



# AGENDA ITEM 7

## STAFF REPORT

|               |  |               |                  |
|---------------|--|---------------|------------------|
| TYPE MEETING: | Regular Board  | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY: | Kelli Williamson, <i>KW</i><br>Human Resources Manager   | W.O./G.F. NO: | DIV. NO. All     |
| APPROVED BY:  | Rom Sarno, Chief, Administrative Services <i>RS</i><br>(Chief)   |               |                  |
| APPROVED BY:  | German Alvarez, Assistant General Manager, Finance and Administration <i>GA</i><br>(Asst. GM):   |               |                  |
| SUBJECT:      | Adopt Resolution #4152 to Revise the American with Disabilities Act and the Fair Employment and Housing Act (ADA/FEHA) Disability Board Policy #48 |               |                  |

### GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution #4152 to revise the ADA/FEHA Disability Board Policy #48.

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

See Attachment "A".

### PURPOSE:

To request the Board approve revisions to a Board Policy.

### ANALYSIS:

From time to time, District Policies and Procedures are reviewed and revised if necessary. After a review of the ADA/FEHA policy, District staff and General Counsel are recommending minor revisions deemed appropriate at this time. This policy was also reviewed with the Employees' Association. The Association has agreed to the policy as presented. Revisions are shown in the attached strikethrough/underlined version of the policy. (Attachment B)

The District will receive credits towards the District's Workers' Compensation premium from the Special District's Risk Management Authority (SDRMA) for having an ADA/FEHA Policy and for having reviewed it on a bi-annual basis. The District participates in the SDRMA's Credit Incentive Program (CIP) for

Resolution #4152 (Attachment C)

It is requested that the Board of Directors adopt Resolution #4152 in support of the proposed revisions to Board Policy #48

**FISCAL IMPACT:** \_\_\_\_\_

None.

**STRATEGIC GOAL:**

Optimize the District's Operating Efficiency.

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

None.

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

- Attachment A - Committee Action
- Attachment B - ADA/FEHA Disability Board Policy #48
- Attachment C - Resolution #4152



## ATTACHMENT A

|                         |  |
|-------------------------|--|
| <b>SUBJECT/PROJECT:</b> | Adopt Resolution #4152 to Revise the American with Disabilities Act and the Fair Employment and Housing Act (ADA/FEHA) Disability Board Policy #48 |
|-------------------------|--|

### COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on January 19, 2010 and the Committee support's Staff's recommendations that the Board adopt Resolution #4152 to Revise the ADA/FEHA Disability Board Policy #48.

### NOTE:

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

# ATTACHMENT B

## OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY

| Subject                    | Policy Number | Date Adopted | Date Revised |
|----------------------------|---------------|--------------|--------------|
| ADA/FEHA Disability Policy | 48            | 05/03/06     | 02/03/10     |

### PURPOSE

To provide policies to encourage a bias free environment for disabled employees or for disabled persons who seek employment with the Otay Water District (District).

### STATEMENT OF POLICY

It is the policy of the District not to discriminate on the basis of disability for employment or the provision of services. It is the intent of the District to provide disabled employees a bias free work environment. The District will provide reasonable accommodation in compliance with the Americans with Disabilities Act (ADA) and the Fair Employment and Housing Act (FEHA), including prompt and equitable resolution of complaints alleging discrimination on the basis of a disability.

### POLICY

#### General Provisions

The District has a commitment to ensure equal opportunities for disabled District employees. Every reasonable effort will be made to provide an accessible work environment. The District will not discriminate against disabled employees or applicants in its employment practices (e.g. hiring, training, testing, transfer, promotion, compensation, benefits, termination).

#### Interactive Process

The District will engage in the interactive process, as defined by the ADA and the FEHA, to determine whether an applicant or employee is able to perform his/her essential functions. As part of the interactive process, the District may invite the employee or applicant and, if necessary, the employee or applicant's health care provider, to meet. The employee may choose to have a third party present for support as an observer. However, this person may not act as a representative or attempt to negotiate on behalf of the employee. During the interactive process the District will examine possible reasonable accommodations that would allow the employee or applicant to continue to perform the essential functions in his/her position or, if appropriate, be otherwise employed by the District.

#### Complaints

Any District employee who believes that he/she have been discriminated against because of a physical or mental disability may file a

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

| Subject                    | Policy Number | Date Adopted | Date Revised |
|----------------------------|---------------|--------------|--------------|
| ADA/FEHA Disability Policy | 48            | 05/03/06     | 02/03/10     |

discrimination complaint pursuant to the District's Policy 47, entitled "Policy Against Discrimination and Harassment and Complaint Procedure".

Any applicant who believes that he/she have been discriminated against because of a physical or mental disability may file a discrimination complaint by writing a formal letter to the District's Human Resources Manager.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

| Subject                    | Policy Number | Date Adopted | Date Revised |
|----------------------------|---------------|--------------|--------------|
| ADA/FEHA Disability Policy | 48            | 05/03/06     | 02/03/10     |

PURPOSE

To provide policies to encourage a bias free environment for disabled employees or for disabled persons who seek employment with the Otay Water District (~~the~~ "District").

STATEMENT OF POLICY

It is the policy of the District not to discriminate on the basis of disability for employment or the provision of services. It is the intent of the District to provide disabled employees a bias free work environment. The District will provide reasonable accommodation in compliance with the Americans with Disabilities Act ("ADA") and the Fair Employment and Housing Act ("FEHA"), including prompt and equitable resolution of complaints alleging discrimination on the basis of a disability.

POLICY

General Provisions

The District has a commitment to ensure equal opportunities for disabled District employees. Every reasonable effort will be made to provide an accessible work environment. The District will not discriminate against disabled employees or applicants in its employment practices (e.g. hiring, training, testing, transfer, promotion, compensation, benefits, termination).

Interactive Process

The District will engage in the interactive process, as defined by the ADA and the FEHA, to determine whether an applicant or employee is able to perform his/her essential functions. ~~If the employee or applicant cannot perform the essential functions of his/her position, the District will examine possible reasonable accommodations that will make it possible for the employee or applicant to so perform. Such interactive process will include a meeting with the employee or applicant, the District, and, if necessary, the employee or applicant's health care provider.~~ As part of the interactive process, the District may invite the employee or applicant and, if necessary, the employee or applicant's health care provider, to meet. The employee may choose to have a third party present for support as an observer. However, this person may not act as a representative or attempt to negotiate on behalf of the employee. During the interactive process the District will examine possible reasonable accommodations that would allow the employee or applicant to continue to perform the essential functions in his/her position or, if appropriate, be otherwise employed by the District.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

| Subject                    | Policy Number | Date Adopted | Date Revised |
|----------------------------|---------------|--------------|--------------|
| ADA/FEHA Disability Policy | 48            | 05/03/06     | 02/03/10     |

~~Reasonable accommodation can include, but is not limited to job restructuring, reassignment to a vacant position for which the employee is qualified, and making facilities accessible.~~

Complaints

Any District employee who believes that he/she have been discriminated against because of a physical or mental disability may file a discrimination complaint pursuant to the District's Policy 47, entitled "Policy Against — Discrimination and Harassment and Complaint Procedure".

Any applicant who believes that he/she have been discriminated against because of a physical or mental disability may file a discrimination complaint by writing a formal letter to the District's Human Resources Manager.

# ATTACHMENT C

RESOLUTION NO. 4152

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY  
WATER DISTRICT  
TO REVISE POLICY 48 CONCERNING ADA/FEHA DISABILITY  
POLICY

WHEREAS, the Board of Directors of Otay Water District wishes to clearly communicate the District's position not to discriminate on the basis of disability for employment or the provision of services, as defined by the ADA and FEHA; and

WHEREAS, the District desires to provide for a work environment free of bias for disabled employees or for disabled persons who seek employment with the District; and

WHEREAS, it is the policy of the District to provide a clear policy on the interactive process, as defined by the ADA and FEHA, to ensure equal opportunities for employees and applicants regarding the District's employment practices; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District revise Policy 48, "ADA/FEHA Disability Policy," in the form presented to the Board at this meeting; and

BEING FURTHER RESOLVED that the Board directs the staff of the District to comply with the provisions of revised Policy 48 "ADA/FEHA Disability Policy".

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 3<sup>rd</sup> of February, 2010.

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President

ATTEST:

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Secretary

# AGENDA ITEM 8



## STAFF REPORT

|                             |  |               |                  |
|-----------------------------|--|---------------|------------------|
| TYPE MEETING:               | Regular Board  | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY:               | Frank Anderson, Utility Services Manager <i>F.A.</i>                                 | W.O./G.F. NO: | DIV. NO. All     |
| APPROVED BY:<br>(Chief)     | Pedro Porras, Chief, Water Operations <i>[Signature]</i>                             |               |                  |
| APPROVED BY:<br>(Asst. GM): | Manny Magaña, Assistant General Manager, Engineering & Operations <i>[Signature]</i> |               |                  |
| SUBJECT:                    | PURCHASE OF HALF-TON PICKUP TRUCKS   |               |                  |

### GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to issue a purchase order to Villa Ford, 2550 N. Tustin, Orange, CA 92865 in the amount of \$62,349.60, for the purchase of three (3) F-150 pickup trucks.

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

Please see Attachment "A".

### PURPOSE:

To provide bid results and obtain authorization to purchase three (3) half-ton two-wheel-drive pickup trucks identified within the FY 2010 Capital Purchase Budget.

### ANALYSIS:

Included in the approved FY 2010 budget are three (3) F-150 pickup trucks.

There is one (1) replacement for a Water System Operator vehicle that is near 100,000 miles. This replacement is a downsize from the existing F-250 vehicles they currently drive. Due to the District's service area changing from more rural to urbanized, the F-150 pickups will provide the needed vehicle support with reduced fuel consumption.

There is one (1) replacement of an F-150 being purchased for the survey staff. This vehicle replaces a larger utility van that is nearing the end of its service life. The pickup replacement for the survey staff will be more efficient with fuel economy while still accommodating the equipment needs of their field tasks.

There is one (1) new F-150 pickup that will be added to the fleet that is needed to support water operations activity. This will allow each water system operator to be assigned a specific vehicle for their tasks. The cost for this pickup was offset by the elimination of the purchase of a small vehicle due to the utilization of an existing vehicle that became available by means of contracting out a prior position with a vehicle that was recently vacated.

As vehicles are replaced, they are incorporated into the District's five-year, 60,000 mile replacement program designed to reduce the fleet fuel, maintenance, and operating costs.

In accordance with District policy, bids were solicited for the three (3) half-ton pickup trucks. Of the 33 Southern California dealerships solicited, nine (9) bids were received. Prices received include all applicable fees and taxes.

| Dealer Name and Location                     | Vehicle Model               | Price per Unit  |
|--|-----------------------------|-----------------|
| Villa Ford, Orange, CA                       | Ford F-150 Pickup           | \$20,783.20 ea. |
| Kearny Pearson Ford, San Diego, CA           | Ford F-150 Pickup           | \$21,757.67 ea. |
| El Cajon Ford, El Cajon, CA                  | Ford F-150 Pickup           | \$22,278.09 ea. |
| Carmenita Truck Center, Santa Fe Springs, CA | Ford F-150 Pickup           | \$22,274.06 ea. |
| Raceway Ford, Riverside, CA                  | Ford F-150 Pickup           | \$22,558.06 ea. |
| Gosh Auto Group, Hemet, CA                   | Ford F-150 Pickup           | \$22,489.62 ea. |
| City Chevrolet, San Diego, CA                | Chevy Silverado 1500 Pickup | \$23,249.00 ea. |
| Mossy Toyota, San Diego, CA                  | Toyota Tundra               | \$22,118.40 ea. |
| Toyota Carlsbad, Carlsbad, CA                | Toyota Tundra               | \$27,322.00 ea. |

An evaluation for total five-year/60,000 mile cost-of-ownership, including expected return on sale and gas consumption, was conducted and based on Villa Ford's bid price and the average MPG of the vehicle, the F-150 provides the lowest cost of ownership.

**FISCAL IMPACT:**

The budgeted amount for the identified vehicles and vehicles purchased prior to this request is \$121,000. Actual cost was \$108,416.20, which is a budget savings of \$12,583.80. Anticipated expenditures will not exceed budgeted vehicle replacement funds.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.



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

Attachment "A", Committee Action



## ATTACHMENT A

|                         |                            |
|-------------------------|----------------------------|
| <b>SUBJECT/PROJECT:</b> | Purchase of FY 10 Vehicles |
|-------------------------|----------------------------|

### COMMITTEE ACTION:

The Finance, Administrative and Communications Committee reviewed this item at a meeting held on January 19, 2010. The Committee supported Staff's recommendation.

### NOTE:

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



# AGENDA ITEM 9

## STAFF REPORT

|                             |   |               |                  |
|-----------------------------|---|---------------|------------------|
| TYPE MEETING:               | Regular Board   | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY:               | Mark Watton, <del>General</del> Manager   | W.O./G.F.NO:  | DIV.NO. All      |
| APPROVED BY:<br>(Chief)     | Joseph R. Beachem, Chief Financial Officer  |               |                  |
| APPROVED BY:<br>(Asst. GM): | German Alvarez, Assistant General Manager, Administration and Finance   |               |                  |
| SUBJECT:                    | Adopt Resolution No. 4153 Authorizing the Otay Water District to Become a Member of the California Municipal Finance Authority and Authorizing the Execution of a Joint Exercise of Powers Agreement for Such Purpose |               |                  |

### GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution 4153 authorizing the General Manager to execute a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority (CMFA) for the Otay Water District to become a member of the CMFA.

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

Please see Attachment A.

### PURPOSE:

To join the CMFA as a member to facilitate the issuance of water revenue bonds to finance certain projects in the Capital Improvement Program (CIP).

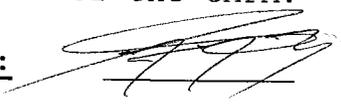
### ANALYSIS:

The Otay Water District (District) anticipates issuing approximately \$27 million in revenue bonds in the near future to finance its CIP over the next two to three years. The proceeds will be used primarily to diversify the water supply and to expand the reclamation system. Historically, the District has raised money in the debt market to finance its capital projects by causing the execution and delivery of Certificates of Participation (COPs) through its own non-profit corporation, the Otay Service Corporation. The District's existing COPs are secured by installment payments payable from net revenues of the water system and are not subject to non-appropriation risk.

Substantively, there is no difference between a revenue-secured COP and a revenue bond issued by the District; the security for both forms of debt is identical. On the other hand, COPs issued by general governments are generally subject to annual budget appropriation. Although the risk of non-appropriation for those transactions is minimal, it remains a market concern. This has resulted in some market confusion in the taxable municipal bond market, where COPs are not traditionally used. The taxable bond market has a marked preference for revenue bonds over COPs. The taxable market's confusion regarding appropriation risk for the two different types of COPs has led to a perception that, in the taxable bond market, should an investor need to sell the bonds before maturity, bonds that are "revenue bonds" would have more liquidity and acceptance in the secondary market.

Moreover, given the growing use of taxable Build America Bonds (BABs), facilitating the issuance of revenue bonds will be in the District's best interest in the event it utilizes the BAB provisions. BABs are a new taxable bond financing instrument for which the federal government will reimburse issuers 35% of interest costs over the life of the issue. To the District's advantage, BABs access a broader market of investors. The District's financial advisor has informed the District that the net interest cost between taxable COPs and taxable revenue bonds can average as much as 30 basis points for the entire financing.

Given the foregoing, the District staff is proposing that the District and the CFMA establish and create a Joint Powers Authority ("JPA") as a single purpose entity controlled by the District for the sole purpose of issuing revenue bonds for the benefit of the District. However, CMFA will have a very limited role in the bond transaction, and all financial decisions regarding the bonds will be made solely by the District. The CMFA has indicated that, as a condition of the establishment of the new JPA, the District must become a member of the CMFA. The District's staff believes that it is in the best interest of the District and for the benefit of the public that the District becomes a member of the CMFA.

**FISCAL IMPACT:** 

All costs to become a member of the CMFA and to create the JPA will be paid from the proceeds of the bond issuance. With a bond issuance of \$27 million, these costs are not expected to exceed \$21,000.

**STRATEGIC GOAL:**

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

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

None.

A handwritten signature in blue ink, appearing to read "Paul W. White", is written over a horizontal line.

**General Manager**

Attachments:

- A) Committee Action Form
- B) Resolution No. 4153
- C) JPA Agreement



## ATTACHMENT A

|                         |   |
|-------------------------|---|
| <b>SUBJECT/PROJECT:</b> | Adopt Resolution No. 4153 Authorizing the Otay Water District to Become a Member of the California Municipal Finance Authority and Authorizing the Execution of a Joint Exercise of Powers Agreement for Such Purpose |
|-------------------------|---|

### COMMITTEE ACTION:

That the Finance, Administration and Communications Committee recommends that the Board adopt Resolution No. 4153 authorizing the General Manager to execute a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority (CMFA) for the Otay Water District to become a member of the CMFA.

### 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. 4153**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE OTAY WATER DISTRICT APPROVING,  
AUTHORIZING, AND DIRECTING EXECUTION OF A  
JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL  
FINANCE AUTHORITY**

**WHEREAS**, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement") in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

**WHEREAS**, the Otay Water District (the "District"), has determined that it is in the public interest and for the public benefit that the District become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the District, including the financing of projects therefore by the Authority; and

**WHEREAS**, there is now before this Board of Directors the form of the Agreement; and

**WHEREAS**, the Agreement has been filed with the District, and the members of the Board of Directors, with the assistance of its staff, have reviewed said document;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:**

Section 1. The Agreement is hereby approved and the General Manager, Assistant General Manager, Finance and Administration, Chief Financial Officer, or designee thereof (collectively, the "Authorized Officers"), each is hereby authorized and directed to execute said document, and the District Secretary or such secretary's designee is hereby authorized and directed to attest thereto.

Section 2. The Authorized Officers, the Secretary and all other proper officers and officials of the District are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. The District Secretary shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Harriet M. Welch, Esq.  
Squire, Sanders & Dempsey LLP.  
555 South Flower St., Suite 3100  
Los Angeles, CA 90071-2300

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED by the Board of Directors of the District at a regular meeting of said Board held on the third day of February, 2010, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
President of the Board of Directors of Otay  
Water District

ATTEST:

\_\_\_\_\_  
Susan Cruz, District Secretary

**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligations.

**Section 3. Authority.**

**A. CREATION AND POWERS OF AUTHORITY.**

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

**B. BOARD.**

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

**C. OFFICERS; DUTIES; OFFICIAL BONDS.**

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

**Section 4. Powers.**

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Bonds.**

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

**Section 8. Bonds Only Limited and Special Obligations of Authority.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

**Section 9. Accounts and Reports.**

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 10. Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

**Section 11. Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

**Section 12. Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

**Section 13. Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

**Section 16. Amendments.**

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the Otay Water District has caused this Agreement to be executed and attested by its duly authorized representatives as of the 3rd day of February, 2010.

Member:

OTAY WATER DISTRICT

By \_\_\_\_\_

Name:

Title:

ATTEST:

\_\_\_\_\_  
Clerk



# AGENDA ITEM 10

|               |  |               |                  |
|---------------|--|---------------|------------------|
| TYPE MEETING: | Regular Board  | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY: | Mark Watton, General Manager   | W.O./G.F. NO: | DIV. NO.         |
| SUBJECT:      | Amendment to and Partial Termination of Existing Agreement Preventing Water and/or Sewer Use; Waiver of Certain Related Charges and Interest |               |                  |

## RECOMMENDATION:

That the Board waive all deferred availability charges and interest on the Subject Property (defined below) and authorize the release of the Subject Property from the Deferral Agreement (defined below), subject to the condition that the Subject Property be acquired by and transferred to the United States Fish and Wildlife Service (the "USFWS") to be used as a wildlife habitat and for resource protection and recreational purposes.

## BACKGROUND:

The District collects water and sewer availability charges to defray capital costs and maintenance and operating expenses of the water and/or sewer systems. Under current law, the availability charges may only be collected from parcels that derive a special benefit from the availability of the water and sewer systems. If the parcel is anticipated never to be in a position to use water or sewer services, then it is unlikely that the parcel derives a benefit from having the service available.

In August of 2003, the District entered into an Agreement Preventing Water and/or Sewer Use and Providing for Deferral of Certain Water and/or Sewer Availability Standby Charges (the "Deferral Agreement") with The Environmental Trust (the "Trust"), in connection with certain property consisting of approximately 310 acres (the "Deferred Charges Property") identified therein. The Deferral Agreement was recorded in the official records of the County of San Diego on August 28, 2003, as Document No. 2003-1053825, and for unknown reasons, it was recorded again on December 5, 2003, as Document No. 2003-1445051. The Deferral Agreement covers a 10-year period and provides that if it is earlier terminated at the request of the property owner, the owner will pay certain specified availability charges and interest.

Recently, the Trust requested that the Deferral Agreement be terminated and that all accumulated charges and interest be waived and forgiven. The District staff investigated the request and determined that the Trust is in the process of dissolution due to bankruptcy. Further investigation revealed that a portion of the Deferred Charges Property, consisting of approximately 150 acres identified by APNs 580-040-01, 580-040-41, 580-040-44 and 580-040-46 (collectively, the "Subject Property") is in the process of being acquired by and transferred to the USFWS to be managed for approved refuge purposes. A copy of the letter from the USFWS confirming the anticipated transfer is included as *Attachment B*, for reference purposes. The USFWS is also acquiring four other parcels from the Trust, but those are not covered by the Deferral Agreement.

The Trust represents that USFWS must have clean title to the Subject Property in order to proceed with its plans and that the Subject Property is not expected to ever be in the position to make use or require water or sewer services from the District. The letter from the USFWS confirms that the service does not anticipate developing or selling the land following its designation as a refuge. The accumulated charges due upon early termination are estimated at \$82,113.33, consisting of

approximately \$54,900.30 in deferred availability charges plus \$27,213.03 in interest accrued through August 2013. A copy of this calculation is included as *Attachment C* for reference.

The Deferral Agreement covers several other parcels not being transferred to the USFWS. As to those parcels, the District staff recommends that the Trust's request for termination of the Deferral Agreement and waiver of all associated charges and interest be denied. At this time, it has not been determined what will be the disposition of those parcels upon dissolution of the Trust and, as long as there is a possibility that the parcels will be developed, the District staff believes that it is in the best interest of the District to keep the Deferral Agreement in place as to those parcels.

The District staff recommends that the Board authorize the District to amend the Deferral Agreement and execute and deliver any other document, including a Quitclaim Deed, as necessary to release the Subject Property from the encumbrance of the Deferral Agreement and to waive, cancel and forgive any amounts that could have been due in connection therewith.

**FISCAL IMPACT:** \_\_\_\_\_

None. Although the District is waiving accumulated charges and interest associated with the early termination of the Deferral Agreement, the District did not anticipate that the Subject Property would ever be developed.

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

None at this time.

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

See Attachment A.

  
\_\_\_\_\_

**General Manager**

*Attachment A: Summary of Committee's Recommendation*

*Attachment B: Correspondence dated December 4, 2009 from the United States Department of the Interior, Fish and Wildlife Service*

*Attachment C: Calculation of Amount Accumulated Under Deferral Agreement as to Subject Property*



**ATTACHMENT A**  
**Summary of Committee's Recommendation**

|                         |  |
|-------------------------|--|
| <b>SUBJECT/PROJECT:</b> | Amendment to and Partial Termination of Existing Agreement Preventing Water and/or Sewer Use; Waiver of Certain Related Charges and Interest |
|-------------------------|--|

**COMMITTEE ACTION:**

This item was presented to the Finance/Administration and Communications Committee on January 19, 2010 and the committee made the following recommendations:

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**NOTE:**

This Staff Report will either be sent to the Board as a committee approved item or will be modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.



United States Department of the Interior



FISH AND WILDLIFE SERVICE  
Nevada Realty Field Office  
1000 Auction Road  
Fallon, Nevada 89406-2613  
Telephone: (775) 423-5128 Fax: (775) 423-0416

December 4, 2009

Susan Cruz  
District Secretary  
Otay Water District  
2554 Sweetwater Springs Blvd.  
Spring Valley, CA 91978-2004

Re: Assessor's Parcel Nos. 580-040-01, 580-040-41, 580-040-44, 580-040-46, 580-020-23, 585-030-07, 585-040-12, 585-040-14 – The Environmental Trust

Dear Ms. Cruz:

This letter is to confirm that the U.S. Fish and Wildlife Service is acquiring a 260-acre tract near Mt. Miguel from The Environmental Trust (description attached). This land will become part of San Diego National Wildlife Refuge and will be managed for approved refuge purposes, including the conservation and recovery of endangered and threatened species.

Once added to the refuge, it's extremely unlikely this land will ever be available for sale or development. Under the National Wildlife Refuge System Administration Act (16 USC 688dd-688ee) the disposal of refuge lands is strictly regulated and occurrences are infrequent. Current refuge management plans do not anticipate construction of any structures or improvements that would require water service.

Please let me know if you need any additional information about the future status of this tract. Thank you for working with TET on resolving our title issues.

Sincerely,

Richard Grimes  
Supervisory Realty Specialist

Attachment

## LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of SAN DIEGO, and is described as follows.

## PARCEL A:

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1, THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 1, THOSE PORTIONS OF LOTS 1, 2 AND 3 AND ALL OF LOT 4 OF SECTION 1, THAT PORTION OF FRACTIONAL SECTION 2, THAT PORTION OF FRACTIONAL SECTION 11, AND THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 12, ALL LYING IN TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS SHOWN ON THE RECORD OF SURVEY NO. 8521 RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER RJ3 OF RANCHO JAMACHA; THENCE SOUTH 66°05'00" WEST ALONG THE SOUTHEASTERLY LINE OF SAID RANCHO JAMACHA, 1383.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 1°00'27" WEST, 347.10 FEET; THENCE NORTH 66°05'00" EAST, 299.65 FEET TO A POINT IN THE ARC OF A 500.00 FOOT RADIUS CURVE, THE CENTER OF WHICH BEARS SOUTH 56°56'33" WEST FROM SAID POINT; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE 53.21 FEET THROUGH A CENTRAL ANGLE OF 6°05'52"; THENCE TANGENT TO SAID CURVE SOUTH 26°57'35" EAST, 220.57 FEET; THENCE LEAVING THE BOUNDARY OF SAID ROS 8521 SOUTH 40°12'40" WEST, 1809.38 FEET; THENCE SOUTH 86°08'30" WEST, 1989.20 FEET; THENCE SOUTH 0°25'26" EAST, 2008.90 FEET; THENCE SOUTH 89°52'25" WEST, 4783.83 FEET TO THE MOST WESTERLY CORNER OF SAID ROS 8521; THENCE NORTH 35°21'05" EAST, 1189.50 FEET; THENCE NORTH 66°05'00" EAST. 7481.53 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING FROM SAID LOT 4 ALL COAL AND OTHER MINERALS AS RESERVED BY THE UNITED STATES OF AMERICA IN PATENT RECORDED MAY 24, 1939 IN BOOK 987, PAGE 186 OF OFFICIAL RECORDS.

## PARCEL B:

AN EASEMENT FOR ROAD PURPOSES OVER AND ACROSS THAT PORTION OF THAT CERTAIN 60.00 FOOT EASEMENT DESCRIBED IN GRANT OF EASEMENT AND AGREEMENT TO DEDICATE PROPERTY FOR ROAD RIGHT OF WAY, RECORDED APRIL 9, 1970, RECORDER'S FILE NO. 61520 OF OFFICIAL RECORDS, LYING WITHIN SECTION 1, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, AS SAID 60.00 FOOT EASEMENT IS MORE PARTICULARLY DESCRIBED AS

FOLLOWS:

A 60.00 FOOT EASEMENT FOR ROAD PURPOSES OVER AND ACROSS THE EXISTING TRAVELLED ROAD THROUGH THE EAST HALF OF FRACTIONAL SECTION 1, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, LYING 30.00 FEET ON EACH SIDE OF THE FOLLOWING CENTER LINE:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID FRACTIONAL SECTION 1; TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN; THENCE NORTH  $82^{\circ}27'31''$  EAST 1790.78 FEET ALONG THE SOUTH LINE OF SAID SECTION 1 TO THE TRUE POINT OF BEGINNING, SAID POINT BEING IN THE ARC OF A 150.00 FOOT RADIUS CURVE, THE CENTER OF WHICH BEARS SOUTH  $66^{\circ}08'33''$  EAST FROM SAID POINT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 70.31 FEET THROUGH A CENTRAL ANGLE OF  $26^{\circ}51'18''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $50^{\circ}42'45''$  EAST, 67.61 FEET TO A TANGENT 200.00 FOOT RADIUS CURVE, TO THE RIGHT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 146.58 FEET THROUGH A CENTRAL ANGLE OF  $41^{\circ}59'30''$ ; THENCE TANGENT TO SAID CURVE, SOUTH  $87^{\circ}17'45''$  EAST, 101.23 FEET TO A TANGENT 100.00 FOOT RADIUS CURVE, TO THE LEFT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 161.54 FEET THROUGH A CENTRAL ANGLE OF  $92^{\circ}33'15''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $00^{\circ}09'00''$  EAST, 824.56 FEET TO A TANGENT 50.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 63.36 FEET THROUGH A CENTRAL ANGLE OF  $77^{\circ}36'33''$ ; THENCE TANGENT TO SAID CURVE NORTH  $72^{\circ}45'33''$  EAST, 624.25 FEET TO A TANGENT 34.57 FOOT RADIUS CURVE TO THE LEFT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 57.82 FEET THROUGH A CENTRAL ANGLE OF  $95^{\circ}50'18''$  TO A TANGENT 200.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 104.92 FEET THROUGH A CENTRAL ANGLE OF  $30^{\circ}03'30''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $06^{\circ}58'45''$  EAST, 73.39 FEET TO A TANGENT 250.00 FOOT RADIUS CURVE, TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 166.02 FEET THROUGH A CENTRAL ANGLE OF  $38^{\circ}03'00''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $31^{\circ}04'15''$  WEST, 186.80 FEET TO A TANGENT 400.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 121.53 FEET THROUGH A CENTRAL ANGLE OF  $17^{\circ}24'30''$  TO A TANGENT 306.07 FOOT RADIUS CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 172.06 FEET THROUGH A CENTRAL ANGLE OF  $32^{\circ}12'35''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $45^{\circ}52'20''$  WEST, 108.94 FEET TO A TANGENT 300.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 236.90 FEET THROUGH A CENTRAL ANGLE OF  $45^{\circ}14'40''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $00^{\circ}37'40''$  WEST, 170.66 FEET TO A TANGENT 300.00 FOOT RADIUS CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 52.08 FEET THROUGH A CENTRAL ANGLE OF  $99^{\circ}27'45''$ ; THENCE TANGENT TO SAID CURVE, SOUTH  $79^{\circ}54'35''$  WEST, 54.18 FEET TO A TANGENT 200.00

FOOT RADIUS CURVE, TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 151.81 FEET THROUGH A CENTRAL ANGLE OF  $43^{\circ}29'25''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $56^{\circ}36'00''$  WEST, 18.38 FEET TO A TANGENT 200.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 103.79 FEET THROUGH A CENTRAL ANGLE OF  $29^{\circ}44'05''$ ; THENCE TANGENT TO SAID CURVE, NORTH  $26^{\circ}51'55''$  WEST, 371.25 FEET TO A TANGENT 500.00 FOOT RADIUS CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 52.39 FEET TO THE NORTHWESTERLY BOUNDARY OF SAID PARCEL MAP NO. 6281. SAID 60.00 FOOT STRIP TO TERMINATE IN SAID NORTHWESTERLY BOUNDARY OF SAID PARCEL MAP NO. 6281 AND IN THE SOUTHERLY LINE OF SAID SECTION 1.

End of Legal Description

**ENVIRONMENTAL TRUST SUMMARY**  
**TERMINATION OF DEFERRAL BY OWNER**

Deferred charges plus interest, compounded annually.

|            |                       |                    |
|------------|-----------------------|--------------------|
| 580-040-01 | 08/28/2003-08/28/2013 | \$30,851.56        |
| 580-040-46 | 08/28/2003-08/28/2013 | \$4,258.20         |
| 580-040-41 | 08/28/2003-08/28/2013 | \$9,793.87         |
| 580-040-44 | 08/28/2003-08/28/2013 | \$37,209.70        |
|            |                       | <u>\$82,113.33</u> |

12/8/2009

**INTEREST CALCULATION ONLY**

ENVIRONMENTAL TRUST

Termination by Owner

Interest - Availability 10 yr agreement

PARCEL # 580-040-01

DEFERRAL: ENVIRONMENTAL TRUST INC.  
PARCEL # 580-040-01  
52.89 ACRES @ \$30 RATE

Deferral Date

8/28/2003

ORIGINAL BALANCE

|            |              |   |          |
|------------|--------------|---|----------|
|            | \$ 4,760.10  | refund availability FY00-01, 01-02, 02-03 |          |
| \$1,586.70 | \$ 6,346.80  | 03-04                                     | 9/1/2003 |
| \$1,586.70 | \$ 7,933.50  | 04-05                                     | 9/1/2004 |
| \$1,586.70 | \$ 9,520.20  | 05-06                                     | 9/1/2005 |
| \$1,586.70 | \$ 11,106.90 | 06-07                                     | 9/1/2006 |
| \$1,586.70 | \$ 12,693.60 | 07-08                                     | 9/1/2007 |
| \$1,586.70 | \$ 14,280.30 | 08-09                                     | 9/1/2008 |
| \$1,586.70 | \$ 15,867.00 | 09-10                                     | 9/1/2009 |
| \$4,760.10 | \$ 20,627.10 | 10-11/12-13                               | 9/1/2010 |

INTEREST RATES

|            |               |
|------------|---------------|
|            | Fed Funds +5% |
| 8/28/2003  | 6.00%         |
| 6/30/2004  | 6.25%         |
| 8/11/2004  | 6.50%         |
| 9/21/2004  | 6.75%         |
| 11/11/2004 | 7.00%         |
| 12/14/2004 | 7.25%         |
| 2/2/2005   | 7.50%         |
| 3/22/2005  | 7.75%         |
| 5/3/2005   | 8.00%         |
| 6/30/2005  | 8.25%         |
| 8/9/2005   | 8.50%         |
| 9/20/2005  | 8.75%         |
| 11/1/2005  | 9.00%         |
| 12/13/2005 | 9.25%         |
| 1/31/2006  | 9.50%         |
| 3/28/2006  | 9.75%         |
| 5/10/2006  | 10.00%        |
| 6/29/2006  | 10.25%        |
| 9/18/2007  | 9.75%         |
| 10/31/2007 | 9.50%         |
| 12/11/2007 | 9.25%         |
| 1/22/2008  | 8.50%         |
| 1/30/2008  | 8.00%         |
| 3/18/2008  | 7.25%         |
| 4/30/2008  | 7.00%         |
| 10/8/2008  | 6.50%         |
| 10/29/2008 | 6.00%         |
| 12/16/2008 | 5.25%         |

| BEGINNING<br>OF<br>INTEREST | END OF<br>INTEREST<br>RATE | NUMBER<br>OF DAYS | TOTAL     | INTEREST           | FEEES      | BALANCE     |
|-----------------------------|----------------------------|-------------------|-----------|--------------------|------------|-------------|
| 8/28/2003                   | 8/31/2003                  | 3                 | 4,760.10  | \$2.35             |            |             |
| 9/1/2003                    | 6/29/2004                  | 298               | 6,349.15  | \$311.02           | \$1,586.70 | \$6,349.15  |
| 6/30/2004                   | 8/10/2004                  | 40                | 6,660.17  | \$45.62            |            | \$6,660.17  |
| 8/11/2004                   | 8/31/2004                  | 20                | 6,705.79  | \$23.88            | \$1,586.70 | \$6,705.79  |
| 9/1/2004                    | 9/20/2004                  | 19                | 8,316.37  | \$28.14            |            | \$8,316.37  |
| 9/21/2004                   | 11/10/2004                 | 49                | 8,344.51  | \$75.61            |            | \$8,344.51  |
| 11/11/2004                  | 12/13/2004                 | 32                | 8,420.12  | \$51.67            |            | \$8,420.12  |
| 12/14/2004                  | 2/1/2005                   | 47                | 8,471.80  | \$79.09            |            | \$8,471.80  |
| 2/2/2005                    | 3/21/2005                  | 49                | 8,550.89  | \$86.09            |            | \$8,550.89  |
| 3/22/2005                   | 5/2/2005                   | 40                | 8,636.98  | \$73.36            |            | \$8,636.98  |
| 5/3/2005                    | 6/29/2005                  | 56                | 8,710.34  | \$106.91           |            | \$8,710.34  |
| 6/30/2005                   | 8/8/2005                   | 38                | 8,817.25  | \$75.73            |            | \$8,817.25  |
| 8/9/2005                    | 8/31/2005                  | 22                | 8,892.98  | \$45.56            | \$1,586.70 | \$8,892.98  |
| 9/1/2005                    | 9/19/2005                  | 18                | 10,525.24 | \$44.12            |            | \$10,525.24 |
| 9/20/2005                   | 10/31/2005                 | 41                | 10,569.36 | \$103.88           |            | \$10,569.36 |
| 11/1/2005                   | 12/12/2005                 | 41                | 10,673.24 | \$107.90           |            | \$10,673.24 |
| 12/13/2005                  | 1/30/2006                  | 47                | 10,781.15 | \$128.41           |            | \$10,781.15 |
| 1/31/2006                   | 3/27/2006                  | 57                | 10,909.56 | \$161.85           |            | \$10,909.56 |
| 3/28/2006                   | 5/9/2006                   | 41                | 11,071.41 | \$121.25           |            | \$11,071.41 |
| 5/10/2006                   | 6/28/2006                  | 48                | 11,192.66 | \$147.19           |            | \$11,192.66 |
| 6/29/2006                   | 8/31/2006                  | 62                | 11,339.86 | \$197.44           | \$1,586.70 | \$11,339.86 |
| 9/1/2006                    | 8/31/2007                  | 360               | 13,123.99 | \$1,326.78         | \$1,586.70 | \$13,123.99 |
| 9/1/2007                    | 9/17/2007                  | 16                | 16,037.48 | \$72.06            |            | \$16,037.48 |
| 9/18/2007                   | 10/30/2007                 | 42                | 16,109.53 | \$180.74           |            | \$16,109.53 |
| 10/31/2007                  | 12/10/2007                 | 40                | 16,290.27 | \$169.60           |            | \$16,290.27 |
| 12/11/2007                  | 1/21/2008                  | 40                | 16,459.87 | \$166.85           |            | \$16,459.87 |
| 1/22/2008                   | 1/29/2008                  | 7                 | 16,626.72 | \$27.10            |            | \$16,626.72 |
| 1/30/2008                   | 3/17/2008                  | 47                | 16,653.82 | \$171.56           |            | \$16,653.82 |
| 3/18/2008                   | 4/29/2008                  | 41                | 16,825.38 | \$137.02           |            | \$16,825.38 |
| 4/30/2008                   | 8/31/2008                  | 120               | 16,962.40 | \$390.37           | \$1,586.70 | \$16,962.40 |
| 9/1/2008                    | 10/7/2008                  | 36                | 18,939.47 | \$130.76           |            | \$18,939.47 |
| 10/8/2008                   | 10/28/2008                 | 20                | 19,070.23 | \$67.92            |            | \$19,070.23 |
| 10/29/2008                  | 12/15/2008                 | 46                | 19,138.15 | \$144.72           |            | \$19,138.15 |
| 12/16/2008                  | 8/31/2009                  | 255               | 19,282.87 | \$707.26           | \$1,586.70 | \$19,282.87 |
| 9/1/2009                    | 12/8/2009                  | 97                | 21,576.83 | \$301.04           |            | \$21,576.83 |
| 12/9/2009                   | 8/28/2013                  | 1339              | 21,877.87 | \$4,213.59         | \$4,760.10 | \$21,877.87 |
|                             |                            |                   |           | <u>\$10,224.46</u> |            | \$30,851.56 |

12/8/2009

**INTEREST CALCULATION ONLY**

ENVIRONMENTAL TRUST

Termination by Owner

Interest - Availability 10 yr agreement

PARCEL # 580-040-46

DEFERRAL: ENVIRONMENTAL TRUST INC.  
PARCEL # 580-040-46  
7.3 ACRES @ \$30 RATE

Deferral Date 8/28/2003

|                  |          |             |   |
|------------------|----------|-------------|---|
| ORIGINAL BALANCE | \$       | 657.00      | refund availability FY00-01, 01-02, 02-03 |
|                  | \$219.00 | \$ 876.00   | 03-04 9/1/2003                            |
|                  | \$219.00 | \$ 1,095.00 | 04-05 9/1/2004                            |
|                  | \$219.00 | \$ 1,314.00 | 05-06 9/1/2005                            |
|                  | \$219.00 | \$ 1,533.00 | 06-07 9/1/2006                            |
|                  | \$219.00 | \$ 1,752.00 | 07-08 9/1/2007                            |
|                  | \$219.00 | \$ 1,971.00 | 08-09 9/1/2008                            |
|                  | \$219.00 | \$ 2,190.00 | 09-10 9/1/2009                            |
|                  | \$657.00 | \$ 2,847.00 | 10-11/12-13 9/1/2010                      |

|                |            |                      |
|----------------|------------|----------------------|
|                |            | <b>Fed Funds +5%</b> |
| INTEREST RATES | 8/28/2003  | 6.00%                |
|                | 6/30/2004  | 6.25%                |
|                | 8/11/2004  | 6.50%                |
|                | 9/21/2004  | 6.75%                |
|                | 11/11/2004 | 7.00%                |
|                | 12/14/2004 | 7.25%                |
|                | 2/2/2005   | 7.50%                |
|                | 3/22/2005  | 7.75%                |
|                | 5/3/2005   | 8.00%                |
|                | 6/30/2005  | 8.25%                |
|                | 8/9/2005   | 8.50%                |
|                | 9/20/2005  | 8.75%                |
|                | 11/1/2005  | 9.00%                |
|                | 12/13/2005 | 9.25%                |
|                | 1/31/2006  | 9.50%                |
|                | 3/28/2006  | 9.75%                |
|                | 5/10/2006  | 10.00%               |
|                | 6/29/2006  | 10.25%               |
|                | 9/18/2007  | 9.75%                |
|                | 10/31/2007 | 9.50%                |
|                | 12/11/2007 | 9.25%                |
|                | 1/22/2008  | 8.50%                |
|                | 1/30/2008  | 8.00%                |
|                | 3/18/2008  | 7.25%                |
|                | 4/30/2008  | 7.00%                |
|                | 10/8/2008  | 6.50%                |
|                | 10/29/2008 | 6.00%                |
|                | 12/16/2008 | 5.25%                |

| BEGINNING<br>OF<br>INTEREST | END OF<br>INTEREST<br>RATE | NUMBER<br>OF DAYS | TOTAL    | INTEREST          | FEEES    | BALANCE    |
|-----------------------------|----------------------------|-------------------|----------|-------------------|----------|------------|
| 8/28/2003                   | 8/31/2003                  | 3                 | 657.00   | \$0.32            |          |            |
| 9/1/2003                    | 6/29/2004                  | 298               | 876.32   | \$42.93           | \$219.00 | \$876.32   |
| 6/30/2004                   | 8/10/2004                  | 40                | 919.25   | \$6.30            |          | \$919.25   |
| 8/11/2004                   | 8/31/2004                  | 20                | 925.55   | \$3.30            |          | \$925.55   |
| 9/1/2004                    | 9/20/2004                  | 19                | 1,147.84 | \$3.88            | \$219.00 | \$1,147.84 |
| 9/21/2004                   | 11/10/2004                 | 49                | 1,151.73 | \$10.44           |          | \$1,151.73 |
| 11/11/2004                  | 12/13/2004                 | 32                | 1,162.16 | \$7.13            |          | \$1,162.16 |
| 12/14/2004                  | 2/1/2005                   | 47                | 1,169.30 | \$10.92           |          | \$1,169.30 |
| 2/2/2005                    | 3/21/2005                  | 49                | 1,180.21 | \$11.88           |          | \$1,180.21 |
| 3/22/2005                   | 5/2/2005                   | 40                | 1,192.10 | \$10.12           |          | \$1,192.10 |
| 5/3/2005                    | 6/29/2005                  | 56                | 1,202.22 | \$14.76           |          | \$1,202.22 |
| 6/30/2005                   | 8/8/2005                   | 38                | 1,216.98 | \$10.45           |          | \$1,216.98 |
| 8/9/2005                    | 8/31/2005                  | 22                | 1,227.43 | \$6.29            | \$219.00 | \$1,227.43 |
| 9/1/2005                    | 9/19/2005                  | 18                | 1,452.72 | \$6.09            |          | \$1,452.72 |
| 9/20/2005                   | 10/31/2005                 | 41                | 1,458.81 | \$14.34           |          | \$1,458.81 |
| 11/1/2005                   | 12/12/2005                 | 41                | 1,473.15 | \$14.89           |          | \$1,473.15 |
| 12/13/2005                  | 1/30/2006                  | 47                | 1,488.04 | \$17.72           |          | \$1,488.04 |
| 1/31/2006                   | 3/27/2006                  | 57                | 1,505.76 | \$22.34           |          | \$1,505.76 |
| 3/28/2006                   | 5/9/2006                   | 41                | 1,528.10 | \$16.74           |          | \$1,528.10 |
| 5/10/2006                   | 6/28/2006                  | 48                | 1,544.84 | \$20.32           |          | \$1,544.84 |
| 6/29/2006                   | 8/31/2006                  | 62                | 1,565.15 | \$27.25           | \$219.00 | \$1,565.15 |
| 9/1/2006                    | 8/31/2007                  | 360               | 1,811.40 | \$183.13          | \$219.00 | \$1,811.40 |
| 9/1/2007                    | 9/17/2007                  | 16                | 2,213.53 | \$9.95            |          | \$2,213.53 |
| 9/18/2007                   | 10/30/2007                 | 42                | 2,223.48 | \$24.95           |          | \$2,223.48 |
| 10/31/2007                  | 12/10/2007                 | 40                | 2,248.42 | \$23.41           |          | \$2,248.42 |
| 12/11/2007                  | 1/21/2008                  | 40                | 2,271.83 | \$23.03           |          | \$2,271.83 |
| 1/22/2008                   | 1/29/2008                  | 7                 | 2,294.86 | \$3.74            |          | \$2,294.86 |
| 1/30/2008                   | 3/17/2008                  | 47                | 2,298.60 | \$23.68           |          | \$2,298.60 |
| 3/18/2008                   | 4/29/2008                  | 41                | 2,322.28 | \$18.91           |          | \$2,322.28 |
| 4/30/2008                   | 8/31/2008                  | 120               | 2,341.19 | \$53.88           | \$219.00 | \$2,341.19 |
| 9/1/2008                    | 10/7/2008                  | 36                | 2,614.07 | \$18.05           |          | \$2,614.07 |
| 10/8/2008                   | 10/28/2008                 | 20                | 2,632.12 | \$9.37            |          | \$2,632.12 |
| 10/29/2008                  | 12/15/2008                 | 46                | 2,641.49 | \$19.97           |          | \$2,641.49 |
| 12/16/2008                  | 8/31/2009                  | 255               | 2,661.47 | \$97.62           | \$219.00 | \$2,661.47 |
| 9/1/2009                    | 12/8/2009                  | 97                | 2,978.08 | \$41.55           |          | \$2,978.08 |
| 12/9/2009                   | 8/28/2013                  | 1339              | 3,019.63 | \$581.57          | \$657.00 | \$3,019.63 |
|                             |                            |                   |          | <u>\$1,411.20</u> |          | \$4,258.20 |

12/8/2009

**INTEREST CALCULATION ONLY**

ENVIRONMENTAL TRUST

Termination by Owner

Interest - Availability 10 yr agreement

PARCEL # 580-040-41

**DEFERRAL: ENVIRONMENTAL TRUST INC.  
PARCEL # 580-040-41  
16.79 ACRES @ \$30 RATE**

Deferral Date 8/28/2003

|                  |    |          |   |
|------------------|----|----------|---|
| ORIGINAL BALANCE | \$ | 1,511.10 | refund availability FY00-01, 01-02, 02-03 |
| \$503.70         | \$ | 2,014.80 | 03-04 9/1/2003                            |
| \$503.70         | \$ | 2,518.50 | 04-05 9/1/2004                            |
| \$503.70         | \$ | 3,022.20 | 05-06 9/1/2005                            |
| \$503.70         | \$ | 3,525.90 | 06-07 9/1/2006                            |
| \$503.70         | \$ | 4,029.60 | 07-08 9/1/2007                            |
| \$503.70         | \$ | 4,533.30 | 08-09 9/1/2008                            |
| \$503.70         | \$ | 5,037.00 | 09-10 9/1/2009                            |
| \$1,511.10       | \$ | 6,548.10 | 10-11/12-13 9/1/2010                      |

|                |            |               |
|----------------|------------|---------------|
| INTEREST RATES |            | Fed Funds +5% |
|                | 8/28/2003  | 6.00%         |
|                | 6/30/2004  | 6.25%         |
|                | 8/11/2004  | 6.50%         |
|                | 9/21/2004  | 6.75%         |
|                | 11/11/2004 | 7.00%         |
|                | 12/14/2004 | 7.25%         |
|                | 2/2/2005   | 7.50%         |
|                | 3/22/2005  | 7.75%         |
|                | 5/3/2005   | 8.00%         |
|                | 6/30/2005  | 8.25%         |
|                | 8/9/2005   | 8.50%         |
|                | 9/20/2005  | 8.75%         |
|                | 11/1/2005  | 9.00%         |
|                | 12/13/2005 | 9.25%         |
|                | 1/31/2006  | 9.50%         |
|                | 3/28/2006  | 9.75%         |
|                | 5/10/2006  | 10.00%        |
|                | 6/29/2006  | 10.25%        |
|                | 9/18/2007  | 9.75%         |
|                | 10/31/2007 | 9.50%         |
|                | 12/11/2007 | 9.25%         |
|                | 1/22/2008  | 8.50%         |
|                | 1/30/2008  | 8.00%         |
|                | 3/18/2008  | 7.25%         |
|                | 4/30/2008  | 7.00%         |
|                | 10/8/2008  | 6.50%         |
|                | 10/29/2008 | 6.00%         |
|                | 12/16/2008 | 5.25%         |

| BEGINNING<br>OF<br>INTEREST | END OF<br>INTEREST<br>RATE | NUMBER<br>OF DAYS | TOTAL    | INTEREST          | FEEES      | BALANCE    |
|-----------------------------|----------------------------|-------------------|----------|-------------------|------------|------------|
| 8/28/2003                   | 8/31/2003                  | 3                 | 1,511.10 | \$0.75            |            | \$2,015.55 |
| 9/1/2003                    | 6/29/2004                  | 298               | 2,015.55 | \$98.73           | \$503.70   | \$2,114.28 |
| 6/30/2004                   | 8/10/2004                  | 40                | 2,114.28 | \$14.48           |            | \$2,128.76 |
| 8/11/2004                   | 8/31/2004                  | 20                | 2,128.76 | \$7.58            | \$503.70   | \$2,640.04 |
| 9/1/2004                    | 9/20/2004                  | 19                | 2,640.04 | \$8.93            |            | \$2,648.98 |
| 9/21/2004                   | 11/10/2004                 | 49                | 2,648.98 | \$24.00           |            | \$2,672.98 |
| 11/11/2004                  | 12/13/2004                 | 32                | 2,672.98 | \$16.40           |            | \$2,689.38 |
| 12/14/2004                  | 2/1/2005                   | 47                | 2,689.38 | \$25.11           |            | \$2,714.49 |
| 2/2/2005                    | 3/21/2005                  | 49                | 2,714.49 | \$27.33           |            | \$2,741.82 |
| 3/22/2005                   | 5/2/2005                   | 40                | 2,741.82 | \$23.29           |            | \$2,765.11 |
| 5/3/2005                    | 6/29/2005                  | 56                | 2,765.11 | \$33.94           |            | \$2,799.05 |
| 6/30/2005                   | 8/8/2005                   | 38                | 2,799.05 | \$24.04           |            | \$2,823.09 |
| 8/9/2005                    | 8/31/2005                  | 22                | 2,823.09 | \$14.46           | \$503.70   | \$3,341.25 |
| 9/1/2005                    | 9/19/2005                  | 18                | 3,341.25 | \$14.01           |            | \$3,355.26 |
| 9/20/2005                   | 10/31/2005                 | 41                | 3,355.26 | \$32.98           |            | \$3,388.24 |
| 11/1/2005                   | 12/12/2005                 | 41                | 3,388.24 | \$34.25           |            | \$3,422.49 |
| 12/13/2005                  | 1/30/2006                  | 47                | 3,422.49 | \$40.77           |            | \$3,463.25 |
| 1/31/2006                   | 3/27/2006                  | 57                | 3,463.25 | \$51.38           |            | \$3,514.63 |
| 3/28/2006                   | 5/9/2006                   | 41                | 3,514.63 | \$38.49           |            | \$3,553.13 |
| 5/10/2006                   | 6/28/2006                  | 48                | 3,553.13 | \$46.73           |            | \$3,599.85 |
| 6/29/2006                   | 8/31/2006                  | 62                | 3,599.85 | \$62.68           | \$503.70   | \$4,166.23 |
| 9/1/2006                    | 8/31/2007                  | 360               | 4,166.23 | \$421.19          | \$503.70   | \$5,091.12 |
| 9/1/2007                    | 9/17/2007                  | 16                | 5,091.12 | \$22.88           |            | \$5,113.99 |
| 9/18/2007                   | 10/30/2007                 | 42                | 5,113.99 | \$57.37           |            | \$5,171.37 |
| 10/31/2007                  | 12/10/2007                 | 40                | 5,171.37 | \$53.84           |            | \$5,225.21 |
| 12/11/2007                  | 1/21/2008                  | 40                | 5,225.21 | \$52.97           |            | \$5,278.17 |
| 1/22/2008                   | 1/29/2008                  | 7                 | 5,278.17 | \$8.60            |            | \$5,286.78 |
| 1/30/2008                   | 3/17/2008                  | 47                | 5,286.78 | \$54.46           |            | \$5,341.24 |
| 3/18/2008                   | 4/29/2008                  | 41                | 5,341.24 | \$43.50           |            | \$5,384.74 |
| 4/30/2008                   | 8/31/2008                  | 120               | 5,384.74 | \$123.92          | \$503.70   | \$6,012.36 |
| 9/1/2008                    | 10/7/2008                  | 36                | 6,012.36 | \$41.51           |            | \$6,053.87 |
| 10/8/2008                   | 10/28/2008                 | 20                | 6,053.87 | \$21.56           |            | \$6,075.43 |
| 10/29/2008                  | 12/15/2008                 | 46                | 6,075.43 | \$45.94           |            | \$6,121.37 |
| 12/16/2008                  | 8/31/2009                  | 255               | 6,121.37 | \$224.52          | \$503.70   | \$6,849.59 |
| 9/1/2009                    | 12/8/2009                  | 97                | 6,849.59 | \$95.57           |            | \$6,945.16 |
| 12/9/2009                   | 8/28/2013                  | 1339              | 6,945.16 | \$1,337.61        | \$1,511.10 | \$9,793.87 |
|                             |                            |                   |          | <u>\$3,245.77</u> |            |            |

12/8/2009

**INTEREST CALCULATION ONLY**

ENVIRONMENTAL TRUST

Termination by Owner

Interest - Availability 10 yr agreement

PARCEL # 580-040-44

DEFERRAL: ENVIRONMENTAL TRUST INC.

PARCEL # 580-040-44

63.79 ACRES @ \$30 RATE

Deferral Date 8/28/2003

ORIGINAL BALANCE

|            |    |           |   |
|------------|----|-----------|---|
|            | \$ | 5,741.10  | refund availability FY00-01, 01-02, 02-03 |
| \$1,913.70 | \$ | 7,654.80  | 03-04 9/1/2003                            |
| \$1,913.70 | \$ | 9,568.50  | 04-05 9/1/2004                            |
| \$1,913.70 | \$ | 11,482.20 | 05-06 9/1/2005                            |
| \$1,913.70 | \$ | 13,395.90 | 06-07 9/1/2006                            |
| \$1,913.70 | \$ | 15,309.60 | 07-08 9/1/2007                            |
| \$1,913.70 | \$ | 17,223.30 | 08-09 9/1/2008                            |
| \$1,913.70 | \$ | 19,137.00 | 09-10 9/1/2009                            |
| \$5,741.10 | \$ | 24,878.10 | 10-11/12-13 9/1/2010                      |

INTEREST RATES

|            |               |
|------------|---------------|
|            | Fed Funds +5% |
| 8/28/2003  | 6.00%         |
| 6/30/2004  | 6.25%         |
| 8/11/2004  | 6.50%         |
| 9/21/2004  | 6.75%         |
| 11/11/2004 | 7.00%         |
| 12/14/2004 | 7.25%         |
| 2/2/2005   | 7.50%         |
| 3/22/2005  | 7.75%         |
| 5/3/2005   | 8.00%         |
| 6/30/2005  | 8.25%         |
| 8/9/2005   | 8.50%         |
| 9/20/2005  | 8.75%         |
| 11/1/2005  | 9.00%         |
| 12/13/2005 | 9.25%         |
| 1/31/2006  | 9.50%         |
| 3/28/2006  | 9.75%         |
| 5/10/2006  | 10.00%        |
| 6/29/2006  | 10.25%        |
| 9/18/2007  | 9.75%         |
| 10/31/2007 | 9.50%         |
| 12/11/2007 | 9.25%         |
| 1/22/2008  | 8.50%         |
| 1/30/2008  | 8.00%         |
| 3/18/2008  | 7.25%         |
| 4/30/2008  | 7.00%         |
| 10/8/2008  | 6.50%         |
| 10/29/2008 | 6.00%         |
| 12/16/2008 | 5.25%         |

| BEGINNING<br>OF<br>INTEREST | END OF<br>INTEREST<br>RATE | NUMBER<br>OF DAYS | TOTAL     | INTEREST           | FEES       | BALANCE     |
|-----------------------------|----------------------------|-------------------|-----------|--------------------|------------|-------------|
| 8/28/2003                   | 8/31/2003                  | 3                 | 5,741.10  | \$2.83             |            |             |
| 9/1/2003                    | 6/29/2004                  | 298               | 7,657.63  | \$375.12           | \$1,913.70 | \$7,657.63  |
| 6/30/2004                   | 8/10/2004                  | 40                | 8,032.75  | \$55.02            |            | \$8,032.75  |
| 8/11/2004                   | 8/31/2004                  | 20                | 8,087.77  | \$28.81            |            | \$8,087.77  |
| 9/1/2004                    | 9/20/2004                  | 19                | 10,030.27 | \$33.94            | \$1,913.70 | \$10,030.27 |
| 9/21/2004                   | 11/10/2004                 | 49                | 10,064.21 | \$91.20            |            | \$10,064.21 |
| 11/11/2004                  | 12/13/2004                 | 32                | 10,155.41 | \$62.32            |            | \$10,155.41 |
| 12/14/2004                  | 2/1/2005                   | 47                | 10,217.73 | \$95.39            |            | \$10,217.73 |
| 2/2/2005                    | 3/21/2005                  | 49                | 10,313.12 | \$103.84           |            | \$10,313.12 |
| 3/22/2005                   | 5/2/2005                   | 40                | 10,416.96 | \$88.47            |            | \$10,416.96 |
| 5/3/2005                    | 6/29/2005                  | 56                | 10,505.43 | \$128.94           |            | \$10,505.43 |
| 6/30/2005                   | 8/8/2005                   | 38                | 10,634.38 | \$91.34            |            | \$10,634.38 |
| 8/9/2005                    | 8/31/2005                  | 22                | 10,725.72 | \$54.95            | \$1,913.70 | \$10,725.72 |
| 9/1/2005                    | 9/19/2005                  | 18                | 12,694.37 | \$53.21            |            | \$12,694.37 |
| 9/20/2005                   | 10/31/2005                 | 41                | 12,747.58 | \$125.29           |            | \$12,747.58 |
| 11/1/2005                   | 12/12/2005                 | 41                | 12,872.87 | \$130.14           |            | \$12,872.87 |
| 12/13/2005                  | 1/30/2006                  | 47                | 13,003.01 | \$154.88           |            | \$13,003.01 |
| 1/31/2006                   | 3/27/2006                  | 57                | 13,157.89 | \$195.21           |            | \$13,157.89 |
| 3/28/2006                   | 5/9/2006                   | 41                | 13,353.10 | \$146.24           |            | \$13,353.10 |
| 5/10/2006                   | 6/28/2006                  | 48                | 13,499.34 | \$177.53           |            | \$13,499.34 |
| 6/29/2006                   | 8/31/2006                  | 62                | 13,676.87 | \$238.13           | \$1,913.70 | \$13,676.87 |
| 9/1/2006                    | 8/31/2007                  | 360               | 15,828.69 | \$1,600.22         | \$1,913.70 | \$15,828.69 |
| 9/1/2007                    | 9/17/2007                  | 16                | 19,342.61 | \$86.91            |            | \$19,342.61 |
| 9/18/2007                   | 10/30/2007                 | 42                | 19,429.52 | \$217.98           |            | \$19,429.52 |
| 10/31/2007                  | 12/10/2007                 | 40                | 19,647.50 | \$204.55           |            | \$19,647.50 |
| 12/11/2007                  | 1/21/2008                  | 40                | 19,852.05 | \$201.24           |            | \$19,852.05 |
| 1/22/2008                   | 1/29/2008                  | 7                 | 20,053.29 | \$32.69            |            | \$20,053.29 |
| 1/30/2008                   | 3/17/2008                  | 47                | 20,085.98 | \$206.91           |            | \$20,085.98 |
| 3/18/2008                   | 4/29/2008                  | 41                | 20,292.89 | \$165.26           |            | \$20,292.89 |
| 4/30/2008                   | 8/31/2008                  | 120               | 20,458.15 | \$470.82           | \$1,913.70 | \$20,458.15 |
| 9/1/2008                    | 10/7/2008                  | 36                | 22,842.67 | \$157.71           |            | \$22,842.67 |
| 10/8/2008                   | 10/28/2008                 | 20                | 23,000.38 | \$81.92            |            | \$23,000.38 |
| 10/29/2008                  | 12/15/2008                 | 46                | 23,082.30 | \$174.54           |            | \$23,082.30 |
| 12/16/2008                  | 8/31/2009                  | 255               | 23,256.84 | \$853.02           | \$1,913.70 | \$23,256.84 |
| 9/1/2009                    | 12/8/2009                  | 97                | 26,023.56 | \$363.08           |            | \$26,023.56 |
| 12/9/2009                   | 8/28/2013                  | 1339              | 26,386.64 | \$5,081.96         | \$5,741.10 | \$26,386.64 |
|                             |                            |                   |           | <u>\$12,331.60</u> |            | \$37,209.70 |



STAFF REPORT

|                             |   |               |                  |
|-----------------------------|---|---------------|------------------|
| TYPE MEETING:               | Regular Board   | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY:               | James Cudlip, Finance Manager   | W.O./G.F. NO: | DIV. NO. All     |
| APPROVED BY:<br>(Chief)     | Joseph R. Beachem, Chief Financial Officer                            |               |                  |
| APPROVED BY:<br>(Asst. GM): | German Alvarez, Assistant General Manager, Administration and Finance |               |                  |
| SUBJECT:                    | Banking Services Review   |               |                  |

**GENERAL MANAGER'S RECOMMENDATION:**

That the Committee approve staff's recommendation to continue the current level of banking services with Union Bank at this time. Staff will initiate a full industry Request For Proposals (RFP) for banking services as a part of their next banking review, in approximately 2 years.

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

See Attachment A.

**BACKGROUND:**

On March 5, 2008, staff completed a banking services review and presented it to the Board. At that time it was recommended that Union Bank continue to provide banking services for the District based on their competitive pricing, range of banking services, and overall highly satisfactory performance. The Board requested staff to provide a similar review on a recurring basis, considering the changing economy and business competition within the banking and financial industries. This report presents results of that current review of the District's banking services.

**ANALYSIS:**

**CURRENT FEE COMPARISONS:** Union Bank provided a detailed breakdown of the District's services and fees, with a comparison of the pricing for these services from three other municipal agencies that recently completed bidding for banking services: 1) City of Indio; 2) Coachella Valley Water District; and 3) City of Elk Grove. Each of these agencies are either similar or larger and more complex than the District in terms of overall size, budget, operations, and range of banking services. Each

of the agencies recently completed a full review of their banking services, to include detailed industry pricing proposals, resulting in a full range of comparative pricing for the District's review. The competing banks included Bank of America, US Bank, Wells Fargo, Pacific Western Bank, and FirstBank. An analysis of all services and fees on the District's current monthly billing statement showed that Otay's overall pricing was the most favorable. In addition, staff from each of the three municipal agencies contacted confirmed that their current fees were the lowest offered from all of the competing banks.

While Union Bank's overall current pricing was more favorable than each of the competing banks, a few individual service items were identified where lower fees were available due to changes in web (internet) and image technologies. Union Bank has proposed to implement these fees immediately, providing the District with savings of approximately \$900/month, or 7.76%. Additionally, Union Bank has made a commitment to maintain this pricing for 5 years, similar to their previous pricing commitment made in 2005.

CURRENT STAFF SATISFACTION: Staff who deal with the bank on a repetitive basis were asked if they had any problems or issues with the bank, and if they were satisfied with current banking services. This included Customer Service, Payroll, Accounts Payable, and Investment personnel. Responses were positive. Problems tend to be infrequent, minor in scope, and the bank has been quick to respond to all issues. Staff is very happy with the financial services provided and the personnel contacts involved at Union Bank.

NEW OR ADDITIONAL SERVICES AVAILABLE: Finance staff is active in keeping current and knowledgeable of financial industry services. Actions include: 1) discussions with the District's outside auditors; 2) membership in professional financial organizations (GFOA, CMTA, CSMFO, AICPA); 3) attendance at financial seminars; 4) discussions with peers in the surrounding water districts, other government agencies, and other business entities; and 5) keeping communications with other banks open and positive. Staff is unaware of any additional financial goods or services that are not already available from Union Bank.

ADDITIONAL CONSIDERATIONS: Banking services are interwoven throughout many of the financial processes of the District and require significant effort to change. Any change creates a

disruption for customers and vendors which should not be initiated without ample justification. It typically takes several months and hundreds of hours of staff time to change all banking services.

**Conclusions:**

Staff recommends continuing with Union Bank at this time.

**FISCAL IMPACT:**



Projected savings of approximately \$900/month, as well as a commitment from Union Bank to maintain the current detailed pricing for 5 years.

**STRATEGIC OUTLOOK:**

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
- B: Inter-Agency Pricing Comparison



## ATTACHMENT A

|                         |                         |
|-------------------------|-------------------------|
| <b>SUBJECT/PROJECT:</b> | Banking Services Review |
|-------------------------|-------------------------|

### **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.

| Banking Services Review - All Items |         |        |          |           |          |        |          |           |          |
|-------------------------------------|---------|--------|----------|-----------|----------|--------|----------|-----------|----------|
| Item                                | Volume  | Otay   |          | Coachella |          | Indio  |          | Elk Grove |          |
|                                     |         | Price  | Extended | Price     | Extended | Price  | Extended | Price     | Extended |
| <b>Account Analysis</b>             |         |        |          |           |          |        |          |           |          |
| Acct Maintenance                    | 3       | 5.00   | 15.00    | 5.00      | 15.00    | 5.00   | 15.00    | 5.00      | 15.00    |
| <b>Account Recon</b>                |         |        |          |           |          |        |          |           |          |
| Pos Pay                             | 2       | 75.00  | 150.00   | 75.00     | 150.00   | 50.00  | 100.00   | 75.00     | 150.00   |
| Check Paid                          | 438     | 0.06   | 26.28    | 0.09      | 39.42    | 0.08   | 35.04    | 0.06      | 26.28    |
| Outstanding Only                    | 2       | 10.00  | 20.00    | 10.00     | 20.00    | 10.00  | 20.00    | 10.00     | 20.00    |
| Recon Stop                          | 1       | 8.00   | 8.00     | 5.00      | 5.00     | 1.00   | 1.00     | 8.00      | 8.00     |
| Image CD                            | 1.00    | 20.00  | 20.00    | 15.00     | 15.00    | 20.00  | 20.00    | 20.00     | 20.00    |
| Image Checks                        | 425     | 0.02   | 8.50     | 0.02      | 8.50     | 0.02   | 8.50     | 0.02      | 8.50     |
| Express Mail                        | 2       | 10.00  | 20.00    | 10.00     | 20.00    | 5.00   | 10.00    | 10.00     | 20.00    |
| Web Pos Pay-E                       | 1       | 0.20   | 0.20     | 0.20      | 0.20     | 0.20   | 0.20     | 0.20      | 0.20     |
| Web Pos Pay-I                       | 1       | 0.50   | 0.50     | 0.50      | 0.50     | 0.50   | 0.50     | 0.50      | 0.50     |
| Web Pos Pay-II                      | 521     | 0.18   | 93.78    | 0.18      | 93.78    | 0.18   | 93.78    | 0.18      | 93.78    |
| <b>Bill Concentration</b>           |         |        |          |           |          |        |          |           |          |
| BCS Base                            | 1       | 75.00  | 75.00    | 125.00    | 125.00   | 125.00 | 125.00   | 75.00     | 75.00    |
| Transmission                        | 22      | 4.00   | 88.00    | 2.00      | 44.00    | 3.00   | 66.00    | 5.00      | 110.00   |
| BCS Item                            | 9,157   | 0.03   | 274.71   | 0.05      | 457.85   | 0.05   | 457.85   | 0.05      | 457.85   |
| <b>Armored Car</b>                  |         |        |          |           |          |        |          |           |          |
| Services                            | 1       | 542.00 | 542.00   | 542.00    | 542.00   | 542.00 | 542.00   | 542.00    | 542.00   |
| <b>Business Checking</b>            |         |        |          |           |          |        |          |           |          |
| Branch Deposit                      | 17      | 2.00   | 34.00    | 1.00      | 17.00    | 2.00   | 34.00    | 2.00      | 34.00    |
| Electronic Credit                   | 100     | 0.12   | 12.00    | 0.12      | 12.00    | 0.12   | 12.00    | 0.05      | 5.00     |
| Night Drop                          | 8       | 2.00   | 16.00    | 2.00      | 16.00    | 2.00   | 16.00    | 2.00      | 16.00    |
| Electronic Debit                    | 10      | 0.12   | 1.20     | 0.12      | 1.20     | 0.12   | 1.20     | 0.05      | 0.50     |
| Bank Stmt Web                       | 2       | 2.00   | 4.00     | 2.00      | 4.00     | 2.50   | 5.00     | 2.00      | 4.00     |
| FDIC Insurance                      | 2,217.3 | 0.1013 | 224.61   | 0.1013    | 224.61   | 0.1013 | 224.61   | 0.1013    | 224.61   |
| FDIC Insurance                      | 1,661.6 | 0.015  | 24.92    | 0.015     | 24.92    | 0.015  | 24.92    | 0.015     | 24.92    |
| <b>Check Processing</b>             |         |        |          |           |          |        |          |           |          |
| Uncoded                             | 1       | 0.95   | 0.95     | 1.00      | 1.00     | 1.60   | 1.60     | 1.60      | 1.60     |
| UB Checks-B                         | 20      | 0.0755 | 1.51     | 0.0755    | 1.51     | 0.080  | 1.60     | 0.0755    | 1.51     |
| Local Clr                           | 93      | 0.078  | 7.25     | 0.078     | 7.25     | 0.080  | 7.44     | 0.078     | 7.25     |

| Banking Services Review - All Items |        |       |          |           |          |       |          |           |          |
|-------------------------------------|--------|-------|----------|-----------|----------|-------|----------|-----------|----------|
| Item                                | Volume | Otay  |          | Coachella |          | Indio |          | Elk Grove |          |
|                                     |        | Price | Extended | Price     | Extended | Price | Extended | Price     | Extended |
| Local Fed                           | 160    | 0.087 | 13.92    | 0.087     | 13.92    | 0.090 | 14.40    | 0.087     | 13.92    |
| Other Fed                           | 22     | 0.12  | 2.64     | 0.12      | 2.64     | 0.13  | 2.86     | 0.12      | 2.64     |
| UB Checks-S                         | 2,044  | 0.02  | 40.88    | 0.04      | 87.89    | 0.04  | 87.89    | 0.02      | 40.88    |
| Local Clr                           | 5,621  | 0.03  | 168.63   | 0.05      | 269.81   | 0.05  | 269.81   | 0.04      | 196.74   |
| Local Fed                           | 10,346 | 0.03  | 310.38   | 0.06      | 589.72   | 0.06  | 620.76   | 0.04      | 362.11   |
| Encoding                            | 1,363  | 0.02  | 27.26    | 0.02      | 27.26    | 0.02  | 27.26    | 0.02      | 27.26    |
| Other Fed                           | 2,350  | 0.03  | 70.50    | 0.09      | 211.50   | 0.10  | 235.00   | 0.03      | 70.50    |
| Canadian                            | 1      | 2.00  | 2.00     | 2.00      | 2.00     | 2.00  | 2.00     | 2.00      | 2.00     |
| Debit Error                         | 1      | 3.00  | 3.00     | 6.00      | 6.00     | 3.00  | 3.00     | 7.00      | 7.00     |
| Credit Error                        | 1      | 3.00  | 3.00     | 6.00      | 6.00     | 3.00  | 3.00     | 7.00      | 7.00     |
| <b>Clearpay</b>                     |        |       |          |           |          |       |          |           |          |
| Monthly Base                        | 2      | 25.00 | 50.00    | 50.00     | 100.00   | 50.00 | 100.00   | 25.00     | 50.00    |
| Credit Trans-1                      | 100    | 0.00  | 0.00     | 0.04      | 4.00     | 0.10  | 10.00    | 0.03      | 3.00     |
| Credit Trans-2                      | 340    | 0.10  | 34.00    | 0.04      | 13.60    | 0.10  | 34.00    | 0.03      | 10.20    |
| Debit Trans-1                       | 100    | 0.00  | 0.00     | 0.04      | 4.00     | 0.10  | 10.00    | 0.03      | 3.00     |
| Debit Trans-2                       | 4,191  | 0.10  | 419.10   | 0.04      | 167.64   | 0.10  | 419.10   | 0.03      | 125.73   |
| Returns                             | 10     | 3.00  | 30.00    | 3.00      | 30.00    | 1.00  | 10.00    | 5.00      | 50.00    |
| NOC/FAX                             | 4      | 2.00  | 8.00     | 3.00      | 12.00    | 1.00  | 4.00     | 3.00      | 12.00    |
| Batch Release                       | 7      | 2.00  | 14.00    | 2.00      | 14.00    | 1.00  | 7.00     | 5.00      | 35.00    |
| ACK Report                          | 7      | 2.00  | 14.00    | 2.00      | 14.00    | 2.00  | 14.00    | 2.00      | 14.00    |
| <b>Cash Vault</b>                   |        |       |          |           |          |       |          |           |          |
| Currency Strap                      | 2      | 0.95  | 1.90     | 1.40      | 2.80     | 1.40  | 2.80     | 0.95      | 1.90     |
| Deposit                             | 18     | 1.00  | 18.00    | 1.00      | 18.00    | 2.50  | 45.00    | 1.00      | 18.00    |
| Currency Unstrap                    | 58.8   | 0.90  | 52.92    | 1.40      | 82.32    | 0.75  | 44.10    | 0.90      | 52.92    |
| <b>Commercial Cust</b>              |        |       |          |           |          |       |          |           |          |
| LAIF Redem                          | 2      | 5.00  | 10.00    | 50.00     | 100.00   | 0.00  | 0.00     | 5.00      | 10.00    |
| LAIF Invest                         | 5      | 5.00  | 25.00    | 20.00     | 100.00   | 0.00  | 0.00     | 5.00      | 25.00    |
| <b>Electronic Tax</b>               |        |       |          |           |          |       |          |           |          |
| Instatax                            | 1      | 15.00 | 15.00    | 15.00     | 15.00    | 15.00 | 15.00    | 15.00     | 15.00    |
| <b>Info Reporting</b>               |        |       |          |           |          |       |          |           |          |
| Web Prior Day                       | 3      | 20.00 | 60.00    | 25.00     | 75.00    | 25.00 | 75.00    | 25.00     | 75.00    |



| Banking Services Review - All Items |        |        |           |           |           |        |           |           |           |
|-------------------------------------|--------|--------|-----------|-----------|-----------|--------|-----------|-----------|-----------|
| Item                                | Volume | Otay   |           | Coachella |           | Indio  |           | Elk Grove |           |
|                                     |        | Price  | Extended  | Price     | Extended  | Price  | Extended  | Price     | Extended  |
| Items Processed                     | 18,032 | 0.14   | 2,524.48  | 0.14      | 2524.48   | 0.15   | 2704.80   | 0.17      | 3065.44   |
| OCR Scan                            | 2,907  | 0.02   | 58.14     | 0.02      | 58.14     | 0.02   | 58.14     | 0.02      | 58.14     |
| Data Entry                          | 228    | 0.02   | 4.56      | 0.02      | 4.56      | 0.01   | 2.28      | 0.02      | 4.56      |
| Non-Matched                         | 2,579  | 0.35   | 902.65    | 0.35      | 902.65    | 0.20   | 515.80    | 0.35      | 902.65    |
| Data Trans                          | 1      | 75.00  | 75.00     | 75.00     | 75.00     | 100.00 | 100.00    | 100.00    | 100.00    |
| Data Trans/Media                    | 18,032 | 0.005  | 90.16     | 0.005     | 90.16     | 0.005  | 90.16     | 0.005     | 90.16     |
| Facsimile                           | 56     | 5.00   | 280.00    | 5.00      | 280.00    | 2.00   | 112.00    | 7.00      | 392.00    |
| Stop List-Monthly                   | 1      | 35.00  | 35.00     | 35.00     | 35.00     | 150.00 | 150.00    | 150.00    | 150.00    |
| Stop List-per item                  | 18,032 | 0.005  | 90.16     | 0.005     | 90.16     | 0.005  | 90.16     | 0.005     | 90.16     |
| PO Box Rental                       | 1      | 107.00 | 107.00    | 107.00    | 107.00    | 107.00 | 107.00    | 107.00    | 107.00    |
| Lockbox Deposit                     | 19     | 0.95   | 18.05     | 0.95      | 18.05     | 1.60   | 30.40     | 1.00      | 19.00     |
| Image Delivery                      | 1      | 75.00  | 75.00     | 75.00     | 75.00     | 75.00  | 75.00     | 100.00    | 100.00    |
| CD-Rom                              | 1      | 25.00  | 25.00     | 25.00     | 25.00     | 10.00  | 10.00     | 25.00     | 25.00     |
| Check Image                         | 18,032 | 0.04   | 721.28    | 0.04      | 721.28    | 0.05   | 901.60    | 0.03      | 540.96    |
| CD Doc Image                        | 19,714 | 0.04   | 788.56    | 0.04      | 788.56    | 0.05   | 985.70    | 0.03      | 591.42    |
| Web Access                          | 22     | 0.02   | 0.44      | 0.02      | 0.44      | 0.03   | 0.66      | 0.03      | 0.66      |
| <b>Elec Wire Tsfr</b>               |        |        |           |           |           |        |           |           |           |
| Acct Transfer                       | 3      | 2.00   | 6.00      | 2.00      | 6.00      | 2.00   | 6.00      | 2.00      | 6.00      |
| Wire Transfer                       | 1      | 20.00  | 20.00     | 25.00     | 25.00     | 25.00  | 25.00     | 25.00     | 25.00     |
| Outgoing Wire                       | 7      | 6.00   | 42.00     | 6.00      | 42.00     | 8.50   | 59.50     | 4.00      | 28.00     |
| Internal Transfer                   | 1      | 6.00   | 6.00      | 6.00      | 6.00      | 6.00   | 6.00      | 6.00      | 6.00      |
| <b>TOTAL:</b>                       |        |        | 10,608.75 |           | 11,534.50 |        | 11,700.59 |           | 11,219.15 |



# AGENDA ITEM 12

## EXECUTIVE SUMMARY

|               |  |               |                  |
|---------------|--|---------------|------------------|
| TYPE MEETING: | Regular Board  | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY: | Mark Watton,<br>General Manager  | W.O./G.F. NO: | DIV. NO. N/A     |
| APPROVED BY:  |  |               |                  |
| SUBJECT:      | Consideration to Approve the Proposed Bylaws and Articles of Association of the Council of Water Utilities |               |                  |

### GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the proposed Bylaws and Articles of Association of the Council of Water Utilities.

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

Please see Attachment A.

### PURPOSE:

To present the proposed Bylaws and Articles of Association for consideration by the Board of Directors.

### ANALYSIS:

The Council of Water Utilities (COWU) and the Water Agencies Association San Diego Chapter (WAASDC) have been in discussions to merge their two organizations. As the purpose of the two organizations are very similar – to provide a forum for sharing information and promoting the interests of the water agencies or cities that provide water services in San Diego County on water related issues of local, state or national origin – it is felt that it would be beneficial to merge as it would allow collaboration on a larger scale. In addition, members would save the bi-annual membership fee to WAASDC.

It has been agreed that the WAASDC would be merged into the COWU and meetings would still continue to be open to all public and private water agencies, cities that provide water services in San Diego County, and adjacent water agencies which would provide and receive benefit from membership in the COWU. The meetings would also continue to be held as a breakfast meeting once a month with one annual dinner.

The WAASDC and COWU are requesting that its membership review and approve the attached proposed Bylaws and Articles of Association for the new organization. The newly formed COWU will become a 501(c)(6) entity. The District's legal counsel has reviewed the Bylaws and the Articles of Association and indicates that there are adequate.

The COWU will be presenting the Bylaws and Articles of Association at their meeting in February 2010 for formal adoption by its members.

**FISCAL IMPACT:** \_\_\_\_\_

The District would save the bi-annual membership fee of \$100 to the WAASDC.

**STRATEGIC GOAL:**

Participating would support the strategic goal of maintaining effective communications with other cities, special districts, State and Federal governments, community organizations and Mexico.

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

None.



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

Attachments:

- Council of Water Utilities Proposed Bylaws
- Council of Water Utilities Proposed Articles of Association

**BYLAWS**  
**OF**  
**COUNCIL OF WATER UTILITIES**  
**A California Nonprofit Unincorporated Association**

**January \_\_, 2010**

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**BYLAWS**  
**OF**  
**COUNCIL OF WATER UTILITIES**  
**A California Nonprofit Unincorporated Association**

**ARTICLE I**  
**NAME**

The name of this unincorporated association is COUNCIL OF WATER UTILITIES (the "Association").

**ARTICLE II**  
**OFFICES**

**Section 2.01. Principal Office.** The principal office for the transaction of the activities and affairs of the Association is located at \_\_\_\_\_ County, California. The Board of Directors (the "Board") may change the principal office from one location to another. It is the intent of the Association that the Principal Office shall transfer to the address of the agency of whomever is the presiding Secretary with each term of office.

**Section 2.02. Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places where the Association is qualified to conduct its activities.

**ARTICLE III**  
**PURPOSES AND LIMITATIONS**

**Section 3.01. Purposes.** This Association is organized under the California Unincorporated Associations Laws. The purpose of this Association is to engage in any lawful act or activity for which a unincorporated association may be organized under such law. The principal purpose for which this Association is formed is to provide a forum for water agencies to be informed and to share information of importance to the water, recycled water, wastewater and related agencies. Additionally, the Association is intended to provide annual training seminars for water agency employees in areas of interest such as customer service or first line supervisors. Further, the Association shall hold at least one annual dinner for its members. This Association is organized exclusively for such purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time. Notwithstanding any other provision of these Bylaws, this Association shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this Association, and the Association shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (as amended).

**Section 3.02. Limitations.**

a. **Property.** The property, assets, profits and net income are dedicated to the purposes set forth in Section 3.01 above.

b. **Dissolution.** Upon the winding up and dissolution of this Association, after paying or adequately providing for the payment of the debts, obligations and liabilities of the Association, the remaining assets of this Association shall be distributed pro rata in proportion to the money contributed by each member to the then-current members of the Association.

**ARTICLE IV  
MEMBERSHIP**

**Section 4.01. Qualifications and Rights of Membership**

a. **Classes and Qualifications.** This Association shall have two classes of members, consisting of persons dedicated to the purposes of this Association, who meet other qualifications for membership, as the Board may determine shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time. Notwithstanding the foregoing, the Association may refer to persons of certain nonvoting classes or other persons or entities associated with it as "members," even though those persons or entities are not voting members as set forth in Section 4.01.b. of these Bylaws, but no such reference shall constitute anyone a member within the meaning of the California Unincorporated Associations Laws unless that person or entity shall have qualified for a voting membership under Section 4.01.b. of these Bylaws. Unless the context requires otherwise, references in these Bylaws to "members" shall mean such voting members only. By resolution of the Board, the Association may grant some or all the rights of a member to any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote, but no such person or entity shall be a "member" within the meaning of the California Unincorporated Associations Laws.

(1) **Industry Members.** Public or Private water, wastewater, and recycled water agencies, including cities in San Diego County or adjacent water agencies which would provide and receive benefit from such membership shall be eligible for Industry Membership, subject to satisfying other qualifications for membership as determined by the Board.

(2) **Associate Members.** Persons or entities interested in the purposes of this Association but who are not public water, wastewater, or recycled water suppliers shall be eligible for Associate Membership, subject to satisfying other qualifications for membership as determined by the Board.

b. **Voting Members.** Only Industry Members shall be entitled to vote, as set forth in these Bylaws.

**Section 4.02. Dues, Fees and Assessments.** Each voting and nonvoting member must pay, within the time and on the conditions set by the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board. The Board may, in its discretion, set different dues, fees, and assessments for each class and within each class. For purposes of incorporation, the initial dues are set in an annual amount of \$50 per industry member and \$100 per associate member, payable on June 30<sup>th</sup> of each year.

**Section 4.03. Good Standing.** Those voting and nonvoting members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

**Section 4.04. Termination and Suspension of Membership.**

**a. Causes of Termination.** Any membership (voting or otherwise) shall terminate on occurrence of any of the following events:

- (1) Resignation of the member, on reasonable notice to the Association;
- (2) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
- (3) Failure of the member to pay dues, fees, or assessments as set by the Board within the period of time set by the Board after they become due and payable;
- (4) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications;
- (5) Expulsion or suspension of the member pursuant to Section 4.04.b. of these Bylaws; or
- (6) Termination of the legal existence of a member who is not a natural person.

**b. Suspension of Membership.** A member (voting or otherwise) may be suspended based on the good faith determination by the Board, or a committee authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Association or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a "member" during the period of suspension.

**Section 4.05. Prohibition on Transfer of Memberships.** A membership or any right arising from membership (voting or otherwise) may not be transferred to any other person or entity without the prior approval of the Board. The Board may by resolution impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members.

#### **Section 4.06. Meetings of Members.**

a. **Place of Meeting.** Meetings of the members shall be held generally at a breakfast meeting on the 3<sup>rd</sup> Tuesday of the month from 7:15 AM to 8:45 AM in any place designated by the Board. In the absence of any such designation, members' meetings shall be held at the principal office of the Association.

b. **Annual Meeting.** An annual meeting of members shall be held at the Annual Dinner, unless the Board fixes another date or time and so notifies members as provided for herein. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, Directors shall be elected and any other proper business may be transacted. Only voting members shall be entitled to vote on any action permitted to be taken by the members.

c. **Special Meetings.** A special meeting of the members may be called for any lawful purpose by a majority vote of the Board or by the President or by five percent (5%) or more of the members. A special meeting called by any person(s) (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman/President or the Secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board, provided, however, that the meeting date shall be least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

#### **d. Notice Requirements for Members' Meetings.**

(1) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at the meeting. The notice shall specify the place, date, and hour of the meeting and, (i) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (ii) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected or written ballots distributed for the election of Directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(3) **Manner of Giving Notice.** Notice of any meeting of members shall be in writing or electronic communication and shall be given at least five (5) days but no more than sixty (60) days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written or electronic communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address given by the member to the Association for purposes of notice, *provided, however,* that

notice shall not be delivered electronically unless the member has consented to electronic delivery of the notice.

e. **Quorum.** One-third (1/3) of the voting members, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjourned, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

f. **Adjournment and Notice of Adjourned Meetings.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than sixty (60) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Association may transact any business that might have been transacted at the original meeting.

g. **Voting.** The only persons entitled to vote at any meeting of members shall be Industry Members who are in good standing as of the record date determined pursuant to Section 4.08 of these Bylaws. Voting may be by voice or ballot as determined by the Board of Directors. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Cumulative voting shall not be permitted. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number, or voting by classes, is required by the California Unincorporated Associations Laws or by these Bylaws.

**Section 4.07. Action by Written Ballot Without a Meeting.** Any action that may be taken at any meeting of members may be taken without a meeting by written ballot in which the number of votes cast equals or exceeds that number required for a quorum, with approval of a matter so voted requiring an affirmative majority of the votes cast.

a. **Solicitation of Written Ballots.** If the vote of the members is to be conducted by written ballot without a meeting, the notice of the vote shall serve as the ballot. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, provide a reasonable time within which to return the ballot to the Association, and with respect to ballots for election of Directors, state the name of each nominee.

b. **Revocation.** A written ballot may not be revoked.

**Section 4.08. Record Date for Notice, Voting, Written Ballots, and Other Actions.** For purposes of determining which members are entitled to receive notice of any meeting, to vote, or to give consent to corporate action without a meeting, the "record date" shall

be the date of the delivery or mailing of the applicable notice. Only members of record on the record date are entitled to notice, to vote, or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record day, except as otherwise provided in the Articles of Association, by agreement, or in the California Unincorporated Associations Laws.

**Section 4.09. Proxies.** Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Association. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, electronic transmission, or otherwise) by the member or the member's attorney-in-fact. A validly executed proxy shall continue in full force and effect until: (a) revoked by the member in writing delivered to the Association stating that the proxy is revoked, or (b) revoked by a member by a subsequent proxy executed by that member and presented to the meeting, or (c) revoked by a member as to any meeting, by that member's personal attendance and voting at the meeting; or (d) written notice of death or incapacity of the maker of the proxy is received by the Association before the vote under that proxy is counted, provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. A proxy may not be irrevocable.

**Section 4.10. Election of Directors.**

a. **Nominations by Members.** At the November meeting, the President shall appoint a nominating committee of three persons. The nominating committee should usually consist of the present Chairperson and the two previous Chairpersons. Any member may make suggestions for election of directors to the nominating committee. The nominating Committee shall report its recommendations to the membership at the January meeting.

c. **Nominations From the Floor.** At any meeting of members to elect Directors, any Industry Member present at the meeting in person or by proxy may place names in nomination.

**Section 4.11. Records – Members' Inspection Rights**

a. **Membership Records.** Subject to the California Unincorporated Associations Laws and unless the Association provides a reasonable alternative as provided below, any Industry Member may do either or both of the following for a purpose reasonably related to such member's interest is a member:

(1) Inspect and copy the records of members' (voting or otherwise) names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the Association, which demand must state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the Association, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who

are entitled to vote for the election of Directors as of the most recent record date for which that list has been compiled, or as of a date specified by the member, after the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the latter of ten (10) days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled.

The Association may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the Association believes that the information requested will be used for a purpose other than one reasonably related to a person's interest as a member, or if the Association provides a reasonable alternative under this Section 4.11.a., it may deny the member access to the membership list. Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts.

b. **Accounting Records and Minutes.** On written demand presented to the Association, any Industry Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney.

c. **Maintenance and Inspection of Articles and Bylaws.** The Association shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of its Articles of Association and Bylaws, as amended to date, which shall be open to inspection by the members (voting or otherwise) at all reasonable times during office hours.

## **ARTICLE V** **DIRECTORS**

### **Section 5.01. Powers.**

a. **General Corporate Powers.** Subject to any limitations of the Articles of Association and of these Bylaws, the activities and affairs of the Association shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

b. **Specific Powers.** Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(1) Appoint and remove, at the pleasure of the Board, all officers, agents and employees of the Association; prescribe powers and duties for them that are

consistent with law, with the Articles of Association and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(2) Change the principal office or the principal business office in the State of California from one location to another; and designate any place within or outside the State of California for the holding of any meeting, including annual meetings.

(3) Borrow money and incur indebtedness on behalf of the Association and cause to be executed and delivered for the purposes of the Association, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

**Section 5.02. Number and Election of Directors.**

a. **Authorized Number.** The authorized number of Directors shall be four, the determination of which shall be made by resolution of the Board. Directors must be residents of the State of California and further must be either an elected official, appointed official or general manager of an Industry Member.

b. **Election of Directors.** Directors shall be elected at each annual meeting of the members to hold office for a period of two years; however, if any annual meeting is not held or the Directors are not elected at any annual meeting, they may be elected at any special member's meeting held for that purpose. Each Director, including a Director elected to fill a vacancy or elected at a special member's meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. At the November meeting, the President shall appoint a nominating committee of three persons. The nominating committee should usually consist of the present Chairperson and the two previous Chairpersons. The nominating Committee shall report its recommendations to the membership at the January meeting. Election will be held at the February meeting. The Directors shall take office at the March meeting.

**Section 5.03. Term of Office of Directors.** The Directors newly appointed or selected in accordance with section 5.02.b. shall hold office for a term of ~~one~~ (2) years.

**Section 5.04. Vacancies.**

a. **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the death, removal, suspension or resignation of any Director; or (ii) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Unincorporated Associations Laws; or if a director of COWU is no longer a director or general manager of the industry member. No reduction of the authorized number of Directors shall have the effect of removing any Director before the Director's term of office expires.

b. **Filling Vacancies.** Any vacancy on the Board shall be filled by vote a quorum consisting of 1/3 of the industry members at the next monthly meeting following the vacancy.

**Section 5.05. Place of Meetings; Meetings by Telephone.** Meetings of the Board shall be held at the principal office of the Association or at such other place as has been designated by the Board. In the absence of any such designation, meetings shall be held at the principal office of the Association. Any meeting may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

**Section 5.06. Annual, Regular and Special Meetings.**

a. **Annual Meeting.** The Board shall hold an annual meeting immediately following the annual meeting of the membership, or in conjunction with its regularly scheduled meeting for the month \_\_\_\_\_ of each year for the purpose of organization, election of officers and the transaction of other business; provided, however, that the Board may fix another time for the holding of its annual meeting. Notice of this meeting shall not be required.

b. **Special Meetings.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors. Notice of the time and place of special meetings shall be given to each Director by personal delivery, electronic transmission or first-class mail, postage prepaid or by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director, or by electronic means. All such notices shall be given or sent to the Director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or electronically sent at least forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Association. It need not specify the purpose of the meeting.

**ARTICLE VI  
COMMITTEES**

**Section 6.01. Committees of the Board.** The Board, by a majority vote of the Directors then in office, may create one or more committees, each consisting of two or more representatives of members, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- a. Fill vacancies on the Board or in any committee which has the authority of the Board;
- c. Amend or repeal Bylaws or adopt new Bylaws;
- d. Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

e. Appoint any other committees of the Board or the members of these committees; and

f. Approve any contract or transaction to which the Association is a party and in which one or more of its Directors has a material financial interest.

**Section 6.02. Meetings and Actions of the Committees.** Meetings and action of committees of the Board shall be governed by, held and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other action of the Board, except that the time for regular meetings of such committees and the calling of special meetings thereof may be determined either by resolution of the Board or, if there is no Board resolution, by resolution of the committee of the Board. Minutes shall be kept of each meeting of any committee of the Board and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the Board, the committee may adopt such rules.

**ARTICLE VII  
OFFICERS**

**Section 7.01. Officers.** The officers of the Association shall include a President, a Vice President, a Secretary, and a Treasurer. No one person shall hold more than one office. Presidents are alternated between South and North County and between Board/Council Members and Managers from March 1 to February 28, as follows:

|                     |         |
|---------------------|---------|
| North/Management    | 2009-10 |
| South/Management    | 2010-11 |
| North/Board/Council | 2011-12 |
| South/Board/Council | 2012-13 |

Officers of the Board should reflect the membership and for the "Board/Council" may be selected from any public agency Board representatives that are elected or appointed; mayor or council members from cities that provide water, recycled water or wastewater service. "Management" Officers should also reflect the membership and may be selected from General Managers, Water Utility Managers, or executive staff as appropriate.

**Section 7.03. Removal and Resignation of Officers.** Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors. Any officer may resign upon written notice to the Association without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

**Section 7.04. Vacancies in Office.** A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

**Section 7.05. Responsibilities of Officers.**

a. **Chairman of the Board/President.** If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the Association prescribed by these Bylaws. The Chairman is responsible for the monthly programs at the breakfast meetings. Programs generally consist of speakers, well informed on current issues of interest to the water industry and may include reports on pending legislation, ballot initiatives and relevant court decisions. The Chairman may call a meeting of the Executive Committee when they deem it so necessary.

c. **Vice Presidents/Vice Chair.** In the absence or disability of the President, the Vice President shall perform all of the duties of the President, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for them by the Board or the Bylaws. The Vice President/Vice Chair shall be responsible for ensuring the customer service seminars are conducted each year in a cost effective and efficient manner, maximizing membership attendance and benefit. Expenses for professional presenters and speakers may be paid from the treasury to reduce seminar expenses to the membership.

d. **Secretary.**

(1) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all

meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California, a copy of the Articles of Association and Bylaws, as amended to date. The Secretary shall also maintain a complete and accurate record of the membership of the Association, as well as a record of the proceedings of all meetings of the membership.

(2) **Notices, Seal and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

e. **Treasurer.**

(1) **Books of Account.** The Treasurer of the Association shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the Association, and shall send or cause to be sent to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(2) **Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board, shall disburse the funds of the Association as may be ordered by the Board, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Treasurer and of the financial condition of the Association and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(3) **Bond.** If required by the Board, the Treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Association of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Treasurer upon death, resignation, retirement or removal from office.

**ARTICLE VIII**  
**INDEMNIFICATION AND INSURANCE**

**Section 8.01. Indemnification.**

a. **Right of Indemnity.** To the full extent permitted by law, this Association shall indemnify its Directors, officers, employees and other persons acting on behalf of the Association, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such Section and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by such Section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Nonprofit Mutual Benefit Corporations Code.

b. **Approval of Indemnity.** Upon written request to the Board by any person seeking indemnification, the Board shall promptly determine whether the applicable standard of conduct set forth in the California Unincorporated Associations Laws and other applicable laws has been met and, if so, the Board shall determine whether indemnification shall be made.

c. **Advancement of Expenses.** To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Association prior to the final disposition of the proceeding upon receipt by the Association of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the Association therefore.

**Section 8.02. Insurance.** The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the Association, against any liability asserted against or incurred by an officer, Director, employee or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

## **ARTICLE IX RECORDS AND DIRECTOR INSPECTION RIGHTS**

**Section 9.01. Maintenance of Corporate Records.** The Association shall keep adequate and correct books and records of account, minutes in written form of the proceedings of the Board and committees of the Board, and if applicable, a record of its members, giving their names and addresses and the class of membership held.

**Section 9.02. Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Association. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

## **ARTICLE X CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Unincorporated Associations Laws shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular and the term "person" includes both a legal entity and a natural person.

## **ARTICLE XI AMENDMENTS**

**Section 11.01. Adoption or Amendment by Members.** New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of all members present at a meeting of the membership and entitled to vote.

**Section 11.02. Amendment by Board of Directors.** Subject to the right of members under Section 11.01 hereinabove, Bylaws other than a Bylaw fixing or changing the authorized number of Directors, or the minimum and maximum number of Directors, or a Bylaw materially and adversely affecting the rights of members as to voting or transfer, may be adopted, amended, or repealed by a majority vote of the Board of Directors.

**ARTICLE XII**  
**SCHOLARSHIPS**

**Section 12.01. Scholarships.** The Council may, if funds permit, offer one or more college scholarships each year to deserving students. It shall be the goal of the Council to offer at least one \$1,000 scholarship per year. If more than one scholarship is to be offered, it shall be put to a vote of the membership present at any monthly meeting and approved by a simple majority. The selected of the recipient each year shall be selected by a majority vote of the Executive Committee.

DRAFT

**CERTIFICATE OF SECRETARY**

I, the undersigned, certify that I am the presently elected and acting Secretary of SoCal VOCAL, a California Nonprofit Unincorporated Association, and the above Bylaws, are the Bylaws of this Association as adopted at a meeting of the Board of Directors held on \_\_\_\_\_, 2010.

Executed on \_\_\_\_\_, 2010, at \_\_\_\_\_, California.

\_\_\_\_\_, Secretary

DRAFT

**ARTICLES OF ASSOCIATION  
OF  
COUNCIL OF WATER UTILITIES**

**I**

The name of this unincorporated association is Council of Water Utilities.

**II**

**A.** This unincorporated association is a nonprofit association organized under the Unincorporated Associations Laws of the State of California. The purpose of this association is to engage in any lawful act or activity, other than credit union business, for which an association may be organized under such law.

**B.** The specific purposes of this association are to protect, advocate and promote the common business interests of its members and to protect and improve the business conditions of Southern California's retail water suppliers and the customers they serve. This association is organized exclusively for such purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time. Notwithstanding any other provision of the Bylaws, this association shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this association, and the association shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (as amended).

**IV**

The principal place of business address in the State of California of this association is:

\_\_\_\_\_  
\_\_\_\_\_

**III**

The name and address in the State of California of this association's initial agent for service of process is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IV**

This association shall be governed by a Board of Directors consisting of four directors. The following persons are hereby elected and named as the initial directors of the association:

President/Chair: \_\_\_\_\_

Vice President/Vice Chair: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

V

This association shall have one or more classes of members, consisting of persons dedicated to the purposes of this association, who meet other qualifications for membership, as the Board of Directors may determine shall be eligible for membership on approval of the membership application by the Board of Directors and on timely payment of such dues and fees as the Board may fix from time to time. The death, removal, or resignation of any member of the association shall not result in the dissolution of the association.

VI

The duration of this association shall be perpetual. The fiscal year of the association shall be January 1 through December 31 of each year.

VII

In the event of dissolution of the association, after paying or providing for the payment of all debts and liabilities of the association, the assets of the association shall be distributed pro rata in direct proportion to the money contributed to COWU to each of the then-current members of the association.

VIII

Notwithstanding any of the above statements of purposes and powers, this association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this association.

**IN WITNESS WHEREOF**, the undersigned, who is the organizer of this association, has executed these Articles of Association on January \_\_, 2010.

\_\_\_\_\_  
Kimberly A. Thorner, Organizer

**BYLAWS**  
**OF**  
**COUNCIL OF WATER UTILITIES**  
**A California Nonprofit Unincorporated Association**

**January \_\_, 2010**

**DRAFT**

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[to be inserted on final]

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**BYLAWS**  
**OF**  
**COUNCIL OF WATER UTILITIES**  
**A California Nonprofit Unincorporated Association**

**ARTICLE I**  
**NAME**

The name of this unincorporated association is COUNCIL OF WATER UTILITIES (the "Association").

**ARTICLE II**  
**OFFICES**

**Section 2.01. Principal Office.** The principal office for the transaction of the activities and affairs of the Association is located at \_\_\_\_\_ County, California. The Board of Directors (the "Board") may change the principal office from one location to another. It is the intent of the Association that the Principal Office shall transfer to the address of the agency of whomever is the presiding Secretary with each term of office.

**Section 2.02. Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places where the Association is qualified to conduct its activities.

**ARTICLE III**  
**PURPOSES AND LIMITATIONS**

**Section 3.01. Purposes.** This Association is organized under the California Unincorporated Associations Laws. The purpose of this Association is to engage in any lawful act or activity for which a unincorporated association may be organized under such law. The principal purpose for which this Association is formed is to provide a forum for water agencies to be informed and to share information of importance to the water, recycled water, wastewater and related agencies. Additionally, the Association is intended to provide annual training seminars for water agency employees in areas of interest such as customer service or first line supervisors. Further, the Association shall hold at least one annual dinner for its members. This Association is organized exclusively for such purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time. Notwithstanding any other provision of these Bylaws, this Association shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this Association, and the Association shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (as amended).

**Section 3.02. Limitations.**

a. **Property.** The property, assets, profits and net income are dedicated to the purposes set forth in Section 3.01 above.

b. **Dissolution.** Upon the winding up and dissolution of this Association, after paying or adequately providing for the payment of the debts, obligations and liabilities of the Association, the remaining assets of this Association shall be distributed pro rata in proportion to the money contributed by each member to the then-current members of the Association.

**ARTICLE IV  
MEMBERSHIP**

**Section 4.01. Qualifications and Rights of Membership**

a. **Classes and Qualifications.** This Association shall have two classes of members, consisting of persons dedicated to the purposes of this Association, who meet other qualifications for membership, as the Board may determine shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time. Notwithstanding the foregoing, the Association may refer to persons of certain nonvoting classes or other persons or entities associated with it as "members," even though those persons or entities are not voting members as set forth in Section 4.01.b. of these Bylaws, but no such reference shall constitute anyone a member within the meaning of the California Unincorporated Associations Laws unless that person or entity shall have qualified for a voting membership under Section 4.01.b. of these Bylaws. Unless the context requires otherwise, references in these Bylaws to "members" shall mean such voting members only. By resolution of the Board, the Association may grant some or all the rights of a member to any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote, but no such person or entity shall be a "member" within the meaning of the California Unincorporated Associations Laws.

(1) **Industry Members.** Public or Private water, wastewater, and recycled water agencies, including cities in San Diego County or adjacent water agencies which would provide and receive benefit from such membership shall be eligible for Industry Membership, subject to satisfying other qualifications for membership as determined by the Board.

(2) **Associate Members.** Persons or entities interested in the purposes of this Association but who are not public water, wastewater, or recycled water suppliers shall be eligible for Associate Membership, subject to satisfying other qualifications for membership as determined by the Board.

b. **Voting Members.** Only Industry Members shall be entitled to vote, as set forth in these Bylaws.

**Section 4.02. Dues, Fees and Assessments.** Each voting and nonvoting member must pay, within the time and on the conditions set by the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board. The Board may, in its discretion, set different dues, fees, and assessments for each class and within each class. For purposes of incorporation, the initial dues are set in an annual amount of \$50 per industry member and \$100 per associate member, payable on June 30<sup>th</sup> of each year.

**Section 4.03. Good Standing.** Those voting and nonvoting members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

**Section 4.04. Termination and Suspension of Membership.**

**a. Causes of Termination.** Any membership (voting or otherwise) shall terminate on occurrence of any of the following events:

- (1) Resignation of the member, on reasonable notice to the Association;
- (2) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
- (3) Failure of the member to pay dues, fees, or assessments as set by the Board within the period of time set by the Board after they become due and payable;
- (4) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications;
- (5) Expulsion or suspension of the member pursuant to Section 4.04.b. of these Bylaws; or
- (6) Termination of the legal existence of a member who is not a natural person.

**b. Suspension of Membership.** A member (voting or otherwise) may be suspended based on the good faith determination by the Board, or a committee authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Association or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a "member" during the period of suspension.

**Section 4.05. Prohibition on Transfer of Memberships.** A membership or any right arising from membership (voting or otherwise) may not be transferred to any other person or entity without the prior approval of the Board. The Board may by resolution impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members.

**Section 4.06. Meetings of Members.**

a. **Place of Meeting.** Meetings of the members shall be held generally at a breakfast meeting on the 3<sup>rd</sup> Tuesday of the month from 7:15 AM to 8:45 AM in any place designated by the Board. In the absence of any such designation, members' meetings shall be held at the principal office of the Association.

b. **Annual Meeting.** An annual meeting of members shall be held at the Annual Dinner, unless the Board fixes another date or time and so notifies members as provided for herein. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, Directors shall be elected and any other proper business may be transacted. Only voting members shall be entitled to vote on any action permitted to be taken by the members.

c. **Special Meetings.** A special meeting of the members may be called for any lawful purpose by a majority vote of the Board or by the President or by five percent (5%) or more of the members. A special meeting called by any person(s) (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Chairman/President or the Secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board, provided, however, that the meeting date shall be least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

d. **Notice Requirements for Members' Meetings.**

(1) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at the meeting. The notice shall specify the place, date, and hour of the meeting and, (i) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (ii) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected or written ballots distributed for the election of Directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(3) **Manner of Giving Notice.** Notice of any meeting of members shall be in writing or electronic communication and shall be given at least five (5) days but no more than sixty (60) days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written or electronic communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address given by the member to the Association for purposes of notice, *provided, however,* that

notice shall not be delivered electronically unless the member has consented to electronic delivery of the notice.

e. **Quorum.** One-third (1/3) of the voting members, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjourned, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

f. **Adjournment and Notice of Adjourned Meetings.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than sixty (60) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Association may transact any business that might have been transacted at the original meeting.

g. **Voting.** The only persons entitled to vote at any meeting of members shall be Industry Members who are in good standing as of the record date determined pursuant to Section 4.08 of these Bylaws. Voting may be by voice or ballot as determined by the Board of Directors. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Cumulative voting shall not be permitted. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number, or voting by classes, is required by the California Unincorporated Associations Laws or by these Bylaws.

**Section 4.07. Action by Written Ballot Without a Meeting.** Any action that may be taken at any meeting of members may be taken without a meeting by written ballot in which the number of votes cast equals or exceeds that number required for a quorum, with approval of a matter so voted requiring an affirmative majority of the votes cast.

a. **Solicitation of Written Ballots.** If the vote of the members is to be conducted by written ballot without a meeting, the notice of the vote shall serve as the ballot. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, provide a reasonable time within which to return the ballot to the Association, and with respect to ballots for election of Directors, state the name of each nominee.

b. **Revocation.** A written ballot may not be revoked.

**Section 4.08. Record Date for Notice, Voting, Written Ballots, and Other Actions.** For purposes of determining which members are entitled to receive notice of any meeting, to vote, or to give consent to corporate action without a meeting, the "record date" shall

be the date of the delivery or mailing of the applicable notice. Only members of record on the record date are entitled to notice, to vote, or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record day, except as otherwise provided in the Articles of Association, by agreement, or in the California Unincorporated Associations Laws.

**Section 4.09. Proxies.** Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Association. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, electronic transmission, or otherwise) by the member or the member's attorney-in-fact. A validly executed proxy shall continue in full force and effect until: (a) revoked by the member in writing delivered to the Association stating that the proxy is revoked, or (b) revoked by a member by a subsequent proxy executed by that member and presented to the meeting, or (c) revoked by a member as to any meeting, by that member's personal attendance and voting at the meeting; or (d) written notice of death or incapacity of the maker of the proxy is received by the Association before the vote under that proxy is counted, provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. A proxy may not be irrevocable.

**Section 4.10. Election of Directors.**

a. **Nominations by Members.** At the November meeting, the President shall appoint a nominating committee of three persons. The nominating committee should usually consist of the present Chairperson and the two previous Chairpersons. Any member may make suggestions for election of directors to the nominating committee. The nominating Committee shall report its recommendations to the membership at the January meeting.

c. **Nominations From the Floor.** At any meeting of members to elect Directors, any Industry Member present at the meeting in person or by proxy may place names in nomination.

**Section 4.11. Records – Members' Inspection Rights**

a. **Membership Records.** Subject to the California Unincorporated Associations Laws and unless the Association provides a reasonable alternative as provided below, any Industry Member may do either or both of the following for a purpose reasonably related to such member's interest is a member:

(1) Inspect and copy the records of members' (voting or otherwise) names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the Association, which demand must state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the Association, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who

are entitled to vote for the election of Directors as of the most recent record date for which that list has been compiled, or as of a date specified by the member, after the date of demand. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the latter of ten (10) days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled.

The Association may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the Association believes that the information requested will be used for a purpose other than one reasonably related to a person's interest as a member, or if the Association provides a reasonable alternative under this Section 4.11.a., it may deny the member access to the membership list. Any inspection and copying under this section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts.

b. **Accounting Records and Minutes.** On written demand presented to the Association, any Industry Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney.

c. **Maintenance and Inspection of Articles and Bylaws.** The Association shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of its Articles of Association and Bylaws, as amended to date, which shall be open to inspection by the members (voting or otherwise) at all reasonable times during office hours.

## **ARTICLE V** **DIRECTORS**

### **Section 5.01. Powers.**

a. **General Corporate Powers.** Subject to any limitations of the Articles of Association and of these Bylaws, the activities and affairs of the Association shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

b. **Specific Powers.** Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(1) Appoint and remove, at the pleasure of the Board, all officers, agents and employees of the Association; prescribe powers and duties for them that are

consistent with law, with the Articles of Association and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(2) Change the principal office or the principal business office in the State of California from one location to another; and designate any place within or outside the State of California for the holding of any meeting, including annual meetings.

(3) Borrow money and incur indebtedness on behalf of the Association and cause to be executed and delivered for the purposes of the Association, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

**Section 5.02. Number and Election of Directors.**

a. **Authorized Number.** The authorized number of Directors shall be four, the determination of which shall be made by resolution of the Board. Directors must be residents of the State of California and further must be either an elected official, appointed official or general manager of an Industry Member.

b. **Election of Directors.** Directors shall be elected at each annual meeting of the members to hold office for a period of two years; however, if any annual meeting is not held or the Directors are not elected at any annual meeting, they may be elected at any special member's meeting held for that purpose. Each Director, including a Director elected to fill a vacancy or elected at a special member's meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. At the November meeting, the President shall appoint a nominating committee of three persons. The nominating committee should usually consist of the present Chairperson and the two previous Chairpersons. The nominating Committee shall report its recommendations to the membership at the January meeting. Election will be held at the February meeting. The Directors shall take office at the March meeting.

**Section 5.03. Term of Office of Directors.** The Directors newly appointed or selected in accordance with section 5.02.b shall hold office for a term of one (2) years.

**Section 5.04. Vacancies.**

a. **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the death, removal, suspension or resignation of any Director; or (ii) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Unincorporated Associations Laws; or if a director of COWU is no longer a director or general manager of the industry member. No reduction of the authorized number of Directors shall have the effect of removing any Director before the Director's term of office expires.

b. **Filling Vacancies.** Any vacancy on the Board shall be filled by vote a quorum consisting of 1/3 of the industry members at the next monthly meeting following the vacancy.

**Section 5.05. Place of Meetings; Meetings by Telephone.** Meetings of the Board shall be held at the principal office of the Association or at such other place as has been designated by the Board. In the absence of any such designation, meetings shall be held at the principal office of the Association. Any meeting may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

**Section 5.06. Annual, Regular and Special Meetings.**

a. **Annual Meeting.** The Board shall hold an annual meeting immediately following the annual meeting of the membership, or in conjunction with its regularly scheduled meeting for the month \_\_\_\_\_ of each year for the purpose of organization, election of officers and the transaction of other business; provided, however, that the Board may fix another time for the holding of its annual meeting. Notice of this meeting shall not be required.

b. **Special Meetings.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors. Notice of the time and place of special meetings shall be given to each Director by personal delivery, electronic transmission or first-class mail, postage prepaid or by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director, or by electronic means. All such notices shall be given or sent to the Director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission shall be delivered, telephoned, or electronically sent at least forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Association. It need not specify the purpose of the meeting.

**ARTICLE VI  
COMMITTEES**

**Section 6.01. Committees of the Board.** The Board, by a majority vote of the Directors then in office, may create one or more committees, each consisting of two or more representatives of members, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

a. Fill vacancies on the Board or in any committee which has the authority of the Board;

b. Amend or repeal Bylaws or adopt new Bylaws;

c. Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

d. e. Appoint any other committees of the Board or the members of these committees; and

e. f. Approve any contract or transaction to which the Association is a party and in which one or more of its Directors has a material financial interest.

**Section 6.02. Meetings and Actions of the Committees.** Meetings and action of committees of the Board shall be governed by, held and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other action of the Board, except that the time for regular meetings of such committees and the calling of special meetings thereof may be determined either by resolution of the Board or, if there is no Board resolution, by resolution of the committee of the Board. Minutes shall be kept of each meeting of any committee of the Board and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the Board, the committee may adopt such rules.

## **ARTICLE VII** **OFFICERS**

**Section 7.01. Officers.** The officers of the Association shall include a President, a Vice President, a Secretary, and a Treasurer. No one person shall hold more than one office. Presidents are alternated between South and North County and between Board/Council Members and Managers from March 1 to February 28, as follows:

|                     |         |
|---------------------|---------|
| North/Management    | 2009-10 |
| South/Management    | 2010-11 |
| North/Board/Council | 2011-12 |
| South/Board/Council | 2012-13 |

Officers of the Board should reflect the membership and for the "Board/Council" may be selected from any public agency Board representatives that are elected or appointed; mayor or council members from cities that provide water, recycled water or wastewater service. "Management" Officers should also reflect the membership and may be selected from General Managers, Water Utility Managers, or executive staff as appropriate.

**Section 7.03. Removal and Resignation of Officers.** Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors. Any officer may resign upon written notice to the Association without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

**Section 7.04. Vacancies in Office.** A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

**Section 7.05. Responsibilities of Officers.**

a. **Chairman of the Board/President.** If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the Association prescribed by these Bylaws. The Chairman is responsible for the monthly programs at the breakfast meetings. Programs generally consist of speakers, well informed on current issues of interest to the water industry and may include reports on pending legislation, ballot initiatives and relevant court decisions. The Chairman may call a meeting of the Executive Committee when they deem it so necessary.

c. **Vice Presidents/Vice Chair.** In the absence or disability of the President, the Vice President shall perform all of the duties of the President, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for them by the Board or the Bylaws. The Vice President/Vice Chair shall be responsible for ensuring the customer service seminars are conducted each year in a cost effective and efficient manner, maximizing membership attendance and benefit. Expenses for professional presenters and speakers may be paid from the treasury to reduce seminar expenses to the membership.

d. **Secretary.**

(1) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all

meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California, a copy of the Articles of Association and Bylaws, as amended to date. The Secretary shall also maintain a complete and accurate record of the membership of the Association, as well as a record of the proceedings of all meetings of the membership.

(2) **Notices, Seal and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

e. **Treasurer.**

(1) **Books of Account.** The Treasurer of the Association shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the Association, and shall send or cause to be sent to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(2) **Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board, shall disburse the funds of the Association as may be ordered by the Board, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Treasurer and of the financial condition of the Association and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(3) **Bond.** If required by the Board, the Treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Association of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Treasurer upon death, resignation, retirement or removal from office.

**ARTICLE VIII**  
**INDEMNIFICATION AND INSURANCE**

**Section 8.01. Indemnification.**

a. **Right of Indemnity.** To the full extent permitted by law, this Association shall indemnify its Directors, officers, employees and other persons acting on behalf of the Association, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such Section and including an action by or in the right of the Association, by reason of the fact that such person is or was a person described by such Section. "Expenses," as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Nonprofit Mutual Benefit Corporations Code.

b. **Approval of Indemnity.** Upon written request to the Board by any person seeking indemnification, the Board shall promptly determine whether the applicable standard of conduct set forth in the California Unincorporated Associations Laws and other applicable laws has been met and, if so, the Board shall determine whether indemnification shall be made.

c. **Advancement of Expenses.** To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Association prior to the final disposition of the proceeding upon receipt by the Association of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the Association therefore.

**Section 8.02. Insurance.** The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the Association, against any liability asserted against or incurred by an officer, Director, employee or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

## **ARTICLE IX** **RECORDS AND DIRECTOR INSPECTION RIGHTS**

**Section 9.01. Maintenance of Corporate Records.** The Association shall keep adequate and correct books and records of account, minutes in written form of the proceedings of the Board and committees of the Board, and if applicable, a record of its members, giving their names and addresses and the class of membership held.

**Section 9.02. Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the Association. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

## **ARTICLE X** **CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Unincorporated Associations Laws shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular and the term "person" includes both a legal entity and a natural person.

## **ARTICLE XI** **AMENDMENTS**

**Section 11.01. Adoption or Amendment by Members.** New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of all members present at a meeting of the membership and entitled to vote.

**Section 11.02. Amendment by Board of Directors.** Subject to the right of members under Section 11.01 hereinabove, Bylaws other than a Bylaw fixing or changing the authorized number of Directors, or the minimum and maximum number of Directors, or a Bylaw materially and adversely affecting the rights of members as to voting or transfer, may be adopted, amended, or repealed by a majority vote of the Board of Directors.

**ARTICLE XII**  
**SCHOLARSHIPS**

**Section 12.01. Scholarships.** The Council may, if funds permit, offer one or more college scholarships each year to deserving students. It shall be the goal of the Council to offer at least one \$1,000 scholarship per year. If more than one scholarship is to be offered, it shall be put to a vote of the membership present at any monthly meeting and approved by a simple majority. The selected of the recipient each year shall be selected by a majority vote of the Executive Committee.

DRAFT

**CERTIFICATE OF SECRETARY**

I, the undersigned, certify that I am the presently elected and acting Secretary of SoCal VOCAL, a California Nonprofit Unincorporated Association, and the above Bylaws, are the Bylaws of this Association as adopted at a meeting of the Board of Directors held on \_\_\_\_\_, 2010.

Executed on \_\_\_\_\_, 2010, at \_\_\_\_\_, California.

\_\_\_\_\_, Secretary

DRAFT

**ARTICLES OF ASSOCIATION  
OF  
COUNCIL OF WATER UTILITIES**

**I**

The name of this unincorporated association is Council of Water Utilities.

**II**

**A.** This unincorporated association is a nonprofit association organized under the Unincorporated Associations Laws of the State of California. The purpose of this association is to engage in any lawful act or activity, other than credit union business, for which an association may be organized under such law.

**B.** The specific purposes of this association are to protect, advocate and promote the common business interests of its members and to protect and improve the business conditions of Southern California's retail water suppliers and the customers they serve. This association is organized exclusively for such purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time. Notwithstanding any other provision of the Bylaws, this association shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this association, and the association shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (as amended).

**IV**

The principal place of business address in the State of California of this association is:

\_\_\_\_\_  
\_\_\_\_\_

**III**

The name and address in the State of California of this association's initial agent for service of process is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IV**

This association shall be governed by a Board of Directors consisting of four directors. The following persons are hereby elected and named as the initial directors of the association:

President/Chair: \_\_\_\_\_  
Vice President/Vice Chair: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

V

This association shall have one or more classes of members, consisting of persons dedicated to the purposes of this association, who meet other qualifications for membership, as the Board of Directors may determine shall be eligible for membership on approval of the membership application by the Board of Directors and on timely payment of such dues and fees as the Board may fix from time to time. The death, removal, or resignation of any member of the association shall not result in the dissolution of the association.

VI

The duration of this association shall be perpetual. The fiscal year of the association shall be January 1 through December 31 of each year.

VII

In the event of dissolution of the association, after paying or providing for the payment of all debts and liabilities of the association, the assets of the association shall be distributed pro rata in direct proportion to the money contributed to COWU to each of the then-current members of the association.

VIII

Notwithstanding any of the above statements of purposes and powers, this association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this association.

**IN WITNESS WHEREOF**, the undersigned, who is the organizer of this association, has executed these Articles of Association on January \_\_, 2010.

\_\_\_\_\_  
Kimberly A. Thorner, Organizer



STAFF REPORT

|                             |   |               |                  |
|-----------------------------|---|---------------|------------------|
| TYPE MEETING:               | Regular Board   | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY:               | Frank Anderson, Utility Services Manager <i>F.A.</i>                                    | W.O./G.F. NO: | DIV. NO. All     |
| APPROVED BY:<br>(Chief)     | Pedro Porras,<br>Chief, Water Operations <i>[Signature]</i>                             |               |                  |
| APPROVED BY:<br>(Asst. GM): | Manny Magaña, <i>[Signature]</i><br>Assistant General Manager, Engineering & Operations |               |                  |
| SUBJECT:                    | District AMR progress report  |               |                  |

**GENERAL MANAGER'S RECOMMENDATION:**

This is an informational item and requires no Board action.

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

See Attachment "A"

**PURPOSE:**

This is to inform the Board of the Otay Water District's (District) Automated Meter Reading (AMR) retrofit program status and progress.

**ANALYSIS:**

In an effort to more efficiently record consumption usage of its customers, and provide accurate reads, the District researched upcoming AMR technology that uses certain radio-band frequencies. These frequencies are broadcast from a radio transponder that is attached to the water meter register which records water consumption activities. These frequencies are then received by specialized laptops that are located in vehicles that drive through customers' neighborhoods in order to record

water use consumption which in turn is downloaded to the District's finance billing department.

The District initially engaged in the AMR retrofit of its water meters in October of 2002. Although initial retrofit activities led to the re-direction from the Ramar AMR product to Master Meter AMR that is more reliable, this project is currently on track. Therefore, on December 7, 2005 the Board authorized the General Manager to enter into an agreement with Master Meter for the purchase of 11,500 AMRs.

Master Meter originally provided us with the first version of their AMRs known as Narrow Band, but by summer of 2008 Master Meter replaced all our Narrow Band meters with their latest version of meters, Direct Spectrum which turned out to be a superior product. All our installed and new AMRs are Direct Spectrum.

On October 7, 2009 the Board authorized the approval to purchase 17,414 meters, only 2-inches and smaller, that would be purchased over a period of five years as needed to accommodate our annual AMR retrofit project. In addition, the Board gave formal authorization to purchase 112 meters larger than 2-inches, as needed in order to complete the AMR retrofit program.

Currently, there are 48,635 meters in the ground and according to the District's EDEN meter retrofit tracking system, as of January 4, 2010, 27,076 of the District's meters have been retrofitted with Master Meter AMRs. This equates into a 55.67 percent retrofit completion ratio.

During this last fiscal year to date, contractual AMR change outs included 4,480 meters while in-house staff retrofitted 455 meters from three-quarter-inch to six-inch in size to complete meter-read routes.

Originally, the District had 105 manual-read meter routes that have been re-configured into 84 meter-read routes that are being converted to AMR. Currently, 45 routes are being read by radio for billing. Of these 45 routes, 28 are complete AMR read routes and 17 routes are within 5 percent of being complete radio-read routes and are projected to be retrofitted to complete AMR by the end of the fiscal year. Non-AMR routes consist of 31 routes with 8 routes projected to be converted next year.

This project is expected to conclude in 2014.

To date, Master Meter, Inc. AMRs continue to be a reliable and sustainable product and are meeting the District's needs. The cumulative failure rate is 1.18 percent, which is well within Master Meter's contractual performance obligation of a failure rate that is not to exceed 2 percent. These failures are due to misreads and were immediately replaced under the contract warranty.

**FISCAL IMPACT:** 

The annual purchase of meters from the AMR/Manual Meter Replacement CIP 2458 is dependant upon the schedule of replacements projected from fiscal year 2010 to fiscal year 2014. As a condition of the Master Meter, Inc. Agreement, the per-meter cost is based on a defined discount of Master Meter, Inc's published standard-price schedule. To date, Master Meter, Inc. has not made any adjustments to this schedule.

The total budget for the AMR/Manual Meter Replacement CIP 2458 is \$10,477,000. Current expenditures and encumbrances for the CIP are \$3,846,722.64.

**STRATEGIC GOAL:**

Implementation of the AMR program per schedule.

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

None.

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

Attachment "A", Committee Action

QA/AC Approved.

NAME:  \_\_\_\_\_

DATE: 1-14-2010



## ATTACHMENT A

|                         |                              |
|-------------------------|------------------------------|
| <b>SUBJECT/PROJECT:</b> | District AMR Progress Report |
|-------------------------|------------------------------|

### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting on January 19, 2010 and the Engineering, Operations and Water Resources Committee reviewed this item at a meeting on January 21, 2010 and the following comments were made:

### 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:               | Committee   | MEETING DATE: | January 19, 2010 |          |     |
| SUBMITTED BY:               | James Peasley<br>Engineering Manager  | PROJECT NO.:  | All              | DIV. NO. | All |
| APPROVED BY:<br>(Chief)     | Rod Posada<br>Chief, Engineering  |               |                  |          |     |
| APPROVED BY:<br>(Asst. GM): | Manny Magaña<br>Assistant General Manager of Engineering and Operations         |               |                  |          |     |
| SUBJECT:                    | Informational Item - Review of the Fiscal Year 2010 Capital Improvement Program |               |                  |          |     |

**GENERAL MANAGER'S RECOMMENDATION:**

This is an informational item and requires no Board of Directors (Board) action.

**COMMITTEE ACTION:**

Please see Attachment A.

**PURPOSE:**

This is to inform the Board about the FY 2010 Capital Improvement Program (CIP) review.

**ANALYSIS:**

Staff, on a periodic basis, reviews and updates the current six-year CIP project projected expenditures. The significant changes are based on re-prioritization of various projects, new opportunities for interconnections with other agencies, and/or alternative water supplies. There are other changes that are generally a reduction or increase in the projected expenditures on some CIP projects. CIP project budget increases are brought

to the Board for approval or budget changes are incorporated for incoming fiscal year budget development and Board approval. CIP projects that bring new sources of local water will be offset with capacity fees that are presently being evaluated.

In the last two years, the District has searched for more alternative local water supplies, interconnectivity of the systems, and emergency supply. After the FY 2010 CIP was approved, staff held conversations with Sweetwater Authority to evaluate the potential of an intertie of the District's system and the Sweetwater Authority (SWA) Purdue Water Treatment Plant (WTP). If this project is feasible, the immediate advantages to the District would be the interconnection of the North and South Districts and emergency supply from the SWA Purdue WTP.

Staff has prepared the attached spreadsheet (see Attachment B) showing revised expenditure projections to various CIP projects. The spreadsheet includes projects such as the SWA Intertie Project and other projects that could be deleted or delayed. In addition, the spreadsheet shows areas where the projected expenditures on CIP projects are either reduced or increased. The effort of developing the spreadsheet is to provide the Finance Department with a more accurate picture of future financial needs for them to forecast financial impacts before issuing debt.

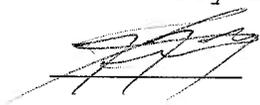
Some notable examples of the proposed expenditure changes are that if the SWA Intertie, at \$26.6 million, is feasible, then the Proctor Valley Intertie and storage facilities, at a cost of \$44.9 million, will not be needed. Staff accounted for the increased cost for the Purdue WTP Pump Station and discharge pipeline at \$8.2 million. The SWA Intertie would replace the Proctor Valley Road Interconnection Pipelines and the 624-4 40 MG Reservoir project. The net savings would be \$10.1 million.

In addition, the Otay River Ground Water Demineralization project and brine disposal pipeline, at a cost of \$16.6 million, will not be required once the Rosarito Desalination project becomes a reality.

Finally, staff moved some projects to Phase II (FY 2016 and beyond) for a total value of \$16.5 million, consisting of two reservoirs and a pipeline. These projects are development driven. If the entire CIP project's cost estimates and alternative water projects become a reality then the net overall expenditure reduction is \$45.3 million for the six-year CIP.

As a part of the FY 2011 budget development and approval processes, staff will allocate funds in the operational budget to update the Urban Water Management Plan, the Integrated Resources Master Plan, and the Sewer System Master Plan as these planning tools would have a direct impact on the proposed projects for FY 2012 and beyond.

**FISCAL IMPACT:**



None.

**STRATEGIC GOAL:**

The CIP supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, and efficient manner," and the District's strategic goal, in planning for infrastructure and supply to meet current and future potable water demands.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



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

P:\jpeasley\BD 02-03-10, Staff Report, Review of Fiscal Year 2010 Capital Improvement Program Report, (JP-RP).doc

JP/RP:jf

Attachments: Attachment A  
Attachment B  
Presentation

QA/QC Approved:

Name: Bill [Signature]

Date: 1/14/10



## ATTACHMENT A

|                                    |   |
|------------------------------------|---|
| <b>PROJECT/SUBJECT:</b><br><br>All | Informational Item - Review of the Fiscal Year 2010 Capital Improvement Program |
|------------------------------------|---|

**COMMITTEE ACTION:**

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on January 19, 2010. The Committee supported Staff's recommendation.

**Otay Water District**  
**Revised FY 2010 Six Year Capital Improvement Program**  
**(\$1,000)**

**ATTACHMENT B**

| CIP Project No. | Brief Project Title and Description   | Project Manager | Actual Prior To FY 2010 Expenditure | Projected FY 2010 Scheduled Expenditure | Projected FY 2011 Scheduled Expenditure | Projected FY 2012 Scheduled Expenditure | Projected FY 2013 Scheduled Expenditure | Projected FY 2014 Scheduled Expenditure | Projected FY 2015 Scheduled Expenditure | FY 2010 Total Projected Cost | Comments  |
|-----------------|---|-----------------|-------------------------------------|---|---|---|---|---|---|------------------------------|---|
| P2009           | PL - 36-Inch, SDCWA Otay FCF No. 14 to Regulatory Site                          | Ripperger       |                                     |   |   |   |   |   |   |                              |   |
| P2010           | PL - 24-Inch, Sweetwater Authority Perdue WTP to 36-Inch Main                   | Ripperger       | \$3,765                             | \$15,000                                | \$2,200                                 |   |   |   |   | \$20,965                     | Reduced total budget by \$1,235,000.  |
| P2033           | PL - 16-Inch, 1296 Zone, Melody Road - Campo/Presilla                           | Ripperger       | \$265                               | \$135                                   | \$300                                   | \$1,000                                 | \$1,400                                 | \$1,600                                 | \$2,000                                 | \$6,700                      | Generally moved out one year longer and increased total budget \$2,700,000 per MWH Report 3,500 gpm to 10,000 gpm.    |
| P2038           | PL - 12-Inch, 978 Zone, Jamacha, Hidden Mesa, and Chase Upsize and Replacements | Kay             | \$5                                 |   |   | \$2                                     | \$150                                   | \$1,000                                 | \$669                                   | \$1,826                      | Generally moved out one year longer   |
| P2104           | PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain                     | Charles         | \$1,204                             | \$1,100                                 | \$5                                     |   |   |   |   | \$2,309                      | Reduced total budget by \$191,000.  |
| P2107           | PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125                    | Charles         |                                     |   |   |   | \$833                                   |   |   | \$833                        | OK  |
| P2143           | Res - 1296-3 Reservoir 2 MG   | Charles         |                                     |   |   |   | \$722                                   |   |   | \$722                        | OK  |
| P2172           | PS - 1485-1 Pump Station Replacement  | Kay             | \$1,702                             | \$1,550                                 | \$5                                     |   |   |   |   | \$3,257                      | Reduced total budget by \$383,000.  |
| P2185           | Res - 640-1 Reservoir 20.0 MG   | Ripperger       | \$1,204                             | \$1,100                                 | \$5                                     |   |   |   |   | \$2,309                      | Reduced total budget by \$166,000.  |
| P2191           | Res - 850-4 Reservoir 2.2 MG  | Ripperger       | \$28,100                            | \$20                                    | \$300                                   | \$230                                   |   |   |   | \$28,650                     | Reduced total budget by \$100,000.  |
| P2267           | 36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations                  | Kay             | \$3,142                             | \$225                                   | \$5                                     |   |   |   |   | \$3,372                      | Reduced total budget by \$63,000.   |
| P2282           | Vehicle Capital Purchases   | Munoz           | \$235                               |   | \$200                                   |   |   |   |   | \$435                        | OK  |
| P2285           | Office Equipment and Furniture Capital Purchases                                | Rahders         | \$1,806                             | \$484                                   | \$410                                   | \$420                                   | \$640                                   | \$300                                   | \$251                                   | \$4,311                      | OK  |
| P2286           | Field Equipment Capital Purchases   | Dobrawa         | \$412                               | \$20                                    | \$20                                    | \$20                                    | \$20                                    | \$20                                    | \$20                                    | \$532                        | OK  |
| P2318           | PL - 20-Inch, 657 Zone, Summit Cross-Tie and 36-Inch Main Connections           | Rahders         | \$662                               | \$183                                   | \$65                                    | \$50                                    | \$50                                    | \$50                                    | \$15                                    | \$1,075                      | OK  |
| P2325           | PL - 10" to 12" Oversize, 1296 Zone, PB Road - Rolling Hills Hydro PS/PB Bndy   | Kennedy         | \$70                                |   | \$100                                   | \$230                                   | \$200                                   |   |   | \$600                        | OK  |
| P2356           | PL - 12-Inch, 803 Zone, Jamul Drive Permastran Pipeline Replacement             | Charles         |                                     | \$1                                     | \$49                                    |   |   |   |   | \$50                         | OK  |
| P2357           | PS - 657-1/850-1 Pump Station Demolition  | Kay             | \$751                               | \$5                                     |   |   |   |   |   | \$756                        | Reduced total budget by \$9,000.  |
| P2366           | APCD Engine Replacements and Retrofits  | Kennedy         |                                     |   | \$50                                    | \$250                                   |   |   |   | \$300                        | OK  |
| P2370           | Res - Dorchester Reservoir and Pump Station Demolition                          | Rahders         | \$1,644                             | \$180                                   | \$190                                   | \$220                                   | \$200                                   | \$200                                   | \$200                                   | \$2,834                      | OK  |
| P2382           | Safety and Security Improvements  | Kennedy         | \$13                                |   | \$67                                    | \$70                                    |   |   |   | \$150                        | OK  |
| P2387           | PL - 12-Inch, 832 Zone, Steele Canyon Road - Via Caliente/Campo                 | Cudal           | \$1,144                             | \$70                                    | \$50                                    | \$50                                    | \$50                                    | \$50                                    | \$50                                    | \$1,464                      | Reduced total budget by \$75,000.   |
| P2391           | PS - Perdue WTP Pump Station (5 MGD)  | Kay             | \$431                               | \$5                                     |   |   |   |   |   | \$436                        | Reduced total budget by \$4,000.  |
| P2402           | PL - 12-Inch, 624 Zone, La Media Road - Village 7/Otay Valley                   | Ripperger       |                                     | \$5                                     | \$195                                   | \$1,500                                 | \$5,000                                 | \$4,000                                 |   | \$10,700                     | Generally moved out one year longer and increased total budget by \$5,500,000 per MWH Report 3,500 gpm to 10,000 gpm. |
| P2403           | PL - 12-Inch, 624 Zone, Heritage Road - Olympic/Otay Valley                     | Charles         |                                     |   |   |   | \$444                                   |   |   | \$444                        | OK  |
| P2416           | SR-125 Utility Relocations  | Charles         |                                     |   |   | \$380                                   | \$500                                   | \$45                                    |   | \$925                        | OK  |
| P2434           | Rancho Del Rey Groundwater Well Development                                     | Kennedy         | \$867                               | \$50                                    | \$20                                    |   |   |   |   | \$937                        | Project in pre-litigation hence increased budget \$37,000.  |
| P2440           | I-905 Utility Relocations   | Peasley         | \$552                               | \$1,200                                 | \$1,648                                 | \$250                                   |   |   |   | \$3,650                      | Project extended out one year.  |
| P2443           | Information Technology Mobile Services  | Ripperger       | \$1,398                             | \$100                                   | \$400                                   |   |   |   |   | \$1,898                      | Reduced total budget by \$1,118,000.  |
| P2451           | Rosarito Desalination Facility Conveyance System                                | Stevens         | \$663                               | \$150                                   | \$100                                   | \$100                                   | \$100                                   |   |   | \$1,113                      | Reduced total budget by \$239,000.  |
| P2453           | SR-11 Utility Relocations   | Peasley         | \$171                               | \$100                                   | \$850                                   | \$12,000                                | \$14,000                                | \$2,850                                 |   | \$29,971                     | Reduced total budget by \$29,000 per CDM Reports.   |
| P2456           | Air and Vacuum Valve Upgrades   | Kennedy         | \$3                                 | \$1                                     | \$50                                    | \$50                                    | \$50                                    |   |   | \$154                        | Reduced total budget by \$346,000.  |
| P2458           | AMR Manual Meter Replacement  | Acuna           | \$1,511                             | \$500                                   | \$163                                   | \$450                                   |   |   |   | \$2,624                      | OK  |
| P2461           | Records Management System Upgrade   | Keeran          | \$2,696                             | \$1,251                                 | \$1,500                                 | \$1,650                                 | \$1,700                                 | \$1,650                                 |   | \$10,447                     | OK  |
| P2465           | Regulatory Site Material Storage Bins   | Jenkins         | \$156                               | \$100                                   |   |   |   |   |   | \$256                        | OK  |
| P2466           | Regional Training Facility  | Kay             | \$297                               | \$5                                     |   |   |   |   |   | \$302                        | Reduced total budget by \$8,000.  |
| P2467           | San Diego Formation Groundwater Feasibility Study                               | Coburn-Boyd     | \$158                               | \$70                                    | \$20                                    |   |   |   |   | \$248                        | Reduced total budget by \$4,000.  |
| P2469           | Information Technology Network and Hardware                                     | Peasley         | \$611                               | \$589                                   | \$600                                   |   |   |   |   | \$1,800                      | OK  |
| P2470           | Application Systems Development and Integration                                 | Jenkins         | \$385                               | \$265                                   | \$200                                   | \$300                                   | \$250                                   | \$250                                   | \$250                                   | \$1,900                      | OK  |
| P2471           | 850/657 PRS at La Presa Pump Station  | Stevens         | \$380                               | \$430                                   | \$200                                   | \$200                                   | \$200                                   | \$200                                   | \$200                                   | \$1,810                      | OK  |
| P2472           | Water Supply Feasibility Studies  | Kennedy         | \$29                                | \$56                                    | \$225                                   |   |   |   |   | \$310                        | OK  |
| P2473           | PS - 711-1 Pump Station Improvement   | Peasley         | \$22                                | \$20                                    | \$30                                    | \$30                                    | \$30                                    | \$40                                    |   | \$172                        | Reduced total budget by \$3,000.  |
| P2474           | Fuel Storage Covers and Containment   | Kennedy         | \$3                                 | \$5                                     | \$370                                   |   |   |   |   | \$378                        | Reduced total budget by \$47,000.   |
| P2475           | Pump Station Fire Hydrant Installations   | Kennedy         | \$15                                | \$100                                   |   |   |   |   |   | \$115                        | Reduced total budget by \$10,000.   |
| P2477           | Res - 624-1 Reservoir Cover Replacement   | Kennedy         | \$7                                 | \$40                                    |   |   |   |   |   | \$47                         | Reduced total budget by \$3,000.  |
| P2478           | Administration Building Engine/Generator Set                                    | Kennedy         | \$7                                 | \$50                                    |   |   |   |   |   | \$432                        | Reduced total budget by \$18,000.   |
| P2479           | Operations Yard Property Acquisition  | Anderson        | \$9                                 | \$111                                   |   |   |   |   | \$375                                   | \$120                        | OK  |
| P2481           | Middle Sweetwater River Basin Groundwater Well System                           | Dobrawa         | \$365                               | \$5                                     |   |   |   |   |   | \$370                        | OK  |
| P2482           | Otay Mesa Lot 7 Groundwater Well System   | Peasley         |                                     | \$500                                   | \$1,500                                 | \$4,000                                 | \$1,000                                 |   |   | \$7,000                      | Reduced total budget by \$1,000,000.  |
| P2483           | PS - 870-1 Pump Motor and Switch Gear Replacement                               | Peasley         |                                     | \$25                                    | \$825                                   | \$1,200                                 | \$1,000                                 |   |   | \$3,050                      | Reduced total budget by \$150,000.  |
| P2484           | Large Water Meter Replacement Program   | Anderson        |                                     | \$130                                   |   |   |   |   |   | \$130                        | OK  |
| P2485           | SCADA Communication System and Software Replacement                             | Keeran          |                                     | \$135                                   | \$100                                   | \$100                                   | \$100                                   | \$100                                   |   | \$535                        | OK  |
| P2486           | Asset Management Plan Condition Assessment and Data Acquisition                 | Stalker         |                                     | \$265                                   | \$350                                   | \$300                                   |   |   |   | \$915                        | OK  |
| P2487           | Sir Francis Helix and Otay Valley Cal American Agency Interconnections          | Stevens         |                                     | \$300                                   | \$300                                   | \$200                                   |   |   |   | \$800                        | OK  |
| P2488           | Del Rio Road Helix and Otay Agency Interconnection                              | Kay             |                                     | \$200                                   |   |   |   |   |   | \$200                        | Reduced budget by \$50,000 for prior year actual expenses.  |
| P2489           | Gillespie Drive Helix and Otay Agency Interconnection                           | Kennedy         |                                     | \$25                                    | \$125                                   |   |   |   |   | \$150                        | OK  |
| P2490           | 1296-1 Reservoir Interior/Exterior Coating and Upgrades                         | Kennedy         |                                     | \$25                                    | \$125                                   |   |   |   |   | \$150                        | OK  |
| P2491           | 850-3 Reservoir Exterior Coating  | Kennedy         |                                     | \$340                                   | \$10                                    |   |   |   |   | \$350                        | OK  |
| P2492           | 1296-2 Reservoir Interior/Exterior Coating and Upgrades                         | Kennedy         |                                     |   | \$300                                   |   |   |   |   | \$300                        | Generally moved out one year longer.  |
| P2493           | 624-2 Reservoir Interior Coating and Upgrades                                   | Kennedy         |                                     | \$490                                   | \$10                                    |   |   |   |   | \$500                        | Reduced total budget by \$100,000.  |
| P2494           | Multiple Species Conservation Plan  | Kennedy         |                                     |   | \$930                                   | \$20                                    |   |   |   | \$950                        | Generally moved out one year longer.  |
| P2495           | San Miguel Habitat Management/Mitigation Area                                   | Coburn-Boyd     |                                     | \$540                                   | \$280                                   | \$10                                    |   |   |   | \$830                        | Board approved increased budget in FY 2010 by \$604,000.  |
| P2496           | Otay Lakes Road Utility Relocations   | Coburn-Boyd     |                                     | \$225                                   | \$150                                   | \$150                                   | \$175                                   | \$150                                   | \$150                                   | \$1,000                      | OK  |
| P2497           | Solar Power Feasibility Study   | Ripperger       |                                     | \$75                                    | \$25                                    |   |   |   |   | \$100                        | OK  |
| R2028           | RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley            | Kennedy         |                                     | \$20                                    | \$30                                    |   |   |   |   | \$50                         | Reduced total budget by \$100,000.  |
| R2034           | RecRes - 860-1 Reservoir 4.0 MG   | Charles         |                                     |   |   | \$85                                    | \$430                                   | \$85                                    |   | \$600                        | OK  |
| R2042           | RecPL - 8-Inch, 944 Zone, Rock Mountain Road - SR-125/EastLake                  | Ripperger       |                                     |   | \$400                                   | \$800                                   | \$2,600                                 |   |   | \$3,800                      | Generally moved forward one year (Apex).  |
| R2047           | RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain                  | Charles         |                                     |   |   | \$140                                   |   |   |   | \$140                        | OK  |
| R2048           | RecPL - Otay Mesa Distribution Pipelines and Conversions                        | Charles         |                                     |   |   | \$450                                   |   |   |   | \$450                        | OK  |
| R2053           | RWCWRF - R.O. Building Remodel and Office Furniture                             | Ripperger       | \$10                                | \$50                                    | \$250                                   | \$850                                   | \$840                                   |   |   | \$2,000                      | Generally moved out one year longer.  |
| R2058           | RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta                         | Ripperger       | \$569                               | \$5                                     |   |   |   |   |   | \$574                        | Reduced total budget by \$16,000.   |
| R2077           | RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway                         | Kennedy         | \$403                               | \$350                                   | \$1,600                                 | \$640                                   |   |   |   | \$2,993                      | Reduced total budget by \$7,000.  |
|                 |   |                 | \$196                               | \$295                                   | \$3,150                                 | \$400                                   | \$55                                    |   |   | \$4,096                      | Reduced total budget by \$4,000.  |

**Otay Water District  
Revised FY 2010 Six Year Capital Improvement Program  
(\$1,000)**

**ATTACHMENT B**

| CIP Project No.                                      | Brief Project Title and Description  | Project Manager | Actual                       | Projected                     | Projected                     | Projected                     | Projected                     | Projected                     | Projected                     | Projected  | FY 2010 Total Projected Cost | Comments   |
|--|--|-----------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------|------------------------------|--|
|  |  |                 | Prior To FY 2010 Expenditure | FY 2010 Scheduled Expenditure | FY 2011 Scheduled Expenditure | FY 2012 Scheduled Expenditure | FY 2013 Scheduled Expenditure | FY 2014 Scheduled Expenditure | FY 2015 Scheduled Expenditure |            |                              |  |
| R2081  | RecPL - 20-Inch, 944 Zone, Lane Avenue - Proctor Valley/Pond No. 1             | Kay             |                              | \$1,159                       | \$10                          |                               |                               |                               |                               |            | \$1,169                      | Reduced total budget by \$41,000.  |
| R2082  | RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage                | Charles         | \$1                          |                               | \$50                          | \$750                         |                               |                               |                               |            | \$801                        | OK   |
| R2083  | RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic                   | Charles         |                              |                               | \$350                         | \$50                          |                               |                               |                               |            | \$400                        | OK   |
| R2084  | RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media                       | Charles         | \$1                          |                               |                               | \$75                          | \$350                         |                               |                               |            | \$426                        | OK   |
| R2085  | RecPL - 20-Inch, 680 Zone, La Media - State/Olympic                            | Charles         |                              |                               |                               | \$580                         | \$20                          |                               |                               |            | \$600                        | OK   |
| R2086  | RWCWRF Force Main AirVac Replacements and Road Improvements                    | Kay             | \$1,299                      | \$10                          |                               |                               |                               |                               |                               |            | \$1,309                      | Reduced total budget by \$16,000.  |
| R2087  | RecPL - 20-Inch, 944 Zone, Wueste Road - Olympic/Otay WTP                      | Kennedy         | \$173                        | \$350                         | \$3,525                       | \$450                         |                               |                               |                               |            | \$4,498                      | Reduced total budget by \$2,000.   |
| R2088  | RecPL - 20-Inch, 860 Zone, County Jail - Roll Reservoir/860-1 Reservoir        | Kennedy         | \$56                         | \$4                           | \$240                         | \$1,200                       | \$1,700                       | \$300                         |                               |            | \$3,500                      | Generally moved forward one year longer.   |
| R2089  | North District Recycled Water Regulatory Compliance                            | Coburn-Boyd     | \$200                        | \$5                           |                               |                               |                               |                               |                               |            | \$205                        | Reduced total budget by \$15,000.  |
| R2091  | RecPS - 944-1 Pump Station Upgrade   | Kennedy         | \$55                         | \$150                         | \$345                         |                               |                               |                               |                               |            | \$550                        | Generally moved out one year longer.   |
| R2092  | Dis - 450-1 Reservoir Disinfection Facility                                    | Kay             | \$585                        | \$5                           |                               |                               |                               |                               |                               |            | \$590                        | Reduced total budget by \$240,000.   |
| R2093  | MBR City of Chula Vista  | Peasley         | \$20                         | \$60                          | \$160                         | \$50                          | \$50                          | \$1,500                       | \$3,160                       |            | \$5,000                      | Generally revised FY 2010 and FY 2011 expenses for MBR Study.  |
| R2094  | Potable Irrigation Meters to Recycled Water Conversions                        | Charles         |                              | \$300                         | \$700                         | \$1,000                       |                               |                               |                               |            | \$2,000                      | Generally moved out one half year longer.  |
| R2095  | RWCWRF - Filter Storage Reservoir Cover Replacement                            | Ripperger       |                              | \$75                          |                               |                               |                               |                               |                               |            | \$75                         | OK   |
| R2096  | RWCWRF - Blower System Rehabilitation/Replacement                              | Kennedy         |                              | \$400                         | \$400                         | \$200                         |                               |                               |                               |            | \$1,000                      | OK   |
| R2097  | RWCWRF - Salt Creek Live Stream Discharge                                      | Coburn-Boyd     |                              | \$16                          | \$100                         | \$100                         |                               |                               |                               |            | \$216                        | Reduced total budget by \$104,000.   |
| S2012  | SVSD Outfall and RSD Replacement and OM Reimbursement                          | Peasley         | \$2,200                      | \$150                         | \$140                         | \$150                         | \$140                         | \$130                         | \$120                         |            | \$3,030                      | Generally leveled cost over the six year period.   |
| S2015  | Calavo Lift Station Replacement  | Kay             | \$560                        |                               |                               |                               |                               |                               |                               |            | \$560                        | OK   |
| S2018  | RWCWRF - Secondary Process Automation  | Stalker         |                              | \$50                          |                               |                               |                               |                               |                               |            | \$50                         | OK   |
| S2019  | Avocado Boulevard 8-Inch Sewer Main Improvement                                | Kennedy         |                              | \$300                         | \$1,332                       |                               |                               |                               |                               |            | \$1,632                      | Generally delayed project one year longer.   |
| S2020  | Calavo Drive 8-Inch Sewer Main Replacement                                     | Kennedy         |                              | \$40                          | \$300                         | \$10                          |                               |                               |                               |            | \$350                        | OK   |
| S2021  | Jamacha Road 8-Inch Sewer Main Replacement                                     | Kennedy         |                              | \$120                         | \$30                          |                               |                               |                               |                               |            | \$150                        | OK   |
| S2022  | Hidden Mesa Drive 8-Inch Sewer Main Rehabilitation                             | Kennedy         |                              | \$5                           | \$40                          | \$5                           |                               |                               |                               |            | \$50                         | OK   |
| S2023  | Calavo Drive Sewer Main Utility Relocation                                     | Ripperger       |                              | \$25                          |                               |                               |                               |                               |                               |            | \$25                         | Reduced total budget by \$25,000.  |
| n/a  | Sweetwater Authority Intertie  | Peasley         |                              |                               | \$100                         | \$1,600                       | \$9,000                       | \$15,000                      | \$900                         |            | \$26,600                     | Not a Board approved CIP project for FY 2010 in lieu of the Proctor Valley Road Pipeline Project with net savings of \$18,300,000. |
| <b>Revised FY 2010 Projected Expenditures</b>        |  |                 | \$64,347                     | \$31,351                      | \$28,864                      | \$35,017                      | \$43,999                      | \$29,520                      | \$8,360                       | \$177,111  |                              |  |
| <b>Board Approved FY 2010 Projected Expenditures</b> |  |                 |                              | \$37,272                      | \$29,946                      | \$42,366                      | \$43,841                      | \$35,041                      | \$33,949                      | \$222,415  |                              |  |
| <b>Difference</b>                                    |  |                 |                              | (\$5,921)                     | (\$1,082)                     | (\$7,349)                     | \$158                         | (\$5,521)                     | (\$25,589)                    | (\$45,304) |                              |  |
| P2037  | Res - 980-3 Reservoir 15 MG  | Ripperger       | \$543                        |                               |                               | \$200                         | \$800                         | \$4,500                       | \$8,162                       | \$14,205   |                              | Moved to Phase II (FY 2016 and beyond). These are developer driven projects.   |
| P2040  | Res - 1655-1 Reservoir 0.5 MG  | Ripperger       | \$479                        | \$1                           | \$1                           | \$1                           | \$78                          | \$700                         | \$795                         | \$2,055    |                              | Moved to Phase II (FY 2016 and beyond). These are developer driven projects.   |
| P2190  | PL - 10-Inch, 1485 Zone, Jamul Highlands Road to Presilla Drive                | Ripperger       | \$4                          | \$1                           | \$1                           | \$130                         | \$94                          | \$5,200                       | \$8,957                       | \$228      |                              | Moved to Phase II (FY 2016 and beyond). These are developer driven projects.   |
|  |  |                 | \$1,026                      | \$1                           | \$1                           | \$331                         | \$972                         | \$5,200                       | \$8,957                       | \$16,488   |                              | Moved all these projects to Phase II.  |
| P2181  | PL - 30-Inch, 1296 Zone, Proctor Valley Road - Proctor Valley PS/Millar Ranch  | Ripperger       |                              | \$5                           | \$95                          | \$400                         | \$2,000                       | \$1,700                       |                               | \$4,200    |                              | Deleted project or to be moved to Phase II.  |
| P2203  | PL - 36-Inch, 1296 Zone, Proctor Valley Road - Millar Ranch/Pioneer            | Ripperger       |                              | \$5                           | \$115                         | \$140                         | \$800                         | \$440                         |                               | \$1,500    |                              | Deleted project or to be moved to Phase II.  |
| P2204  | PL - 24-Inch, 1296 Zone, Pioneer Way - Proctor Valley/1296 Reservoirs          | Ripperger       |                              | \$5                           | \$95                          | \$200                         | \$1,100                       | \$600                         |                               | \$2,000    |                              | Deleted project or to be moved to Phase II.  |
| P2430  | PL - 30-Inch, 980 Zone, Proctor Valley Road - PB Bndy/Proctor Valley PS        | Ripperger       |                              | \$5                           | \$450                         | \$2,400                       | \$2,345                       |                               |                               | \$5,200    |                              | Deleted project or to be moved to Phase II.  |
| P2235  | Res - 624-4 Emergency Reservoir 40.0 MG  | Ripperger       |                              | \$20                          | \$755                         | \$4,140                       | \$12,745                      | \$12,740                      | \$14,500                      | \$32,000   |                              | Deleted project or to be moved to Phase II.  |
|  |  |                 |                              | \$20                          | \$755                         | \$4,140                       | \$12,745                      | \$12,740                      | \$14,500                      | \$44,900   |                              | If SWA Treatment Plant connection not viable then these projects are required.   |
| P2450  | Otay River Groundwater Well Demineralization Project                           | Peasley         | \$10                         | \$10                          | \$100                         | \$500                         | \$1,000                       | \$5,000                       | \$4,400                       | \$11,020   |                              | Reduced total budget by \$10,000.  |
| P2498  | Brine Disposal Pipeline Otay River Demineralization Plant to South Bay Outfall | Peasley         |                              | \$5                           | \$10                          | \$40                          | \$100                         | \$4,000                       | \$1,445                       | \$5,600    |                              | OK   |
|  |  |                 | \$10                         | \$15                          | \$110                         | \$540                         | \$1,100                       | \$9,000                       | \$5,845                       | \$16,620   |                              | If the Rosarito Desal Project is not viable then these projects are required.  |
| QA/QC Approved:                                      |  |                 |                              |                               |                               |                               |                               |                               |                               |            |                              |  |
| Name: <u>Bulmer</u>                                  |  |                 |                              |                               |                               |                               |                               |                               |                               |            |                              |  |
| Date: <u>1/14/10</u>                                 |  |                 |                              |                               |                               |                               |                               |                               |                               |            |                              |  |

# **Otay Water District Finance, Administration, and Communications Committee Meeting**

January 19, 2010



**Information Report  
Review of the Fiscal Year 2010  
Six Year Capital Improvement Program**

- Staff periodically reviews and updates Capital Improvement Program:
  - Reprioritization of CIP projects
  - Opportunities with other agencies
  - New alternative water supplies
  
- Board approval for CIP project budget increases required
  
- “Offset” projects will be paid with new capacity fee
  
- Debt issuance

- Sweetwater Authority Water Treatment Plant Intertie:
  - North-South District Interconnection
  - Emergency Supply from Sweetwater Authority Purdue WTP
  - Would replace Proctor Valley Intertie Projects and 624 Reservoir
  - Would allow to move water from South to North and North to South
  - Estimated CIP cost reduction = \$10.1 million

- Rosarito Desalination Project:
  - Would replace Otay River Groundwater Demineralization Project
  - Would replace associated Brine Disposal Pipeline
  - Estimated CIP cost reduction = \$16.6 million

- Delayed CIP Projects to Phase II (>2016):
  - Developer driven
  - Local economy
  - Demand/Conservation issues
  - Delayed expenditure of \$16.5 million

➤ Other Changes:

- Budget reduction in other projects:
  - 36-Inch Pipeline
  - 12-Inch Pipeline
- Revise CIP project completion schedules

➤ Summary of Changes (Six Year CIP):

|                                 |                      |
|---------------------------------|----------------------|
| Board Approved FY 2010:         | \$222,415,000        |
| Projected Expenditures FY 2010: | <u>\$177,111,000</u> |
| Net Decrease:                   | \$ 45,304,000        |

➤ For FY 2011 Planning document updates:

- UWMP
- IRP
- SSMP
- Potential impact on CIP for FY 2012 and beyond.

# QUESTIONS



STAFF REPORT

|               |  |               |                  |
|---------------|--|---------------|------------------|
| TYPE MEETING: | Communications Committee   | MEETING DATE: | February 3, 2010 |
| SUBMITTED BY: | Armando Buelna <i>AB</i><br>Communications Officer   | W.O./G.F. NO: | DIV. NO. All     |
| APPROVED BY:  |  |               |                  |
| SUBJECT:      | Information Item - An update on the 2009 - 2010 Community Events/Outreach Schedule and Summary |               |                  |

**GENERAL MANAGER'S RECOMMENDATION:**

No recommendation. This is an information item only.

**COMMITTEE ACTION:**

Please see Attachment A.

**PURPOSE:**

To update the Otay Water District Board of Directors on community outreach events attended in 2009, and provide the Board with a list of events scheduled in 2010.

**BACKGROUND:**

The District's Strategic Plan (Objective: 4.1.7.1) and the Community and Government Outreach Plan seek to optimize community involvement throughout the District by staying highly visible to customers. Such involvement provides the District with an important venue to interact directly with customers and communicate information about District programs and services. It also provides an interactive venue to hear community concerns and address customer questions. Attached is a list of community events staff attended in 2009 (Attachment B).

Also attached is a tentative list of community events scheduled for 2010 (Attachment C).

The District will likely also be asked to participate in other events in 2010, such as SDG&E lighting exchanges and Earth Day festivals. As we receive invitations, staff evaluates each request on a case-by-case basis and participates only if our involvement provides the District with the opportunity to communicate important District messages.

**FISCAL IMPACT:**

The cost of community outreach in FY 2009 was approximately \$23,000. This includes overtime, booth or space rentals, sponsorships, program advertising, brochures, folders and pamphlets, and promotional items such as plastic bags, pens, pencils, rulers, dye tabs, magnets and bookmarks. The District also benefits tremendously from employee volunteers staffing the District's booths or displays. Employee volunteers are recognized through the Employee Community Involvement program.

**STRATEGIC GOAL:**

Objective: 4.1.7.1 - Optimize community involvement throughout the District.

**LEGAL IMPACT:**

None.

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

*Attached:*

Attachment A - Committee Action Report  
B - 2009 Memorandum and Community Events/Outreach Summary  
C - 2010 Community Events Schedule



## ATTACHMENT A

|                         |   |
|-------------------------|---|
| <b>SUBJECT/PROJECT:</b> | Information Item - An update on the 2009- 2010 Community Events/Outreach Schedule and Summary |
|-------------------------|---|

### COMMITTEE ACTION:

This item was presented to the Finance, Administration, and Communications Committee on January 19, 2010.

### 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.



## MEMORANDUM

TO: Mark Watton, General Manager File No.

FROM: Armando Buelna, Communications Officer Date January 5, 2010  
William Granger, Water Conservation Manager  
*WB*

SUBJ: 2009 Community Events/Outreach Summary

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The attached list is a summary of the community outreach events staff participated in this past year. When saying "participated", this refers to the fact that the District had a booth, display, entry, or made a formal presentation to a citizen group. It is also important to clarify that this list does exclude certain water related trade groups such as CSDA, GFOA, or MISAC where District staff may have made a formal presentation.

As you know, 2009 was an especially busy year due to the possibility the District would declare a Level 2 Drought Alert. Last year we also created, and are continuing to implement, a community outreach plan for the Jamacha Pipeline project. Since both the water shortage and the Jamacha Pipeline project are ongoing topics of concern, these outreach efforts continue in 2010.

With each passing year, the list of scheduled events has grown. For instance, in just the past three years we have added Jamul fest, the Fire Safe Expo in Rancho San Diego, and more recently, the It's How We Live community fair in Spring Valley to our calendar of events. This year we will also likely participate in other events, such as SDG&E lighting exchanges or Earth Day festivals, when invited and only if our involvement provides the District with the opportunity to promote water conservation or water education. For your future reference, also attached is a list of scheduled activities for 2010.

At many of the events we attended in 2009, employee volunteers were critical to staffing the booth or display. In fact, our involvement would be a challenge without all of the District's dedicated volunteers and support we received from every department. As we prepare for the upcoming Employee Recognition Luncheon, it would again be very appropriate to recognize and thank all of our employee volunteers for their ongoing support throughout the year.

ab

cc: German Alvarez, AGM  
Rom Sarno Jr., Chief of Administrative Services

**2009 Community Events/Outreach Summary**

| <b>Event Name</b>                          | <b>Date</b> | <b>City</b>          | <b>Location</b>             | <b>Purpose</b>                          |
|--|-------------|----------------------|-----------------------------|---|
| HOA Workshop                               | 16-Jan-09   | Spring Valley, CA    | OWD                         | Water Conservation                      |
| Rancho San Diego/Jamul Chamber of Commerce | 27-Feb-09   | Rancho San Diego, CA | Cuyamaca College            | General Outreach and Jamacha Pipeline   |
| President's Council                        | 3-Mar-09    | Rancho San Diego, CA | Cuyamaca College            | Jamacha Pipeline Outreach               |
| Water Smart Gardening Festival             | 14-Mar-09   | Rancho San Diego, CA | Water Conservation Garden   | Water Conservation                      |
| Cuyamaca Facilities and Safety Committee   | 20-Mar-09   | Rancho San Diego, CA | Cuyamaca College            | Jamacha Pipeline Outreach               |
| Cuyamaca College Sustainability Committee  | 27-Mar-09   | Rancho San Diego, CA | Cuyamaca College            | Jamacha Pipeline Outreach               |
| Chula Vista Sunrise Rotary                 | 2-Apr-09    | Chula Vista, CA      | San Diego Country Club      | Speakers Bureau                         |
| Jamul/Dulzura Planning Group               | 14-Apr-09   | Jamul, CA            | Oak Grove Middle School     | General Outreach and Jamacha Pipeline   |
| Go Clean, Go Green                         | 18-Apr-09   | Chula Vista, CA      | Friendship Park Chula Vista | Water Conservation                      |
| Wal-Mart Earth Day Community Fair          | 18-Apr-09   | Chula Vista, CA      | Wal-Mart 1360 Eastlake Pwky | Water Conservation and General Outreach |
| Spring Garden Festival                     | 25-Apr-09   | Rancho San Diego     | The Conservation Garden     | Water Conservation                      |
| Festival Cinco de Mayo                     | 3-May-09    | Chula Vista, CA      | Third Avenue                | Water Conservation and General Outreach |
| Chula Vista City Council                   | 5-May-09    | Chula Vista, CA      | City Hall                   | General Outreach                        |
| Landscape Contest Awards Ceremony          | 16-May-09   | Rancho San Diego     | The Conservation Garden     | Water Conservation                      |
| Spring Valley Citizens                     | 21-May-09   | Spring Valley, CA    | San Miguel Fire             | Speakers Bureau                         |
| Cuyamaca College Sustainability Committee  | 22-May-09   | Rancho San Diego, CA | Cuyamaca College            | Jamacha Pipeline Outreach               |
| Women Volunteers in Politics               | 28-May-09   | San Diego, CA        | Bali Hai Restaurant         | Speakers Bureau                         |
| Rotating Nozzles Workshop                  | 27-Jun-09   | Spring Valley, CA    | OWD                         | Water Conservation                      |

|   |           |                      |                                      |   |
|---|-----------|----------------------|--------------------------------------|---|
| Valle De Oro Planning Group                 | 7-Jul-09  | Spring Valley, CA    | 2554 Sweetwater Springs Blvd.        | Jamacha Pipeline Outreach               |
| East County Chamber of Commerce             | 10-Jul-09 | La Mesa, CA          | Gio Wine Bar                         | Jamacha Pipeline Outreach               |
| Bella Terra HOA                             | 18-Jul-09 | Rancho San Diego, CA | Brabham/Via Rancho San Diego.        | Jamacha Pipeline Outreach               |
| Jamacha Pipeline Open House                 | 21-Jul-09 | Rancho San Diego, CA | 11555 Via Rancho San Diego, El Cajon | Jamacha Pipeline Outreach               |
| St. Peters Chaldean Catholic Church         | 26-Jul-09 | Rancho San Diego, CA | 1627 Jamacha Way, El Cajon           | Jamacha Pipeline Outreach               |
| Lemon Festival                              | 5-Aug-09  | Chula Vista, CA      | Third Avenue, Chula Vista            | Water Conservation and General Outreach |
| South Bay Green Scene                       | 5-Sep-09  | Chula Vista, CA      | South Bay Botanic Garden             | General Outreach                        |
| Hillsdale Middle School Open House          | 10-Sep-09 | Rancho San Diego, CA | 1301 Brabham St. El Cajon            | Jamacha Pipeline Outreach               |
| Fire Safe Expo                              | 12-Sep-09 | Rancho San Diego, CA | Rancho San Diego Towne Center        | General Outreach                        |
| Bonitafest                                  | 12-Sep-09 | Bonita, CA           | Chula Vista Golf Course              | Water Conservation and General Outreach |
| Northwest Civic Assoc.                      | 14-Sep-09 | Chula Vista, CA      | 845 Broadway                         | Water Conservation                      |
| Rancho San Diego Middle                     | 16-Sep-09 | Rancho San Diego, CA | 12151 Calle Albara, El Cajon         | Jamacha Pipeline Outreach               |
| Rotating Nozzle Workshop                    | 19-Sep-09 | Rancho San Diego, CA | Water Conservation Garden            | Water Conservation                      |
| Valhalla High School Open House             | 23-Sep-09 | Rancho San Diego, CA | Valhalla High School                 | Jamacha Pipeline Outreach               |
| Jamul Fest                                  | 27-Sep-09 | Jamul, CA            | St. Pius Church                      | General Outreach                        |
| How We Live Festival                        | 3-Oct-09  | Spring Valley, CA    | Spring Valley Community Center       | Water Conservation and General Outreach |
| Annual Paths to Partnerships Regional Forum | 20-Oct-09 | San Diego, CA        | San Diego Hilton                     | Engineering/Purchasing                  |
| Rotating Nozzle Workshop                    | 24-Oct-09 | Spring Valley, CA    | OWD                                  | Water Conservation                      |
| Regional Construction Procurement Committee | 4-Nov-09  | San Diego, CA        | SANDAG Offices                       | General Outreach/Engineering/Purchasing |

|   |           |                      |                             |                  |
|---|-----------|----------------------|-----------------------------|------------------|
| Water Smart Gardening Festival                          | 14-Nov-09 | Rancho San Diego, CA | Water Conservation Garden   | General Outreach |
| Starlight Yule Parade/Holiday<br>Tree Lighting Ceremony | 5-Dec-09  | Chula Vista, CA      | Third Avenue, Memorial Park | General Outreach |

### 2010 Community Events Schedule

| Event Name   | Date              | City                 | Location                       | Purpose                                 |
|--|-------------------|----------------------|--------------------------------|---|
| Water Smart Plant Sale                               | 20-Mar-10         | Rancho San Diego, CA | Water Conservation Garden      | Water Conservation and General Outreach |
| Spring Garden Festival                               | 24-Apr-10         | Rancho San Diego, CA | Water Conservation Garden      | Water Conservation and General Outreach |
| Festival Cinco de Mayo                               | 2-May-10          | Chula Vista, CA      | Third Avenue                   | Water Conservation and General Outreach |
| Jamacha Pipeline Open House                          | April-May 2010    | El Cajon             | Meridian Elementary School     | Jamacha Pipeline Outreach               |
| Lemon Festival                                       | 8-Aug-10          | Chula Vista, CA      | Third Avenue, Chula Vista      | Water Conservation and General Outreach |
| Fire Safe Expo                                       | 9/11 or 9/18 2010 | Rancho San Diego, CA | Rancho San Diego Towne Center  | General Outreach                        |
| Bonitafest   | 25-Sep-10         | Bonita, CA           | Chula Vista Golf Course        | Water Conservation and General Outreach |
| South Bay Green Scene                                | Sept. 2010        | Chula Vista, CA      | Southwestern College           | Water Conservation and General Outreach |
| Jamul Fest   | Sept. 2010        | Jamul, CA            | St. Pius Church                | General Outreach                        |
| How We Live Festival                                 | Oct. 2010         | Spring Valley, CA    | Spring Valley Community Center | Water Conservation and General Outreach |
| Water Smart Gardening Festival                       | Oct. or Nov. 2010 | Rancho San Diego, CA | Water Conservation Garden      | General Outreach                        |
| Holidays in the Garden                               | Dec. 3 & 4th 2010 | Rancho San Diego, CA | Water Conservation Garden      | Water Conservation and General Outreach |
| Starlight Yule Parade/Holiday Tree Lighting Ceremony | 4-Dec-10          | Chula Vista, CA      | Third Avenue, Memorial Park    | General Outreach                        |