home Loan Mortgage		05/27/2010	2,707,000.00	2,727,410.78	2,707,000.00	1.125	AAA	1.109	330	07/27/2012
3134G1Y40	2183	Federal Home Loan Mortgage		02/15/2011	2,000,000.00	2,006,760.00	2,000,000.00	1.100	AAA	1.085	714	08/15/2013
3134G15C4	2188	Federal Home Loan Mortgage		03/07/2011	2,000,000.00	2,000,300.00	2,000,000.00	1.250	AAA	1.233	645	06/07/2013
3134G17L2	2190	Federal Home Loan Mortgage		03/23/2011	2,000,000.00	2,001,080.00	2,000,000.00	1.350		1.332	753	09/23/2013
3134G2MC3	2200	Federal Home Loan Mortgage		06/27/2011	2,000,000.00	2,001,060.00	2,000,000.00	0.800	AAA	0.789	757	09/27/2013
3134G2PE6	2204	Federal Home Loan Mortgage		07/08/2011	2,000,000.00	2,001,240.00	2,000,000.00	1.000	AAA	0.986	860	01/08/2014
3134G2QP0	2205	Federal Home Loan Mortgage		07/27/2011	2,000,000.00	2,004,140.00	2,000,000.00	1.000		0.986	879	01/27/2014
3134G2RK0	2206	Federal Home Loan Mortgage		07/28/2011	2,000,000.00	2,001,960.00	2,000,000.00	1.000	AAA	0.986	880	01/28/2014
3134G2NR9	2207	Federal Home Loan Mortgage		07/13/2011	2,000,000.00	2,000,080.00	2,000,000.00	0.750	AAA	0.740	673	07/05/2013
3134G2VD1	2211	Federal Home Loan Mortgage		08/24/2011	2,000,000.00	2,003,740.00	2,000,000.00	0.750	AA	0.740	907	02/24/2014
3136FPQG5	2171	Federal National Mortgage Assoc		10/26/2010	635,000.00	635,514.35	635,000.00	0.850	AAA	0.837	694	07/26/2013
3136FRFMO	2192	Federal National Mortgage Assoc		04/27/2011	1,000,000.00	1,003,160.00	1,000,000.00	2.000	AAA	1.973	1,700	04/27/2016
Subtotal and Average			46,130,451.93		41,372,000.00	41,452,591.33	41,371,598.25			0.982	748	
Certificates of Deposit - Bank												
2050003183-4	2121	California Bank & Trust		01/22/2010	79,108.00	79,108.00	79,108.00	1.380		1.380	143	01/22/2012
Subtotal and Average			79,108.00		79,108.00	79,108.00	79,108.00			1.380	143	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	29,002,789.78	29,048,511.81	29,002,789.78	0.408		0.402	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	4,055,972.14	4,062,366.26	4,055,972.14	0.408		0.402	1	
Subtotal and Average			34,497,471.60		33,058,761.92	33,110,878.07	33,058,761.92			0.402	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	22,030,133.52	22,069,000.00	22,030,133.52	0.628		0.619	1	
Subtotal and Average			17,997,875.46		22,030,133.52	22,069,000.00	22,030,133.52			0.619	1	

OTAY
Portfolio Management
Portfolio Details - Investments
August 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Total and Average			101,163,084.99		96,540,003.44	96,711,577.40	96,539,601.69			0.701	321

OTAY
Portfolio Management
Portfolio Details - Cash
August 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,047.26	10,047.26	10,047.26	0.050		0.049	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	1,125,103.16	1,125,103.16	1,125,103.16	0.020		0.020	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	350,824.90	350,824.90	350,824.90			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	14,177.34	14,177.34	14,177.34			0.000	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	35,870.72	35,870.72	35,870.72	0.001		0.001	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		04/20/2010	51.89	51.89	51.89	0.147		0.145	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		01/01/2011	39,402.13	39,402.13	39,402.13			0.000	1
Average Balance			0.00								1
Total Cash and Investments			101,163,084.99		98,118,430.84	98,290,004.80	98,118,029.09			0.701	321

OTAY
Activity Report
Sorted By Issuer
July 1, 2011 - August 31, 2011

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.050		24,776,235.32	24,776,244.55	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.020		888,147.24	649,685.78	
PAYROLL	9005	STATE OF CALIFORNIA					350,000.00	22,959.81	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA					5,793.75	0.00	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.001		15,227.78	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					50,000.00	22,340.63	
Subtotal and Balance				964,254.08			26,085,404.09	25,471,230.77	1,578,427.40
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.408		13,733,803.66	16,500,000.00	
LAIF BABS 2010	9012	STATE OF CALIFORNIA			0.408		4,807.91	0.00	
Subtotal and Balance				35,820,150.35			13,738,611.57	16,500,000.00	33,058,761.92
Issuer Subtotal			35.301%	36,784,404.43			39,824,015.66	41,971,230.77	34,637,189.32
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				79,108.00					79,108.00
Issuer Subtotal			0.081%	79,108.00			0.00	0.00	79,108.00
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
313371MR4	2174	Federal Home Loan Bank			0.700	08/22/2011	0.00	2,000,000.00	
313373CW0	2193	Federal Home Loan Bank			1.375	07/25/2011	0.00	2,000,000.00	
313373K27	2194	Federal Home Loan Bank			1.200	08/12/2011	0.00	2,000,000.00	
313373MC3	2195	Federal Home Loan Bank			1.200	08/12/2011	0.00	1,775,000.00	
313373WV0	2199	Federal Home Loan Bank			1.100	07/06/2011	0.00	2,000,000.00	
313374G46	2203	Federal Home Loan Bank			1.000	07/08/2011	2,000,000.00	0.00	
313374G46	2203	Federal Home Loan Bank				08/08/2011	0.00	2,000,000.00	

OTAY
Activity Report
July 1, 2011 - August 31, 2011

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
313374T83	2208	Federal Home Loan Bank			0.900	07/28/2011	2,000,000.00	0.00	
313374ZW3	2209	Federal Home Loan Bank			0.650	08/08/2011	2,000,000.00	0.00	
3133755W3	2210	Federal Home Loan Bank			0.700	08/23/2011	2,000,000.00	0.00	
Subtotal and Balance				19,775,000.00			8,000,000.00	11,775,000.00	16,000,000.00
Issuer Subtotal			16.307%	19,775,000.00			8,000,000.00	11,775,000.00	16,000,000.00
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3134G1MD3	2153	Federal Home Loan Mortgage			1.100	07/22/2011	0.00	2,000,000.00	
3134G1PK4	2158	Federal Home Loan Mortgage			1.000	08/11/2011	0.00	2,000,000.00	
3134G13K8	2185	Federal Home Loan Mortgage			1.000	08/24/2011	0.00	2,000,000.00	
3134G12U7	2186	Federal Home Loan Mortgage			0.750	08/23/2011	0.00	2,000,000.00	
3134G14B7	2187	Federal Home Loan Mortgage			1.350	08/23/2011	0.00	2,000,000.00	
3134G2PE6	2204	Federal Home Loan Mortgage			1.000	07/08/2011	2,000,000.00	0.00	
3134G2QP0	2205	Federal Home Loan Mortgage			1.000	07/27/2011	2,000,000.00	0.00	
3134G2RK0	2206	Federal Home Loan Mortgage			1.000	07/28/2011	2,000,000.00	0.00	
3134G2NR9	2207	Federal Home Loan Mortgage			0.750	07/13/2011	2,000,000.00	0.00	
3134G2VD1	2211	Federal Home Loan Mortgage			0.750	08/24/2011	2,000,000.00	0.00	
Subtotal and Balance				23,737,000.00			10,000,000.00	10,000,000.00	23,737,000.00
Issuer Subtotal			24.192%	23,737,000.00			10,000,000.00	10,000,000.00	23,737,000.00
Issuer: Federal National Mortgage Assoc									
Federal Agency Issues- Callable									
3136FPSK4	2172	Federal National Mortgage Assoc			0.675	07/29/2011	0.00	2,000,000.00	
3136FP5X1	2182	Federal National Mortgage Assoc			0.860	07/28/2011	0.00	2,000,000.00	
Subtotal and Balance				5,635,000.00			0.00	4,000,000.00	1,635,000.00
Issuer Subtotal			1.666%	5,635,000.00			0.00	4,000,000.00	1,635,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			0.628		5,016,961.95	0.00	

OTAY
Activity Report
July 1, 2011 - August 31, 2011

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
	Subtotal and Balance			17,013,171.57			5,016,961.95	0.00	22,030,133.52
	Issuer Subtotal		22.453%	17,013,171.57			5,016,961.95	0.00	22,030,133.52
	Total		100.000%	103,023,684.00			62,840,977.61	67,746,230.77	98,118,430.84

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2011 - August 31, 2011

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		31,819,068.97	0.00	13,733,803.66	16,500,000.00	0.00	-4,360.83	29,048,511.81
UNION MONEY	9002	99	Amortized		10,056.49	0.00	24,776,235.32	24,776,244.55	0.00	0.00	10,047.26
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION OPERATING	9004	99	Amortized		886,641.70	0.00	888,147.24	649,685.78	0.00	0.00	1,125,103.16
PAYROLL	9005	99	Amortized		23,784.71	0.00	350,000.00	22,959.81	0.00	0.00	350,824.90
SD COUNTY POOL	9007	99	Fair Value		16,992,478.65	0.00	5,016,961.95	0.00	0.00	59,559.40	22,069,000.00
2050003183-4	2121	99	Amortized	01/22/2012	79,108.00	0.00	0.00	0.00	0.00	0.00	79,108.00
RESERVE-10 COPS	9010	99	Amortized		8,383.59	0.00	5,793.75	0.00	0.00	0.00	14,177.34
RESERVE-10 BABS	9011	99	Amortized		20,642.94	0.00	15,227.78	0.00	0.00	0.00	35,870.72
LAIF BABS 2010	9012	99	Fair Value		4,057,550.77	0.00	4,807.91	0.00	0.00	7.58	4,062,366.26
UBNA-2010 BOND	9013	99	Amortized		51.89	0.00	0.00	0.00	0.00	0.00	51.89
3137EACK3	2146	99	Fair Value	07/27/2012	2,015,920.00	0.00	0.00	0.00	0.00	-840.00	2,015,080.00
3137EACK3A	2148	99	Fair Value	07/27/2012	1,038,198.80	0.00	0.00	0.00	0.00	-432.60	1,037,766.20
3137EACK3B	2149	99	Fair Value	07/27/2012	2,728,547.72	0.00	0.00	0.00	0.00	-1,136.94	2,727,410.78
3134G1MD3	2153	99	Fair Value	01/22/2013	2,000,960.00	0.00	0.00	2,000,000.00	0.00	-960.00	0.00
3134G1PK4	2158	99	Fair Value	02/11/2013	2,001,820.00	0.00	0.00	2,000,000.00	0.00	-1,820.00	0.00
3136FPQG5	2171	99	Fair Value	07/26/2013	636,270.00	0.00	0.00	0.00	0.00	-755.65	635,514.35
3136FPSK4	2172	99	Fair Value	04/29/2013	2,000,780.00	0.00	0.00	2,000,000.00	0.00	-780.00	0.00
313371MR4	2174	99	Fair Value	05/22/2013	1,998,980.00	0.00	0.00	2,000,000.00	0.00	1,020.00	0.00
3136FP5X1	2182	99	Fair Value	01/28/2013	2,000,760.00	0.00	0.00	2,000,000.00	0.00	-760.00	0.00
3134G1Y40	2183	99	Fair Value	08/15/2013	2,009,100.00	0.00	0.00	0.00	0.00	-2,340.00	2,006,760.00
3134G13K8	2185	99	Fair Value	05/24/2013	2,002,200.00	0.00	0.00	2,000,000.00	0.00	-2,200.00	0.00
3134G12U7	2186	99	Fair Value	11/23/2012	2,001,040.00	0.00	0.00	2,000,000.00	0.00	-1,040.00	0.00
3134G14B7	2187	99	Fair Value	08/23/2013	2,002,820.00	0.00	0.00	2,000,000.00	0.00	-2,820.00	0.00
3134G15C4	2188	99	Fair Value	06/07/2013	2,003,600.00	0.00	0.00	0.00	0.00	-3,300.00	2,000,300.00
UBNA-FLEX ACCT	9014	99	Amortized		11,742.76	0.00	50,000.00	22,340.63	0.00	0.00	39,402.13
3134G17L2	2190	99	Fair Value	09/23/2013	2,004,420.00	0.00	0.00	0.00	0.00	-3,340.00	2,001,080.00
3136FRFMO	2192	99	Fair Value	04/27/2016	1,006,570.00	0.00	0.00	0.00	0.00	-3,410.00	1,003,160.00
313373CW0	2193	99	Fair Value	10/25/2013	2,001,520.00	0.00	0.00	2,000,000.00	0.00	-1,520.00	0.00
313373K27	2194	99	Fair Value	08/12/2013	2,001,920.00	0.00	0.00	2,000,000.00	0.00	-1,920.00	0.00
313373MC3	2195	99	Fair Value	11/12/2013	1,776,810.50	0.00	0.00	1,775,000.00	0.00	-1,810.50	0.00
313373QJ4	2196	99	Fair Value	11/25/2013	2,006,360.00	0.00	0.00	0.00	0.00	-2,840.00	2,003,520.00

Portfolio OTAY
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OTAY
 GASB 31 Compliance Detail
 Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
313373UD2	2197	99	Fair Value	12/09/2013	2,005,440.00	0.00	0.00	0.00	0.00	-1,880.00	2,003,560.00
313373V25	2198	99	Fair Value	09/06/2013	2,002,080.00	0.00	0.00	0.00	0.00	-1,920.00	2,000,160.00
313373WV0	2199	99	Fair Value	12/06/2013	2,000,220.00	0.00	0.00	2,000,000.00	0.00	-220.00	0.00
3134G2MC3	2200	99	Fair Value	09/27/2013	1,996,780.00	0.00	0.00	0.00	0.00	4,280.00	2,001,060.00
313374EL0	2201	99	Fair Value	12/30/2013	1,993,300.00	0.00	0.00	0.00	0.00	9,020.00	2,002,320.00
3133747H7	2202	99	Fair Value	12/27/2013	1,997,800.00	0.00	0.00	0.00	0.00	2,860.00	2,000,660.00
313374G46	2203	99	Fair Value	01/08/2014	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3134G2PE6	2204	99	Fair Value	01/08/2014	0.00	2,000,000.00	0.00	0.00	0.00	1,240.00	2,001,240.00
3134G2QP0	2205	99	Fair Value	01/27/2014	0.00	2,000,000.00	0.00	0.00	0.00	4,140.00	2,004,140.00
3134G2RK0	2206	99	Fair Value	01/28/2014	0.00	2,000,000.00	0.00	0.00	0.00	1,960.00	2,001,960.00
3134G2NR9	2207	99	Fair Value	07/05/2013	0.00	2,000,000.00	0.00	0.00	0.00	80.00	2,000,080.00
313374T83	2208	99	Fair Value	01/28/2014	0.00	2,000,000.00	0.00	0.00	0.00	1,200.00	2,001,200.00
313374ZW3	2209	99	Fair Value	08/08/2013	0.00	2,000,000.00	0.00	0.00	0.00	740.00	2,000,740.00
3133755W3	2210	99	Fair Value	08/23/2013	0.00	2,000,000.00	0.00	0.00	0.00	1,140.00	2,001,140.00
3134G2VD1	2211	99	Fair Value	02/24/2014	0.00	2,000,000.00	0.00	0.00	0.00	3,740.00	2,003,740.00
Subtotal					103,146,677.49	18,000,000.00	44,840,977.61	67,746,230.77	0.00	48,580.46	98,290,004.80
Total					103,146,677.49	18,000,000.00	44,840,977.61	67,746,230.77	0.00	48,580.46	98,290,004.80

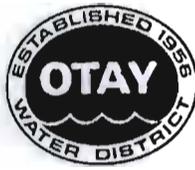
OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 08/31/2011

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G2VD1	2211	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,003,740.00	.7500000	0.740	0.674	02/24/2014	2.453
3137EACK3A	2148	99	Federal Home Loan Mortgage	Fair	1,030,000.00	1,030,000.00	1,037,766.20	1.125000	1.109	0.291	07/27/2012	0.899
3134G2RK0	2206	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,960.00	1.000000	0.986	0.959	01/28/2014	2.372
3134G2QP0	2205	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,004,140.00	1.000000	0.986	0.913	01/27/2014	2.369
3134G15C4	2188	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,300.00	1.250000	1.233	1.242	06/07/2013	1.730
3134G2PE6	2204	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,240.00	1.000000	0.986	0.973	01/08/2014	2.317
3134G2NR9	2207	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,080.00	.7498750	0.740	0.748	07/05/2013	1.826
3134G17L2	2190	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,080.00	1.350000	1.332	1.323	09/23/2013	2.014
3137EACK3B	2149	99	Federal Home Loan Mortgage	Fair	2,707,000.00	2,707,000.00	2,727,410.78	1.125000	1.109	0.291	07/27/2012	0.899
3134G1Y40	2183	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,006,760.00	1.100000	1.085	0.925	08/15/2013	1.930
3137EACK3	2146	99	Federal Home Loan Mortgage	Fair	1,999,598.25	2,000,000.00	2,015,080.00	1.147196	1.154	0.313	07/27/2012	0.901
3134G2MC3	2200	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,060.00	.8000000	0.789	0.774	09/27/2013	2.048
3136FRFMO	2192	99	Federal National Mortgage Assoc	Fair	1,000,000.00	1,000,000.00	1,003,160.00	2.000000	1.973	1.929	04/27/2016	4.380
3136FPQG5	2171	99	Federal National Mortgage Assoc	Fair	635,000.00	635,000.00	635,514.35	.8500830	0.837	0.807	07/26/2013	1.882
3133747H7	2202	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,660.00	.8750000	0.863	0.861	12/27/2013	2.290
313373V25	2198	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,160.00	.8750000	0.863	0.871	09/06/2013	1.987
313374T83	2208	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,200.00	.9000000	0.888	0.875	01/28/2014	2.376
313373QJ4	2196	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,520.00	1.125000	1.110	1.045	11/25/2013	2.194
3133755W3	2210	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,140.00	.7000000	0.693	0.671	08/23/2013	1.960
313373UD2	2197	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,560.00	1.050000	1.036	0.971	12/09/2013	2.233
313374ZW3	2209	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,740.00	.6500000	0.641	0.631	08/08/2013	1.920
313374ELO	2201	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,002,320.00	.8750000	0.863	0.825	12/30/2013	2.299
2050003183-4	2121	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	1.380000	1.380	1.380	01/22/2012	0.389 †
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	4,055,972.14	4,055,972.14	4,062,366.26	.4080000	0.402	0.408		0.000
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	1.530000	1.509	1.530		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	29,002,789.78	29,002,789.78	29,048,511.81	.4080000	0.402	0.408		0.000

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 08/31/2011

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
SD COUNTY	9007	99	San Diego County	Fair	22,030,133.52	22,030,133.52	22,069,000.00	.6280000	0.619	0.628		0.000
Report Total					96,539,601.69	96,540,003.44	96,711,577.40			0.644		0.863 †

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



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Sean Prendergast, Finance Supervisor, Payroll & AP	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Joseph Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

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

FISCAL IMPACT:

SUMMARY	NET DEMANDS
CHECKS (2030263-2030557)	\$ 1,896,453.21
VOID CHECKS (1)	\$ (2,111.00)
TOTAL CHECKS	\$ 1,894,342.21
WIRE TO:	
CITY OF CHULA VISTA - SEWER CHARGES (BI-MONTHLY)	\$ 2,947,021.94
CITY TREASURER - METROPOLITAN SEWERAGE SYSTEM (QUARTERLY)	\$ 291,708.00
CITY TREASURER - RECLAIMED WATER PURCHASE (MONTHLY)	\$ 313,477.36
DELTA HEALTH SYSTEMS - DENTAL & COBRA CLAIMS (MONTHLY)	\$ 20,087.09
SAN DIEGO COUNTY WATER - WATER DELIVERIES (MONTHLY)	\$ 3,449,629.50
SPECIAL DIST RISK MGMT AUTH - INSURANCE PREMIUM (MONTHLY)	\$ 220,265.01
UNION BANK - CERT OF PARTICIPATION 2006 (ANNUAL)	\$ 401,723.64
UNION BANK - PAYROLL TAXES (MONTHLY)	\$ 304,226.75
TOTAL CASH DISBURSEMENTS	\$ 9,842,481.50

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2030263 THROUGH 2030557
RUN DATES 9/07/2011 TO 9/28/2011

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2030495	09/28/11	10720	1060 TECHNOLOGY INC	2139	09/05/11	ADOBE CREATIVE	1,345.80	1,345.80
2030263	09/07/11	01910	ABCANA INDUSTRIES	887237	08/16/11	SODIUM HYPOCHLORITE	2,253.68	5,318.01
				887398	08/18/11	SODIUM HYPOCHLORITE	1,134.69	
				887121	08/16/11	SODIUM HYPOCHLORITE	900.35	
				887397	08/18/11	SODIUM HYPOCHLORITE	608.83	
				887122	08/16/11	SODIUM HYPOCHLORITE	420.46	
2030339	09/14/11	01910	ABCANA INDUSTRIES	887759	08/23/11	SODIUM HYPOCHLORITE	2,466.72	7,631.12
				887893	08/25/11	SODIUM HYPOCHLORITE	1,556.27	
				887891	08/25/11	SODIUM HYPOCHLORITE	1,094.32	
				887712	08/22/11	SODIUM HYPOCHLORITE	743.38	
				887713	08/22/11	SODIUM HYPOCHLORITE	672.74	
				887892	08/25/11	SODIUM HYPOCHLORITE	575.19	
2030404	09/21/11	01910	ABCANA INDUSTRIES	888252	08/30/11	SODIUM HYPOCHLORITE	2,770.57	8,072.89
				888563	09/01/11	SODIUM HYPOCHLORITE	1,328.66	
				888148	08/29/11	SODIUM HYPOCHLORITE	920.53	
				888568	09/01/11	SODIUM HYPOCHLORITE	814.02	
				888149	08/29/11	SODIUM HYPOCHLORITE	736.66	
				888567	09/01/11	SODIUM HYPOCHLORITE	595.38	
				888564	09/01/11	SODIUM HYPOCHLORITE	561.73	
				888566	09/01/11	SODIUM HYPOCHLORITE	345.34	
2030496	09/28/11	01910	ABCANA INDUSTRIES	889011	09/08/11	SODIUM HYPOCHLORITE	1,323.06	2,139.32
				889010	09/08/11	SODIUM HYPOCHLORITE	540.43	
				888907	09/07/11	SODIUM HYPOCHLORITE	275.83	
2030340	09/14/11	08488	ABLEFORCE INC	2857	08/23/11	TEMPORARY LABOR	7,395.00	7,395.00
2030497	09/28/11	08488	ABLEFORCE INC	2889	09/06/11	TEMPORARY LABOR	6,885.00	11,260.00
				2885	09/02/11	TEMPORARY LABOR	4,375.00	
2030264	09/07/11	11462	AEGIS ENGINEERING MGMT INC	1021	08/12/11	PLAN CHECKING	4,858.18	6,541.41
				1108	08/12/11	DEVELOPER PLANCHECKS	1,683.23	
2030341	09/14/11	01884	AEP (ASSN OF ENVIR PROF'LS)	003192	09/14/11	REGISTRATION FEE	50.00	50.00
2030265	09/07/11	00132	AIRGAS WEST INC	103372722	08/15/11	BREATHING AIR	174.86	174.86
2030405	09/21/11	00132	AIRGAS WEST INC	103870759	08/31/11	BREATHING AIR	31.35	31.35
2030498	09/28/11	13208	ALIS ELECTRIC MOTORS	3490	08/16/11	PUMP REBUILD	8,706.50	8,706.50
2030342	09/14/11	02362	ALLIED WASTE SERVICES # 509	0509004465391	08/25/11	TRASH SERVICES (SEPT 2011)	1,011.92	1,414.67
				0509004466634	08/25/11	ASBESTOS CONTAINER (AUG 2011)	233.62	
				0509004467271	08/25/11	TRASH SERVICES TP (SEPT 2011)	169.13	

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2030499	09/26/11	12911	ALTA LAND SURVEYING INC	11210003	09/09/11	SURVEYING SERVICES (6/13/11-7/1/11)	1,406.25	1,406.25
2030406	09/21/11	02572	ALVAREZ, GERMAN F	003210	09/21/11	COMPUTER LOAN	681.42	681.42
2030500	09/28/11	10831	AMERICAN BACKFLOW PREVENTION	R11830711 R11840711	07/29/11 07/29/11	MEMBERSHIP RENEWAL MEMBERSHIP RENEWAL	75.00 75.00	150.00
2030407	09/21/11	06166	AMERICAN MESSAGING	L1109570LI	09/01/11	PAGER SERVICES (AUG 2011)	189.53	189.53
2030501	09/28/11	00315	AMERICAN SOCIETY OF CIVIL	1041570131	09/06/11	MEMBERSHIP RENEWAL	250.00	250.00
2030408	09/21/11	00107	AMERICAN WATER WORKS ASSN	7000379137	08/29/11	MEMBERSHIP RENEWAL	95.00	95.00
2030266	09/07/11	06165	ANITA FIRE HOSE COMPANY ETC	14463	08/15/11	EXTINGUISHER MAINTENANCE	74.50	74.50
2030267	09/07/11	08967	ANTHEM BLUE CROSS EAP	40990	08/25/11	EMPLOYEE ASSISTANCE (SEPT 2011)	118.59	118.59
2030343	09/14/11	12175	APPLE INC	003190	09/06/11	COMPUTER LOAN	2,204.51	2,204.51
2030344	09/14/11	03492	AQUA-METRIC SALES COMPANY	0039245IN	08/22/11	OMNI METERS	6,737.22	6,737.22
2030268	09/07/11	13298	ARROW AUTOMATIC FIRE SPRINKLER	003176	09/02/11	REFUND W/O D0731-090056	190.87	190.87
2030318	09/14/11	13311	ASHLEY NEWTON	REF002416599	09/13/11	UB REFUND CST#0000173197	23.20	23.20
2030269	09/07/11	05758	AT&T	082164572808251	09/07/11	INTERNET BANDWIDTH	2,253.68	2,253.68
2030270	09/07/11	05758	AT&T	61942256050811	08/20/11	PHONE SVC (INTERAGENCY WTR MTR CONN)	41.44	41.44
2030409	09/21/11	05758	AT&T	33784130450911	09/07/11	PHONE SERVICE (HI HEAD P/S-SCADA)	31.38	31.38
2030410	09/21/11	07785	AT&T	000002626531 000002690962	09/02/11 09/02/11	PHONE SERVICES PHONE SERVICES	6,006.22 153.27	6,159.49
2030271	09/07/11	08330	AT&T INTERNET SERVICES	8547826250811	08/22/11	INTERNET BANDWIDTH	1,560.00	1,560.00
2030319	09/14/11	13316	ATLANTIC & PACIFIC REAL ESTATE	REF002416604	09/13/11	UB REFUND CST#0000176142	54.77	54.77
2030479	09/28/11	13336	ATLANTIC & PACIFIC REAL ESTATE	Ref002416886	09/27/11	UB Refund Cst #0000174029	139.26	139.26
2030480	09/28/11	13340	ATLANTIC & PACIFIC REAL ESTATE	Ref002416890	09/27/11	UB Refund Cst #0000177294	59.01	59.01
2030320	09/14/11	13308	ATTOR SIMAAN	REF002416596	09/13/11	UB REFUND CST\$0000172017	54.63	54.63
2030272	09/07/11	06285	BARTEL ASSOCIATES LLC	11559	08/16/11	CONSULTING SERVICES	825.00	825.00
2030481	09/28/11	13330	BASIMA BAHUR	Ref002416880	09/27/11	UB Refund Cst #0000034264	33.21	33.21
2030345	09/14/11	10970	BRENNTAG PACIFIC INC	BPI128611	08/25/11	SODIUM HYPOCHLORITE	2,409.40	2,409.40

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2030346	09/14/11	03721	BULLET LOGISTICS INC	08311103350	08/31/11	COURIER SERVICE	31.90	31.90
2030502	09/28/11	13345	BURGUENO-GOMEZ, MARIANA	003216	09/26/11	COMPUTER LOAN	1,482.65	1,482.65
2030411	09/21/11	13322	BUSTAMANTE & ASSOCIATES LLC	020711 030811	08/01/11 08/31/11	CONSULTANT SERVICES (JULY 2011) CONSULTANT SERVICES (AUG 2011)	3,500.00 3,500.00	7,000.00
2030347	09/14/11	02989	CALIFORNIA MUNICIPAL	11090111	09/01/11	DEBT STATEMENT	475.00	475.00
2030412	09/21/11	01004	CALOLYMPIC SAFETY	091427	08/30/11	CAL-GAS & BATTERY	562.30	562.30
2030413	09/21/11	13326	CALPERS EDUCATIONAL FORUM	003211	09/21/11	REGISTRATION FEE	300.00	300.00
2030348	09/14/11	04071	CAPITOL WEBWORKS LLC	24173	07/31/11	ELECTRONIC FILING FEE	45.00	45.00
2030414	09/21/11	02758	CARMEL BUSINESS SYSTEMS INC	7380 7379	09/01/11 09/01/11	RECORD SERVICES (AUG 2011) RECORDS SUPPORT (AUG 2011)	551.20 339.00	890.20
2030503	09/28/11	04653	CARO, PATRICIA	003215	09/26/11	TUITION	400.00	400.00
2030415	09/21/11	09801	CENTERBEAM INC	15341 15340	08/30/11 08/30/11	TEMPORARY LABOR TEMPORARY LABOR	8,390.50 1,552.00	9,942.50
2030504	09/28/11	01788	CHAVARELA, GERARDO	003217	09/20/11	CERTIFICATE RENEWAL	100.00	100.00
2030349	09/14/11	11875	CITRIX SYSTEMS INC	91210675	08/21/11	LICENSE RENEWAL (ANNUAL)	4,728.75	4,728.75
2030416	09/21/11	04119	CLARKSON LAB & SUPPLY INC	57510 57511 57512 57509	08/31/11 08/31/11 08/31/11 08/31/11	BACTERIOLOGICAL SERVICES BACTERIOLOGICAL SERVICES BACTERIOLOGICAL SERVICES BACTERIOLOGICAL SERVICES	312.00 312.00 312.00 144.00	1,080.00
2030505	09/28/11	04398	CONSTRUCTION MANAGEMENT	003222 003221 003220	08/18/11 09/27/11 09/26/11	REGISTRATION FEE REGISTRATION FEE REGISTRATION FEE	55.00 55.00 55.00	165.00
2030417	09/21/11	03706	CONSUMERS PIPE & SUPPLY	S1172696001	08/29/11	WHSE SUPPLIES	2,275.58	2,275.58
2030418	09/21/11	12334	CORODATA MEDIA STORAGE INC	DS1245628	08/31/11	BACKUP TAPE STORAGE (AUG 2011)	279.18	279.18
2030321	09/14/11	13312	COUNTY OF SAN DIEGO	REF002416600	09/13/11	UB REFUND CST#0000173857	1,969.97	1,969.97
2030322	09/14/11	13313	COUNTY OF SAN DIEGO	REF002416601	09/13/11	UB REFUND CST#0000173858	1,969.97	1,969.97
2030419	09/21/11	00184	COUNTY OF SAN DIEGO	DEH120022D11 DEH120016D11	09/02/11 09/02/11	SHUT DOWN TEST SHUT DOWN TEST	1,278.00 781.00	2,059.00
2030506	09/28/11	11286	CPM PARTNERS INC	11069	08/31/11	SCHEDULING SERVICES (AUG 2011)	12,805.00	12,805.00

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2030273	09/07/11	00223	C W MCGRATH INC	39950	08/15/11	CRUSHED ROCK	42.43	42.43
2030274	09/07/11	12674	CITY OF CHULA VISTA	071060PU0040811	08/17/11	UTILITY PERMITS (MAY, JUNE & JULY 2011)	2,100.00	2,100.00
2030275	09/07/11	08160	COMPLETE OFFICE	13093430 13055990	08/05/11 07/22/11	TONER TONER	1,843.60 537.65	2,381.25
2030276	09/07/11	11510	CONFERENCE CALL.COM	2670678990	08/31/11	CONFERENCE CALLING SERVICE (AUG 2011)	105.65	105.65
2030277	09/07/11	03624	COPY LINK INC	AR128187 AR128188	08/17/11 08/17/11	COPIER MAINTENANCE COPIER MAINTENANCE	742.71 371.35	1,114.06
2030323	09/14/11	13301	DAN DREDLA	REF002416589	09/13/11	UB REFUND CST#0000050930	86.34	86.34
2030324	09/14/11	13306	DANIEL OJEDA	REF002416594	09/13/11	UB REFUND CST#0000161550	22.43	22.43
2030350	09/14/11	07680	DELTA HEALTH SYSTEMS	P110908	09/08/11	HEALTH ADMINISTRATION (AUG 2011)	1,628.40	1,628.40
2030325	09/14/11	13320	DENNIS DILLON	REF002416608	09/13/11	UB REFUND CST#0000181775	75.94	75.94
2030420	09/21/11	00319	DEPARTMENT OF PUBLIC HEALTH	303820911	09/14/11	CERTIFICATE RENEWAL	70.00	70.00
2030482	09/28/11	13343	DESIGN BUILD GENERAL	Ref002416893	09/27/11	UB Refund Cst #0000183260	1,865.20	1,865.20
2030421	09/21/11	02519	DIEHL EVANS & COMPANY LLP	70433	08/31/11	AUDIT SERVICES	13,200.00	13,200.00
2030507	09/28/11	03417	DIRECTV	16051180988	09/19/11	SATELLITE TV (9/18/11-10/17/11)	6.00	6.00
2030278	09/07/11	13295	DMSD FOODS INC	003179	09/02/11	REFUND W/O D0810-060050	2,317.47	2,317.47
2030351	09/14/11	03152	DRIES, ROSEMARY	003191	09/06/11	TUITION	3,000.00	3,000.00
2030352	09/14/11	02447	EDCO DISPOSAL CORPORATION	1554580811	08/31/11	RECYCLING SERVICES	90.00	90.00
2030353	09/14/11	08023	EMPLOYEE BENEFIT SPECIALISTS	0053838IN	08/31/11	EMPLOYEE BENEFITS (AUG 2011)	562.50	562.50
2030422	09/21/11	00331	EMPLOYMENT DEVELOPMENT DEPT	925023840911	09/08/11	UNEMPLOYMENT INSURANCE (APR -JUN 2011)	11,357.20	11,357.20
2030279	09/07/11	04467	ENGINEERING & GENERAL	003182	09/01/11	MEMBERSHIP MEETING	50.00	50.00
2030423	09/21/11	04467	ENGINEERING & GENERAL	003207	09/20/11	MEMBERSHIP MEETING	50.00	50.00
2030280	09/07/11	03227	ENVIROMATRIX ANALYTICAL INC	1080310	08/15/11	LABORATORY SERVICES	445.00	445.00
2030354	09/14/11	03227	ENVIROMATRIX ANALYTICAL INC	1080470	08/22/11	LABORATORY SERVICES	765.00	765.00
2030424	09/21/11	03227	ENVIROMATRIX ANALYTICAL INC	1080645	08/29/11	LABORATORY SERVICES	830.00	830.00

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2030508	09/28/11	03227	ENVIROMATRIX ANALYTICAL INC	1090050 1090491	09/06/11 09/26/11	LABORATORY SERVICES LABORATORY SERVICES (9/10/11-9/16/11)	670.00 470.00	1,140.00
2030483	09/28/11	13342	FAS-AHM UTILITIES LLC	Ref002416892	09/27/11	UB Refund Cst #0000182746	75.00	75.00
2030281	09/07/11	03546	FERGUSON WATERWORKS # 1083	0384001 0383895 0384383 0384252 03843911	08/08/11 08/17/11 08/15/11 08/17/11 08/16/11	INVENTORY WATER SYSTEM PARTS HYDRANT PARTS METER GASKETS INVENTORY	7,294.41 1,250.98 1,150.49 759.64 128.66	10,584.18
2030355	09/14/11	03546	FERGUSON WATERWORKS # 1083	0386089 0385538	08/25/11 08/23/11	INVENTORY STEEL PIPE	1,343.65 254.24	1,597.89
2030425	09/21/11	03546	FERGUSON WATERWORKS # 1083	0384338 0385550	08/31/11 08/30/11	CLAVAL PARTS GASKETS	8,464.14 445.83	8,909.97
2030509	09/28/11	03546	FERGUSON WATERWORKS # 1083	0386873 0387249 0386900	09/07/11 09/07/11 09/07/11	INVENTORY RIDGID CUTTER TRUCK TOOLS	1,602.24 168.09 90.51	1,860.84
2030484	09/28/11	13341	FIELD ASSET SERVICES	Ref002416891	09/27/11	UB Refund Cst #0000177870	21.91	21.91
2030426	09/21/11	12187	FIRST AMERICAN DATA TREE LLC	90034081	08/31/11	ONLINE DOCUMENTS (AUG 2011)	49.00	49.00
2030282	09/07/11	04066	FIRST CHOICE SERVICES - SD	138334	08/16/11	COFFEE SUPPLIES	278.16	278.16
2030427	09/21/11	04066	FIRST CHOICE SERVICES - SD	142452 140187	09/01/11 08/30/11	WATER FILTERS COFFEE SUPPLIES	484.39 424.41	908.80
2030428	09/21/11	11962	FLEETWASH INC	3655889 3621337 3626290 3653829 3661128 3661131	08/12/11 07/01/11 07/08/11 08/05/11 08/19/11 08/19/11	VEHICLE WASH VEHICLE WASH VEHICLE WASH VEHICLE WASH VEHICLE WASH VEHICLE WASH	483.99 385.44 306.60 153.30 65.70 65.70	1,460.73
2030510	09/28/11	11962	FLEETWASH INC	3677123	09/02/11	VEHICLE WASH	244.19	244.19
2030356	09/14/11	01612	FRANCHISE TAX BOARD	Ben2416649	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	190.00	190.00
2030357	09/14/11	02344	FRANCHISE TAX BOARD	Ben2416651	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	466.56	466.56
2030511	09/28/11	01612	FRANCHISE TAX BOARD	Ben2416925	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	190.00	190.00
2030512	09/28/11	02344	FRANCHISE TAX BOARD	Ben2416927	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	466.56	466.56
2030358	09/14/11	07224	FRAZEE INDUSTRIES INC	027113979	08/24/11	HYDRANT PAINT	860.95	860.95

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2030283	09/07/11	03094	FULLCOURT PRESS	22812	08/05/11	PRINTING	1,505.37	1,505.37
2030326	09/14/11	13314	GOLD KEY FINANCIAL INC	REF002416602	09/13/11	UB REFUND CST#0000174205	75.00	75.00
2030359	09/14/11	00131	GOVERNMENT FIN OFFICERS ASSN	0152001 0116854S	08/24/11 08/24/11	MEMBERSHIP RENEWAL SUBSCRIPTION RENEWAL	580.00 265.00	845.00
2030284	09/07/11	00101	GRAINGER INC	9614345974 9613634840 9614345982	08/18/11 08/17/11 08/18/11	MAINTENANCE PARTS PAINT THERMOSTATS	200.93 184.77 59.19	444.89
2030360	09/14/11	00101	GRAINGER INC	8617393476	08/22/11	HARDWARE	158.83	158.83
2030429	09/21/11	00101	GRAINGER INC	9622030147	08/26/11	TAMPER PROOF SCREWS	42.63	42.63
2030513	09/28/11	00101	GRAINGER INC	9629214504 9631023133 9628664576	09/06/11 09/08/11 09/06/11	ELECTRICAL MATERIAL TRUCK TOOLS BIRD X ADHESIVE	699.73 260.37 165.91	1,126.01
2030430	09/21/11	03773	GTC SYSTEMS INC	32158	08/31/11	CITIRX SUPPORT (AUG 2011)	2,066.06	2,066.06
2030327	09/14/11	13300	GUADALUPE ARIAS	REF002416588	09/13/11	UB REFUND CST#0000042147	60.83	60.83
2030402	09/16/11	08968	GURROLA, MICHAEL	003197	09/15/01	ACH DEPOSIT RETURNED	2,115.61	2,115.61
2030431	09/21/11	02630	HAAKER EQUIPMENT COMPANY	C82684 C82462 C82441 C82456	 08/29/11 08/17/11 08/29/11	CREDIT MEMO PARTS PARTS PARTS	(91.11) 254.42 206.73 97.28	467.32
2030361	09/14/11	00174	HACH COMPANY	7389737	08/23/11	WATER SYSTEM PARTS	1,177.76	1,177.76
2030432	09/21/11	00174	HACH COMPANY	7402654	09/01/11	HACH ANALYZERS	1,873.38	1,873.38
2030485	09/28/11	13329	HAROLD COSSUTO	Ref002416879	09/27/11	UB Refund Cst #0000027593	34.26	34.26
2030433	09/21/11	00169	HAWTHORNE POWER SYSTEMS	PS100200405	08/16/11	BLOCK HEATER	1,709.36	1,709.36
2030362	09/14/11	06640	HD SUPPLY WATERWORKS LTD	3385282	08/23/11	AIR VAC PARTS	1,566.47	1,566.47
2030285	09/07/11	10973	HDR ENGINEERING INC	311493H	08/05/11	TEMPORARY LABOR	612.50	612.50
2030328	09/14/11	13319	HEARTLAND ASSOC	REF002416607	09/13/11	UB REFUND CST#0000177999	104.17	104.17
2030363	09/14/11	04799	HELIX WATER DISTRICT	003189	09/14/11	WEBHOSTING (WTR AGENCY STD)	225.00	225.00
2030364	09/14/11	08610	HENRY BROS ELECTRONICS INC	13070111	08/23/11	ELECTRICAL BOX ACCESS PANEL	4,674.49	4,674.49
2030365	09/14/11	00713	HEWLETT-PACKARD COMPANY	49866512	08/03/11	PROCESSORS & MEMORY	18,969.12	18,969.12

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2030434	09/21/11	00713	HEWLETT-PACKARD COMPANY	66564135	05/25/11	CONSULTANT SERVICES (APR 2011)	2,000.00	
				66564149	05/25/11	CONSULTANT SERVICES	111.00	2,111.00
2030514	09/28/11	00713	HEWLETT-PACKARD COMPANY	66564135	05/25/11	CONSULTANT SERVICES (APR 2011)	2,000.00	2,000.00
2030286	09/07/11	06540	HORIZON CRANE SERVICE LLC	5898	08/16/11	CRANE RENTAL	742.50	742.50
2030366	09/14/11	12335	HP ENTERPRISE SERVICES LLC	U2829307	08/03/11	CREDIT CARD SERVICES (JULY 2011)	1,974.00	1,974.00
2030367	09/14/11	01649	IDEXX DISTRIBUTION INC	253473825	08/17/11	LABORATORY SUPPLIES	3,000.15	3,000.15
2030435	09/21/11	01649	IDEXX DISTRIBUTION INC	253473826	08/17/11	LABORATORY SUPPLIES	165.02	165.02
2030436	09/21/11	08969	INFOSEND INC	52866	08/31/11	POSTAGE (AUG 2011)	16,294.85	
				52865	08/31/11	BILL PRINTING SERVICES (AUG 2011)	6,323.00	22,617.85
2030437	09/21/11	02372	INTERIOR PLANT SERVICE INC	39177	08/31/11	PLANT SERVICES (AUG 2011)	186.00	186.00
2030486	09/28/11	13331	JAECHO LEE	Ref002416881	09/27/11	UB Refund Cst #0000088996	147.87	147.87
2030438	09/21/11	03077	JANI-KING OF CALIFORNIA INC	SDO08110192	08/01/11	JANITORIAL SERVICES (AUG 2011)	1,101.10	1,101.10
2030329	09/14/11	13310	JAVIER RAMIREZ	REF002416598	09/13/11	UB REFUND CST#0000173162	25.36	25.36
2030330	09/14/11	13307	JAYNALYNN MEDEIROS	REF002416595	09/13/11	UB REFUND CST#0000168345	64.01	64.01
2030287	09/07/11	10563	JCI JONES CHEMICALS INC	518160		CREDIT MEMO	(3,000.00)	
				519708		CREDIT MEMO	(3,000.00)	
				517936	08/10/11	CHLORINE TP	4,837.80	
				519561	08/24/11	CHLORINE TREATMENT PLANT	4,837.80	3,675.60
2030515	09/28/11	10563	JCI JONES CHEMICALS INC	521945		CREDIT MEMO	(3,000.00)	
				521891	09/08/11	CHLORINE/TREATMENT PLANT	4,837.80	
				510842A	06/22/11	CHLORINE TREATMENT PLANT	36.00	1,873.80
2030331	09/14/11	13309	JENNIFER RAMIREZ	REF002416597	09/13/11	UB REFUND CST#0000172298	130.84	130.84
2030487	09/28/11	13334	JOHN HASKETT	Ref002416884	09/27/11	UB Refund Cst #0000172922	23.45	23.45
2030439	09/21/11	02533	JOHNSON, ERIC J	003203	09/09/11	SAFETY BOOTS	150.00	150.00
2030288	09/07/11	03172	JONES & STOKES ASSOCIATES INC	0081001	08/15/11	ENVIRONMENTAL CONSULTING	5,567.83	
				0080995	08/15/11	ENVIRONMENTAL CONSULTING	1,242.75	6,810.58
2030516	09/28/11	03172	JONES & STOKES ASSOCIATES INC	0081497	09/06/11	P1253 SAN MIGUEL HABITAT MGMT AREA	8,513.40	8,513.40
2030440	09/21/11	02449	JOSEPH G POLLARD CO INC	I307815IN	08/31/11	TRUCK TOOLS	675.62	675.62

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2030517	09/28/11	02449	JOSEPH G POLLARD CO INC	I308291IN	09/08/11	TRUCK TOOLS	55.15	55.15
2030518	09/28/11	05840	KIRK PAVING INC	4898 4899	09/06/11 09/06/11	PAVING SERVICES PAVING SERVICES	7,584.50 3,498.00	11,082.50
2030441	09/21/11	04996	KNOX ATTORNEY SERVICE INC	641007	08/31/11	DELIVERY SERVICES (AUG 2011)	324.50	324.50
2030289	09/07/11	12276	KONECRANES INC	SDG00603579 SDG00603672	08/18/11 08/18/11	HOIST INSPECTION HOIST PARTS	450.00 155.16	605.16
2030368	09/14/11	12276	KONECRANES INC	SDG00604959	08/23/11	CRANE INSPECTIONS	360.00	360.00
2030332	09/14/11	13318	KRISTINE SLEAD	REF002416606	09/13/11	UB REFUND CST#0000177614	75.00	75.00
2030488	09/28/11	13333	KYLE EDMONDSON	Ref002416883	09/27/11	UB Refund Cst #0000169559	75.00	75.00
2030442	09/21/11	06497	LAKESIDE LAND COMPANY	250685R 254369R	06/01/11 08/31/11	LANDFILL LANDFILL	45.48 44.37	89.85
2030290	09/07/11	13297	LAND SOUTH LLC	003177	09/02/11	REFUND W/O D0818-090087	1,857.31	1,857.31
2030369	09/14/11	03607	LEE & RO INC	LR14342	08/22/11	INTERCONNECTION	80,160.08	80,160.08
2030519	09/28/11	03607	LEE & RO INC	LR14402 LR14401	09/02/11 09/01/11	SERVICES FOR PERIOD (8/1/11-8/26/11) DESIGN SERVICES (8/1/11-8/26/11)	35,002.81 15,701.02	50,703.83
2030370	09/14/11	00627	LEWIS & LEWIS ENTERPRISES	1008611000	08/23/11	SURVEY TOOLS	127.60	127.60
2030371	09/14/11	05220	LOGICALIS INTEGRATION SOLUTION	S134736 S135026	08/30/11 07/31/11	CONFIGURATION ASSISTANCE (JUNE 2011) 2010 EXCHANGE UPGRADE (JULY 2011)	1,155.00 262.50	1,417.50
2030443	09/21/11	05220	LOGICALIS INTEGRATION SOLUTION	S135416	08/31/11	2010 EXCHANGE UPGRADE	175.00	175.00
2030333	09/14/11	13315	LPS FIELD SERVICES INC	REF002416603	09/13/11	UB REFUND CST#0000175106	75.00	75.00
2030489	09/28/11	13337	LPS FIELD SERVICES INC	Ref002416687	09/27/11	UB Refund Cst #0000175377	43.48	43.48
2030520	09/28/11	03385	MAGANA, MANNY	003219 15970911	09/22/11 09/23/11	REGISTRATION FEE TRAVEL EXPENSES (9/11/11-9/14/11)	435.00 222.00	657.00
2030372	09/14/11	00628	MANHATTAN NATIONAL LIFE	003188	08/22/11	VOLUNTARY LIFE INSURANCE (SEPT 2011)	330.94	330.94
2030444	09/21/11	00628	MANHATTAN NATIONAL LIFE	003212	09/21/11	VOLUNTARY LIFE INSURANCE (OCT 2011)	330.94	330.94
2030445	09/21/11	02902	MARSTON+MARSTON INC	201192 201191	08/29/11 08/29/11	COMMUNITY OUTREACH (AUG 2011) COMMUNITY OUTREACH (AUG 2011)	14,809.84 510.00	15,319.84
2030291	09/07/11	05329	MASTER METER INC	0189225IN	08/17/11	INVENTORY	183,669.65	183,669.65
2030292	09/07/11	02882	MAYER REPROGRAPHICS INC	0066152IN	08/16/11	REPROGRAPHIC SERVICES	1,442.28	1,442.28

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2030446	09/21/11	02882	MAYER REPROGRAPHICS INC	0066541	08/31/11	REPROGRAPHIC SERVICES	46.50	46.50
2030373	09/14/11	01183	MCMaster-CARR SUPPLY CO	93648365	08/23/11	MAINTENANCE PARTS	532.37	532.37
2030521	09/28/11	01183	MCMaster-CARR SUPPLY CO	94805158	09/07/11	COMBO LOCK	893.16	893.16
2030490	09/28/11	13339	MCMILLIN REALTY	Ref002416889	09/27/11	UB Refund Cst #0000176726	65.64	65.64
2030293	09/07/11	12016	MTGL INC	0034244	08/18/11	GEOTECHNICAL SERVICES	6,130.00	6,130.00
2030522	09/28/11	03623	MWH AMERICAS INC	1418476	09/07/11	RWCWRF UPGRADE (7/30/11-8/26/11)	6,518.48	6,518.48
2030334	09/14/11	13305	NAOMI BUNNELL	REF002416593	09/13/11	UB REFUND CST#0000159876	75.00	75.00
2030447	09/21/11	12908	NARASIMHAN CONSULTING SERVICES	03903 03902	08/31/11 07/27/11	SERVICES FOR PERIOD 6/18/11 TO 8/26/11 SERVICES FOR PERIOD 5/21/11-6/17/11	19,607.50 6,114.00	25,721.50
2030374	09/14/11	03523	NATIONAL DEFERRED COMPENSATION	Ben2416639	09/15/11	BI-WEEKLY DEFERRED COMP PLAN	10,152.70	10,152.70
2030523	09/28/11	03523	NATIONAL DEFERRED COMPENSATION	Ben2416915	09/29/11	BI-WEEKLY DEFERRED COMP PLAN	10,133.08	10,133.08
2030448	09/21/11	09884	NATIONAL SAFETY COMPLIANCE INC	50722	08/31/11	RANDOM DRUG TESTING (AUG 2011)	639.50	639.50
2030491	09/28/11	13332	NICHOLE SMILEY	Ref002416882	09/27/11	UB Refund Cst #0000159775	78.25	78.25
2030375	09/14/11	00510	OFFICE DEPOT INC	576660645001 576659733001 575763529001 575763326001	08/25/11 08/25/11 08/19/11 08/23/11	OFFICE SUPPLIES SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES	199.61 99.74 27.70 6.47	333.52
2030449	09/21/11	00510	OFFICE DEPOT INC	576839111001 577417035001	08/26/11 09/01/11	OFFICE SUPPLIES OFFICE SUPPLIES	440.47 86.99	527.46
2030524	09/28/11	00510	OFFICE DEPOT INC	579988149001 577681402001 577681815001		CREDIT MEMO OFFICE SUPPLIES OFFICE SUPPLIES	(17.19) 141.09 22.05	145.95
2030294	09/07/11	03149	ON SITE LASER LLC	45929	08/15/11	MAINTENANCE KIT	332.99	332.99
2030450	09/21/11	03149	ON SITE LASER LLC	45942	08/16/11	FUSING ASSEMBLY	69.00	69.00
2030295	09/07/11	02334	OTAY LANDFILL	011206	08/15/11	WASTE DISPOSAL	83.03	83.03
2030296	09/07/11	13296	OTAY RANCH FOURTEEN LLC	003178	09/02/11	REFUND W/O D0590-010251	6,297.98	6,297.98
2030376	09/14/11	03101	OTAY WATER DISTRICT	Ben2416641	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	707.00	707.00
2030525	09/28/11	03101	OTAY WATER DISTRICT	Ben2416917	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	707.00	707.00

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2030297	09/07/11	01002	PACIFIC PIPELINE SUPPLY	148110	08/16/11	INVENTORY	10,559.50	19,865.16
				148109	08/16/11	INVENTORY	9,208.68	
				148119	08/16/11	INVENTORY	96.98	
2030377	09/14/11	01002	PACIFIC PIPELINE SUPPLY	148425	08/19/11	INVENTORY	4,609.55	4,609.55
2030451	09/21/11	01002	PACIFIC PIPELINE SUPPLY	148756	08/31/11	INVENTORY	3,742.08	3,742.08
2030452	09/21/11	05497	PAYPAL INC	13221597	08/31/11	PHONE PAYMENT SERVICES (AUG 2011)	54.10	54.10
2030378	09/14/11	03790	PENHALL COMPANY	28618	08/19/11	SAW CUTTING SERVICES	200.00	200.00
2030379	09/14/11	03180	PERFORMANCE METER INC	0018704IN	08/25/11	METER REPAIR	2,600.53	2,600.53
2030298	09/07/11	11333	PETER JON SNELL	003181	09/02/11	REFUND W/O D0403-090102	1,602.77	1,602.77
2030380	09/14/11	00137	PETTY CASH CUSTODIAN	003194	09/13/11	PETTY CASH	152.00	152.00
2030526	09/28/11	00137	PETTY CASH CUSTODIAN	003224	09/27/11	PETTY CASH	637.50	637.50
2030381	09/14/11	13122	PINNACLE BUSINESS SOLUTIONS	33521	08/24/11	HARD DRIVE	786.58	786.58
2030527	09/28/11	00053	PITNEY BOWES INC	545650	09/03/11	PSD RENTAL (OCT, NOV & DEC 2011)	206.88	206.88
2030299	09/07/11	01733	PRICE TRONCONE &	12423	08/10/11	SITE RENTAL (QUARTERLY)	4,128.00	4,128.00
2030382	09/14/11	07346	PRIME ELECTRICAL SERVICES INC	9678	08/24/11	ELECTRICAL SERVICES	1,559.00	1,559.00
2030453	09/21/11	13059	PRIORITY BUILDING SERVICES	26966	08/01/11	JANITORIAL SERVICES (AUG 2011)	3,504.00	3,504.00
2030403	09/16/11	12773	PRM CONSULTING	2011105OWD	08/05/11	REDISTRICTING PROJECT (JULY 2011)	7,000.00	7,000.00
2030300	09/07/11	02476	PROGRESSIVE BUS PUBLICATIONS	04445406	08/19/11	MANAGER'S LETTER SUBSCRIPTION	130.00	130.00
2030383	09/14/11	03237	PROGRESSIVE MAPPING	4673	08/19/11	AUTOCAD TEMPLATE	1,500.00	2,473.75
				4658	07/27/11	GIS CONSULTING	973.75	
2030301	09/07/11	06641	PRUDENTIAL OVERALL SUPPLY	30202244	08/18/11	UNIFORMS, TOWELS & MATS	349.15	941.29
				30202243	08/18/11	UNIFORMS, TOWELS & MATS	197.34	
				30202245	08/18/11	UNIFORMS, TOWELS & MATS	168.70	
				30201605	08/16/11	UNIFORMS, TOWELS & MATS	111.33	
				30202246	08/18/11	UNIFORMS, TOWELS & MATS	60.57	
				30201604	08/16/11	UNIFORMS, TOWELS & MATS	54.20	
2030384	09/14/11	06641	PRUDENTIAL OVERALL SUPPLY	30203771	08/25/11	UNIFORMS, TOWELS & MATS	349.15	66.51
				30203772	08/25/11	UNIFORMS, TOWELS & MATS	168.70	
				30203126	08/23/11	UNIFORMS, TOWELS & MATS	111.33	
				30203773	08/25/11	UNIFORMS, TOWELS & MATS	66.51	

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				30203125	08/23/11	UNIFORMS, TOWELS & MATS	50.20	745.89
2030454	09/21/11	06641	PRUDENTIAL OVERALL SUPPLY	30205202	09/01/11	UNIFORMS, TOWELS & MATS	363.15	
				30203770	08/25/11	UNIFORMS, TOWELS & MATS	197.34	
				30205201	09/01/11	UNIFORMS, TOWELS & MATS	197.34	
				30205203	09/01/11	UNIFORMS, TOWELS & MATS	168.70	
				30204535	08/30/11	UNIFORMS, TOWELS & MATS	111.33	
				30196176	07/21/11	UNIFORMS, TOWELS & MATS	100.51	
				30205204	09/01/11	UNIFORMS, TOWELS & MATS	58.50	
				30204534	08/30/11	UNIFORMS, TOWELS & MATS	54.20	1,251.07
2030528	09/28/11	06641	PRUDENTIAL OVERALL SUPPLY	30206831	09/08/11	UNIFORMS, TOWELS & MATS	347.15	
				30206830	09/08/11	UNIFORMS, TOWELS & MATS	197.34	
				30206832	09/08/11	UNIFORMS, TOWELS & MATS	168.70	
				30206134	09/06/11	UNIFORMS, TOWELS & MATS	111.33	
				30206833	09/08/11	UNIFORMS, TOWELS & MATS	66.44	
				30206133	09/06/11	UNIFORMS, TOWELS & MATS	50.20	941.16
2030302	09/07/11	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2416400	09/01/11	BI-WEEKLY PERS CONTRIBUTION	154,519.26	154,519.26
2030455	09/21/11	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2416635	09/15/11	BI-WEEKLY PERS CONTRIBUTION	154,120.03	154,120.03
2030492	09/28/11	13335	RANCHO BUENA VISTA REAL ESTATE	Ref002416885	09/27/11	UB Refund Cst #0000173533	75.00	75.00
2030456	09/21/11	12017	RICK ALEXANDER COMPANY, THE	E000001	09/01/11	CONSULTING SERVICES	1,304.00	1,304.00
2030303	09/07/11	01342	R J SAFETY SUPPLY CO INC	29134701	08/12/11	SAFETY SUPPLIES	424.54	
				29134702	08/17/11	SAFETY SUPPLIES	37.35	461.89
2030493	09/28/11	13328	ROBERT JENNINGS	Ref002416878	09/27/11	UB Refund Cst #0000003963	129.82	129.82
2030529	09/28/11	06412	ROMERO, TANYA	003214	09/26/11	TUITION	664.88	664.88
2030530	09/28/11	13344	RONALD CUMFORD & MARIA CUMFORD	003223	09/27/11	CUSTOMER REFUND	218.35	218.35
2030457	09/21/11	00217	RW LITTLE CO INC	103755	08/09/11	POWDER COATING	550.00	550.00
2030304	09/07/11	00362	RYAN HERCO PRODUCTS CORP	7183523	08/18/11	WATER SYSTEM PARTS	1,013.55	1,013.55
2030385	09/14/11	13204	SAIC ENERGY ENVIRONMENT &	05451	08/09/11	LEGAL SERVICES	17,660.08	17,660.08
2030305	09/07/11	11596	SAN DIEGO CONSTRUCTION WELDING	8055	08/12/11	WELDING	680.00	680.00
2030531	09/28/11	11596	SAN DIEGO CONSTRUCTION WELDING	8078	09/06/11	WELDING	680.00	680.00
2030532	09/28/11	02586	SAN DIEGO COUNTY ASSESSOR	2011071	09/07/11	ASSESSOR DATA	125.00	125.00
2030533	09/28/11	00247	SAN DIEGO DAILY TRANSCRIPT	268815	09/08/11	BID ADVERTISEMENT	74.50	74.50

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2030386	09/14/11	00121	SAN DIEGO GAS & ELECTRIC	003184	09/06/11	UTILITY EXPENSES	71,753.47	
				003187	08/29/11	UTILITY EXPENSES	54,195.44	
				003186	08/25/11	UTILITY EXPENSES	45,563.52	
				003185	08/24/11	UTILITY EXPENSES	27,451.39	198,963.82
2030335	09/14/11	13317	SAN DIEGO REALTY	REF002416605	09/13/11	UB REFUND CST#0000176210	57.06	57.06
2030458	09/21/11	12080	SAN DIEGO UNION-TRIBUNE LLC	241402	08/31/11	ADVERTISING SERVICES (JUNE-AUG 2011)	289.44	289.44
2030534	09/28/11	12080	SAN DIEGO UNION-TRIBUNE LLC	0010551484	09/08/11	BID ADVERTISEMENT	291.60	291.60
2030387	09/14/11	07676	SAN MIGUEL FIRE PROTECTION	003000	06/28/11	TEMPORARY LABOR (JUNE 2011)	6,626.26	6,626.26
2030535	09/28/11	07676	SAN MIGUEL FIRE PROTECTION	003202	09/08/11	TEMPORARY LABOR (JULY 2011)	6,827.85	6,827.85
2030459	09/21/11	12333	SCHINDLER ELEVATOR CORPORATION	8102964485	08/01/11	ELEVATOR MAINTENANCE (AUG 2011)	449.01	449.01
2030494	09/28/11	13338	SCOTT PROPERTIES	Ref002416888	09/27/11	UB Refund Cst #0000176174	31.14	31.14
2030306	09/07/11	11516	SIEMENS INDUSTRY INC	900313444	08/15/11	INJECTOR ASSEMBLY	954.82	954.82
2030336	09/14/11	13304	SIERRA PACIFIC WEST INC	REF002416592	09/13/11	UB REFUND CST#0000159086	1,740.35	1,740.35
2030536	09/28/11	02660	SILVA, GABRIEL	003218	09/23/11	SAFETY BOOTS	146.79	146.79
2030460	09/21/11	12995	SILVA-SILVA INTERNATIONAL	1108	09/10/11	CONSULTING SERVICES (AUG 2011)	4,000.00	4,000.00
2030461	09/21/11	12281	SIR SPEEDY PRINTING	46324	07/21/11	BUSINESS CARDS	38.63	38.63
2030537	09/28/11	00258	SLOAN ELECTRIC COMPANY	0160481	08/19/11	PUMPS & MOTORS 711-1	201,809.46	
				0059563	09/02/11	GEARBOX REPAIR	1,071.00	202,880.46
2030307	09/07/11	03592	SOFTCHOICE CORPORATION	2780293	08/16/11	ADOBE UPGRADE	14,653.75	
				2779757	08/16/11	ANNUAL LICENSE	619.77	15,273.52
2030462	09/21/11	03592	SOFTCHOICE CORPORATION	2759019	07/21/11	SOFTWARE LICENSES (ANNUAL)	78,489.77	78,489.77
2030337	09/14/11	13302	SONIA GOMEZ	REF002416590	09/13/11	UB REFUND CST#0000085203	67.52	67.52
2030308	09/07/11	11618	SOUTH COAST COPY SYSTEMS	AR90146A	07/19/11	COPIER MAINTENANCE	531.65	
				AR90145A	07/19/11	COPIER MAINTENANCE	31.74	563.39
2030388	09/14/11	11618	SOUTH COAST COPY SYSTEMS	AR92666	09/02/11	COPIES Overage	3,762.89	3,762.89
2030463	09/21/11	03103	SOUTHCOAST HEATING &	C46753	08/11/11	AC MAINTENANCE (AUG 2011)	1,068.00	1,068.00
2030309	09/07/11	03760	SPANKY'S PORTABLE SERVICES INC	889073	08/18/11	PORTABLE TOILET RENTAL	98.15	
				888469	08/10/11	PORTABLE TOILET RENTAL	79.96	178.11

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2030464	09/21/11	03760	SPANKY'S PORTABLE SERVICES INC	890142	08/29/11	PORTABLE TOILET RENTAL	79.96	
				889903	08/26/11	PORTABLE TOILET RENTAL	79.96	
				889904	08/26/11	PORTABLE TOILET RENTAL	79.96	
				889902	08/26/11	PORTABLE TOILET RENTAL	79.96	319.84
2030538	09/28/11	03760	SPANKY'S PORTABLE SERVICES INC	891383	09/08/11	PORTABLE TOILET RENTAL (9/7/11-10/4/11)	79.96	79.96
2030389	09/14/11	03516	SPECIAL DISTRICT RISK	AD1112004886000	09/06/11	AUTO LIABILITY DEDUCTIBLE	1,000.00	1,000.00
2030465	09/21/11	06510	SPRINT NEXTEL	901500243060	09/12/11	WIRELESS SERVICES (AUG 2011)	3,520.81	3,520.81
2030390	09/14/11	06281	STATE DISBURSEMENT UNIT	Ben2416657	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	415.38	415.38
2030391	09/14/11	06299	STATE DISBURSEMENT UNIT	Ben2416645	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	237.69	237.69
2030392	09/14/11	06303	STATE DISBURSEMENT UNIT	Ben2416653	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	802.15	802.15
2030539	09/28/11	06281	STATE DISBURSEMENT UNIT	Ben2416933	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	415.38	415.38
2030540	09/28/11	06299	STATE DISBURSEMENT UNIT	Ben2416921	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	237.69	237.69
2030541	09/28/11	06303	STATE DISBURSEMENT UNIT	Ben2416929	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	802.15	802.15
2030393	09/14/11	02261	STATE STREET BANK & TRUST CO	Ben2416637	09/15/11	BI-WEEKLY DEFERRED COMP PLAN	5,632.68	5,632.68
2030542	09/28/11	02261	STATE STREET BANK & TRUST CO	Ben2416913	09/29/11	BI-WEEKLY DEFERRED COMP PLAN	5,810.78	5,810.78
2030543	09/28/11	11749	STEPHEN V MCCUE	003225	09/02/11	LEGAL SERVICES (AUG 2011)	20,114.35	20,114.35
2030310	09/07/11	03738	STEVEN ENTERPRISES INC	0274517IN	08/17/11	CARRIER STRIPS	669.31	669.31
2030466	09/21/11	03738	STEVEN ENTERPRISES INC	0275072IN	08/30/11	RE-STOCKING FEE	77.20	77.20
2030311	09/07/11	07678	STREAMLINE FORMS & GRAPHICS	37108	08/16/11	TAGS	289.85	
				37092	08/12/11	PRE-INSPECTION FORMS	92.67	382.52
2030544	09/28/11	07678	STREAMLINE FORMS & GRAPHICS	37161	09/07/11	FORMS	139.00	139.00
2030467	09/21/11	13325	SUNROAD ENTERPRISES	003209	09/15/11	W/O REFUND D0262-XX8821	8,208.18	8,208.18
2030545	09/28/11	06841	SUPERIOR ENVIRONMENTAL	1108018	08/01/11	CLEANING SERVICES	725.00	725.00
2030338	09/14/11	13303	SUSAN STROUD	REF002416591	09/13/11	UB REFUND CST#0000091331	9.24	9.24
2030312	09/07/11	11872	TESTO INC	9100095601	07/01/11	REPAIR ANALYZER	1,506.00	1,506.00
2030468	09/21/11	02975	TETRA TECH INC	50478560	08/15/11	FOR SERVICES ENDING 7/29/11	59,048.23	59,048.23
2030546	09/28/11	07365	TOTAL FILTRATION SERVICES INC	PSV811920	08/10/11	BLOWER CARTRIDGES	215.66	215.66

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2030263 THROUGH 2030557
RUN DATES 9/07/2011 TO 9/28/2011

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2030469	09/21/11	03074	TRAFFIC CONTROL SERVICE INC	1035963	08/09/11	TRAFFIC CONTROL	1,366.50	1,366.50
2030547	09/28/11	03074	TRAFFIC CONTROL SERVICE INC	1040080	09/08/11	MESSAGE BOARD	16,841.40	16,841.40
2030470	09/21/11	12084	TRIACTIVE INC	SITRI1166	07/29/11	SOFTWARE SUPPORT (APR-JUNE 2011)	179.28	179.28
2030471	09/21/11	03261	TYLER TECHNOLOGIES INC	54071	08/31/11	SUPPORT RESOURCE	3,000.00	3,000.00
2030472	09/21/11	00427	UNDERGROUND SERVICE ALERT OF	820110474	09/01/11	UNDERGROUND ALERTS (AUG 2011)	352.50	352.50
2030548	09/28/11	03563	UNDERGROUND UTILITIES INC	097252	09/05/11	WATER METER BOX CLEANOUT MAINTENANCE	2,866.50	2,866.50
2030313	09/07/11	00350	UNITED STATES POSTAL SERVICE	104339510911	09/06/11	REIMBURSE POSTAGE MACHINE	2,100.00	2,100.00
2030394	09/14/11	08262	UNITED RENTALS NORTHWEST INC	95125726001	08/23/11	CONCRETE	177.79	177.79
2030473	09/21/11	08262	UNITED RENTALS NORTHWEST INC	95297246001	09/01/11	CONCRETE	222.24	
				95271681001	08/31/11	CONCRETE	139.00	
				95298284001	09/01/11	CONCRETE	44.45	405.69
2030549	09/28/11	08262	UNITED RENTALS NORTHWEST INC	95340676001	09/06/11	CONCRETE	177.79	177.79
2030395	09/14/11	05417	UNITED STATES DEPARTMENT	Ben2416655	09/15/11	BI-WEEKLY PAYROLL DEDUCTION	100.00	100.00
2030550	09/28/11	05417	UNITED STATES DEPARTMENT	Ben2416931	09/29/11	BI-WEEKLY PAYROLL DEDUCTION	100.00	100.00
2030551	09/28/11	07662	UNITEDHEALTHCARE SPECIALTY	112710000110	09/28/11	AD&D & SUPP LIFE INS (OCT 2011)	5,656.04	5,656.04
2030552	09/28/11	03212	UNUM LIFE INSURANCE	Ben2416909	09/29/11	MONTHLY CONTRIBUTION TO LTD	8,730.02	8,730.02
2030396	09/14/11	07674	US BANK CORPORATE PAYMENT	003193	08/22/11	DISTRICT EXPENSES (CAL CARD)	7,797.85	
				003195	08/22/11	DISTRICT EXPENSES (CAL CARD)	125.00	7,922.85
2030474	09/21/11	07674	US BANK CORPORATE PAYMENT	003206	08/22/11	DISTRICT EXPENSES (CAL CARD)	15,860.65	
				003205	08/22/11	DISTRICT EXPENSES (CAL CARD)	1,219.79	
				003204	08/22/11	DISTRICT EXPENSES (CAL CARD)	76.00	17,156.44
2030397	09/14/11	11188	US CONCRETE	0149430IN	08/23/11	INVENTORY	9,969.55	9,969.55
2030553	09/28/11	06829	US SECURITY ASSOCIATES INC	362012	08/31/11	SECURITY SERVICES (AUG 2011)	461.20	461.20
2030554	09/28/11	13048	V & A CONSULTING ENGINEERS	12899	08/26/11	CORROSION SERVICES (7/30/11-8/26/11)	3,452.00	3,452.00
2030398	09/14/11	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2416643	09/15/11	BI-WEEKLY DEFERRED COMP PLAN	8,043.78	8,043.78
2030399	09/14/11	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2416647	09/15/11	BI-WEEKLY 401A PLAN	1,085.58	1,085.58
2030555	09/28/11	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2416919	09/29/11	BI-WEEKLY DEFERRED COMP PLAN	8,202.12	8,202.12

OTAY WATER DISTRICT
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FOR CHECKS 2030263 THROUGH 2030557
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2030556	09/28/11	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2416923	09/29/11	BI-WEEKLY 401A PLAN	953.98	953.98
2030400	09/14/11	03329	VERIZON WIRELESS	1006296328	08/21/11	WIRELESS SERVICES	8,930.39	8,930.39
2030314	09/07/11	13294	VIRGINIA M WOODHULL	003180	09/02/11	REFUND W/O D0842-090098	222.55	222.55
2030401	09/14/11	03588	VWR INTERNATIONAL INC	46693595	08/22/11	LABORATORY SUPPLIES	1,042.42	1,042.42
2030475	09/21/11	01995	WABCO PRODUCTS INC	625749	07/18/11	REPAIR PART	94.92	94.92
2030476	09/21/11	07595	WALTERS WHOLESALE ELECTRIC CO	855899700 855531802	09/01/11 09/01/11	VALVE ACTUATOR VALVE ACTUATOR	45.80 31.52	77.32
2030557	09/28/11	07595	WALTERS WHOLESALE ELECTRIC CO	856267000 855531801 324929000 856268301	09/07/11 09/01/11 09/02/11 09/07/11	ELECTRICAL MATERIAL VALVE ACTUATOR VALVE ACTUATOR VALVE ACTUATOR	754.25 542.64 71.12 38.79	1,406.80
2030315	09/07/11	01343	WE GOT YA PEST CONTROL	70503	08/17/11	BEE REMOVAL	115.00	115.00
2030316	09/07/11	00125	WESTERN PUMP INC	0105151IN	08/18/11	APCD TESTING	400.00	400.00
2030477	09/21/11	00125	WESTERN PUMP INC	0105616IN	08/31/11	CLOCK GAUGES	3,115.10	3,115.10
2030317	09/07/11	03692	WESTIN ENGINEERING INC	669	08/17/11	PROJECT CONSULTING	29,122.82	29,122.82
2030478	09/21/11	09149	WILLIS RISK AND INSURANCE	0234019	09/01/11	BENEFITS CONSULTING (QUARTERLY)	9,282.75	9,282.75
							1,896,453.21	1,896,453.21