

OTAY WATER DISTRICT
FINANCE, ADMINISTRATION AND COMMUNICATIONS
COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM

MONDAY
September 17, 2007
4:00 P.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

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

DISCUSSION ITEMS

3. DISCUSSION OF RESOLUTION NO. 4112 TO REVISE THE POLICY AGAINST DISCRIMINATION, HARASSMENT AND COMPLAINT PROCEDURE, BOARD OF DIRECTORS POLICY 47 (WILLIAMSON) [5 minutes]
4. DISCUSSION OF RESOLUTION NO. 4109 TO IMPLEMENT THE PROPOSED ANTIFRAUD POLICY AS BOARD OF DIRECTORS POLICY NO. 50 (CUDLIP) [10 minutes]
5. DISCUSSION OF CONSIDERATION TO INVEST IN CERTIFICATES OF DEPOSITS (BEACHEM) [10 minutes]
6. DISCUSSION OF PROPOSITION 218 PROCESS (BEACHEM) [5 minutes]
7. DISCUSSION OF ORDINANCE NO. 513 AMENDING SECTION 25, RATES AND CONDITIONS FOR WATER SERVICES; AND SECTION 53, FEES, RATES, CHARGES AND CONDITIONS FOR SEWER SERVICE OF THE DISTRICT'S CODE OF ORDINANCES (BELL) [5 minutes]

8. DISCUSSION OF WATER CONSERVATION GARDEN BOARD SECRETARY SUPPORT (WATTON) [10 minutes]
9. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Mark Robak, Chair
Larry Breitfelder

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

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

Certification of Posting

I certify that on September 14, 2007 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on September 14, 2007.



Connie Rathbone, Asst. District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 3, 2007
SUBMITTED BY:	Kelli Williamson, <i>KW</i> Human Resources Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>RS</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager of Finance and Administrative Services <i>GA</i>		
SUBJECT:	Adopt Resolution 4112 to Revise the Policy Against Discrimination and Harassment and Complaint Procedure- Board Policy 47.		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt Resolution 4112 to revise the Policy Against Discrimination and Harassment and Complaint Procedure - Board Policy 47.

COMMITTEE ACTION: _____

See attached (Attachment A).

PURPOSE:

That the Board of Directors adopt Resolution 4112 (Attachment B) to implement the revisions of Board Policy 47 - Policy Against Discrimination and Harassment and Complaint Procedure (Attachment B, Exhibit 1).

ANALYSIS:

Periodically Staff reviews and revises District Policies and Procedures. In preparation to conduct an All Employee Discrimination and Harassment Training, Staff reviewed and revised the District's Discrimination and Harassment Policy and Complaint Procedure.

Board Policy 47 is attached in an underline/strikethrough version to reflect proposed changes (Attachment C).

Board Policy 47 currently provides for a work environment free of unlawful discrimination and harassment and prohibits discrimination and harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race,

color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing). Staff believes it is in the best interest of the District to increase the scope of this policy by including retaliation as a prohibited act.

This policy will be reviewed on a regular basis and brought forward to the Board of Directors for review and ratification to ensure that the District continues to have a comprehensive policy.

Staff has provided a copy of the proposed revisions to the Policy to the Otay Water District Employees Association for their review and they had no comments.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

LEGAL IMPACT:

Quinn 9-11-2007

None.



General Manager

Attachments

- Attachment A - Committee Action
- Attachment B - Resolution 4112 - Revisions to Board of Director's Policy 47 - Policy Against Discrimination and Harassment and Complaint Procedure
- Exhibit 1 - Board of Director's Policy 47 - Policy Against Discrimination and Harassment and Complaint Procedure
- Attachment C - Underline/Strikethrough version of the current Policy Against Discrimination and Harassment and Complaint Procedure to reflect the existing policy



ATTACHMENT A

SUBJECT/PROJECT:	Implement Changes to Board Policy 47 - Policy Against Discrimination and Harassment and Complaint Procedure
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COMMITTEE ACTION:

The Finance/Administration Committee met on September 17, 2007 and supported adopting Resolution 4112 to revise Board Policy 47 - Policy Against Discrimination and Harassment and Complaint Procedure and to place it on the consent agenda at the October Board meeting.

NOTE:

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

RESOLUTION NO. 4112

A RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT REVISING
BOARD OF DIRECTORS POLICY 47,
POLICY AGAINST DISCRIMINATION AND HARASSMENT
AND COMPLAINT PROCEDURE

WHEREAS, the Board of Directors wishes to revise Board Policy 47 Policy against Discrimination and Harassment and Complaint Procedure; and

WHEREAS, the District desires to provide for a work environment free of unlawful discrimination, harassment and retaliation and that prohibits discrimination, harassment and retaliation based on sex (including gender, pregnancy, child birth or related medical condition), race color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that the attached revised "Policy Against Discrimination and Harassment and Complaint Procedure" shall become effective immediately upon adoption (Exhibit 1).

PASSED, APPROVED AND ADOPTED by the Board of Directors
of Otay Water District at a regular meeting held this 3rd
day of October, 2007.

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY			
Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pending

PURPOSE

The purposes of this policy are to (i) advise all employees that the District disapproves of and will not tolerate unlawful discrimination or harassment of its employees,, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing) is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, and to all vendors doing business with the District.

DEFINITIONS

Discrimination – Any decision or action that is based on an individual’s status as a member of a protected class that adversely affects a District employee or the employee’s work conditions, terms of employment, or work environment.

Harassment – Any decision or action that is based on a District employee’s status as a member of a protected class, made for the purpose of adversely affecting that employee’s work conditions, terms or employment, or work environment. Harassment may include, but is not limited to:

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pending

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Protected Class – Any class of persons who share a common sex, race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other “protected class” recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. For purposes of this definition, “sex” includes gender, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation – Any decision or action that is based on the fact that a District employee has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee’s complaint under this Policy, made for the purpose of adversely affecting the employee’s work conditions, terms or employment, or work environment.

Sexual harassment – A form of harassment that is based on an employee’s gender but which objectively and subjectively creates an adverse impact on the employee regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by another employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District’s Discrimination and Harassment Complaint Form. An employee may make a complaint to any of the following:

- Employee’s immediate supervisor;
- Employee’s immediate manager;
- Employee’s department Chief;
- Any supervisor, manager, Department Chief, or Assistant General Manager;

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pending

- The Office of Administrative Services;
- The Human Resources Office; or
- General Manager
- President of the Board of Directors (only for complaints against General Manager)

Applicants may make a complaint to any of the following:

- The Human Resources Office;
- The Office of Administrative Services; or
- General Manager

Any person or office described above shall forward each written discrimination complaint to the General Manager or designee within two business days of receiving the complaint. If a complaint is made verbally, the person or office receiving the complaint shall provide written documentation of the complaint, secure the complainant's signature if possible, and forward the written complaint to the General Manager or designee within five business days of receiving the verbal complaint.

If any manager, supervisor, department chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. This shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her, however. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pending

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and including termination for an employee who has violated this Policy or sanctions for a vendor who has violated this Policy.

Every District employee has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees are encouraged to report in good faith discrimination, harassment, or retaliation. However, reports made maliciously or in bad faith may subject an employee to disciplinary action appropriate to the circumstances up to and including termination.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate state or federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at (213) 894-1000 or the Department of Fair Employment and Housing at (800) 884-1684.

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993.
Revised March 15, 2000.

ATTACHMENT C

OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY			
Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revis
	47	10/11/05	Pend

PURPOSE

The purposes of this policy are to (i) advise all employees that the District disapproves of and will not tolerate unlawful discrimination or harassment of its employees, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing) is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, and to all vendors doing business with the District.

DEFINITIONS

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Harassment – Any decision or action that is based on a District employee’s status as a member of a protected class, made for the purpose of adversely affecting that employee’s work conditions, terms or employment, or work environment. Harassment may include, but is not limited to:

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OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

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Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pend

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Protected Class – Any class of persons who share a common sex, race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other “protected class” recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. For purposes of this definition, “sex” includes gender, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation – Any decision or action that is based on the fact that a District employee has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee’s complaint under this Policy, made for the purpose of adversely affecting the employee’s work conditions, terms or employment, or work environment.

Sexual harassment – A form of harassment that is based on an employee’s gender but which objectively and subjectively creates an adverse impact on the employee regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by another employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District’s Discrimination and Harassment Complaint Form. An employee may make a complaint to any of the following:

- Employee’s immediate supervisor;
- Employee’s immediate manager;
- Employee’s department Chief;
- Any supervisor, manager, Department Chief, or Assistant General Manager;

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OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

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Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	Pending

- [The Office of Administrative Services;](#)
- [The Human Resources Office; or](#)
- [General Manager](#)
- [President of the Board of Directors \(only for complaints against General Manager\)](#)

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Applicants may make a complaint to any of the following:

- [The Human Resources Office;](#)
- [The Office of Administrative Services; or](#)
- [General Manager](#)

Any person or office described above shall forward each written discrimination complaint to the General Manager or designee within two business days of receiving the complaint. If a complaint is made verbally, the person or office receiving the complaint shall provide written documentation of the complaint, secure the complainant's signature if possible, and forward the written complaint to the General Manager or designee within five business days of receiving the verbal complaint.

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If any manager, supervisor, department chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

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The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. This shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her, however. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

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Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<u>Pending</u>

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and including termination for an employee who has violated this Policy or sanctions for a vendor who has violated this Policy.

Every District employee has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees are encouraged to report in good faith discrimination, harassment, or retaliation. However, reports made maliciously or in bad faith may subject an employee to disciplinary action appropriate to the circumstances up to and including termination.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate state or federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at (213) 894-1000 or the Department of Fair Employment and Housing at (800) 884-1684.

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993,
Revised March 15, 2000.

Deleted: The District will take appropriate remedial action if it determines that unlawful harassment has occurred. An individual who, after investigation, is found to have harassed another employee will be subject to appropriate disciplinary action up to, and including, termination of employment. ¶ Prompt reporting of unlawful harassment and good faith participation in any subsequent investigation are important. Absent such cooperation, the District may be unable to take action to remedy any unlawful harassment or to prevent its recurrence. ¶ Malicious reports of harassment, made in ba ... [90]

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AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 3, 2007
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Adopt Resolution No. 4109 to Implement the Proposed Antifraud Policy, Policy No. 50		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4109 to implement the proposed Antifraud Policy, Policy No. 50 (see Attachment B).

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

New national standards for internal control over financial reporting and audits of financial statements have emphasized the need for active antifraud programs and controls. The proposed Antifraud Policy defines the District's commitment to minimize fraud risk and the procedures for reporting and investigating known or suspected incidents of fraud, as well as employees' responsibility to report any known or suspected fraudulent activity.

ANALYSIS:

The Auditing Standards Board is the senior technical body of the American Institute of Certified Public Accountants (AICPA), which sets national standards for auditing matters. In May 2006, the Auditing Standards Board issued Statement on Auditing Standards (SAS) No. 112, titled "Communicating Internal Control Related Matters Identified in an Audit." This SAS mandates that antifraud programs and controls are one of the required areas of internal control that auditors must take into account, as a part of the auditor's financial review of an entity and their communication to the entity's governing board concerning internal control matters. Specifically, a deficiency in the

area of antifraud programs and controls is considered a significant deficiency in internal control.

SAS No. 112 does not identify any minimum requirements for a business entity's antifraud program. Rather, it is up to the entity to show what steps they have taken to identify, report, investigate, and take action on in the event fraud is suspected or known to have occurred. It is left to the specific auditor's observation, review, determination and opinion as to whether the business entity's actions are sufficient to constitute a program that is free of deficiencies. Discussions with the District's auditors (Teaman, Ramirez & Smith, Inc.), identified the need for a District policy specifically addressing the issue of fraud prevention.

The Antifraud Policy that has been drafted for the Board's approval sets a standard of zero tolerance regarding fraud, and pledges to investigate any fraud or suspected fraud without regard to the suspected wrongdoer's length of service, position, title, or relationship to the District. The Policy also: 1) defines fraud; 2) gives examples of actions that constitute fraud; 3) outlines management's responsibilities; 4) establishes reporting responsibilities for all employees; 5) sets standards for acting in good faith, no retaliation, and confidentiality; 6) describes the actions to be taken and responsibility for investigations; 7) establishes a protocol and lines of communication for reporting to the General Manager and the Board of Directors; and 8) describes steps to be taken for corrective action.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

Demonstrate financial health through formalized policies, prudent investing, and efficient operations.

LEGAL IMPACT:

None.



GENERAL MANAGER

Attachments:

- A) Committee Action Form
- B) Antifraud Policy No. 50
- C) Resolution No. 4109



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4109 to Implement the Proposed Antifraud Policy, Policy No. 50
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee recommends that the Board adopt Resolution No. 4109 to implement the proposed Antifraud Policy, Policy No. 50.

NOTE:

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

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
ANTIFRAUD POLICY	50	10/03/07	

PURPOSE

The purpose of this policy is to establish guidelines and assign responsibility for the development of controls and conducting of investigations to aid in the prevention, detection and reporting of fraud against the District.

SCOPE

The District has a zero tolerance for fraud and will investigate any fraud or suspected fraud without regard to the length of service, position / title, or relationship to the District of the suspected wrongdoer(s). An employee who directly observes or otherwise knows of fraudulent activity and fails to report it is in violation of this policy and may be subject to discipline as a result of this failure to act, up to and including termination of employment.

BACKGROUND

The Otay Water District's Pre-Employment Policies require a through background investigation which includes fingerprinting to ascertain a candidate's criminal history. The Employee Standards of Conduct requires all personnel to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the District, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. This policy applies to all directors, officers, employees, volunteers, and agents of the Otay Water District.

POLICY

1. Definition of Fraud:

Fraud is defined as the intentional deception, false representation or concealment of a material fact, misappropriation of resources, or manipulation of data to the advantage or disadvantage of a person or entity. Fraud is not restricted to instances in which monetary or material benefits are received or denied, but may include intangible benefits such as status, power, and position.

2. Actions Constituting Fraud:

Examples of fraud include but are not limited to the following:

- Forgery, falsification or alteration of documents or instruments (timesheets, payroll records, travel and expense claims, checks, bank drafts, promissory notes, securities, invoices, purchase orders, receipts, other financial documents, contracts, vendor agreements, electronic files, etc.).
- Misappropriation of funds, securities, supplies, inventory, or any other assets achieved through the use of deception or willful concealment.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of District activities.
- Bribery and corruption.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
ANTIFRAUD POLICY	50	10/03/07	

- Authorizing or accepting payments or payments in kind for goods or services not performed, or for hours not worked.
- Destruction, removal, theft or inappropriate use of records, furniture, fixtures, equipment, or any other assets achieved through the use of deception or willful concealment.
- Any violation of Federal, State, or local laws related to fraud or dishonest activities.
- Any similar or related irregularity or action.

3. Management Responsibilities:

The General Manager's Office is responsible for the prevention and detection of fraud, misappropriations, and other irregularities. District management shall identify the risks to which systems, operations and procedures are exposed, and develop, maintain and ensure compliance with an appropriate and effective internal control system to provide reasonable assurance for the prevention and detection of fraud. Each member of management shares in this responsibility and shall familiarize themselves with the risks and exposures inherent in their area of responsibility and be alert for any indication of irregularity.

4. Reporting Responsibilities:

Employees who know, or should reasonably suspect under the circumstances before them, that another employee is committing fraud have a duty to report such knowledge or suspicion to District management, including the facts and/or observations upon which such knowledge is based. Failure to so report may result in disciplinary action. In most cases, an employee's immediate supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with their supervisor or is not satisfied with their supervisor's response they should speak with the Manager of Human Resources or anyone in management whom they feel is more appropriate, including District's Legal Counsel.

Employees must not attempt to personally conduct investigations/interviews/interrogations, or discuss any details of the suspected fraudulent act with unauthorized personnel.

5. Acting in Good Faith:

Anyone filing a complaint concerning suspected fraudulent activity is presumed to do so in good faith and have reasonable grounds for believing the information disclosed indicates improper or illegal activity. However, any allegations found to be unsubstantiated and made in bad faith or for malicious reasons, may constitute grounds for disciplinary action under the District's discipline policy against the person filing the complaint.

6. No Retaliation:

No executive, manager, supervisor, or employee who in good faith reports suspected fraudulent activity shall suffer harassment, retaliation or adverse employment consequences. An employee who retaliates against a person who has reported a violation in good faith is subject to disciplinary action under the District's discipline policy.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
ANTIFRAUD POLICY	50	10/03/07	

7. Confidentiality:

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Information pertaining to the investigation shall not be disclosed or discussed with anyone other than those who have a legitimate need to know for the proper discharge of their duties.

8. Investigation:

The General Manager, or designee, shall investigate all fraudulent or suspected fraudulent acts. Based on the severity of the allegations an immediate decision will be made concerning coordinating the investigation with the appropriate law enforcement officials. District legal counsel may also be involved in the process, as deemed appropriate. The investigator(s) shall take immediate steps as needed to secure statements, physical assets including computers and any records thereon, and all other potentially evidential documents. Affected employees shall cooperate fully with investigators, including regulatory or law enforcement personnel.

Where an initial investigation reveals that there are reasonable grounds for suspicion and to facilitate the ongoing investigation, the suspected wrongdoer(s) may be suspended in accordance with District policies and procedures.

9. Reporting:

The investigator is responsible for keeping the General Manager informed of the status of all investigations and findings. Upon completion of the investigation the General Manager will then, as deemed appropriate, report the findings to the President of the District's Board of Directors. If an investigation substantiates that fraudulent or illegal activity has occurred, decisions to prosecute and/or refer the investigation results to the appropriate regulatory agencies for independent investigation will be made in conjunction with legal counsel.

10. Corrective Action:

The District will take the necessary steps, including legal action, to recover any losses arising from fraud or attempted fraud. This may include action against third parties involved in the fraud whose negligence contributed to the fraud. Management is responsible for taking the appropriate corrective action to ensure adequate controls exist to detect and prevent a recurrence of fraudulent activity.

11. Waste and Abuse:

Nothing in this policy shall preclude the District from investigating alleged or possible waste or abuse of District property, funds, or resources, regardless of whether the actions investigated constitute fraud or arise from an investigation of alleged or possible fraud. Nothing in this policy shall preclude the District from taking disciplinary action, where appropriate, for substantiated waste or abuse, regardless of whether the discovery of the waste or abuse arose from an investigation of alleged or possible fraud.

RESOLUTION NO. 4109

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT IMPLEMENTING
ANTIFRAUD POLICY NO. 50

WHEREAS, the Otay Water District Board of Directors have been presented with an Antifraud Policy for the Otay Water District; and

WHEREAS, the Antifraud Policy has been reviewed and considered by the Board, and

WHEREAS, it is in the interest of the District to adopt the Antifraud Policy; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District that the Antifraud Policy for the District, incorporated herein by reference, is hereby adopted as the District's Antifraud Policy.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 3rd day of October 2007, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 3, 2007
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		
SUBJECT:	Consideration of Investment in Certificates of Deposit (CDs)		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

Discussion of support of community banking through investment in certificates of deposit (CDs).

ANALYSIS:

The District is authorized, via the Investment Policy, to invest in CDs. Based on the recent interest expressed by the Board to support local community banking, staff is presenting information on the investment in CDs and is proposing some investment parameters.

A new law has revitalized this investment option by effectively eliminating the \$100,000 limit on the federal insurance. With the new law, an investment can exceed \$100,000 but can remain fully insured by distributing or dividing up the investment with other banks. In this way, one of the largest obstacles of this type of investment has been overcome.

The second significant obstacle is the slightly lower return on investment obtained with CDs. To limit this disincentive, staff

is proposing to limit the maximum level of total CD investments to \$500,000. In this way, the loss of interest revenue is expected to be limited to well under \$5,000 a year. Staff will manage the level of this program to ensure that the opportunity cost of this investment does not exceed this threshold.

Staff also looks to limit the additional administrative costs of implementing and maintaining this new investment by limiting the number of transactions. Staff anticipates investments of no less than \$100,000 increments and with terms of no less than one year. This will limit the number of transaction to no more than five in any given year. If more than five banks wish to participate, then the banks will be rotated through the program based on staff's professional judgment of the Safety, Liquidity, and Return of the individual investments. Only if fewer than five banks participate can an investment amount exceed \$100,000 and then, only after staff has determined that the bank program ensures the 100% continuous insurance of the District's investment.

To maximize the efficiency of these investments, staff proposes that no special reporting requirements be placed on these activities but that these investments are included in the existing monthly reports to the Board. District staff will also use its professional judgment to limit this investment practice in the event that the available funds become limited such as when continuation of this practice would compromise the liquidity needs of the District.

FISCAL IMPACT: _____

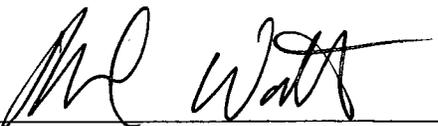
With the proposed limitations on this investment option staff anticipated less than a \$5,000 reduction in investment return per year and minimal administrative costs.

STRATEGIC GOAL:

The District ensures its continued financial health through long-term financial planning and debt planning.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

A) Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:	Consideration of Investment in Certificates of Deposit (CDs)
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COMMITTEE ACTION:

This is an informational item only.

NOTE:

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



AGENDA ITEM 6

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 3, 2007
SUBMITTED BY:	Joseph R. Beauchem, Chief Financial Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	That the Board, in Conformance with Proposition 218, Receive for Consideration Public Comment via Protest Letters along with other Verbal Protests Regarding the Proposed Rate Increases		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item to provide the Board copies of written protests received by the District regarding the proposed rate increases. The written protests should be considered along with other verbal protests received during the public hearing.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To provide the Board copies of the written protests received by the District regarding the proposed rate increases. The written protests should be considered along with other verbal protests received during the public hearing.

ANALYSIS:

Subsequent to the "Bighorn - Desert View Water Agency v. Virtil (Kelley)" case it has become the District's practice to notice all affected customers of all proposed rate increases and to hold a public hearing in order to receive public comment. The notices outline the proposed increase, the reason for the increase, and inform the customers of their right to protest either via letter or in person at the public hearing. There have been a total of 61,361 notices sent to customers and 18 written protests have been received. (Attachment B)

The process to hold this hearing requires that customers receive the hearing notice no less than 45 days prior to the hearing. In compliance with this requirement, the District set a hearing date of October 3, 2007 and sent notices to all customers by August 15, 2007.

Last year, one version of the notice was used for all customers. This notice included all information relating to all customers making it difficult to navigate. While this notice met the requirements, it contained a tremendous amount of information making it difficult for any one customer to find the information that affected their specific bill.

This year, at the request of the Board of Directors, staff produced six different notices tailored to the specific customer groups. The following table shows the various groupings of customers, the number of notices, and a reference of the attached notice. This approach not only met the requirements of the notice but assisted the customer to focus on only those changes that affected them.

Residential Water	-	43,847	(Attachment C)
Commercial Water	-	1,593	(Attachment D)
Residential Water/Sewer	-	3,576	(Attachment E)
Residential Sewer	-	1,156	(Attachment F)
Commercial Sewer	-	78	(Attachment G)
Property Owners	-	<u>11,111</u>	(Attachment H)
Total Number of Notices	-	61,361	

Each of these notices clearly explains the amount of the increase and the need for the increase. Four weeks after the mailing, the Customer Service department had received a total of 12 calls. As of September 13th, a total of 18 letters have been received and collected via the District Secretary. Any letters received after this date will be provided to the Board in the board package or at the public hearing. The division breakdown of the 18 protest letters is as follows:

Division 1	-	5	protest letters
Division 2	-	4	protest letters
Division 3	-	1	protest letter
Division 4	-	0	protest letters
Division 5	-	8	protest letters

In compliance with Proposition 218, these protests along with any verbal protests received during the hearing are to be considered by the Board prior to any action on rates.

FISCAL IMPACT: 

None.

STRATEGIC OUTLOOK:

Through well-established financial policies and wise management of funds, the District will continue to guarantee fiscal responsibility to its ratepayers and the community at large.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A) Committee Action Form
- B) Protest Letters
- C) Residential Water Notice
- D) Commercial Water Notice
- E) Residential Water/Sewer Notice
- F) Residential Sewer Notice
- G) Commercial Sewer Notice
- H) Property Owners Notice



ATTACHMENT A

SUBJECT/PROJECT:	That the Board, in Conformance with Proposition 218, Receive for Consideration Public Comment via Protest Letters along with other Verbal Protests Regarding the Proposed Rate Increases
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COMMITTEE ACTION:

That the Finance, Administration and Communications Committee in conformance with Propostion 218, receive for consideration public comment via protest letters along with other verbal protests regarding the proposed rate increases.

NOTE:

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



...Dedicated to Community Service

2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619

www.otaywater.gov

September 13, 2007

Mr. & Mrs. Edward & Cristina del Toro
1312 Coronado Avenue
Spring Valley, CA 91977

Dear Mr. & Mrs. del Toro:

This is to confirm receipt of your letter of opposition with regard to the District's proposed rate increases. We appreciate your taking a moment to share with us your thoughts.

Water conservation is a significant concern of the District and work on conservation programs are always ongoing. The District does encourage conservation through its rate structure. It currently has a tiered pricing structure in which high water use customers pay a higher rate than those who use less water/conserve. While this increase affects all customers across the board – low and high water users – additional adjustments to the tiers will be considered as we continue to review our conservation programs.

Again, thank you for your letter as your comments are valuable to the District. A copy of your letter will be provided to the members of the District's Board of Directors so that it may be considered during the public hearing scheduled on October 3, 2007. Your comments will be included as part of the formal hearing record.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Cruz", written in a cursive style.

Susan Cruz,
Board Secretary



...Dedicated to Community Service

2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619
www.otaywater.gov

September 13, 2007

Mr. George Rapciewicz
3010 Blue Oak Ct.
Spring Valley, CA 91978

Dear Mr. Rapciewicz:

This is to confirm receipt of your letter of opposition with regard to the District's proposed rate increases. We appreciate your taking a moment to share with us your thoughts.

A copy of your letter will be provided to the members of the District's Board of Directors so that it may be considered during the public hearing scheduled on October 3, 2007. Your comments will be included as part of the formal hearing record.

Again, thank you for your letter as your comments are valuable to the District.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Cruz", is written over the typed name.

Susan Cruz,
Board Secretary

MICHAEL J. CARCHIDI
2064 WATERBURY
CHULA VISTA, CA 91913-2312

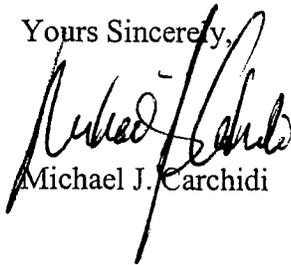
AUG 27 2007

August 20, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

I am opposed to the proposed rate increases as outlined in your latest newsletter.

Yours Sincerely,



Michael J. Carchidi

DIV 1

August 21, 2007

Rec'd
8/24/07

Otay Water District
ATTN: Board Secretary
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Re: Notice of Public Hearing for Property Owners
Proposed increase regarding water and sewer rates

Dear Secretary,

This letter is in regards to the proposed increase in rates for water and sewer service provided by the Otay Water District. I will be unable to attend the public hearing scheduled for October 3, 2007. This letter is my submitted protest and that I am against the proposed increase that the Board of Directors are considering adopting affecting property owners. The costs that the district is seeking for support of services needs to be reviewed further and taken from another source within the water district and not the property owners.

Again, my written protest opposing adoption of increased rates to property all property owners within the district's service area.

Sincerely,



Tim Hormuth
1253 Calle Tesoro
Chula Vista, CA 91915

Div 1

Lisa Piancone
605 San Pablo Place
Chula Vista, CA 91914

Revd
8/24/07

August 21, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Re: Protest of Proposed New Water Rates

Dear Board Secretary,

Please make it known that I protest the proposed new water rates.

Thank you.

Sincerely,



Lisa Piancone
Homeowner
605 San Pablo Place
Chula Vista, CA 91914

Div 1

To Board Secretary and any concerned
Otay Water District personnel involved in
Proposed hikes in water rates.

AUG 21 2007

Catherine and Richard Hibbard
do not believe the rate increase
is necessary at this time and
oppose any rate increase.

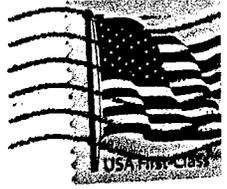
Thank you for your consideration

Richard Hibbard
Catherine L Hibbard

Hibbards
651 Gotham St
Chula Vista Ca
91913

SAN DIEGO CA 921

20 AUG 07 PM 5 T



Board Secretary
Otay Water District
2554 Sweetwater Springs Dr

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

AUG 27 2007

Otay Water District Board of Directors,

In regards to your proposed rate increase in water use, I object to any rate increase unless the Otay Water District and the Metropolitan Water District publicly consider and determine realistic water use guidelines within the region.

It is acknowledged that there is an impending potable water crisis all across our nation. My concern is that raising water rates will impose a burden on those who can least afford it and merely inconvenience the well off. For example, those who develop a lush lawn have no problem with wasting water in the process of maintaining this unnatural vegetation - unnatural for our region that is. To increase their rates will not reduce the water use. Typically, these individuals claim that they pay for the water so they can do as they please. My view is that the water belongs to everyone and the resource is finite. Just because someone can afford to consume a greater share of the communities resource does not give them the right to do so.

I would like to see some enforceable guidelines on water usage, guidelines that define how much lawn area can be allowed; regulations that limit or restrict the construction of swimming pools in private yards.

In addition, I would like to see a public discussion on the construction of any new golf courses. This activity has got to be the most flagrant waste of the public's most valuable resource, and for something that has but a very limited benefit to the general public.

It is time to stand up for what is right and what is needed as a community and to stop defending the few who benefit from the current lack of regulation and guidelines. Serious conservation for all citizens must come before the knee-jerk response of rate increases to solve a problem. I'm hoping that the Board will be of strong character and open up a community discussion on how to preserve our limited water supply for all.

Thank you



Kenn Colclasure
274 E. Rienstra St.
Chula Vista
91911

cc: Board
Mark
Armendo

Marg M. Coindreau
1540 Red Willow Place
Chula Vista, CA 91915

August 17, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

AUG 21 2007

RE: Proposed Rate Increase

Dear Board Secretary,

Let me begin by saying I've lived in Southern California over thirty years: twenty-eight years in Los Angeles and three years in Chula Vista (Eastlake). When I moved to Eastlake in January 2004 I thought the area was lovely, quaint and a good place for my daughter to raise her family. My views have since been altered. As much as I was glad to leave the rat race of Los Angeles and come to what I thought was a peaceful place away from big city crowds, which was true for me at first, I've come to experience a series of changes in the Eastlake-Chula Vista-San Diego area that I find appalling.

As for the water rate increase, I *vehemently* oppose such a thing. Homeowners shouldn't be made to pay for the dilemma that the Otay Water District faces. Responsible for the Water District having to work harder to improve the water (and etc.) delivery and processing is directly related to the gross infestation of illegals coming from Mexico. They do not own homes and never will own a home, they do not pay property taxes, they do not pay HOA dues and fees that keep the landscape and surrounding areas looking pleasant, and very few actually pay income tax because they have no legal status. Yet they leech off everything homeowners pay for through tax dollars and HOA dues and fees. Not to mention state services such as health care, food stamps, and freebies the state of California is willing to hand over to them while the rest of us pay for it. And, WE (me and 98% of the hard working, tax paying legal citizens) have about reached the end of our rope. We are "fee" and "rate increase" weary! Don't do it!

I'm an English-only speaking, educated, well-read, well-traveled, normally empathetic, always observant, grandmother who would like to see her grandchildren grow up somewhere else, out of California, far away from the Mexico border. Ten years from now there won't be enough money in print to funnel to these illegals and their migration. In addition, the sub-contractor California Sub-Meters, 5858 Mt. Alifan Drive, Suite 110, San Diego, CA 92111-2730 (put in place by the developer) already charge an *outrageous* amount for water, tons of fees, sewer, etc., and, in fact, my water has been running twice as much as my gas and electric, and yet no one in Sacramento, the BBB, or Otay Water District has ever heard of them.

The answer to your problem, since the illegals are already getting away with murder, put a row of empty barrels at the border with a sign that reads "Deposit \$1000—Your Free Ride Is Over." And, I'd put law enforcement in charge of collection. OR, the Mexican government could give them a million dollars each so they can buy a home and pay property taxes and HOA fees for themselves. So, WE OPPOSE ALL INCREASES, *period*.


Marg M. Coindreau

DIV 2

Acc# 200.1252.01

16 August 2007

Stay Water District

AUG 20 2007

I received your "notice of Public Hearings" for another raise in our water rates. I have been a homeowner & water user of Stay Water District for 39 years. You just had a raise less than a year ago of over 10%. My July Water bill had fees of 1925. I realize that inflation is rising even tho the government agents will not admit it at 15% annually. You have given me good service over these past 39 years, so I can't complain then but please. Consider us 82 year old WWII veterans who made it possible for you to even have a Company. We have limited incomes, Everything is going through the roof. Fuel, groceries, taxes etc. Please remember us when you finally decide "what's fair" & JUST!!! I pay my water bill every month on the 28th day. Never a late payment so I would appreciate it, if you moderate "a little" but thank you

305 Spruce Street
Chula Vista Ca 91914
Ph. 410-8203

William B. Yancey Sr

DIV 2

From: George Rapciewicz

3010 Blue Oak Ct

Spring Valley, Ca. 91978

760-809-2694

To: Board Secretary, Otay Water District

Subject: Water rate increase

AUG 20 2007

Board Secretary:

I oppose that Otay Water District from raising my current water rate. The current rates are already high enough as they are, the housing market is completely ruined and the gas and electric out here is entirely too high as is. Increasing the water rates would cause our Home Owners Association fees to go up which are already higher than most San Diego coastal cities and I practically live in the desert. There is no need to raise the rates anymore than what they already are. What people need to do is be more conservative. What the water district needs to do is relay conservation methods out to everyone in your 125.5 mile jurisdiction, not raise rates.

I do not see where customer service should be an issue here. No one calls the water district really unless its construction work related, broken mains, or some sort of sewage back up. Your employees are already paid well, get adequate overtime, and do an outstanding job as is. What seems to be the problem?

Respectfully


George Rapciewicz

Div 3

SEP 10 2007

09-08-07

TO: Otay Water District
FROM: Edward & M. Cristina del Toro
RE: Proposed water rate increase

Please be advised that this letter serves as our written protest of the proposed water rate increases within the Otay Water District.

Our household uses ten units or less of water every month and has ever since May 1990, when we first became customers of Otay Water District. The water system fee on our monthly bill is always more than our water charge fee except for the latest bill where the water charge fee is nineteen cents more than the water system fee. At times, the water system fee is double that of our water charge fee. You can confirm this by reviewing our past monthly bills. Our family is very conscious of the importance of conserving water. We do not take for granted that there will always be sufficient water available whenever one needs it. Water is a very precious commodity in our eyes and we have taken measures to equip our home with water saving aerators on our home's faucets, shower heads with on/off buttons, low flow toilets and nozzle sprayers on outdoor hoses. We have landscaping that requires minimal water usage. Plus we do not let water run needlessly when using the sink, shower or outdoor hoses.

Customers who use ten units or less of water a month should be exempt from proposed water rate increases as a reward for using less water than other customers and as an incentive to get those customers who use more than ten units to start conserving water to decrease their usage to under ten units a month. Customers who consistently conserve water by using ten units or less a month should not be overlooked and lumped in the same category as the customers who use more than ten units of water a month for it appears then that the Otay Water District does not appreciate the water conservation efforts made by some of its customers. Customers who use more than ten units of water should be subject to paying the increase for not making efforts to conserve water as they appear not to care how much their water bill is.

Thank you for your consideration in this matter.

Edward del Toro
M. Cristina del Toro

Edward and M. Cristina del Toro
1312 Coronado Avenue
Spring Valley CA 91977

Div 3

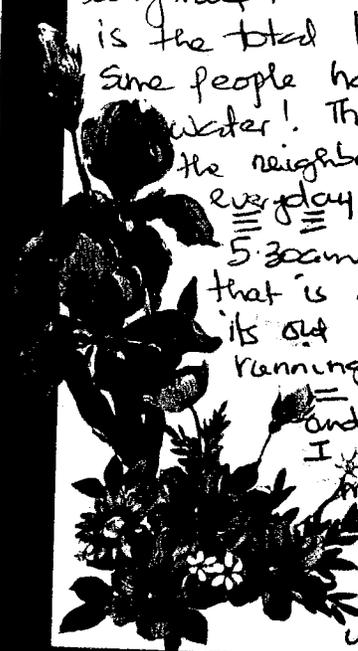
Just a Note...



AUG 21 2007
Judith Papp
1456 Vista Grande Rd
El Cajon Ca
92019
A/c# 230-0105-14

To Whom it Concerns,

I realize there are price hikes in everything to-day, and my complaint is the total lack of responsibility. Some people have to conserve water! There are people in the neighborhood who water everyday (sprinkler) from 5:30am - 6:00am to me that is a total waste! its out on the street, and running down my driveway and that's two neighbors. I just observed this morning that their patio was like a pool. So if you want us to do our part water 20 gallon challenge



DEAR BOARD SECRETARY

AUG 27 2007

THIS IS MY WRITTEN STATEMENT TO OBJECT TO THE
PROPOSED WATER RATE INCREASE.

Marie Norman

MARIE NORMAN

3133 COTTONWOOD SPRINGS LANE

JAMUL, CA. 91535

Mazin Younan
4108 Ponce De Leon Dr.
La Mesa, CA 91941

OTAY WATER DISTRICT

2007 SEP 13 AM 8:55

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Mazin Younan

DIV 5

Maher Younan
923 Avenida Del Oceano
El Cajon, CA 92019

DISTRICT

2007 SEP 13 AM 8:55

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Maher Younan

Div 5

Mark Younan
11455 Shadow Ranch Rd.
La Mesa, CA 91941

2007 SEP 13 AM 8:55

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Mark Younan

DIV 5

Mouyad Makani
2410 Sawgrass Street
El Cajon, CA 92019

2007 SEP 13 AM 8:56

2007 SEP 13 AM 8:56

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Mouyad Makani

DIV 5

Basil Younan
2450 Sawgrass Street
El Cajon, CA 92019

WATER DISTRICT
2007 SEP 13 AM 8:56

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Basil Younan

DIV 5

Riyadh Makani
11602 Avenida Anacapa
El Cajon, CA 92019

W. DISTRICT
2007 SEP 13 AM 8:56

September 12, 2007

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Dear Sir or Madam

Subject: Rate Increase

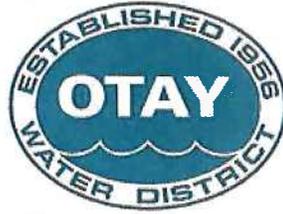
I am writing to you to oppose your proposal for increasing the water rate.

Sincerely,

Riyadh Makani

Div 5

*Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
(619) 670-2777
www.otaywater.gov*



Dedicated to community service.

PRSRT STD
US POSTAGE
PAID
PERMIT No. 2
SAN DIEGO, CA



Please be advised there will be a Public Hearing regarding water rates:

**Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978**

Notice to residential water customers...



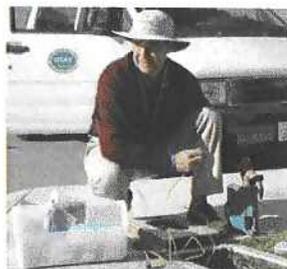
This notice contains important information regarding rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support your service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues of the district indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due

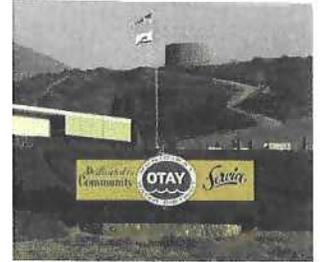


The Otay Water District is a recognized leader in recycled water program.



to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego).

If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water systems, and a balanced budget.



The Otay Water District was established in 1956 to provide water to the San Diego's East

The Otay Water District is the proud recipient of the San Diego Taxpayers Association's Golden Watchdog of the Year award.

The Otay Water District was founded in 1956 to serve as a public water utility, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. The district distributes water to more than 190,000 ratepayers within approximately 125 square miles of southeastern San Diego County including the communities of Jamul, La Presa, Rancho San Diego, Spring Valley, eastern Chula Vista, Otay Mesa, and unincorporated communities adjacent to southern El Cajon and La Mesa.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

Mail written objections to:

Board Secretary

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

Rate Comparisons: For a conserving customer (using 10 units of water per month or 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county.

For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider of 24 water agencies in San Diego county.



Otay Receives National Budget Award

The Otay Water District announced it has again received the Government Finance Officers Association of the United States and Canada's (GFOA) Distinguished Budget Presentation Award for its budget. The FY 2006-07 award reflects a commitment to meeting the highest principles of governmental budgeting.

The Distinguished Budget Presentation Award

is presented to only a handful of California's more than 3,400 special districts. Recipients of the award are viewed as "pioneers" leading efforts to improve the quality of budgeting in the public sector and the award reflects the best in governmental finance. Winning the award three years in a row represents a significant achievement.

The GFOA is a non-profit professional associa-

tion serving 14,000 government finance professionals throughout North America.

The Distinguished Budget Presentation Awards Program is the only national award in governmental budgeting.

The award-winning 2007 Budget and the 2006 Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Water Rates In Detail...

For a typical single-family residential customer, as of January 1, 2008, their estimated bill will increase by \$2.48. Your bill may vary from this example based on meter size, water consumption, and geographic location.

Consumption	MWD/CWA Fixed Charge ¹		Monthly System Charge ¹		Water Rate ²		Energy Charge ³		Additional Water Charge by Improvement District ⁴		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	\$3.55	\$3.85	\$11.30	\$12.30	\$27.50	\$28.55	\$1.77	\$1.86	\$0.91	\$0.95	\$45.03	\$47.51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline ⁵	\$1.08	\$1.12
0 - 10	\$1.78	\$1.85
11 - 35	\$1.94	\$2.01
Over 35	\$2.83	\$2.94

Attached Residential ⁶		
No. of Units	Current	Proposed
0 - 4	\$1.78	\$1.85
5 - 15	\$1.94	\$2.01
Over 15	\$2.83	\$2.94

Improvement District Charges ⁷		
District No.	Current	Proposed
1	.06¢	.07¢
3	.15¢	.16¢
10	.23¢	.24¢

Footnotes:

1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.
7. Improvement District charges do not apply to the first five units of water used per month.

Important Information Inside

It's Easy To Conserve Water.

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California.

To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego county residents are

encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For useful ways to conserve water, visit our website www.otaywater.gov and click on any of the useful conservation links.

Or, visit the Water Conservation Garden located

on the campus of Cuyamaca College. The 4.5 acre demonstration garden has more than 400 varieties of drought tolerant, native, and California Friendly plants to inspire any gardener.

For more information about operating hours, tours or classes at the Water Conservation Garden, visit their website at www.thegarden.org.



District Receives Upgraded Bond Rating.

The credit rating agency, Standard and Poors, has upgraded the bond rating of the Otay Water District from A+ to AA-. Fitch Ratings, another prominent credit rating agency, also gave the district the same rating.

The AA- rating reflects the increased credit worthiness of the district, and means it paid less interest on \$42 million in bonds it issued for several construction projects.

The projects include two 10 million-gallon reservoirs, a pump station, and a recycled water pipeline that will connect the district to the City of San Diego's South Bay Water Reclamation Facility.

"The AA- rating from these prominent credit rating agencies is a strong measure of the district's ability to meeting its

financial obligations, and it validates all the work we are doing on behalf of our customers," said Joe Beachem, Otay Chief

Financial Officer. "It's a tribute to the commitment, vision and direction of the district, and the savings for our customers are real and significant," added Beachem.

Credit ratings range from "AAA" the highest rating possible to "D" for default. An upgrade reflects the rating agencies' independent assessment of the district's overall capacity of meeting its

financial obligations.

In a press release announcing its action, Fitch Ratings noted "The AA- rating reflects Otay's diversification of its imported water supply, strong financial performance, strategic planning practices, and substantial revenue funding of ongoing capital needs related to growth in the service territory."

Savings to district customers as a result of the upgrade could total as much as \$1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.

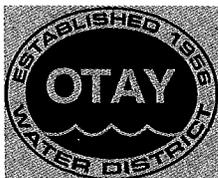


Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
(619) 670-2777
www.otaywater.gov

Attachment D

PRSRST STD
US POSTAGE

PAID
PERMIT No. 2
SAN DIEGO, CA



**Please be advised there will be a Public Hearing on
water rates:**

**Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978**

NOTICE OF PUBLIC HEARING FOR COMMERCIAL WATER CUSTOMERS

This notice contains important information regarding water rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of a proposed rate increase.

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An analysis of costs and revenues of the district indicates a proposed 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water system, and a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.



Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

Monthly Charges					
Customer Classes: Multi-Residential, Business, Combined Domestic/ Agriculture, Publicly-Owned, Commercial Agricultural, Non-Agricultural Irrigation, Recycled Irrigation using Non-potable and Recycled					
System Charge					
	Potable / Recycled	Potable	Recycled	MWD & CWA Fixed Charge*	
Meter Size	Current	Proposed		Current	Proposed
3/4"	22.00	24.00	27.85	3.55	3.85
1"	33.90	36.95	42.90	5.65	6.15
1-1/2"	47.65	51.95	60.30	10.65	11.60
2"	59.60	64.95	75.40	18.45	20.05
3"	95.90	104.55	121.30	34.05	36.95
4"	109.80	119.70	138.90	58.20	63.15
6"	219.45	239.20	277.60	106.45	115.50
10"	418.90	456.60	529.90	276.75	300.30

*Not charged to Non-Agricultural Irrigation and Recycled.

Water Unit Charges		
Customer Class: Multi-Residential		
Number of HCF Furnished	Current	Rate per HCF Proposed
0-4	1.78	1.85
5-15	1.94	2.01
Over 15	2.83	2.94
All HCF	1.91	1.98

Customer Classes: Business, Combined Domestic, Agriculture, Commercial Agricultural, Non-Agricultural Irrigation, Special Agreement		
Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.91	1.98

Customer Classes: Publicly-Owned, Recycled Using Non-Potable and Recycled		
Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.73	1.75

Customer Class: Publicly-Owned		
Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.99	2.06

Improvement District Charges		
District No.	Current	Proposed
1	.06¢	.07¢
3	.15¢	.16¢
10	.23¢	.24¢

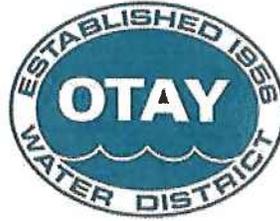
Fire Service System Charges	
From \$23.30 to \$25.40	
Customer Class: Multi-Residential or Multi-Commercial	
Additional Occupancy Unit Charge from \$3.53 to \$3.85	

Customer Classes: Recycled, Irrigation using Non-Potable and Recycled		
Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.65	1.67

Customers paying two times the water rate (such as Tank Trucks, Temporary Construction Meters and service outside the Otay Water District or an Improvement District) are impacted by the changes in their base rates.

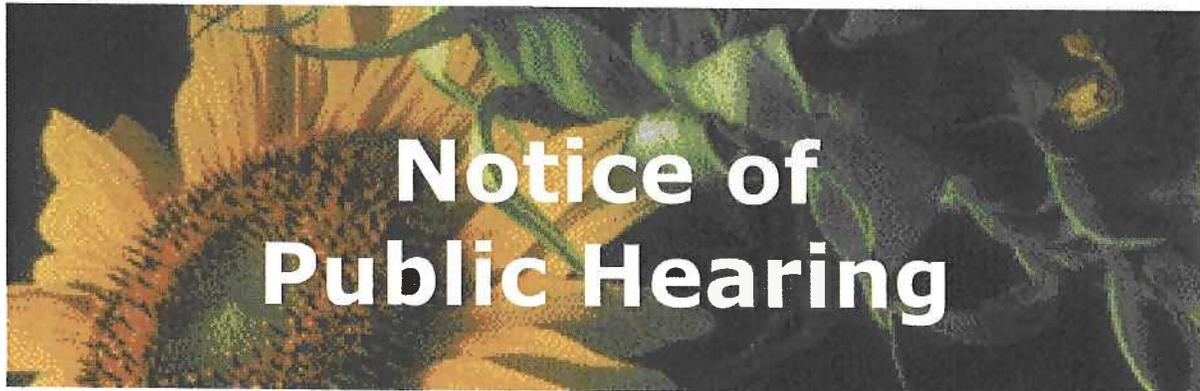
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
(619) 670-2777
www.otaywater.gov

Attachment E



PRSRT STD
US POSTAGE
PAID
PERMIT No. 2
SAN DIEGO, CA

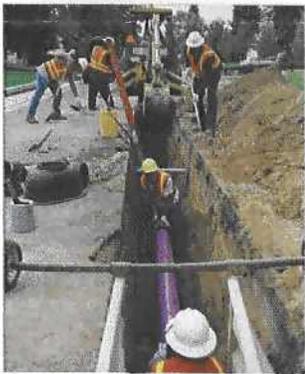
Dedicated to community service.



Please be advised there will be a Public Hearing regarding water and sewer rates:

Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Notice to residential water and sewer customers...



The Otay Water District is a recognized leader in recycled water program.



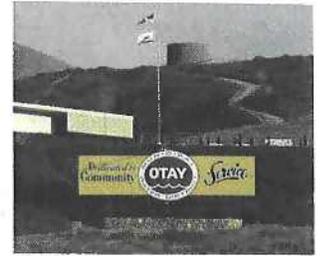
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Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). The analysis also indicates that a 1.7 % rate increase for sewer is needed due to the higher cost for sewage treatment, energy, labor, and materials.

If adopted, the new rate structure would help the district maintain the high level of service customers receive, the integrity of the water and sewer systems, and a balanced budget.



The Otay Water District was established in 1956 to provide water to the San Diego's East County and South Bay.

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The Otay Water District is a water and sewer service agency, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. The district provides water service to approximately 190,000 customers within 125.5 square miles of southeastern San Diego County including the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and Otay Mesa along the international border with Mexico.

The district also owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin.

If you oppose these actions, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written

protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

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Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
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Proposed New Water and Sewer Rates in Detail...

For a typical single-family residential customer, as of January 1, 2008, the water portion of their bill will increase by \$2.48 and the sewer portion will increase by .55¢. The water portion of your bill will vary based on meter size, water consumption, and geographic location.

Consumption	MWD/CWA Fixed Charge ¹		Monthly System Charge ¹		Water Rate ²		Energy Charge ³		Additional Water Charge by Improvement District ⁴		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	\$3.55	\$3.85	\$11.30	\$12.30	\$27.50	\$28.55	\$1.77	\$1.86	\$0.91	\$0.95	\$45.03	\$47.51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline ⁵	\$1.08	\$1.12
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Improvement District Charges ⁷		
District No.	Current	Proposed
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Sewer	Base Fee		Usage Fee		Total	
	Current	Proposed	Current	Proposed	Current	Proposed
Average	\$32.70	\$9.75	\$ 0.00	\$23.50	\$32.70	\$33.25

Understanding the sewer charges on your bill -

If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount, recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the first year of the phase-in period, the usage fee will be calculated using a maximum water consumption of 18 units (after the 15% usage discount). The second and third year calculations will similarly use maximums of 22 and 30 units, respectively. The proposed rate effective January 1, 2008, is \$1.41 per unit.

Footnotes:

1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
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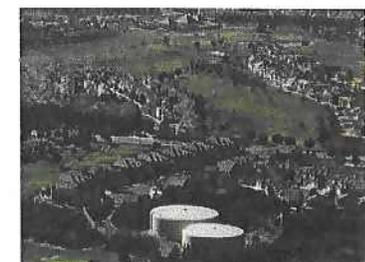
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In a press release announcing its action, Fitch Ratings noted "The AA-rating reflects Otay's diversification of its imported water supply, strong financial performance, strategic planning practices, and substantial revenue funding of ongoing capital needs related to growth in the service territory."

Savings to district customers as a result of the upgrade could total as much as \$1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.



NOTICE OF PUBLIC HEARING FOR COMMERCIAL SEWER CUSTOMERS

This notice contains important information regarding commercial sewer rates. The Otay Water District provides sewer service to your community. All customers within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers.

An analysis of costs and revenues of the district indicates a proposed 1.7% rate increase effective January 1, 2008, is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the integrity of the sewer collection and treatment system, and a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.



Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

How are non-residential sewer rates calculated?

To meet State of California requirements, customers must pay their fair share of sewer costs. The Otay Water District is required to determine sewer rates in accordance with the State's Revenue Program Guidelines. The formula takes into consideration the cost associated with daily flow, chemical oxygen demand (COD) and the removal of suspended solids (SS). The COD and SS determine the strength factor as being high, medium or low, consistent the State Water Resources Control Board guidelines.

Monthly bills are calculated based on Assigned Service Units (ASU). One ASU is equal to the demand placed on the system by a residential unit. ASUs are calculated by multiplying the daily flow by the strength factor.

$$\text{Daily Flow} \times \text{Strength Factor} = \text{Assigned Service Unit}$$

Strength Factors

1.0	Churches
1.0	Low Strength Commercial
1.238	Medium Strength Commercial
2.203	High Strength Commercial

The sewer bill is then calculated by multiplying ASUs by the rate per ASU. This charge is increasing .55¢ per ASU from \$32.70 to \$33.25. The proposed 1.7% rate increase would become effective January 1, 2008.

NOTICE OF PUBLIC HEARING FOR PROPERTY OWNERS

This notice contains important information regarding water and sewer rates. Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed water and sewer rate increases, even if they do not have active service with the district.

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An analysis of costs and revenues of the district shows that a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority, the Metropolitan Water District of Southern California, and the City of San Diego). The analysis also indicates that a 1.7% rate increase for sewer is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would help the district maintain the high level of service customers receive, the integrity of the water and sewer systems, and a balanced budget.

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Golden Watchdog of the Year award for 2007.*

About the Otay Water District -

The Otay Water District is a water and sewer service agency, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. Its ordinances, policies, taxes and rates for service are set by five directors, elected by voters in their respective divisions to serve staggered, four-year terms on the governing board. The board of directors meets in open public session on the first Wednesday of each month at 3:30 p.m., at district headquarters. The public is welcome to attend these meetings.

The district provides water service to customers within 125.5 square miles of southeastern San Diego County, California. Otay facilities serve the water and sewer service needs of approximately 190,000 people living in the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and Otay Mesa along the international border with Mexico. The potable water delivered by the district is purchased from the San Diego County Water Authority, which in turn, purchases this water from the region's primary importer, the Metropolitan Water District of Southern California.

The Otay Water District also owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin. At the heart of this system is the Ralph W. Chapman Water Recycling Facility. Each day, the Chapman facility produces up to 1.3 million gallons of high-quality recycled water. Through a dedicated distribution system, the recycled water is transported to eastern Chula Vista where it is used to irrigate golf courses, playing fields, public parks, roadway landscapes, and open space.



AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 3, 2007
SUBMITTED BY:	Rita Bell, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Adopt Ordinance No. 513 Amending Section 25, Rates and Conditions for Water Service; and Section 53, Fees, Rates, Charges and Conditions for Sewer Service of the District's Code of Ordinances		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 513 of the Board of Directors of Otay Water District Amending Section 25, Rates and Conditions for Water Service; and Section 53, Fees, Rates, Charges and Conditions for Sewer Service of the District's Code of Ordinances

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To obtain approval from the Board, to adopt Ordinance No. 513 amending the following items in Section 25, Rates and Conditions for Water Service; and Section 53, Fee, Rates, Charges and Conditions for Sewer Service.

Amending the following sections:

Section 25.03 Water Rates, Charges and Fees

E. Rates and Charges for Water Service

1. (b)&(c) Domestic Service
2. (b), (c)&(d) Multiple Residential
3. (b), (c)&(d) Business, Domestic and Agricultural Combined
4. (c) Publicly-Owned Establishments
5. (b)&(c) Commercial Agricultural
- 7.1. (b)&(h) Non-Agricultural Irrigation Water Service

- 7.2.(b)&(d) Irrigation using Non-Potable and Reclaimed Water
 - 8.(c)&(d) Reclaimed Water
 - 9.(b) Water Service under Special Agreements
 - 13.(c) Service for Fire Protection
 - G. Energy Charges for Pumping Water
- Section 53.11 Sewer Service Rates and Charges
- E. (1)-(6) Commercial Sewer Charges User Classification

Adding the following items in Section 53 Fees, Rates, Charges, and Conditions for Sewer Service:

- Section 53.11 Sewer Service Rates and Charges
- B. Residential Sewer Charges (1), (2), (3) & (4)
 - C. Single Residential Winter Averaging (1), (2), (3) & (4)
 - D. Multi-Residential Charges (1), (2) & (3)
 - E. Commercial Sewer Charges Institutional

Deleting the following item in Section 53 Fees, Rates, Charges and Conditions for Sewer Service:

Section 53.12 Reduced Sewer Charges for Low-Income Customers

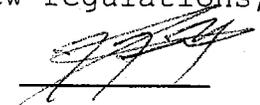
ANALYSIS:

SUMMARY

In the April 2007 budget workshop, the Board of Directors adopted the FY 2008 budget and was presented with the updated six-year rate model. Leading up to this meeting, the budget process evaluated revenues, expenditures, and construction costs for the 2008 fiscal year, and projected these costs and revenues out an additional five years within the rate model. The rate model looks at the impact on reserves and debt ratios to ensure financial stability. As a result of the budget process, the following rate increases and methodology changes are recommended as prescribed in the attached Code of Ordinances:

- A 5.4% rate increase for Potable and Recycled customers (See Attachment C Section 25.03). This pass-through rate increase is due entirely to the rate increases implemented by the San Diego County Water Authority (CWA) and the Metropolitan Water District (MWD).

- A 1.7% increase for sewer customers and a change in methodology to a winter-consumption based sewer charge (See Attachment D Sections 53.11 and 53.12). These sewer rate changes were approved at the May 2, 2007 budget workshop and are subject to a Proposition 218 hearing. This rate increase is to cover cost increases including pass-through increases, new regulations, and operating increases.

FISCAL IMPACT: 

The Fiscal Year 2008 budget anticipated the additional revenues that will be generated by these rate increases. These revenues ensure continued funding for the District's administration, maintenance, and operations, and are consistent with the recently adopted Strategic Plan.

The proposed increase in potable revenues is approximately \$1,127,000 and for recycled revenues the increase is \$97,600. The change in sewer rates will bring more equity to ratepayers and generate approximately \$22,600 in additional revenue.

These rate increases are needed to balance the Operating Budget and ensure the financial stability.

STRATEGIC GOAL:

Ensure financial health through formalized policies, prudent investing, and efficient operations.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A. Committee Action Form
- B. Ordinance No. 513
- C. Strike-through copy of Section 25
- D. Strike-through copy of Section 53
- E. Proposed copy of Section 25
- F. Proposed copy of Section 53



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance No. 513 Amending Section 25, Rates and Conditions for Water Service; and Section 53, Fees, Rates, Charges and Conditions for Sewer Service of the District's Code of Ordinances
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee recommends that the Board adopt Ordinance No. 513 amending Section 25, Rates and Conditions for Water Service; and Section 53, Fees, Rates, Charges and Conditions for Sewer Service of the District's Code of Ordinances.

NOTE:

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

ORDINANCE NO. 513

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT AMENDING SECTIONS 25, RATES
AND CHARGES FOR WATER SERVICE, AND SECTION 53,
SEWER SERVICE RATES AND CHARGES,
OF THE DISTRICT'S CODE OF ORDINANCE

BE IT ORDAINED by the Board of Directors of Otay Water District that the language in Section 25, Rates and Charges for Water Service, and Section 53, Sewer Service Rates and Charges, of the District's Code of Ordinances be amended as per attached copy.

NOW, THEREFORE, BE IT RESOLVED that the amendments to Sections 25 and 53 of the Code of Ordinances shall become effective January 1, 2008 upon adoption of this ordinance.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 3rd day of October, 2007, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

Secretary

SECTION 25

RATES AND CONDITIONS FOR WATER SERVICE25.01 SERVICE AREA

Water service shall be furnished by the District only to property located in a water improvement district within the District. Water service to property located outside an improvement district may be furnished only upon prior approval of the Board of Directors. Temporary water service to property located outside an improvement district may be furnished, in accordance with Section 25.03.E.12, upon the approval of the General Manager.

25.02 DEFINITION OF "H.C.F." AND "UNIT OF WATER"

As used in the Code the terms "H.C.F." and "unit of water" are interchangeable and each shall mean 100 cubic feet or 748 gallons of water.

25.03 WATER RATES, CHARGES AND FEES

Water service furnished by the District shall be under the categories of services and at the rates, charges and fees as set forth below. Said rates, charges and fees may be increased up to five (5) percent per year to pass through increases in costs imposed by the San Diego County Water Authority ("CWA") and/or the Metropolitan Water District ("MWD").

- A. Set-up Fees for Accounts. A set-up fee of \$10 shall be charged for each account transferred to another customer. A deposit will be required of all customers who do not own the property to be served. See Section 25.04 for deposit amounts.
- B. Monthly System Charge. Each water service customer shall pay a system charge for water system replacement, maintenance and operation expenses. The charge shall be made monthly under each water service account and shall be based on the size of the water meter or meters in service, as set forth in Paragraph E of this Section 25.03 for each category of water service described. The system charge shall start upon installation of the meter.
- C. Monthly MWD & CWA Fixed Charges. Each water service customer shall pay a monthly MWD & CWA fixed charge, as set forth below, to pass-through fixed charges from these agencies to pay the following: MWD Readiness to Serve Charge and Capacity Reservation Charge; SDCWA Infrastructure Access Charge; Customer Service Charge and Emergency Storage Charge.

D. Water Conservation Program.

1. The Otay Water District has adopted a Water Shortage Contingency Plan with three conservation stages as defined in Section 39.06.
2. The water shortage contingency Plan establishes water savings targets depending on water supply conditions to discourage excessive use of water during a water shortage.
3. Each conservation stage shall become effective within the District as provided in section 39.07.
4. District reduction goals for each conservation stage shall go into effect as of the effective date of the stage. The goals are set forth in section 39.07.

E. Rates and Charges for Water Service. - The rates and charges for water service furnished by the District shall be as follows:

1. DOMESTIC SERVICE

- (a) Defined as: Water service for single residential household and other domestic uses (other than that provided for in Paragraph 2 below).
- (b) The base rates for water furnished under each block of service under this category shall be as follows:

Number of H.C.F. Furnished	Rate per H.C.F.
1 - 5 ;	\$1.0812
6 - 10	\$1.7885
11 - 35	\$ 2.01 .94
Over 36	\$ 2.83 94

Customers who use more than 10 units per month shall not receive the benefit of the lower rate for units 1 through 5. These customers will pay \$1.7885 for units 1 through 5.

- (c) The monthly system charges for water service in this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	11 12.30	3.5585	14.85 16.15
1"	18.15 19.80	5.656.15	23.80 25.95

1-1/2"	3538.75	10.65 11.60	46.4050.35
2"	<u>5964.60</u> 95	<u>18.45</u> 20.05	<u>78.05</u> 85.00

2. MULTIPLE RESIDENTIAL

- (a) Defined as either individually metered or master metered: Water service for multiple residential households including for example duplex, townhomes, apartments and mobile homes.
- (i) Individual metered further defined as multiple dwelling units that have individual meters for each unit.
- (ii) Master metered further defined as multiple dwelling units that share a meter.
- (b) The base rates of water furnished for each dwelling unit under each block of service in this category shall be as follows:

Number of H.C.F. Furnished	Rate per H.C.F.
0 - 4	\$1.7885
Over 4- 15	\$1.942.01
Over 15	<u>\$2.8394</u>

- (c) The monthly system charges for water service in this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	22.00 24.00	3.5585	2527.5585
1"	33.90 36.95	5.65 6.15	3943.5510
1-1/2"	47.65 51.95	10.11 11.650	5863.3055
2"	59.60 64.95	18.20 20.05.45	7885.0500
3"	95.90 104.55	3436.095	129.95141.50
4"	109.80 119.70	5863.2015	168182.0085
6"	219239.4520	106115.4550	325354.9070
10"	<u>418456.6.900</u>	<u>276300.7530</u>	<u>695756.9.650</u>

- (d) In addition to charges for water furnished, a monthly charge will be made for service provided through one meter to more than one occupancy at the rate of ~~\$33.53~~85 per month for each unit in a multiple residential building.

3. BUSINESS, DOMESTIC AND AGRICULTURAL COMBINED

- (a) Defined as: Water service for commercial or industrial business establishments; and domestic and agricultural combined (which is service provided through one meter but which combination

is not provided for under the category of COMMERCIAL AGRICULTURAL).

- (b) The base rate for water furnished under this category shall be \$1.91-98 per H.C.F.
- (c) In addition to charges for water furnished, a monthly charge will be made for service provided through one meter to more than one occupancy at the rate of \$3.53-85 per month for each unit in a commercial or industrial building.
- (d) The monthly system charge for water service under this category shall be as follows;

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.0022.00	3.85-3.55	27.8525.55
1"	36.9533.90	6.155.65	43.1039.55
1-	51.9547.65	11.6010.65	63.5558.30
1/2"			
2"	64.9559.60	20.0518.45	85.0078.05
3"	104.5595.90	36.9534.05	141.50129.95
4"	119.70109.80	63.1558.20	182.85168.00
6"	239.20219.45	115.50106.45	354.70325.90
10"	456.60418.90	300.30276.75	756.90695.65

4. PUBLICLY-OWNED ESTABLISHMENTS

- (a) Defined as: Water service for any public or governmental agency, which does not include service solely for landscape watering or irrigation purposes.
- (b) The base rate for water furnished under this category shall be \$0.08 more per H.C.F. than the Business rate due to the District's inability to collect availability charges.
- (c) The monthly system charge for water service under this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.0022.00	3.853.55	27.8525.55
1"	36.9533.90	6.155.65	43.1039.55
1-1/2"	51.9547.65	11.6010.65	63.5558.30
2"	64.9559.60	20.0518.45	85.0078.05
3"	104.5595.90	36.9534.05	141.50129.95
4"	119.70109.80	63.1558.20	182.85168.00
6"	239.20219.45	115.50106.45	354.70325.90

10" 418456-.9600 276300.7530 695756.6590

5. COMMERCIAL AGRICULTURAL

- (a) Defined as: Water service for growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade or industry, or for use by public educational or correctional institutions or agricultural, horticultural or floricultural products and produced
- (i) for human consumption or for the market, or
- (ii) for the feeding of fowl or livestock produced for human consumption or for the market, or
- (iii) for feeding fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.
- (b) The base rate for water furnished under this category shall be \$1.91-98 per H.C.F.
- Agricultural water customers authorized to participate in MWD's "Interim Agricultural Water Program" (IAWP) shall receive a \$0.33 discount per H.C.F. from the base rate and shall be subject to the following provisions under the program: During a water shortage, IAWP customers are required to reduce their water usage by 30%. Additional cutbacks required beyond 30% will be applied to IAWP and M&I customers equally.
- (c) The monthly system charge for this category of water service shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.0022.00	3.853.55	27.8525.55
1"	36.9533.90	6.155.65	43.1039.55
1-1/2"	51.9547.65	11.6010.65	63.5558.30
2"	64.9559.60	20.0518.45	85.0078.05
3"	104.5595.90	36.9534.05	141.50129.95
4"	119.70109.80	63.1558.20	182.85168.00
6"	239.20219.45	115.50106.45	354.70325.90
10"	456.60418.90	300.30276.75	756.90695.65

- (d) Commercial agricultural water service shall be furnished only under the following conditions:
- (i) Upon request of the District each customer for such service shall sign and file with the District a written certification, in the form prescribed by the District, stating that the said water service is being used or will be used exclusively for agricultural purposes as defined above.
 - (ii) Commercial agricultural water service shall be furnished on an interruptible basis. When the demand for such service from a customer or customers exceeds the District supply of water available for such service, or where the capacity of District facilities is not adequate to meet the demand for service, the District may reduce or cease delivery of water for agricultural purposes pending the restoration of the supply of water or the availability of facilities to deliver water in the amounts requested.

6. TEMPORARY WATER SERVICE

- (a) Defined as: Water service provided on a temporary basis pursuant to Section 31 of this Code.
- (b) If capacity fees have not been paid by the customer, the base rate for water furnished under this category shall be two times the base rate charged customers in the same category of service on a permanent meter basis.
- (c) If the customer is in an Improvement District and has paid capacity fees, the base rate for water furnished under this category shall be the base rate charged customers in the same category of service on a permanent meter basis.

7. NON-AGRICULTURAL IRRIGATION WATER SERVICE

1. IRRIGATION USING POTABLE WATER

- (a) Defined as: Potable water service provided solely for irrigation of landscaping as defined in Section 0.02 of the Code in open space areas including those owned by public or private entities. This service can be provided on a permanent or temporary meter basis.

- (b) Base Rate: For privately owned permanent water service under this category, the base rate for water furnished shall be \$1.91-98 per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than the privately-owned rate due to the District's inability to collect availability charges.
- (c) Allocation under normal conditions (i.e., no conservation stage in effect): An irrigator may receive a seasonably adjusted allotment of water equal to approximately 46 inches per year per square foot, for the actual area to be irrigated* (as defined in Section 0.02 of the Code). It is the customer's responsibility to provide to the District accurate and current area measurements.
- (d) Allocation when conservation stage alert in effect: During a Stage II water shortage where the District needs to reduce its overall water demand by 25% or more, the District's non-agricultural irrigation accounts will be allocated water based upon their irrigated landscape square footage. During a stage III water shortage, all outdoor irrigation may be prohibited as referenced in section 39.06.
- (e) Water allocation enforced during shortage conditions: During a stage II water shortage where the District is expected to reduce its water use by 25% or more, non-agricultural irrigation accounts will be expected to adhere to their water allocation or pay penalties as a result of exceeding their allocation.
- (f) Multiple Accounts: Customers with multiple meters may request the monthly allocation provided for in Section 25.03.E.7(c) and (d) to be applied to the entire site served by

*The allocation of 80% of the evapotranspiration rate for cool season grass grown in the District has been determined to be more than adequate for the effective irrigation of virtually any plant material.

those meters. Exceptions or modifications to this provision may be approved by the General Manager on a case-by-case basis.

- (g) Temporary Water Service: For temporary water service under this category, the water service rate shall be two times the rate for permanent service under (b) above.
- (h) Monthly system charge: The monthly system charge for potable non-agricultural irrigation water service shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00 22.00	3.85 3.55	27.85 25.55
1"	36.95 33.90	6.15 5.65	43.10 39.55
1-1/2"	51.95 47.65	11.60 10.65	63.55 58.30
2"	64.95 59.60	20.05 18.45	85.00 78.05
3"	104.55 95.90	36.95 34.05	141.50 129.95
4"	119.70 109.80	63.15 58.20	182.85 168.00
6"	239.20 219.45	115.50 106.45	354.70 325.90
10"	456.60 418.90	300.30 276.75	756.90 695.65

2. IRRIGATION USING NON-POTABLE AND RECLAIMED WATER

- (a) Defined as: Non-potable and reclaimed water service provided solely for irrigation of landscaping as defined in Section 0.02 of the Code in open space areas including those owned by public or private entities. This service can be provided on a permanent or temporary meter basis. See Section 25.03.E.7.1(a) and (b) for other requirements regarding the authorized use of non-potable and reclaimed water.
- (b) Base Rate: For privately owned permanent water service under this category, the base rate for water furnished shall be \$1.65~~67~~ per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than privately-owned rate due to the District's inability to collect availability charges.
- (c) Temporary Water Service: For temporary water service under this category, the water service rate shall be two times the rate for permanent service under (b) above.

- (d) Monthly system charge: The monthly system charge for non-potable and reclaimed non-agricultural irrigation water service shall be as follows:

Meter Size	System Charge
3/4"	22.0027.85
1"	33.9042.90
1-1/2"	47.6560.30
2"	59.6075.40
3"	95.90121.30
4"	109.80138.90
6"	219.45277.60
10"	418.90529.70

8. RECLAIMED WATER

- (a) Defined as: Non-potable water service provided from water produced by the District's water reclamation plant and other non-potable sources and offered for sale by the District for purposes other than irrigation or landscaping (see 25.03.E.7.2 above for irrigation purposes). Reclaimed water is non-potable. Reclaimed water shall not be used for domestic purposes and all other uses must comply with federal, state and local laws and regulations regarding use of reclaimed water.
- (b) The provisions of this Code, relating to cross-connections and backflow protective devices, shall be strictly enforced for use of reclaimed water.
- (c) The base rate for privately owned permanent service under this category shall be \$1.65~~67~~ per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than the privately-owned rate due to the District's inability to collect availability charges.
- (d) The monthly system charge for permanent reclaimed water service shall be as follows:

Meter Size	System Charge
3/4"	27.8522.00
1"	42.9033.90
1-1/2"	60.3047.65
2"	75.4059.60
3"	121.3095.90
4"	138.90109.80

6" 277.60219.45
10" 529.70418.90

9. WATER SERVICE UNDER SPECIAL AGREEMENTS

- (a) Defined as: Water service provided under express agreements approved by the Board of Directors for service to golf courses, which service may be curtailed or interrupted by the District under conditions provided in such agreements.
- (b) For water service under this category the base rate for water furnished shall be \$1.91~~98~~ per H.C.F.

10. TANK TRUCKS

- (a) Defined as: Water service provided for the filling of tanks on motor vehicles transporting water used for other than earth grading purposes, which service shall be made only through a portable meter issued by the District to a customer specifically for use in accordance with the provisions herein for service.
- (b) The rate for water furnished under this category shall be two times the rate for BUSINESS, DOMESTIC AND AGRICULTURAL COMBINED in section 25.03.E.3. Payment of charges shall be made as provided in paragraph 10(c)(4); provided that there shall be a minimum charge of \$15 for this service.
- (c) Requirement for Use of Water Meter

- (1) To receive such service, the customer shall use a water meter furnished by the District to measure the amount of water furnished. The customer shall deposit the following amount with the District for use of the meter:

Meter Size Deposit

4" \$850

- (2) Upon termination of the service, the District will refund the amount of deposit remaining after making the following deductions:
 - (i) Cost of repairing or replacing the meter, fire hydrant and/or any fittings damaged or lost while in use; and

- (ii) Unpaid charges for water used or other applicable charges.
- (3) Prior to the end of each six month period following issuance of a meter under this section, or at the request of the District, whichever is earlier, the customer shall return the meter to the District for inspection, repair, or calibration as deemed necessary by the District.
- (4) Payment for water service under this category shall be made as follows:
 - (i) On or before the first day of each month following issuance of the water meter the District shall issue its statement for water service furnished during the preceding month.
 - (ii) The statement shall be based on the amount of water actually used, which shall be determined by District reading of the meter or by a report made by the customer to the District in the manner prescribed by the District.
 - (iii) Where the actual amount of water used cannot be made as provided in (ii) District shall issue its statement for charges based on estimates of water that may have been used. Such estimates shall be determined by the District. Such estimates shall be reconciled with actual amounts used when the customer returns the meter to the district as provided in paragraph (3) above.
 - (iv) Payments shall be made by each customer of this service in accordance with Section 34 of this Code.

11. WATER SERVICE OUTSIDE DISTRICT

- (a) Defined as: Water service for property outside the exterior boundaries of the District. This service will be provided only upon prior approval of the General Manager when there is a surplus of water available over and above the existing needs for service in the District. This service is temporary and may be terminated on written notice from the District. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for this category of service shall pay an application fee of \$500.
- (c) The rate for metered water furnished under this category shall be two times the rate charged customers for the same category of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the category of water service being furnished.
- (d) Customers requesting only a fire service or a fire hydrant under this category shall be charged a capacity fee based on one (1) EDU for a permanent meter in the Improvement District from which the fire service derives its flow, plus a monthly system charge at the rate set forth in the category of water service being furnished.

12. WATER SERVICE OUTSIDE AN IMPROVEMENT DISTRICT

- (a) Defined as: Water service on a temporary basis for property lying within the boundaries of the District, but not within a water improvement district. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for this service shall pay an application fee of \$275. The District will review the application to determine whether the land to be served should be annexed to an improvement district. If it is determined that annexation is not practical, the Board of Directors may authorize service as an outside user. This temporary service will be reviewed periodically until it is determined that the property must be annexed to an improvement district.

- (c) The rate for water furnished under this category shall be two times the rate charged customers for the same category of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the category of water service being furnished.
- (d) Upon approval of the Board of Directors, a customer, who has paid all construction costs for facilities necessary to serve the customer's property in lieu of annexation to a water improvement district, shall be exempt from the provision for this category of service.

13. SERVICE FOR FIRE PROTECTION

- (a) Defined as: Water service provided by the District for use solely in fire hydrants or fire sprinkler systems from lines or laterals connected to District water mains.
- (b) The District will not make a charge for the quantity of water used for fire protection purposes.
- (c) The monthly system charge for this category of service shall be ~~\$23.30~~25.40 per month for each connection to a District water main made for fire protection service.

14. WATER SERVICE TO PROPERTY NOT SUBJECT TO DISTRICT TAXES

- (a) Pursuant to Section 71613 of the California Water Code, the District may furnish water to property, not subject to District taxes, at special rates, terms and conditions as are determined by the Board of Directors for such service. Such rates, terms and conditions shall be uniformly applied to like classes and conditions of service in the same improvement district or geographical area.

F. Surcharges for Quantities of Water Used in Excess of Monthly Base Usage Allowance. In addition to the water rates and charges in this Section 25.03, a surcharge shall be paid by each customer for water furnished through permanent meters one inch or greater in size, when, in any month, the number of units of water furnished to the customer exceeds the monthly usage allowance, shown in the schedule set forth below for the size of meter being used. A unit is 100 cubic feet or 748 gallons of water. Surcharges shall be applied at the rate of \$0.04 per unit

for the number of units of water shown in Category I usage in said schedule, and at the rate of \$0.06 per unit for the number of units shown in Category II Usage in said schedule.

The surcharges shall be made monthly in accordance with the following schedule:

Meter Size	Non-Surcharge Monthly Unit Usage Allowance	Category I Usage at \$0.04 per Unit	Category II Usage at \$0.06 per unit
5/8"-3/4"	30	None	None
1"	75	76-225	226 & over
1-1/2"	150	151-400	401 & over
2"	240	241-600	601 & over
3"	480	481-1200	1201 & over
4"	750	751-1800	1801 & over
6"	1500	1501-4000	4001 & over
10"	3450	3451-8000	8001 & over

G. Energy Charges for Pumping Water. In addition to water rates and other charges provided for in this Section 25.03, potable water customers shall be charged an energy pumping charge based on the quantity of water used and the elevation to which the water has been lifted to provide service. The energy pumping charge shall be made at the rate of \$0.032-034 per 100 cubic feet of water for each 100 feet of lift or fraction thereof above the base elevation of 450 feet.

H. Additional Water Charge for Service in the North District. In addition to other applicable water rates and charges provided for in this Section 25.03, each customer receiving water service in the North District shall pay a charge of \$0.08 per H.C.F. for water furnished by the District; provided, however, the additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for the customer's account under Section 25.03.E.1 DOMESTIC SERVICE. The North District area is defined in Section 0.02 of this Code

All proceeds from charges collected pursuant to this Section 25.03.H shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the North District.

I. Additional Water Charges and Monthly System Charges for Service in the ID 9 Water Service Zone.

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a charge of \$0.27 per H.C.F. of water furnished by the District; provided, however, the additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for a customer's account under Section 25.03.E.1 DOMESTIC SERVICE. The ID 9 Water Service Zone area is defined in Section 0.02 of this Code.
2. In addition to the monthly system charges provided for in Section 25.03.B, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a monthly meter system charge of \$2.00 for each meter in service.
3. All proceeds from charges collected pursuant to this Section 25.03.H shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the ID 9 Water Service Zone.

J. Additional Water Charges for Services in the ID 3, ID 10 and La Presa Water Service Zones.

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 17, 1993, each customer receiving water service in the ID 3, ID 10 and La Presa Water Service Zones shall pay an additional charge per H.C.F. of water furnished by the District as follows:
 - a. ID 3 \$.02 per H.C.F.
 - b. ID 10 \$.10, per H.C.F.
 - c. La Presa \$.02 per H.C.F.
2. For subsequent years this surcharge shall increase according to the following schedule:

- a. ID 3

Calendar Year	Amount
1995	.03
1996	.04
1997	.05
1998	.06
1999	.07
2000	.08
2001	.09
2002	.10

2003	.11
2004	.12
2005	.13
2006	.14
2007	.15
2008	.16
2009	.17
2010	.18
2011	.19
2012	.20
2013	.21

b. ID 10

Calendar Year Amount

1995	.11
1996	.12
1997	.13
1998	.14
1999	.15
2000	.16
2001	.17
2002	.18
2003	.19
2004	.20
2005	.21
2006	.22
2007	.23
2008	.24
2009	.25
2010	.26
2011	.27
2012	.27
2013	.27
2014	.27
2015	.27
2016	.27
2017	.27
2018	.27

c. La Presa

Calendar Year Amount

1996	.03
1999	.04
2002	.05
2005	.06
2008	.07
2009	.07
2010	.07
2011	.08
2012	.08
2013	.08

3. The additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for a customer's account under Section 25.03.E.1 DOMESTIC SERVICE.
4. All proceeds from charges collected pursuant to this Section 25.03.J shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage, reservoirs, pump stations and water lines to provide service in the ID 3, ID 10 and La Presa Water Service Zones, respectively.

25.04

DEPOSIT BY LESSEES OR NON-OWNERS OF PROPERTY

A. AMOUNT OF DEPOSIT

When an application for water service is made by a customer who does not own the land to be served, the customer shall be required to make a cash deposit to assure payment of the account. In lieu of a deposit, the customer may have payment of water service bills guaranteed in writing by the owner of the property. The amount of deposit, determined by the size of meter, shall be as follows:

Meter Size	Deposit for All Categories of Service		The
	With Owner's Guarantee	Without Owner's Guarantee	
3/4"	\$35	\$75	
1"	\$75	\$150	
1-1/2"	\$100	\$200	
2"	\$180	\$360	
3"	\$400	\$800	
4"	\$675	\$1,350	
6"	\$1,650	\$3,300	
8"	\$2,200	\$4,400	
10"	\$2,750	\$5,500	

customer's deposit shall be applied to reduce or satisfy any delinquent payment or other amount due the District at the time of termination of water service to the customer. Any portion of the deposit remaining after satisfaction of the amount due shall be refunded to the customer that made the deposit.

The deposits listed above may be waived for a new residential applicant where the applicant demonstrates credit worthiness based upon prior rent payments, house payments,

utility payments, a non-delinquent water account for one year or other similar evidence of credit.

B. REFUND OF DEPOSIT

Where funds have been on deposit for twelve months in a domestic service account and there has been no more than one delinquent payment on that account during that period, the District will refund the deposit to the customer.

C. LETTER OF CREDIT

A letter of credit, in a form approved by the General Manager or Department Head of Finance, may be submitted to the District to satisfy the deposit requirements.

25.05

SERVICE TO SUBSEQUENT CUSTOMERS

After a water meter has been installed for a customer and all fees and charges have been paid, water service may be furnished to a subsequent customer through the water meter installed without payment of further charges, except for the set-up fee for transferred accounts, payment of delinquent charges for the applicant's service or other deposits that may be required by this Code.

SECTION 53 FEES, RATES, CHARGES AND CONDITIONS FOR SEWER SERVICE

53.01 CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

Sewer service capacity may be acquired only for service to a specific address, parcel of land, or a land development project covered by an approved map. An approved map shall mean a recorded final map, a recorded parcel map or a tentative subdivision map that has been approved by the County or by a City, where applicable.

53.02 SERVICE AREAS

A. Service Areas. Sewer service shall be furnished by the District only to property located in Improvement District No. 14 ("I.D. 14"), Improvement District No. 18 ("I.D. 18"), and Assessment District No. 4 ("A.D. 4"), and the Russell Square Sewer Service Area. Sewer service to property located outside such areas may be furnished only upon annexation to ID 18.

53.03 ACQUISITION OF SEWER CONNECTIONS FOR SERVICE IN I.D. 14, I.D. 18 AND A.D. 4

A. There shall be no connection capacity fee for sewer service to parcels already annexed into Improvement District No. 14, Improvement District No. 18 and Assessment District No. 4 on or after December 16, 1998.

53.04 ACQUISITION AND PURCHASE OF SEWER CAPACITY FOR SERVICE IN THE RUSSELL SQUARE SEWER SERVICE AREA

A. District Acceptance of Sewer Facilities for Russell Square Area. Under an Agreement with Cal Dorado Development, Inc., dated June 28, 1981, the District accepted title to a sewer pump station, force main and appurtenances for a sewage system to provide sewer service to the residential dwelling units to be constructed within the parcels of land in San Diego County Tentative Parcel Map 17150. Under an Agreement with Cal Dorado Development, Inc., dated June 18, 1981, the District agreed to provide service to such parcels on the terms and conditions contained therein. On October 1, 1984, pursuant to Resolution No. 2139, the District Board of Directors accepted title to the facilities.

B. Designation of Russell Square Sewer Area. The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file in the office of the District Secretary, is hereby designated as the Russell Square Sewer Service Area.

C. Connection Fees for Connections for Sewer Service through the Russell Square Sewer Pump Station.

1. Establishment of Sewer Connection Fee

There is hereby established a connection fee for each EDU of sewer service provided through a connection to the District Russell Square Pump Station. The number of EDUs for the connection shall be as set forth in Section 53.09 of the Code. The amount of the fee shall be determined at the rate of \$7,500 for each EDU of service. Payment of the fee shall be made by an applicant for sewer service through the Russell Square Pump Station at the time application for service is made. Since the Russell Square Pump Station and force main were constructed by the developer or his assignee, at their expense, for the purpose of providing service to the parcels within Tentative Parcel Map 17150, the said fee of \$7,500 for each EDU shall not apply for connections for sewer service to the parcels within said map. Such exempt parcels are currently identified as Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. There is hereby established a monthly sewer service charge to cover normal operational costs of the Russell Square Pump Station and force mains. The amount of the charge shall be \$200 per month for each EDU of service provided through the Russell Square Pump Station. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.
3. The charges received by the District under 1 and 2 above shall be maintained in a separate account and shall be used by the District solely for maintenance, replacement or repair under C.1. above and for the operation of the facilities under C.2. above.
4. In addition the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.11; and the annexation fee for annexation to Improvement District No. 18, if it is necessary to annex the parcel of land prior to receiving sewer service.

53.05 CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall pay such charges for the installation determined on the basis of actual costs incurred by the District in performing the work. At the time of application, the District will estimate the total costs to perform the work. The customer shall deposit the estimated amount with the District prior to commencement of the work. If actual costs incurred are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If the costs incurred by the District exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.06 PAYMENT OF FEES. All fees prescribed in the Code shall become owing, due and payable at the time application is made to connect a premise to the sewer system of the District. The fees shall be paid to the District prior to the issuance of any permit authorizing the connection of such premise to the District sewer system. If the proposed connection cannot be made, the fee may be refunded when approved by the General Manager.

53.07 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION. The use of a sewer connection shall be limited to the type and number of EDUs authorized by the original wastewater discharge permit. Before adding any additional equivalent dwelling units, buildings, modifying existing buildings, or change occupancy type, the property owner shall make a supplementary wastewater permit application to the District for such change in use and pay additional sewer annexation fees per EDU, if necessary, as may be applicable. Periodic inspection of the premises may be made by the District and if actual use is greater than estimated use, an assessment for additional annexation fees shall be assessed in accordance with the fee schedule in the then current Code of Ordinances.

53.08. Wastewater Discharge Permit Issuance and Limitation.

1. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewerage system.
2. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater dis-

charge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.

3. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to district sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.09. Basis for Determination of EDUs.

1. The number of EDUs for sewer service shall be determined on the following basis:

a) Residential Facilities EDUs

- 1) Single Family Residence 1.0
(Includes manufactured homes, and mobile homes which are on private lots

A secondary structure with a kitchen is considered an additional EDU

- 2) Apartments and Multiple Family Housing
Each individual living unit 1.0

- 3) Residential condominiums
Each individual living unit 1.0

- 4) Mobile Home and Trailer Parks 1.0
Per each individual space

b) Commercial/Industrial Facilities

- 1) Food Service Establishments

- a) Take-out restaurants with dis-

posable utensils, no dishwasher
and no public restrooms 3.0

b) Miscellaneous food establishments -
ice cream/yogurt shops, bakeries
(sales on premise only) 3.0

c) 1) Take-out/eat-in restaurants with
disposable utensils, but with
seating and public restrooms 3.0

2) For restaurants with reusable
utensils, seating and public
restrooms one EDU is assigned
for each six-seat unit as fol-
lows: 0-18 seats - 3.0 EDU
(minimum). Each additional 6
seat unit will be assigned 1.0 EDU.

2) Hotels and Motels

a) Per living unit without kitchen 0.38

b) Per living unit with kitchen 0.60

3) Commercial, Professional, Industrial
Buildings, Establishments not specifi-
cally listed herein

a) Any office, store or industrial
condominium or establishments.
First 1,000 sq. ft. 1.2

Each additional 1,000 sq. ft. or
portion thereof -0.7

b) Where occupancy type or usage is
unknown at the time of application
for service, the following EDUs
shall apply. This shall include,
but not be limited to, shopping
centers, industrial parks and profes-
sional office buildings.

First 1,000 sq. ft. of gross build-

- | | | |
|----|---|-----|
| | ing floor area | 1.2 |
| | Each additional 1,000 square feet of gross building floor area. Portions less than 1,000 sq. ft. will be prorated. | 0.7 |
| 4) | Self-service laundry per washer | 1.0 |
| 5) | Churches, theaters and auditoriums per each 150 person seating capacity, or any fraction thereof. (Does not include office spaces, schoolrooms, day-care facilities, food preparation areas, etc. Additional EDUs will be assigned for these supplementary uses.) | 1.5 |
| 6) | <u>Schools</u> | |
| | a. Elementary Schools - For each 50 pupils or fraction thereof | 1.0 |
| | b. Junior High Schools - For each 40 pupils or fraction thereof | 1.0 |
| | c. High Schools, Colleges and Universities - For each 24 pupils or fraction thereof | 1.0 |

Additional EDUs will be prorated based on above values.

The number of pupils shall be based on the average daily attendance of pupils at the school during the preceding fiscal year, computed in accordance with the education code of the State of California. However, where the school has had no attendance during the preceding fiscal year, the General Manager shall estimate the average daily attendance for the fiscal year for which the fee is to be paid and compute the fee based on such estimate.

7) Convalescent Homes

- a) Skilled nursing care facilities, psychological hospitals, convalescent hospitals; licensed by the Department of Health. 0.7/bed
- b) Community Care Facilities with 16 or more beds licensed by the State Department of Health. 0.5/bed
- c) Small Community Care Facilities with 7 to 15 beds licensed by the County Department of Social Services 0.5/bed
- d) Community Care Homes with six or fewer total residents, including resident staff and housekeepers (to be the same EDU as a single-family residence). 1.0

8) Other

In the case of commercial, industrial and other business establishments such as bottling works, supermarkets, markets, deli/markets, convenience stores, hospitals, laundries (other than self-service laundries), automobile service stations, mortuaries, day-care centers, bars, pool halls, and other establishments not included in items 1) through 7) inclusive, or when the EDUs specified in items 1) through 7) are not representative of actual flow due to the number of employees or type of operation, the number of equivalent dwelling units shall be determined in each case by the General Manager and shall be based upon the estimated volume and type of wastewater discharge into the sewer.

53.10

TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

A. Transfer or Assignment

EDU sewer connection rights obtained by a customer may not be transferred or assigned to any other person, firm or corporation, except for (i) a transfer to a financial institution which provides any or all financing for the acquisition of such connection rights, or (ii) a transfer or assignment to a subsequent purchaser of the property for which the connection rights were acquired; provided that the rights so assigned must be used only for the property for which such were initially acquired.

B. Resale of Connection Rights

If a customer desires to make a transfer, other than as authorized in Paragraph (a), or to sell all or any portion of the EDU sewer connection rights acquired, such must be returned to the District. The District will acquire the EDU connection rights on the terms and conditions provided for in the agreement under which the connection rights were obtained.

53.11

SEWER SERVICE RATES AND CHARGES

A. Set-up Fees for Accounts. A set-up fee of \$10.00 shall be charged for each account transferred to another customer.

B. Residential Sewer Charges

(1) Winter Average Determination. Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). For Otay water customers, the winter period is December through March, and for Helix water customers, the winter period is January through April. The winter average for Otay is calculated by adding the four months of the preceeding winter together and dividing by four. The winter average for Helix is calculated by adding the two billing periods of the four months together and dividing by four. For both Otay and Helix

water customers, this average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes.

- (2) Usage Fee. The usage fee rate of \$1.41 is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount). This fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.
- (3) Base Fee. The monthly base fee is \$9.75 for a ¾ inch water meter and \$14.25 for a 1 inch or greater water meter.
- (4) The average residential sewer charge shall be calculated by calculating the total usage fee for all residential customers and dividing by the number of residential customers. Then the monthly base fee for ¾" meter is added to this average fee and this shall be used to determine the rate per ASU to be used for commercial customers. Effective January 1, 2008, the average residential sewer charge is \$33.26 per ASU.

C. Single Residential Winter Averaging

- (1) Defined as: Sewer service for individually metered residential households.
- (2) The monthly sewer bill is calculated by adding the base fee plus the usage fee as described in 5.11.B.(1), (2), & (3) above.
- (3) The maximum "Winter Average" for individually metered residential customers is (after the 15% discount) as follows:
 - i. January through December 2008 - 18 units
 - ii. January through December 2009 - 22 units
 - iii. After December 31, 2009 - 30 units
- (4) New Customers. New Customers that do not have a prior winter consumption history to determine their monthly usage fee shall be assigned a "Winter Average" of 18 - 15% discount = 15.3 units for single individually metered households.

D. Multi-Residential Charges

- (1) Defined as: Sewer service for master metered water service for multiple residential households

including for example; duplex, townhomes, apartments, and mobile homes.

(2) The montly sewer bill for the complex is calculated by adding a ¼" base fee (as described in 5.11.B (3)) times the number of units in the complex plus the usage fee (as described in 5.11.B (1) & (2) for the entire complex. (Note: There is no cap on consumption for the multi-residential customers.)

(3) New complexes that do not have a prior winter consumption history to determine their montly usage fee shall be assigned a "Winter Average" of 8 units less a 15% discount to equal 6.8 units for each multiple-residential unit in a master metered residential complex.

BE. Commercial Sewer Charges

(1) B-ASU Determination-: The charges for commercial sewer service shall be based on the rate of discharge and the strength of sewage. The Board of Directors may adjust the charges in proportion to the amount of water not entering the sewer which is substantiated by the property owner or discharger.

(2) The strength of sewage is based on its biochemical oxygen demand (BOD) and the cost of removing suspended solids (SS).

(3) The formula is derived by taking the total cost of providing sewer service and charging each user for a pro-rata share.

(4) The State Revenue Program Guidelines require use of an "Assigned Service Unit Assignment Formula" which converts higher strength uses into a service unit value which is comparable to the use impact of a single-family residential user or equivalent dwelling unit. The formula for determining an Assigned Service Unit (ASU) for a single-family dwelling is set forth in the annual budget, which is incorporated herein by reference.

(5) The formula is based on an estimated daily flow of 250 gallons per day plus 280 milligrams per liter of BOD and 234 milligrams per liter of SS for a residential equivalent dwelling unit.

(6) For commercial users the flow is based on 85% of their prior 12-month water consumption to reflect the amount of water that returns to the system. The

strength of discharge for commercial user is based on whether it is classified as a low-strength, medium-strength or high-strength user:

User Classification

Residential

Low-Strength Commercial = 1.000 Strength Factor

Car wash
General office and buildings
Barber and beauty shops
—D—Department, retail stores and general commercial
Hospitals and convalescent homes
Laundromat, laundry and dry cleaners
Professional office or office building
Warehouse
Other uses having a similar strength as determined by the District

Medium-Strength Commercial = 1.238 Strength Factor

Bars without dining facilities
Bowling alley
Hotels without dining facilities or cooking facilities
Auto repair/sales shop and service station
Shopping centers
Other uses having a similar strength as determined by the District

High-Strength Commercial = 2.203 Strength Factor

Bakery or bakery with deli
Hotel with dining facilities
Restaurant and bars with food
Supermarkets
Other uses having a similar strength as determined by the District

Institutional = 1.000 Strength Factor

Churches: Treated the same as Low-Strength Commercial.

Schools: For public schools flow is based on average daily attendance ("ADA") for the prior school year, including summer school, as reported by schools to meet state requirements. Private schools will be required to file a report verifying

their attendance. For elementary schools 50 students shall equal 1 ASU. For junior high schools 40 students shall equal 1 ASU and for high schools 24 students equals 1 ASU. The formula for schools shall be the same as applies to single-family residential.

Colleges: For colleges, flow is based on the number of Certificated and Classified Staff, and students enrolled in each school session (Spring, Summer, and Fall):

$$\begin{aligned}
 \text{Gallons per day (GPD)} &= \frac{\text{no. of students and staff} \times \text{no. of weeks Spring session}}{\text{no. of students and staff} \times \text{no. of weeks Summer session}} \\
 &+ \frac{\text{no. of students and staff} \times \text{no. of weeks Fall session}}{\text{no. of staff} \times \text{no. of non-session weeks}} \\
 &\times \frac{23}{52}
 \end{aligned}$$

$$\begin{aligned}
 \text{ASU} &= \frac{\text{Daily Flow} \times \text{Strength Factor}}{[(\text{GPD} \times 85\%) \div 250] \times 1.000}
 \end{aligned}$$

The minimum charge for commercial shall be no lower than 1 ASU at low strength. Charges are determined each fiscal year. The formula is set forth in the annual budget, which is incorporated herein by reference.

C.F. Charges to Cover the State Loan Program for the Treatment Facility. A \$54 fee per ASU shall be attached to the property tax bills to cover the annual payment on the \$5,000,000 state loan until such loan is paid in full.

D.G. Monthly Service Charges for Commercial Sewer Service. The Monthly Sewer Service charges for service furnished by the District, shall be:

~~1. Residential (per ASU):~~

~~Effective on January 1, 2007 the rate per ASU will be: 2007 - \$32.70~~

2. ~~Mobile Home Parks and Trailer Parks:~~

~~The rate for mobile home parks and trailer parks shall be .76 per space times the applicable rate for a single-family residential user.~~

31. Commercial and Institutional (per ASU):

Commercial users shall be charged based upon the ASUs derived in Section 53.0911.B BE.(4) multiplied by the single-family average residential rate Section 53.11 B.(4).

42. Industrial and Other Users

Charges determined by the Board of Directors on a case-by-case basis.

Monthly sewer service charges shall commence upon installation of the water meter to serve the premises receiving the sewer service, upon connection to the District sewer system, upon start of occupancy of the premises to be served, or one year after the date the application for sewer service is filed, whichever is earlier. If a sewer service connection has been obtained and if sewer service will not be used until some time after installation of the water meter, commencement of the sewer service charge may be deferred until the later date only upon prior approval of the General Manager.

53.12 ~~REDUCED SEWER CHARGES FOR LOW-INCOME CUSTOMERS~~

~~A. Eligibility. Residents of single-family residences, apartments, condominiums, mobile homes and other multi-family residential units are eligible for the reduced sewer service charge only if they are on individual water meters. The Department Head-Finance shall have the authority to certify eligibility for a reduced sewer service charge, in the amount of 70% of the rate charged other residential users upon application by the occupant. The occupant shall meet the following criteria:~~

Number in Household	Total Gross Annual Income of Household Does Not Exceed
1	\$11,000
2	12,550
3	14,160
4	15,700
5	16,700
6	17,650

7	18,650
8	19,650
Over 9	\$1,000 Additional per Person

~~B. Application Contents. The occupant of premises subject to a sewer charge may request a reduced sewer service charge by filing a completed District application form. The applicant shall furnish data regarding the type of unit, number of people in the household and proof of total annual gross income of the household. Application forms may be obtained from the District's Finance Department. Certification of eligibility shall be annually established with the Department Head-Finance.~~

SECTION 25

RATES AND CONDITIONS FOR WATER SERVICE25.01 SERVICE AREA

Water service shall be furnished by the District only to property located in a water improvement district within the District. Water service to property located outside an improvement district may be furnished only upon prior approval of the Board of Directors. Temporary water service to property located outside an improvement district may be furnished, in accordance with Section 25.03.E.12, upon the approval of the General Manager.

25.02 DEFINITION OF "H.C.F." AND "UNIT OF WATER"

As used in the Code the terms "H.C.F." and "unit of water" are interchangeable and each shall mean 100 cubic feet or 748 gallons of water.

25.03 WATER RATES, CHARGES AND FEES

Water service furnished by the District shall be under the categories of services and at the rates, charges and fees as set forth below. Said rates, charges and fees may be increased up to five (5) percent per year to pass through increases in costs imposed by the San Diego County Water Authority ("CWA") and/or the Metropolitan Water District ("MWD").

- A. Set-up Fees for Accounts. A set-up fee of \$10 shall be charged for each account transferred to another customer. A deposit will be required of all customers who do not own the property to be served. See Section 25.04 for deposit amounts.
- B. Monthly System Charge. Each water service customer shall pay a system charge for water system replacement, maintenance and operation expenses. The charge shall be made monthly under each water service account and shall be based on the size of the water meter or meters in service, as set forth in Paragraph E of this Section 25.03 for each category of water service described. The system charge shall start upon installation of the meter.
- C. Monthly MWD & CWA Fixed Charges. Each water service customer shall pay a monthly MWD & CWA fixed charge, as set forth below, to pass-through fixed charges from these agencies to pay the following: MWD Readiness to Serve Charge and Capacity Reservation Charge; SDCWA Infrastructure Access Charge; Customer Service Charge and Emergency Storage Charge.

D. Water Conservation Program

1. The Otay Water District has adopted a Water Shortage Contingency Plan with three conservation stages as defined in Section 39.06.
2. The water shortage contingency Plan establishes water savings targets depending on water supply conditions to discourage excessive use of water during a water shortage.
3. Each conservation stage shall become effective within the District as provided in section 39.07.
4. District reduction goals for each conservation stage shall go into effect as of the effective date of the stage. The goals are set forth in section 39.07.

E. Rates and Charges for Water Service. The rates and charges for water service furnished by the District shall be as follows:

1. DOMESTIC SERVICE

- (a) Defined as: Water service for single residential household and other domestic uses (other than that provided for in Paragraph 2 below).
- (b) The base rates for water furnished under each block of service under this category shall be as follows:

Number of H.C.F. Furnished	Rate per H.C.F.
1 - 5	\$1.12
6 - 10	\$1.85
11 - 35	\$2.01
Over 36	\$2.94

Customers who use more than 10 units per month shall not receive the benefit of the lower rate for units 1 through 5. These customers will pay \$1.85 for units 1 through 5.

- (c) The monthly system charges for water service in this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	12.30	3.85	16.15
1"	19.80	6.15	25.95
1-1/2"	38.75	11.60	50.35
2"	64.95	20.05	85.00

2. MULTIPLE RESIDENTIAL

- (a) Defined as either individually metered or master metered: Water service for multiple residential households including for example duplex, town homes, apartments and mobile homes.
- (i) Individual metered further defined as multiple dwelling units that have individual meters for each unit.
- (ii) Master metered further defined as multiple dwelling units that share a meter.
- (b) The base rates of water furnished for each dwelling unit under each block of service in this category shall be as follows:

Number of H.C.F. Furnished	Rate per H.C.F.
0 - 4	\$1.85
Over 4- 15	\$2.01
Over 15	\$2.94

- (c) The monthly system charges for water service in this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00	3.85	27.85
1"	36.95	6.15	43.10
1-1/2"	51.95	11.60	63.55
2"	64.95	20.05	85.00
3"	104.55	36.95	141.50
4"	119.70	63.15	182.85
6"	239.20	115.50	354.70
10"	456.60	300.30	756.90

- (d) In addition to charges for water furnished, a monthly charge will be made for service provided through one meter to more than one occupancy at the rate of \$3.85 per month for each unit in a multiple residential building.

3. BUSINESS, DOMESTIC AND AGRICULTURAL COMBINED

- (a) Defined as: Water service for commercial or industrial business establishments; and domestic and agricultural combined (which is service provided through one meter but which combination

is not provided for under the category of COMMERCIAL AGRICULTURAL).

- (b) The base rate for water furnished under this category shall be \$1.98 per H.C.F.
- (c) In addition to charges for water furnished, a monthly charge will be made for service provided through one meter to more than one occupancy at the rate of \$3.85 per month for each unit in a commercial or industrial building.
- (d) The monthly system charge for water service under this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00	3.85	27.85
1"	36.95	6.15	43.10
1-1/2"	51.95	11.60	63.55
2"	64.95	20.05	85.00
3"	104.55	36.95	141.50
4"	119.70	63.15	182.85
6"	239.20	115.50	354.70
10"	456.60	300.30	756.90

4. PUBLICLY-OWNED ESTABLISHMENTS

- (a) Defined as: Water service for any public or governmental agency, which does not include service solely for landscape watering or irrigation purposes.
- (b) The base rate for water furnished under this category shall be \$0.08 more per H.C.F. than the Business rate due to the District's inability to collect availability charges.
- (c) The monthly system charge for water service under this category shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00	3.85	27.85
1"	36.95	6.15	43.10
1-1/2"	51.95	11.60	63.55
2"	64.95	20.05	85.00
3"	104.55	36.95	141.50
4"	119.70	63.15	182.85
6"	239.20	115.50	354.70
10"	456.60	300.30	756.90

5. COMMERCIAL AGRICULTURAL

- (a) Defined as: Water service for growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade or industry, or for use by public educational or correctional institutions or agricultural, horticultural or floricultural products and produced
- (i) for human consumption or for the market, or
- (ii) for the feeding of fowl or livestock produced for human consumption or for the market, or
- (iii) for feeding fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.
- (b) The base rate for water furnished under this category shall be \$1.98 per H.C.F.

Agricultural water customers authorized to participate in MWD's "Interim Agricultural Water Program" (IAWP) shall receive a \$0.33 discount per H.C.F. from the base rate and shall be subject to the following provisions under the program: During a water shortage, IAWP customers are required to reduce their water usage by 30%. Additional cutbacks required beyond 30% will be applied to IAWP and M&I customers equally.

- (c) The monthly system charge for this category of water service shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00	3.85	27.85
1"	36.95	6.15	43.10
1-1/2"	51.95	11.60	63.55
2"	64.95	20.05	85.00
3"	104.55	36.95	141.50
4"	119.70	63.15	182.85
6"	239.20	115.50	354.70
10"	456.60	300.30	756.90

- (d) Commercial agricultural water service shall be furnished only under the following conditions:
 - (i) Upon request of the District each customer for such service shall sign and file with the District a written certification, in the form prescribed by the District, stating that the said water service is being used or will be used exclusively for agricultural purposes as defined above.
 - (ii) Commercial agricultural water service shall be furnished on an interruptible basis. When the demand for such service from a customer or customers exceeds the District supply of water available for such service, or where the capacity of District facilities is not adequate to meet the demand for service, the District may reduce or cease delivery of water for agricultural purposes pending the restoration of the supply of water or the availability of facilities to deliver water in the amounts requested.

6. TEMPORARY WATER SERVICE

- (a) Defined as: Water service provided on a temporary basis pursuant to Section 31 of this Code.
- (b) If capacity fees have not been paid by the customer, the base rate for water furnished under this category shall be two times the base rate charged customers in the same category of service on a permanent meter basis.
- (c) If the customer is in an Improvement District and has paid capacity fees, the base rate for water furnished under this category shall be the base rate charged customers in the same category of service on a permanent meter basis.

7. NON-AGRICULTURAL IRRIGATION WATER SERVICE

1. IRRIGATION USING POTABLE WATER

- (a) Defined as: Potable water service provided solely for irrigation of landscaping as defined in Section 0.02 of the Code in open space areas including those owned by public or private entities. This service can be provided on a permanent or temporary meter basis.

- (b) Base Rate: For privately owned permanent water service under this category, the base rate for water furnished shall be \$1.98 per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than the privately-owned rate due to the District's inability to collect availability charges.
- (c) Allocation under normal conditions (i.e., no conservation stage in effect): An irrigator may receive a seasonably adjusted allotment of water equal to approximately 46 inches per year per square foot, for the actual area to be irrigated* (as defined in Section 0.02 of the Code). It is the customer's responsibility to provide to the District accurate and current area measurements.
- (d) Allocation when conservation stage alert in effect: During a Stage II water shortage where the District needs to reduce its overall water demand by 25% or more, the District's non-agricultural irrigation accounts will be allocated water based upon their irrigated landscape square footage. During a stage III water shortage, all outdoor irrigation may be prohibited as referenced in section 39.06.
- (e) Water allocation enforced during shortage conditions: During a stage II water shortage where the District is expected to reduce its water use by 25% or more, non-agricultural irrigation accounts will be expected to adhere to their water allocation or pay penalties as a result of exceeding their allocation.
- (f) Multiple Accounts: Customers with multiple meters may request the monthly allocation provided for in Section 25.03.E.7(c) and (d) to be applied to the entire site served by those meters. Exceptions or modifications to

*The allocation of 80% of the evapotranspiration rate for cool season grass grown in the District has been determined to be more than adequate for the effective irrigation of virtually any plant material.

this provision may be approved by the General Manager on a case-by-case basis.

- (g) Temporary Water Service: For temporary water service under this category, the water service rate shall be two times the rate for permanent service under (b) above.
- (h) Monthly system charge: The monthly system charge for potable non-agricultural irrigation water service shall be as follows:

Meter Size	System Charge	MWD & CWA Fixed Charge	Charge per Month
3/4"	24.00	3.85	27.85
1"	36.95	6.15	43.10
1-1/2"	51.95	11.60	63.55
2"	64.95	20.05	85.00
3"	104.55	36.95	141.50
4"	119.70	63.15	182.85
6"	239.20	115.50	354.70
10"	456.60	300.30	756.90

2. IRRIGATION USING NON-POTABLE AND RECLAIMED WATER

- (a) Defined as: Non-potable and reclaimed water service provided solely for irrigation of landscaping as defined in Section 0.02 of the Code in open space areas including those owned by public or private entities. This service can be provided on a permanent or temporary meter basis. See Section 25.03.E.7.1(a) and (b) for other requirements regarding the authorized use of non-potable and reclaimed water.
- (b) Base Rate: For privately owned permanent water service under this category, the base rate for water furnished shall be \$1.67 per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than privately-owned rate due to the District's inability to collect availability charges.
- (c) Temporary Water Service: For temporary water service under this category, the water service rate shall be two times the rate for permanent service under (b) above.

- (d) Monthly system charge: The monthly system charge for non-potable and reclaimed non-agricultural irrigation water service shall be as follows:

Meter Size	System Charge
3/4"	27.85
1"	42.90
1-1/2"	60.30
2"	75.40
3"	121.30
4"	138.90
6"	277.60
10"	529.70

8. RECLAIMED WATER

- (a) Defined as: Non-potable water service provided from water produced by the District's water reclamation plant and other non-potable sources and offered for sale by the District for purposes other than irrigation or landscaping (see 25.03.E.7.2 above for irrigation purposes). Reclaimed water is non-potable. Reclaimed water shall not be used for domestic purposes and all other uses must comply with federal, state and local laws and regulations regarding use of reclaimed water.
- (b) The provisions of this Code, relating to cross-connections and backflow protective devices, shall be strictly enforced for use of reclaimed water.
- (c) The base rate for privately owned permanent service under this category shall be \$1.67 per H.C.F. For publicly owned permanent water service, the base rate shall be \$0.08 more per H.C.F. than the privately-owned rate due to the District's inability to collect availability charges.
- (d) The monthly system charge for permanent reclaimed water service shall be as follows:

Meter Size	System Charge
3/4"	27.85
1"	42.90
1-1/2"	60.30
2"	75.40
3"	121.30
4"	138.90
6"	277.60
10"	529.70

9. WATER SERVICE UNDER SPECIAL AGREEMENTS

- (a) Defined as: Water service provided under express agreements approved by the Board of Directors for service to golf courses, which service may be curtailed or interrupted by the District under conditions provided in such agreements.
- (b) For water service under this category the base rate for water furnished shall be \$1.98 per H.C.F.

10. TANK TRUCKS

- (a) Defined as: Water service provided for the filling of tanks on motor vehicles transporting water used for other than earth grading purposes, which service shall be made only through a portable meter issued by the District to a customer specifically for use in accordance with the provisions herein for service.
- (b) The rate for water furnished under this category shall be two times the rate for BUSINESS, DOMESTIC AND AGRICULTURAL COMBINED in section 25.03.E.3. Payment of charges shall be made as provided in paragraph 10(c)(4); provided that there shall be a minimum charge of \$15 for this service.
- (c) Requirement for Use of Water Meter

- (1) To receive such service, the customer shall use a water meter furnished by the District to measure the amount of water furnished. The customer shall deposit the following amount with the District for use of the meter:

Meter Size Deposit

4" \$850

- (2) Upon termination of the service, the District will refund the amount of deposit remaining after making the following deductions:
 - (i) Cost of repairing or replacing the meter, fire hydrant and/or any fittings damaged or lost while in use; and

- (ii) Unpaid charges for water used or other applicable charges.
- (3) Prior to the end of each six month period following issuance of a meter under this section, or at the request of the District, whichever is earlier, the customer shall return the meter to the District for inspection, repair, or calibration as deemed necessary by the District.
- (4) Payment for water service under this category shall be made as follows:
 - (i) On or before the first day of each month following issuance of the water meter the District shall issue its statement for water service furnished during the preceding month.
 - (ii) The statement shall be based on the amount of water actually used, which shall be determined by District reading of the meter or by a report made by the customer to the District in the manner prescribed by the District.
 - (iii) Where the actual amount of water used cannot be made as provided in (ii) District shall issue its statement for charges based on estimates of water that may have been used. Such estimates shall be determined by the District. Such estimates shall be reconciled with actual amounts used when the customer returns the meter to the district as provided in paragraph (3) above.
 - (iv) Payments shall be made by each customer of this service in accordance with Section 34 of this Code.

11. WATER SERVICE OUTSIDE DISTRICT

- (a) Defined as: Water service for property outside the exterior boundaries of the District. This service will be provided only upon prior approval of the General Manager when there is a surplus of water available over and above the existing needs for service in the District. This service is temporary and may be terminated on written notice

from the District. Customers for this service are sometimes referred to as "outside users."

- (b) Customers applying for this category of service shall pay an application fee of \$500.
- (c) The rate for metered water furnished under this category shall be two times the rate charged customers for the same category of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the category of water service being furnished.
- (d) Customers requesting only a fire service or a fire hydrant under this category shall be charged a capacity fee based on one (1) EDU for a permanent meter in the Improvement District from which the fire service derives its flow, plus a monthly system charge at the rate set forth in the category of water service being furnished.

12. WATER SERVICE OUTSIDE AN IMPROVEMENT DISTRICT

- (a) Defined as: Water service on a temporary basis for property lying within the boundaries of the District, but not within a water improvement district. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for this service shall pay an application fee of \$275. The District will review the application to determine whether the land to be served should be annexed to an improvement district. If it is determined that annexation is not practical, the Board of Directors may authorize service as an outside user. This temporary service will be reviewed periodically until it is determined that the property must be annexed to an improvement district.
- (c) The rate for water furnished under this category shall be two times the rate charged customers for the same category of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the category of water service being furnished.
- (d) Upon approval of the Board of Directors, a customer, who has paid all construction costs for

facilities necessary to serve the customer's property in lieu of annexation to a water improvement district, shall be exempt from the provision for this category of service.

13. SERVICE FOR FIRE PROTECTION

- (a) Defined as: Water service provided by the District for use solely in fire hydrants or fire sprinkler systems from lines or laterals connected to District water mains.
- (b) The District will not make a charge for the quantity of water used for fire protection purposes.
- (c) The monthly system charge for this category of service shall be \$25.40 per month for each connection to a District water main made for fire protection service.

14. WATER SERVICE TO PROPERTY NOT SUBJECT TO DISTRICT TAXES

- (a) Pursuant to Section 71613 of the California Water Code, the District may furnish water to property, not subject to District taxes, at special rates, terms and conditions as are determined by the Board of Directors for such service. Such rates, terms and conditions shall be uniformly applied to like classes and conditions of service in the same improvement district or geographical area.

F. Surcharges for Quantities of Water Used in Excess of Monthly Base Usage Allowance. In addition to the water rates and charges in this Section 25.03, a surcharge shall be paid by each customer for water furnished through permanent meters one inch or greater in size, when, in any month, the number of units of water furnished to the customer exceeds the monthly usage allowance, shown in the schedule set forth below for the size of meter being used. A unit is 100 cubic feet or 748 gallons of water. Surcharges shall be applied at the rate of \$0.04 per unit for the number of units of water shown in Category I usage in said schedule, and at the rate of \$0.06 per unit for the number of units shown in Category II Usage in said schedule.

The surcharges shall be made monthly in accordance with the following schedule:

Meter Size	Non-Surcharge Monthly Unit Usage Allowance	Category I Usage at \$0.04 per Unit	Category II Usage at \$0.06 per unit
5/8"-3/4"	30	None	None
1"	75	76-225	226 & over
1-1/2"	150	151-400	401 & over
2"	240	241-600	601 & over
3"	480	481-1200	1201 & over
4"	750	751-1800	1801 & over
6"	1500	1501-4000	4001 & over
10"	3450	3451-8000	8001 & over

G. Energy Charges for Pumping Water. In addition to water rates and other charges provided for in this Section 25.03, potable water customers shall be charged an energy pumping charge based on the quantity of water used and the elevation to which the water has been lifted to provide service. The energy pumping charge shall be made at the rate of \$0.034 per 100 cubic feet of water for each 100 feet of lift or fraction thereof above the base elevation of 450 feet.

H. Additional Water Charge for Service in the North District. In addition to other applicable water rates and charges provided for in this Section 25.03, each customer receiving water service in the North District shall pay a charge of \$0.08 per H.C.F. for water furnished by the District; provided, however, the additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for the customer's account under Section 25.03.E.1 DOMESTIC SERVICE. The North District area is defined in Section 0.02 of this Code

All proceeds from charges collected pursuant to this Section 25.03.H shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the North District.

I. Additional Water Charges and Monthly System Charges for Service in the ID 9 Water Service Zone.

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a charge of \$0.27 per H.C.F. of water furnished by the District;

provided, however, the additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for a customer's account under Section 25.03.E.1 DOMESTIC SERVICE. The ID 9 Water Service Zone area is defined in Section 0.02 of this Code.

2. In addition to the monthly system charges provided for in Section 25.03.B, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a monthly meter system charge of \$2.00 for each meter in service.
3. All proceeds from charges collected pursuant to this Section 25.03.H shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the ID 9 Water Service Zone.

J. Additional Water Charges for Services in the ID 3, ID 10 and La Presa Water Service Zones.

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 17, 1993, each customer receiving water service in the ID 3, ID 10 and La Presa Water Service Zones shall pay an additional charge per H.C.F. of water furnished by the District as follows:
 - a. ID 3 \$.02 per H.C.F.
 - b. ID 10 \$.10 per H.C.F.
 - c. La Presa \$.02 per H.C.F.
2. For subsequent years this surcharge shall increase according to the following schedule:

- a. ID 3

Calendar Year Amount

1995	.03
1996	.04
1997	.05
1998	.06
1999	.07
2000	.08
2001	.09
2002	.10
2003	.11
2004	.12
2005	.13
2006	.14
2007	.15
2008	.16

2009	.17
2010	.18
2011	.19
2012	.20
2013	.21

b. ID 10

Calendar Year Amount

1995	.11
1996	.12
1997	.13
1998	.14
1999	.15
2000	.16
2001	.17
2002	.18
2003	.19
2004	.20
2005	.21
2006	.22
2007	.23
2008	.24
2009	.25
2010	.26
2011	.27
2012	.27
2013	.27
2014	.27
2015	.27
2016	.27
2017	.27
2018	.27

c. La Presa

Calendar Year Amount

1996	.03
1999	.04
2002	.05
2005	.06
2008	.07
2009	.07
2010	.07
2011	.08
2012	.08
2013	.08

3. The additional charge shall not apply to the first 5 H.C.F. furnished during the billing cycle for a customer's account under Section 25.03.E.1 DOMESTIC SERVICE.

4. All proceeds from charges collected pursuant to this Section 25.03.J shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage, reservoirs, pump stations and water lines to provide service in the ID 3, ID 10 and La Presa Water Service Zones, respectively.

25.04

DEPOSIT BY LESSEES OR NON-OWNERS OF PROPERTY

A. AMOUNT OF DEPOSIT

When an application for water service is made by a customer who does not own the land to be served, the customer shall be required to make a cash deposit to assure payment of the account. In lieu of a deposit, the customer may have payment of water service bills guaranteed in writing by the owner of the property. The amount of deposit, determined by the size of meter, shall be as follows:

Meter Size	Deposit for All Categories of Service	
	With Owner's Guarantee	Without Owner's Guarantee
3/4"	\$35	\$75
1"	\$75	\$150
1-1/2"	\$100	\$200
2"	\$180	\$360
3"	\$400	\$800
4"	\$675	\$1,350
6"	\$1,650	\$3,300
8"	\$2,200	\$4,400
10"	\$2,750	\$5,500

The customer's deposit shall be applied to reduce or satisfy any delinquent payment or other amount due the District at the time of termination of water service to the customer. Any portion of the deposit remaining after satisfaction of the amount due shall be refunded to the customer that made the deposit.

The deposits listed above may be waived for a new residential applicant where the applicant demonstrates credit worthiness based upon prior rent payments, house payments, utility payments, a non-delinquent water account for one year or other similar evidence of credit.

B. REFUND OF DEPOSIT

Where funds have been on deposit for twelve months in a domestic service account and there has been no more than one delinquent payment on that account during that period, the District will refund the deposit to the customer.

C. LETTER OF CREDIT

A letter of credit, in a form approved by the General Manager or Department Head of Finance, may be submitted to the District to satisfy the deposit requirements.

25.05 SERVICE TO SUBSEQUENT CUSTOMERS

After a water meter has been installed for a customer and all fees and charges have been paid, water service may be furnished to a subsequent customer through the water meter installed without payment of further charges, except for the set-up fee for transferred accounts, payment of delinquent charges for the applicant's service or other deposits that may be required by this Code.

SECTION 53 FEES, RATES, CHARGES AND CONDITIONS FOR SEWER SERVICE53.01 CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

Sewer service capacity may be acquired only for service to a specific address, parcel of land, or a land development project covered by an approved map. An approved map shall mean a recorded final map, a recorded parcel map or a tentative subdivision map that has been approved by the County or by a City, where applicable.

53.02 SERVICE AREAS

A. Service Areas. Sewer service shall be furnished by the District only to property located in Improvement District No. 14 ("I.D. 14"), Improvement District No. 18 ("I.D. 18"), and Assessment District No. 4 ("A.D. 4"), and the Russell Square Sewer Service Area. Sewer service to property located outside such areas may be furnished only upon annexation to ID 18.

53.03 ACQUISITION OF SEWER CONNECTIONS FOR SERVICE IN I.D. 14, I.D. 18 AND A.D. 4

A. There shall be no connection capacity fee for sewer service to parcels already annexed into Improvement District No. 14, Improvement District No. 18 and Assessment District No. 4 on or after December 16, 1998.

53.04 ACQUISITION AND PURCHASE OF SEWER CAPACITY FOR SERVICE IN THE RUSSELL SQUARE SEWER SERVICE AREA

A. District Acceptance of Sewer Facilities for Russell Square Area. Under an Agreement with Cal Dorado Development, Inc., dated June 28, 1981, the District accepted title to a sewer pump station, force main and appurtenances for a sewage system to provide sewer service to the residential dwelling units to be constructed within the parcels of land in San Diego County Tentative Parcel Map 17150. Under an Agreement with Cal Dorado Development, Inc., dated June 18, 1981, the District agreed to provide service to such parcels on the terms and conditions contained therein. On October 1, 1984, pursuant to Resolution No. 2139, the District Board of Directors accepted title to the facilities.

B. Designation of Russell Square Sewer Area. The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file in the office of the District Secretary, is hereby designated as the Russell Square Sewer Service Area.

C. Connection Fees for Connections for Sewer Service through the Russell Square Sewer Pump Station.

1. Establishment of Sewer Connection Fee

There is hereby established a connection fee for each EDU of sewer service provided through a connection to the District Russell Square Pump Station. The number of EDUs for the connection shall be as set forth in Section 53.09 of the Code. The amount of the fee shall be determined at the rate of \$7,500 for each EDU of service. Payment of the fee shall be made by an applicant for sewer service through the Russell Square Pump Station at the time application for service is made. Since the Russell Square Pump Station and force main were constructed by the developer or his assignee, at their expense, for the purpose of providing service to the parcels within Tentative Parcel Map 17150, the said fee of \$7,500 for each EDU shall not apply for connections for sewer service to the parcels within said map. Such exempt parcels are currently identified as Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. There is hereby established a monthly sewer service charge to cover normal operational costs of the Russell Square Pump Station and force mains. The amount of the charge shall be \$200 per month for each EDU of service provided through the Russell Square Pump Station. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.
3. The charges received by the District under 1 and 2 above shall be maintained in a separate account and shall be used by the District solely for maintenance, replacement or repair under C.1. above and for the operation of the facilities under C.2. above.
4. In addition the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.11; and the annexation fee for annexation to Improvement District No. 18, if it is necessary to annex the parcel of land prior to receiving sewer service.

53.05 CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall pay such charges for the installation determined on the basis of actual costs incurred by the District in performing the work. At the time of application, the District will estimate the total costs to perform the work. The customer shall deposit the estimated amount with the District prior to commencement of the work. If actual costs incurred are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If the costs incurred by the District exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.06 PAYMENT OF FEES. All fees prescribed in the Code shall become owing, due and payable at the time application is made to connect a premise to the sewer system of the District. The fees shall be paid to the District prior to the issuance of any permit authorizing the connection of such premise to the District sewer system. If the proposed connection cannot be made, the fee may be refunded when approved by the General Manager.

53.07 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION. The use of a sewer connection shall be limited to the type and number of EDUs authorized by the original wastewater discharge permit. Before adding any additional equivalent dwelling units, buildings, modifying existing buildings, or change occupancy type, the property owner shall make a supplementary wastewater permit application to the District for such change in use and pay additional sewer annexation fees per EDU, if necessary, as may be applicable. Periodic inspection of the premises may be made by the District and if actual use is greater than estimated use, an assessment for additional annexation fees shall be assessed in accordance with the fee schedule in the then current Code of Ordinances.

53.08. Wastewater Discharge Permit Issuance and Limitation.

1. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewerage system.
2. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater discharge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.

3. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to district sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.09. Basis for Determination of EDUs.

1. The number of EDUs for sewer service shall be determined on the following basis:

a)	<u>Residential Facilities</u>	EDUs
1)	Single Family Residence (Includes manufactured homes, and mobile homes which are on private lots	1.0
	A secondary structure with a kitchen is considered an additional EDU	
2)	Apartments and Multiple Family Housing Each individual living unit	1.0
3)	Residential condominiums Each individual living unit	1.0
4)	Mobile Home and Trailer Parks Per each individual space	1.0
b)	<u>Commercial/Industrial Facilities</u>	
1)	<u>Food Service Establishments</u>	
a)	Take-out restaurants with disposable utensils, no dishwasher and no public restrooms	3.0
b)	Miscellaneous food establishments - ice cream/yogurt shops, bakeries (sales on premise only)	3.0
c)	1) Take-out/eat-in restaurants with disposable utensils, but with seating and public restrooms	3.0

2) For restaurants with reusable utensils, seating and public restrooms one EDU is assigned for each six-seat unit as follows: 0-18 seats - 3.0 EDU (minimum). Each additional 6 seat unit will be assigned 1.0 EDU.

2) Hotels and Motels

- a) Per living unit without kitchen 0.38
- b) Per living unit with kitchen 0.60

3) Commercial, Professional, Industrial Buildings, Establishments not specifically listed herein

- a) Any office, store or industrial condominium or establishments.
First 1,000 sq. ft. 1.2
- Each additional 1,000 sq. ft. or portion thereof 0.7

- b) Where occupancy type or usage is unknown at the time of application for service, the following EDUs shall apply. This shall include, but not be limited to, shopping centers, industrial parks and professional office buildings.

First 1,000 sq. ft. of gross building floor area 1.2

Each additional 1,000 square feet of gross building floor area. Portions less than 1,000 sq. ft. will be prorated. 0.7

- 4) Self-service laundry per washer 1.0

- 5) Churches, theaters and auditoriums per each 150 person seating capacity, or any fraction thereof. (Does not include office spaces, schoolrooms, day-care facilities, food preparation areas, etc. Additional EDUs will be assigned for these supplementary uses.) 1.5

- 6) Schools
- a. Elementary Schools - For each 50 pupils or fraction thereof 1.0
 - b. Junior High Schools - For each 40 pupils or fraction thereof 1.0
 - c. High Schools, Colleges and Universities - For each 24 pupils or fraction thereof 1.0

Additional EDUs will be prorated based on above values.

The number of pupils shall be based on the average daily attendance of pupils at the school during the preceding fiscal year, computed in accordance with the education code of the State of California. However, where the school has had no attendance during the preceding fiscal year, the General Manager shall estimate the average daily attendance for the fiscal year for which the fee is to be paid and compute the fee based on such estimate.

- 7) Convalescent Homes
- a) Skilled nursing care facilities, psychological hospitals, convalescent hospitals; licensed by the Department of Health. 0.7/bed
 - b) Community Care Facilities with 16 or more beds licensed by the State Department of Health. 0.5/bed
 - c) Small Community Care Facilities with 7 to 15 beds licensed by the County Department of Social Services 0.5/bed
 - d) Community Care Homes with six or fewer total residents, including resident staff and housekeepers (to be the same EDU as a single-family residence). 1.0

8) Other

In the case of commercial, industrial and other business establishments such as bottling works, supermarkets, markets, deli/markets, convenience stores, hospitals, laundries (other than self-service laundries), automobile service stations, mortuaries, day-care centers, bars, pool halls, and other establishments not included in items 1) through 7) inclusive, or when the EDUs specified in items 1) through 7) are not representative of actual flow due to the number of employees or type of operation, the number of equivalent dwelling units shall be determined in each case by the General Manager and shall be based upon the estimated volume and type of wastewater discharge into the sewer.

53.10 TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

A. Transfer or Assignment

EDU sewer connection rights obtained by a customer may not be transferred or assigned to any other person, firm or corporation, except for (i) a transfer to a financial institution which provides any or all financing for the acquisition of such connection rights, or (ii) a transfer or assignment to a subsequent purchaser of the property for which the connection rights were acquired; provided that the rights so assigned must be used only for the property for which such were initially acquired.

B. Resale of Connection Rights

If a customer desires to make a transfer, other than as authorized in Paragraph (a), or to sell all or any portion of the EDU sewer connection rights acquired, such must be returned to the District. The District will acquire the EDU connection rights on the terms and conditions provided for in the agreement under which the connection rights were obtained.

53.11 SEWER SERVICE RATES AND CHARGES

A. Set-up Fees for Accounts. A set-up fee of \$10.00 shall be charged for each account transferred to another customer.

B. Residential Sewer Charges

- (1) Winter Average Determination. Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). For Otay water customers, the winter period is December through March, and for Helix water customers, the winter period is January through April. The winter average for Otay is calculated by adding the four months of the preceeding winter together and dividing by four. The winter average for Helix is calculated by adding the two billing periods of the four months together and dividing by four. For both Otay and Helix water customers, this average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes.
- (2) Usage Fee. The usage fee rate of \$1.41 is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount). This fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.
- (3) Base Fee. The monthly base fee is \$9.75 for a $\frac{3}{4}$ inch water meter and \$14.25 for a 1 inch or greater water meter.
- (4) The average residential sewer charge shall be calculated by calculating the total usage fee for all residential customers and dividing by the number of residential customers. Then the monthly base fee for $\frac{3}{4}$ " meter is added to this average fee and this shall be used to determine the rate per ASU to be used for commercial customers. Effective January 1, 2008, the average residential sewer charge is \$33.26 per ASU.

C. Single Residential Winter Averaging

- (1) Defined as: Sewer service for individually metered residential households.
- (2) The monthly sewer bill is calculated by adding the base fee plus the usage fee as described in 5.11.B.(1), (2), & (3) above.
- (3) The maximum "Winter Average" for individually metered residential customers is (after the 15% discount) as follows:

- i. January through December 2008 -
18 units
- ii. January through December 2009 -
22 units
- iii. After December 31, 2009 - 30 units

(4) New Customers. New Customers that do not have a prior winter consumption history to determine their monthly usage fee shall be assigned a "Winter Average" of 18 - 15% discount = 15.3 units for single individually metered households.

D. Multi-Residential Rate Charges

(1) Defined as: Sewer service for master metered water service for multiple residential households including for example; duplex, townhomes, apartments, and mobile homes.

(2) The monthly sewer bill for the complex is calculated by adding a $\frac{3}{4}$ " base fee (as described in 5.11.B (3)) times the number of units in the complex plus the usage fee (as described in 5.11.B (1) & (2) for the entire complex. (Note: There is no cap on consumption for the multi-residential customers.)

(3) New complexes that do not have a prior winter consumption history to determine their monthly usage fee shall be assigned a "Winter Average" of 8 units less a 15% discount to equal 6.8 units for each multiple-residential unit in a master metered residential complex.

E. Commercial Sewer Charges

- (1) ASU Determination: The charges for commercial sewer service shall be based on the rate of discharge and the strength of sewage. The Board of Directors may adjust the charges in proportion to the amount of water not entering the sewer which is substantiated by the property owner or discharger.
- (2) The strength of sewage is based on its biochemical oxygen demand (BOD) and the cost of removing suspended solids (SS).
- (3) The formula is derived by taking the total cost of providing sewer service and charging each user for a pro-rata share.

- (4) The State Revenue Program Guidelines require use of an "Assigned Service Unit Assignment Formula" which converts higher strength uses into a service unit value which is comparable to the use impact of a single-family residential user or equivalent dwelling unit. The formula for determining an Assigned Service Unit (ASU) for a single-family dwelling is set forth in the annual budget, which is incorporated herein by reference.
- (5) The formula is based on an estimated daily flow of 250 gallons per day plus 280 milligrams per liter of BOD and 234 milligrams per liter of SS for a residential equivalent dwelling unit.
- (6) For commercial users the flow is based on 85% of their prior 12-month water consumption to reflect the amount of water that returns to the system. The strength of discharge for commercial user is based on whether it is classified as a low-strength, medium-strength or high-strength user:

User Classification

Low-Strength Commercial = 1.000 Strength Factor

Car wash
General office and buildings
Barber and beauty shops
Department, retail stores and general commercial
Hospitals and convalescent homes
Laundromat, laundry and dry cleaners
Professional office or office building
Warehouse
Other uses having a similar strength as determined by the District

Medium-Strength Commercial = 1.238 Strength Factor

Bars without dining facilities
Bowling alley
Hotels without dining facilities or cooking facilities
Auto repair/sales shop and service station
Shopping centers
Other uses having a similar strength as determined by the District

High-Strength Commercial = 2.203 Strength Factor

Bakery or bakery with deli
Hotel with dining facilities
Restaurant and bars with food

Supermarkets
Other uses having a similar strength as
determined by the District

Institutional = 1.000 Strength Factor

Churches: Treated the same as Low-Strength
Commercial.

Schools: For public schools flow is based on
average daily attendance ("ADA") for the prior
school year, including summer school, as
reported by schools to meet state requirements.
Private schools will be required to file a
report verifying their attendance. For
elementary schools 50 students shall equal 1
ASU. For junior high schools 40 students shall
equal 1 ASU and for high schools 24 students
equals 1 ASU. The formula for schools shall be
the same as applies to single-family
residential.

Colleges: For colleges, flow is based on the
number of Certificated and Classified Staff,
and students enrolled in each school session
(Spring, Summer, and Fall):

$$\begin{aligned} \text{Gallons per day (GPD)} &= \text{no. of students and staff} \times \\ &\quad \text{no. of weeks Spring} \\ &\quad \text{session)} \\ &+ \text{(no. of students and staff} \\ &\quad \text{x no. of weeks Summer} \\ &\quad \text{session)} \\ &+ \text{(no. of students and staff} \\ &\quad \text{x no. of weeks Fall} \\ &\quad \text{session)} \\ &+ \text{(no. of staff x no. of non-} \\ &\quad \text{session weeks)} \\ &\times 23 \div 52 \end{aligned}$$

$$\begin{aligned} \text{ASU} &= \text{Daily Flow} \times \text{Strength Factor} \\ &= [(\text{GPD} \times 85\%) \div 250] \times 1.000 \end{aligned}$$

The minimum charge for commercial shall be no lower
than 1 ASU at low strength. Charges are determined
each fiscal year. The formula is set forth in the
annual budget, which is incorporated herein by
reference.

F. Charges to Cover the State Loan Program for the
Treatment Facility. A \$54 fee per ASU shall be attached to
the property tax bills to cover the annual payment on the
\$5,000,000 state loan until such loan is paid in full.

G. Monthly Service Charges for Commercial Sewer Service. The Monthly Sewer Service charges for service furnished by the District, shall be:

1. Commercial and Institutional (per ASU):

Commercial users shall be charged based upon the ASUs derived in Section 53.11E.(4) multiplied by the single-family average residential rate Section 53.11 B.(4).

2. Industrial and Other Users

Charges determined by the Board of Directors on a case-by-case basis.

Monthly sewer service charges shall commence upon installation of the water meter to serve the premises receiving the sewer service, upon connection to the District sewer system, upon start of occupancy of the premises to be served, or one year after the date the application for sewer service is filed, whichever is earlier. If a sewer service connection has been obtained and if sewer service will not be used until some time after installation of the water meter, commencement of the sewer service charge may be deferred until the later date only upon prior approval of the General Manager.

secretarial support for Garden activities. The current request is for an estimated 15 hours of executive secretarial support on a monthly basis. The time requirements are concentrated around the board meeting and are not evenly distributed.

Although it is true that in the past the agency serving as Board President also provided secretarial services, it was previously agreed that the Garden would become self-sustaining through funding provided by the WCG members, including Otay.

Given Otay's current secretarial staffing, we are not able to provide support at the level of more than 1/3 of an FTE without Otay hiring added staff to pick up the workload. It is recommended that the Garden pursue the original agreement that it become self sufficient and hire permanent staff to meet its ongoing resource requirements.

FISCAL IMPACT: _____

None



General Manager

Attachment A

Attachment B: Garden Board Secretary Support Staff Report 9/06/06



ATTACHMENT A

SUBJECT/PROJECT:	Water Conservation Garden Board Secretary Support
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COMMITTEE ACTION:

- The Finance, Administration and Communications Committee reviewed this item at a meeting held on September 17, 2007.

The Committee reviewed this item and supported presentation to the Board of Directors.

NOTE:

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



ATTACHMENT A

SUBJECT/PROJECT:	Water Conservation Garden Board Secretary Support
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COMMITTEE ACTION:

- The Finance, Administration and Communications Committee reviewed this item at a meeting held on September 17, 2007.

The Committee reviewed this item and supported presentation to the Board of Directors.

NOTE:

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



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:			
(Chief)			
APPROVED BY:			
(Asst. GM):			
SUBJECT:	Water Conseration Garden Board Secretary Support		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve a one time payment of \$5,000 to the Water Conservation Garden (WCG) to provide funding for Board Secretary support.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To present for board consideration the approval of a one time payment of \$5,000 to the Water Conservation Garden to provide funding for Board Secretary support.

ANALYSIS:

The WCG has historically been supported financially and by the staff of the Otay Water District and Helix Water District. Over the years, this financial and staff support has been reduced to an annual contribution of \$75,000 from Otay WD and Helix WD with Helix maintaining the logistical and staff support for the Board Secretary function.

Helix indicates that they desire to terminate their support of the board secretary function to the WCG. The WCG approached the Otay WD and inquired if it intended to take over this function due to the fact that a District board member, Mark Robak, is the current President of the WCG. Otay does not have staff resources to support this function. In discussions with Ms. Eberhardt, it is proposed that Otay WD provide a one-time payment of \$5000 to the WCG to retain support for the board secretary function. This will mitigate the cost of the WCG taking on this duty and allow a smooth budget

transition. It will also assist the WCG in becoming more self-supporting. It is anticipated that in future budget years, the WCG will fully fund this activity.

FISCAL IMPACT: _____

This item was not budgeted in the FY07 operating budget. The District anticipates savings in the General Manager's "Outside Services" and Administration's "Travel" account that will offset this expenditure.

General Manager



ATTACHMENT A

SUBJECT/PROJECT:	Water Conservation Garden Board Secretary Support
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COMMITTEE ACTION:

The Finance and Administration Committee reviewed this item at a meeting held on August 21, 2006. The following comments were made:

- The Water Conservation Garden (WCG) Board Secretary function is generally shared from agency to agency based on which agency's director is the current president of the WCG;
- Director Robak is the current President of the WCG and he has been approached by the garden if the Otay WD would be providing the Board Secretary support as Helix WD indicated that they desire to terminate their support of this function on November 1, 2006;
- Otay WD does not have the personnel resources to support this function and in discussion with Ms. Marty Eberhardt, the Otay WD proposed that the District provide a one-time payment of \$5,000 to the WCG so they may retain Board Secretarial support;
- It was discussed that the \$5,000 would assist the Garden with its budget to cover the cost of the board secretary function. It is anticipated that the WCG will fully fund this activity in future budget years;
- It was noted that by the WCG taking over this function it would also help them to become more self-supporting which is the direction the district would like to see the WCG move toward;
- It was discussed that Helix WD indicated that their cost to support this function was much more than \$5,000 per year and this was certainly more cost effective;

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

NOTE:

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