

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

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
BOARDROOM

**WEDNESDAY**  
**March 20, 2013**  
**11:30 A.M.**

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

**AGENDA**

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

**DISCUSSION ITEMS**

3. ADOPT ORDINANCE NO. 538 AMENDING SECTION 53.11 E., COMMERCIAL SEWER CHARGES AND USER CLASSIFICATIONS OF THE DISTRICT'S CODE OF ORDINANCES (MENDEZ-SCHOMER) [5 minutes]
4. FISCAL YEAR 2013 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES UPDATE REPORT (STEVENS) [10 minutes]
5. ADJOURNMENT

BOARD MEMBERS ATTENDING:  
Mitch Thompson, Chair  
Jose Lopez

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

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

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

#### Certification of Posting

I certify that on March 15, 2013 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on March 15, 2013.

\_\_\_\_\_/s/ Susan Cruz, District Secretary\_\_\_\_\_

# AGENDA ITEM 3



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Alicia Mendez-Schomer, Customer Service Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Ordinance No. 538 Amending Section 53.11 E., Commercial Sewer Charges and User Classifications of the District's Code of Ordinances		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board adopt Ordinance No. 538 amending Section 53.11 E., Commercial Sewer Charges and User Classifications of the District's Code of Ordinances.

### **COMMITTEE ACTION:**

See Attachment A.

### **PURPOSE:**

To clarify the language in Section 53.11 E. in the District's Code of Ordinances to specify the process for reclassification of commercial sewer customers and to determine sewer strength classifications. In addition, there are updates to some of the User Classifications.

### **ANALYSIS:**

To include language which authorizes the District to reclassify commercial sewer customers from time to time, at the discretion of the District, or when made aware of the need to reclassify based on their current business purpose.

The District uses the listing of commercial strengths supplied by the State Water Resources Control Board (SWRCB) as a basis for classification. The data was collected from East Bay Municipal

Utility District, City of San Jose, Los Angeles County Sanitation District and the Sacramento Regional County Sanitation District. The SWRCB has determined that the data on sewer strength is representative of most cities in California. The defined strength factors are based on Standard Industrial Classification Codes.

For clarity purposes, staff used a Compilation of Published Data on Sewer User Strength Classifications provided by Karyn Keese, Otay's rate study consultant.

Where necessary, updates to the User Classifications are also incorporated into the Code of Ordinances.

Background:

An audit of all the District's commercial sewer customers was completed in February 2013. The results of this audit identified 11 commercial accounts that were incorrectly classified. The change to the Code of Ordinances would specifically codify the District's authority to make these changes at its discretion to reflect the District's practice. The proposed change would also clarify the current language.

**FISCAL IMPACT:**             Joe Beachem, Chief Financial Officer

The net change to the District's sewer revenues is estimated to decrease by \$284.62. This relatively small change will not affect the District's financial standing. These changes will also be incorporated into the District's rate modeling process to more accurately project revenues for FY 2014.

**STRATEGIC GOAL:**

None.

**LEGAL IMPACT:**

None.

Attachments:    Attachment A - Committee Action  
                  Attachment B - Ordinance No. 538  
                          Exhibit I - Strike-through Section 53  
                  Attachment C - Proposed Section 53



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adopt Ordinance No. 538 Amending Section 53.11 E., Commercial Sewer Charges and User Classifications of the District's Code of Ordinances
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### **COMMITTEE ACTION:**

The Finance, Administration and Communications Committee recommend that the Board adopt Ordinance No. 538 amending Section 53.11 E., Commercial Sewer Charges and User Classifications of the District's Code of Ordinances

### **NOTE:**

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

ORDINANCE NO. 538

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OTAY  
WATER DISTRICT AMENDING SECTION 53.11 E.,  
COMMERCIAL SEWER CHARGES AND USER CLASSIFICATIONS  
OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water  
District that the District's Code of Ordinances, Section 53.11  
E., Commercial Sewer charges and User Classifications be revised  
as per Attachment C.

NOW, THEREFORE, BE IT RESOLVED that the new proposed  
Section 53.11 E. of the Code of Ordinances shall become  
effective April 3, 2013.

PASSED, APPROVED AND ADOPTED by the Board of Directors of  
the Otay Water District at a regular meeting duly held this 3rd  
day of April, 2013, by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
District Secretary

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

53.01            CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

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

53.02            SERVICE AREAS

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

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

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

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

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

B. Designation of Russell Square Sewer Area. The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file with the District Secretary, constitutes the Russell Square Sewer Service Area.

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

1. Sewer Connection Fee

A connection fee (see Appendix A, 53.04 C.1. for fee) for each EDU of sewer service provided through Russell Square Pump Station shall be collected. The connection fee is due at the time an application for sewer service is submitted. The number of EDUs for the connection shall be as set forth in Section 53.09 of the Code. Since the Russell Square Pump Station and force main were constructed by the developer or his assignee, at their expense, for the purpose of providing service to the parcels within Tentative Parcel Map 17150, the connection fee shall not apply to connections for sewer service to the parcels within said map. Such exempt parcels are currently identified as Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. Monthly Sewer Service Charge

A monthly sewer service charge (see Appendix A, 53.04 C.2. for charge) to cover normal operational costs of the Russell Square Pump Station and force mains shall be collected. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.

3. The proceeds of the fees and charges received by the District under 1 and 2 above shall be used by the District solely for maintenance, replacement or repair under C.1. above and for the operation of the facilities under C.2. above.

4. In addition, the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.11.

53.05

CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall deposit with the District the estimated costs to be incurred by the District in connection with the installation of the facilities required, as determined by the District. Upon completion of the work, the District shall calculate the actual costs incurred by the District in performing the work. If actual costs are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If actual costs exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.06 PAYMENT OF FEES

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

53.07 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION

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

53.08 WASTEWATER DISCHARGE PERMIT ISSUANCE AND LIMITATION

1. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewage system.

2. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater discharge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.
  
3. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to District sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.09 BASIS FOR DETERMINATION OF EDUs

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

a)	<u>Residential Facilities</u>	EDUs
1)	Single-Family Residence (Includes manufactured homes, and mobile homes which are on private lots  A secondary structure with a kitchen is considered an additional EDU	1.0
2)	Apartments and Multiple Family Housing Each individual living unit	1.0
3)	Residential condominiums Each individual living unit	1.0
4)	Mobile Home and Trailer Parks Per each individual space	1.0
b)	<u>Commercial/Industrial Facilities</u>	

1)	Food Service Establishments	
	a) Take-out restaurants with disposable utensils, no dishwasher and no public restrooms	3.0
	b) Miscellaneous food establishments - ice cream/yogurt shops, bakeries (sales on premise only)	3.0
	c) 1) Take-out/eat-in restaurants with disposable utensils, but with seating and public restrooms	3.0
	2) Restaurants with reusable utensils, seating and public restrooms (0-18 seats)	3.0
	Each additional 6 seat unit, or portion thereof	1.0
2)	<u>Hotels and Motels</u>	
	a) Per living unit without kitchen	0.38
	b) Per living unit with kitchen	0.60
3)	<u>Commercial, Professional, Industrial Buildings, Establishments not specifically listed herein</u>	
	a) Any office, store or industrial condominium or establishments. first 1,000 sq. ft.	1.2
	Each additional 1,000 sq. ft. or portion thereof	0.7
	b) Where occupancy type or usage is unknown at the time of application for service, the following EDUs shall apply. This shall include, but not be limited to, shopping centers, industrial parks and professional office buildings. First 1,000 sq. ft. of gross building floor area	1.2

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

4) Self-service laundry per washer 1.0

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

6) Schools

a) Elementary Schools - For each 50 pupils or fraction thereof 1.0

b) Junior High Schools - For each 40 pupils or fraction thereof 1.0

c) High Schools, Colleges and Universities - For each 24 pupils or fraction thereof 1.0

Additional EDUs will be prorated based on above values.

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

7) Convalescent Homes

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

8) Other

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

53.10

TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

EDU sewer connection rights obtained by a customer may not be sold, transferred, or assigned separately from ownership of the real property for which they were obtained, unless otherwise stated in an agreement with the District.

53.11 SEWER SERVICE RATES AND CHARGES

A. Set-up Fees for Accounts. A set-up fee (see Appendix A, 53.11 A. for fee) shall be charged for each account transferred to another customer.

B. Residential Sewer Charges.

Five-year Rate Increase Schedule - All District sewer rates, charges, and fees are subject to a five-year schedule of rate increases beginning September 1, 2009 and periodically thereafter through June 30, 2014. The increases under this schedule shall be the amount sufficient to cover cost increases related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning September 1, 2009 through June 30, 2014.

(1) Winter Average Determination. Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). The winter average period is January through April. The winter average is calculated by adding the four months of water consumption for the preceding winter and dividing the resulting amount by four. This average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes.

(2) Usage Fee. The usage fee rate (see Appendix A, 53.11 B.2. for rate) is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount) and the resulting amount is added to the Fixed Service Charge applicable to the size of meter. The resulting fixed fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.

- (3) Base Fee. The monthly base fee per meter size is set forth in Appendix A, 53.11 B.3.
- (4) Monthly Residential Sewer Rate without Consumption History. The average residential sewer charge shall be determined by calculating the total usage fee for all residential customers and dividing by the number of residential customers. Then the monthly base fee for a 3/4 inch meter is added to this average fee and this shall be used to determine the rate per ASU to be used for commercial customers. The monthly residential sewer rate without consumption history is as set forth in Appendix A, 53.11 B.4.

C. Single Residential Winter Averaging

- (1) Defined as: Sewer service for individually metered residential households.
- (2) The monthly sewer bill is calculated by adding the base fee plus the usage fee as described in 5.11.B.(1), (2), & (3) above.
- (3) The maximum "Winter Average" for individually metered residential customers is 30 units (after the 15% discount).
- (4) Residential Service without Consumption History. Sewer service for new accounts with no prior winter consumption, customers using well water or other unmetered water shall be assigned a "Winter Average" for single individually metered households. See Appendix A, 53.11 C.4. for Winter Averaging fees.

D. Multi-Residential Rate Charges

- (1) Defined as: Sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.
- (2) The monthly sewer bill for the complex is calculated by adding a 3/4 inch base fee (as set forth in Appendix A, 53.11.B.3.) times the number of units in the complex plus the usage fee (as set forth in Appendix A, 53.11.D.2.) for the entire complex. (Note: There is no cap on consumption for the multi-residential customers.)

- (3) New complexes that do not have a prior winter consumption history to determine their monthly usage fee shall be assigned a "Winter Average" for each multiple-residential unit in a master metered residential complex. See Appendix A, 53.11 C.4. for Winter Averaging fees.

E. Commercial Sewer Charges

- (1) ASU Determination: The charges for commercial sewer service shall be based on the rate of discharge and the strength of sewage. The Board of Directors may adjust the charges in proportion to the amount of water not entering the sewer which is substantiated by the property owner or discharger.
- (2) The strength of sewage is based on its biochemical oxygen demand (BOD) and the cost of removing suspended solids (SS).
- (3) The formula is derived by taking the total cost of providing sewer service and charging each user for a pro-rata share.
- (4) The State Revenue Program Guidelines require use of an "Assigned Service Unit Assignment Formula" which converts higher strength uses into a service unit value which is comparable to the use impact of a single-family residential user or equivalent dwelling unit. The formula for determining an Assigned Service Unit (ASU) for a single-family dwelling is set forth in the annual budget, which is incorporated herein by reference.
- (5) The formula is based on an estimated daily flow of 250 gallons per day plus 280 milligrams per liter of BOD and 234 milligrams per liter of SS for a residential equivalent dwelling unit.
- (6) For commercial users the flow is based on 85% of their prior 12-month water consumption to reflect the amount of water that returns to the system. The basis for determining estimated flow for unmetered water will be calculated on the demand imposed on the water system. The strength of discharge for commercial user is based on whether it is classified as a low-strength, medium-strength or high-strength user.

(7) Commercial sewer service customers are subject to periodic inspection of the premises by the District for verification of proper sewer strength classification. In addition to such periodic inspections, strength classifications will be reviewed periodically, at the discretion of the District. If warranted following a periodic inspection, periodic classification review, or a change in the nature of a customer's business and/or use of the property, customers may be reclassified to reflect their current business operations and proper sewer strength, at the discretion of the District and consistent with the standards set forth herein and in the State Water Resources Control Board (SWRCB) listing for sewer strength.

#### User Classifications

##### Low-Strength Commercial = 1.000 Strength Factor

Car wash  
General office and buildings  
Barber and beauty shops  
Department, retail stores and general commercial  
Hospitals and convalescent homes  
~~Public Laundry-Laundromats~~ and dry cleaners  
Professional office or office building  
Warehouse  
~~Bars without dining facilities~~  
Other uses having a similar strength as determined by the District

##### Medium-Strength Commercial = 1.238 Strength Factor

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

##### High-Strength Commercial = 2.203 Strength Factor

Bakery or bakery with deli  
Hotel with dining facilities  
Restaurants and bars with food  
~~Supermarkets~~Grocery stores with onsite butcher and/or bakery

Other uses having a similar strength as determined by the District

Institutional = 1.000 Strength Factor

Churches: Treated the same as Low-Strength Commercial.

Schools: For public schools flow is based on average daily attendance ("ADA") for the prior school year, including summer school, as reported by schools to meet state requirements. Private schools will be required to file a report verifying their attendance. For elementary schools 50 students shall equal 1 ASU. For junior high schools 40 students shall equal 1 ASU and for high schools 24 students equals 1 ASU. The formula for schools shall be the same as applies to single-family residential. For charges see Appendix A, 53.11 E.6.

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

$$\begin{aligned} \text{Gallons per day (GPD)} &= \text{no. of students and staff} \times \text{no. of weeks spring session)} \\ &+ \text{(no. of students and staff} \times \text{no. of weeks summer session)} \\ &+ \text{(no. of students and staff} \times \text{no. of weeks fall session)} \\ &+ \text{(no. of staff} \times \text{no. of non-session weeks)} \\ &\times 23 \div 52 \end{aligned}$$

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

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

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

- (1) Commercial and Institutional (per ASU)  
Commercial users shall be charged based upon the ASUs derived in Section 53.11 E.(4). For charges see Appendix A, 53.11.F.1.
- (2) Industrial and Other Users  
Charges determined by the Board of Directors on a case-by-case basis.

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

G. Issuance and Payment of Sewer Bills

- (1) Issuance of Statements: Statements for sewer service or other charges will be mailed monthly or as soon as practical, after the applicable charges have been determined.
- (2) Due Date: Each statement issued by the District for such charges shall be due and payable on the date of mailing or other presentation to the customer.
- (3) Final Payment Date: All charges in each statement must be paid on or before the final payment date shown on the statement, which shall be at least 20 calendar days following the date of mailing or presentation of the statement.
- (4) Place of Payment: Payments shall not be credited to a customer's account until cash, check, credit card, draft, electronic funds transfer, money order or any other acceptable form of payment that will be honored by the bank has been received by the District at the District business office during regular office

hours. Deposit of payment in the mail or at a location other than the District business office shall not be credited to a customer's account until received at the business office.

- (5) Returned Check Charges: A returned payment charge (see Appendix A, 34.01 D.2 for charge) shall be added to a customer's account in each instance where payment has been made to the District with a check, draft, credit card or any other acceptable form of payment that has not been honored upon presentment to the bank upon which it is drawn.

H. Delinquent Accounts

- (1) Requirement of Deposit Due to Repeated Delinquencies: If payments on a customer account have become delinquent five or more times, the General Manager, Chief Financial Officer, or any person delegated by the General Manager, shall be authorized to require the customer to make a deposit with the District, in cash or any other form satisfactory to the General Manager. The deposit amount shall be established at the discretion of the General Manager and the Chief Financial Officer, but shall not exceed two times the highest bill during the twelve (12) months preceding the date of demand for a deposit.
- (2) Handling of Deposit: A deposit shall not earn interest and shall only be applied to reduce or satisfy amounts due the District in the event of termination of service. A deposit does not constitute payment for service bills and the customer shall be required to comply with bill payment requirements to continue receiving service.
- (3) Refund of Deposit: A deposit required under this Section shall be refunded to the customer as provided in Section 25.04 B.

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

53.01            CONDITIONS FOR ACQUISITION OF SEWER SERVICE CAPACITY

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

53.02            SERVICE AREAS

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

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

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

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

B. Designation of Russell Square Sewer Area. The geographical area described on the District Map entitled "Russell Square Sewer Service Area," dated October 11, 1988, on file with the District Secretary, constitutes the Russell Square Sewer Service Area.

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

1. Sewer Connection Fee

A connection fee (see Appendix A, 53.04 C.1. for fee) for each EDU of sewer service provided through Russell Square Pump Station shall be collected. The connection fee is due at the time an application for sewer service is submitted. The number of EDUs for the connection shall be as set forth in Section 53.09 of the Code. Since the Russell Square Pump Station and force main were constructed by the developer or his assignee, at their expense, for the purpose of providing service to the parcels within Tentative Parcel Map 17150, the connection fee shall not apply to connections for sewer service to the parcels within said map. Such exempt parcels are currently identified as Assessor Parcel Nos. 497-011-41, 497-011-42, 497-011-44, 497-011-46 and 497-011-47.

2. Monthly Sewer Service Charge

A monthly sewer service charge (see Appendix A, 53.04 C.2. for charge) to cover normal operational costs of the Russell Square Pump Station and force mains shall be collected. This charge shall be reviewed by the Board of Directors from time to time to assure that such charges cover the costs for operation of the sewer facilities.

3. The proceeds of the fees and charges received by the District under 1 and 2 above shall be used by the District solely for maintenance, replacement or repair under C.1. above and for the operation of the facilities under C.2. above.

4. In addition, the customer for such service shall pay the monthly service charge for sewer service set forth in Section 53.11.

53.05

CHARGES FOR INSTALLATION OF SEWER LATERALS

Upon application for construction of one or more sewer laterals, the customer shall deposit with the District the estimated costs to be incurred by the District in connection with the installation of the facilities required, as determined by the District. Upon completion of the work, the District shall calculate the actual costs incurred by the District in performing the work. If actual costs are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If actual costs exceed the amount deposited, the customer shall reimburse the District for the additional costs.

53.06 PAYMENT OF FEES

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

53.07 SEWER SERVICE USE CHANGES RESULTING IN INCREASED SYSTEM UTILIZATION

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

53.08 WASTEWATER DISCHARGE PERMIT ISSUANCE AND LIMITATION

1. A wastewater discharge permit shall be required for any property for which a request is made to discharge into the District sewage system.

2. Every wastewater discharge permit shall expire by limitations and shall become null and void, if the construction or work authorized by such permit is not commenced within 120 days from date of issuance of such wastewater discharge permit or if the construction or work authorized by such wastewater discharge permit is suspended or abandoned for a period of 120 days at any time after the work is commenced.
  
3. Before such work can be recommenced, a new wastewater discharge permit application must be filed with the District. The District may reactivate the previous wastewater discharge permit provided that wastewater quantity and type is the same as the wastewater discharge allowed under the original permit, and provided further that such suspension and abandonment has not exceeded one year. Fees paid for the previous wastewater discharge permit may be credited toward the total permit fees required on the new permit application. Reactivation of the previous wastewater discharge permit shall be subject to District sewer capacity being available at the time of new application and subject to any additional costs or charges imposed during the period of such suspension or abandonment.

53.09      BASIS FOR DETERMINATION OF EDUs

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

a)	<u>Residential Facilities</u>	EDUs
1)	Single-Family Residence (Includes manufactured homes, and mobile homes which are on private lots	1.0
	A secondary structure with a kitchen is considered an additional EDU	
2)	Apartments and Multiple Family Housing Each individual living unit	1.0
3)	Residential condominiums Each individual living unit	1.0
4)	Mobile Home and Trailer Parks Per each individual space	1.0
b)	<u>Commercial/Industrial Facilities</u>	

1)	Food Service Establishments	
	a) Take-out restaurants with disposable utensils, no dishwasher and no public restrooms	3.0
	b) Miscellaneous food establishments - ice cream/yogurt shops, bakeries (sales on premise only)	3.0
	c) 1) Take-out/eat-in restaurants with disposable utensils, but with seating and public restrooms	3.0
	2) Restaurants with reusable utensils, seating and public restrooms (0-18 seats)	3.0
	Each additional 6 seat unit, or portion thereof	1.0
2)	<u>Hotels and Motels</u>	
	a) Per living unit without kitchen	0.38
	b) Per living unit with kitchen	0.60
3)	<u>Commercial, Professional, Industrial Buildings, Establishments not specifically listed herein</u>	
	a) Any office, store or industrial condominium or establishments. first 1,000 sq. ft.	1.2
	Each additional 1,000 sq. ft. or portion thereof	0.7
	b) Where occupancy type or usage is unknown at the time of application for service, the following EDUs shall apply. This shall include, but not be limited to, shopping centers, industrial parks and professional office buildings. First 1,000 sq. ft. of gross building floor area	1.2

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

4) Self-service laundry per washer 1.0

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

6) Schools

a) Elementary Schools - For each 50 pupils or fraction thereof 1.0

b) Junior High Schools - For each 40 pupils or fraction thereof 1.0

c) High Schools, Colleges and Universities - For each 24 pupils or fraction thereof 1.0

Additional EDUs will be prorated based on above values.

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

7) Convalescent Homes

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

8) Other

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

53.10

TRANSFER, ASSIGNMENT, OR RESALE OF SEWER CONNECTION RIGHTS

EDU sewer connection rights obtained by a customer may not be sold, transferred, or assigned separately from ownership of the real property for which they were obtained, unless otherwise stated in an agreement with the District.

53.11 SEWER SERVICE RATES AND CHARGES

A. Set-up Fees for Accounts. A set-up fee (see Appendix A, 53.11 A. for fee) shall be charged for each account transferred to another customer.

B. Residential Sewer Charges.

Five-year Rate Increase Schedule - All District sewer rates, charges, and fees are subject to a five-year schedule of rate increases beginning September 1, 2009 and periodically thereafter through June 30, 2014. The increases under this schedule shall be the amount sufficient to cover cost increases related to operation and maintenance, but not to exceed 10% per year.

Five-year Periodic Pass-through Rate Increases or Decreases from District Wholesalers - All District sewer rates, charges, and fees are subject to periodic rate changes from the District's public agency wholesalers for a five-year period beginning September 1, 2009 through June 30, 2014.

(1) Winter Average Determination. Sewer service usage fee shall be based on the "Winter Average" water consumption, measured in units of hundred cubic feet (HCF). The winter average period is January through April. The winter average is calculated by adding the four months of water consumption for the preceding winter and dividing the resulting amount by four. This average is then reduced by a 15% usage discount, recognizing that not all water used flows into the sewer system, to determine the "Winter Average" for billing purposes.

(2) Usage Fee. The usage fee rate (see Appendix A, 53.11 B.2. for rate) is multiplied by the "Winter Average" calculation for each customer (after the above noted 15% discount) and the resulting amount is added to the Fixed Service Charge applicable to the size of meter. The resulting fixed fee shall be charged on a monthly basis for an entire calendar year, until a new "Winter Average" is determined for the following year.

- (3) Base Fee. The monthly base fee per meter size is set forth in Appendix A, 53.11 B.3.
- (4) Monthly Residential Sewer Rate without Consumption History. The average residential sewer charge shall be determined by calculating the total usage fee for all residential customers and dividing by the number of residential customers. Then the monthly base fee for a 3/4 inch meter is added to this average fee and this shall be used to determine the rate per ASU to be used for commercial customers. The monthly residential sewer rate without consumption history is as set forth in Appendix A, 53.11 B.4.

C. Single Residential Winter Averaging

- (1) Defined as: Sewer service for individually metered residential households.
- (2) The monthly sewer bill is calculated by adding the base fee plus the usage fee as described in 5.11.B.(1), (2), & (3) above.
- (3) The maximum "Winter Average" for individually metered residential customers is 30 units (after the 15% discount).
- (4) Residential Service without Consumption History. Sewer service for new accounts with no prior winter consumption, customers using well water or other unmetered water shall be assigned a "Winter Average" for single individually metered households. See Appendix A, 53.11 C.4. for Winter Averaging fees.

D. Multi-Residential Rate Charges

- (1) Defined as: Sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.
- (2) The monthly sewer bill for the complex is calculated by adding a 3/4 inch base fee (as set forth in Appendix A, 53.11.B.3.) times the number of units in the complex plus the usage fee (as set forth in Appendix A, 53.11.D.2.) for the entire complex. (Note: There is no cap on consumption for the multi-residential customers.)

- (3) New complexes that do not have a prior winter consumption history to determine their monthly usage fee shall be assigned a "Winter Average" for each multiple-residential unit in a master metered residential complex. See Appendix A, 53.11 C.4. for Winter Averaging fees.

E. Commercial Sewer Charges

- (1) ASU Determination: The charges for commercial sewer service shall be based on the rate of discharge and the strength of sewage. The Board of Directors may adjust the charges in proportion to the amount of water not entering the sewer which is substantiated by the property owner or discharger.
- (2) The strength of sewage is based on its biochemical oxygen demand (BOD) and the cost of removing suspended solids (SS).
- (3) The formula is derived by taking the total cost of providing sewer service and charging each user for a pro-rata share.
- (4) The State Revenue Program Guidelines require use of an "Assigned Service Unit Assignment Formula" which converts higher strength uses into a service unit value which is comparable to the use impact of a single-family residential user or equivalent dwelling unit. The formula for determining an Assigned Service Unit (ASU) for a single-family dwelling is set forth in the annual budget, which is incorporated herein by reference.
- (5) The formula is based on an estimated daily flow of 250 gallons per day plus 280 milligrams per liter of BOD and 234 milligrams per liter of SS for a residential equivalent dwelling unit.
- (6) For commercial users the flow is based on 85% of their prior 12-month water consumption to reflect the amount of water that returns to the system. The basis for determining estimated flow for unmetered water will be calculated on the demand imposed on the water system. The strength of discharge for commercial user is based on whether it is classified as a low-strength, medium-strength or high-strength user.

- (7) Commercial sewer service customers are subject to periodic inspection of the premises by the District for verification of proper sewer strength classification. In addition to such periodic inspections, strength classifications will be reviewed periodically, at the discretion of the District. If warranted following a periodic inspection, periodic classification review, or a change in the nature of a customer's business and/or use of the property, customers may be reclassified to reflect their current business operations and proper sewer strength, at the discretion of the District and consistent with the standards set forth herein and in the State Water Resources Control Board (SWRCB) listing for sewer strength.

User Classifications

Low-Strength Commercial = 1.000 Strength Factor

Car wash  
General office and buildings  
Barber and beauty shops  
Department, retail stores and general commercial  
Hospitals and convalescent homes  
Public Laundromats and dry cleaners  
Professional office or office building  
Warehouse  
Bars without dining facilities  
Other uses having a similar strength as determined by the District

Medium-Strength Commercial = 1.238 Strength Factor

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

High-Strength Commercial = 2.203 Strength Factor

Bakery or bakery with deli  
Hotel with dining facilities  
Restaurants and bars with food  
Grocery stores with onsite butcher and/or bakery  
Other uses having a similar strength as determined by the District

Institutional = 1.000 Strength Factor

Churches: Treated the same as Low-Strength Commercial.

Schools: For public schools flow is based on average daily attendance ("ADA") for the prior school year, including summer school, as reported by schools to meet state requirements. Private schools will be required to file a report verifying their attendance. For elementary schools 50 students shall equal 1 ASU. For junior high schools 40 students shall equal 1 ASU and for high schools 24 students equals 1 ASU. The formula for schools shall be the same as applies to single-family residential. For charges see Appendix A, 53.11 E.6.

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

$$\begin{aligned} \text{Gallons per day (GPD)} &= \text{no. of students and staff} \times \text{no. of weeks spring session)} \\ &+ \text{(no. of students and staff} \times \text{no. of weeks summer session)} \\ &+ \text{(no. of students and staff} \times \text{no. of weeks fall session)} \\ &+ \text{(no. of staff} \times \text{no. of non-session weeks)} \\ &\times 23 \div 52 \end{aligned}$$

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

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

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

- (1) Commercial and Institutional (per ASU)  
Commercial users shall be charged based upon the ASUs derived in Section 53.11 E.(4). For charges see Appendix A, 53.11.F.1.
- (2) Industrial and Other Users  
Charges determined by the Board of Directors on a case-by-case basis.

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

G. Issuance and Payment of Sewer Bills

- (1) Issuance of Statements: Statements for sewer service or other charges will be mailed monthly or as soon as practical, after the applicable charges have been determined.
- (2) Due Date: Each statement issued by the District for such charges shall be due and payable on the date of mailing or other presentation to the customer.
- (3) Final Payment Date: All charges in each statement must be paid on or before the final payment date shown on the statement, which shall be at least 20 calendar days following the date of mailing or presentation of the statement.
- (4) Place of Payment: Payments shall not be credited to a customer's account until cash, check, credit card, draft, electronic funds transfer, money order or any other acceptable form of payment that will be honored by the bank has been received by the District at the District business office during regular office hours. Deposit of payment in the mail or at a location other than the District business

office shall not be credited to a customer's account until received at the business office.

- (5) Returned Check Charges: A returned payment charge (see Appendix A, 34.01 D.2 for charge) shall be added to a customer's account in each instance where payment has been made to the District with a check, draft, credit card or any other acceptable form of payment that has not been honored upon presentment to the bank upon which it is drawn.

#### H. Delinquent Accounts

- (1) Requirement of Deposit Due to Repeated Delinquencies: If payments on a customer account have become delinquent five or more times, the General Manager, Chief Financial Officer, or any person delegated by the General Manager, shall be authorized to require the customer to make a deposit with the District, in cash or any other form satisfactory to the General Manager. The deposit amount shall be established at the discretion of the General Manager and the Chief Financial Officer, but shall not exceed two times the highest bill during the twelve (12) months preceding the date of demand for a deposit.
- (2) Handling of Deposit: A deposit shall not earn interest and shall only be applied to reduce or satisfy amounts due the District in the event of termination of service. A deposit does not constitute payment for service bills and the customer shall be required to comply with bill payment requirements to continue receiving service.
- (3) Refund of Deposit: A deposit required under this Section shall be refunded to the customer as provided in Section 25.04 B.

# AGENDA ITEM 4



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013
		PROJECT:	DIV. NO.
SUBMITTED BY:	Geoffrey Stevens Chief, Information Technology and Strategic Planning		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY13 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT		

### **GENERAL MANAGER'S RECOMMENDATION:**

No recommendation. This is an informational item only.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To provide a fiscal mid-year report on the District's Strategic Performance Plan for FY 2013.

### **ANALYSIS:**

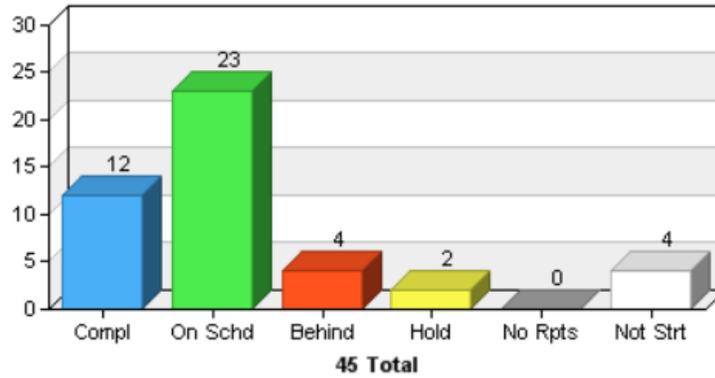
Overall, FY13 Quarter 2 results for Performance Measures continue to be positive with the District achieving its target of 90% for Strategic Plan Objectives and just below its target for Performance Measures (at 73% vs. target of 75%).

#### Strategic Plan Objectives

Strategic Plan Objectives are designed to ensure we are making the appropriate high-level changes necessary to move the District in the planned direction to meet new challenges and opportunities. Objective results are on target at 90% complete, ahead or on schedule. These results are slightly higher than the previous year.

Two items are on hold and are thus excluded from the calculation, and four items have not started as they are planned to begin in FY 2014.

## FY13 Q2 Objectives

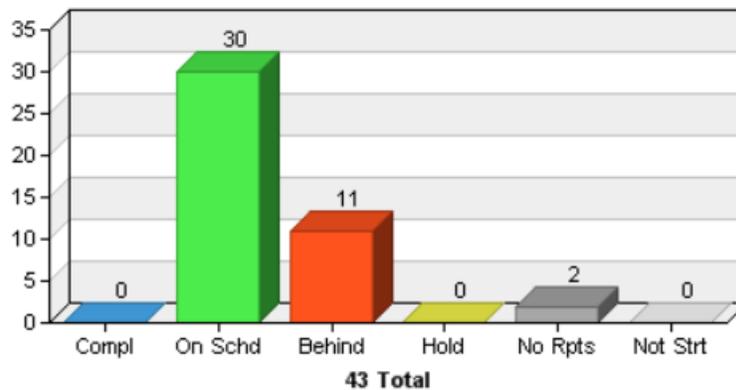


**35 of 39 Objectives On or Ahead of Schedule (90%)**  
**Target is 90%**

### Performance Measures

Performance measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of daily operations. The overall goal is that at least 75% of these measures be rated "on target". FY13 Quarter 2 District results are near target with 30 of 41 (73%) items achieving the desired level or better.

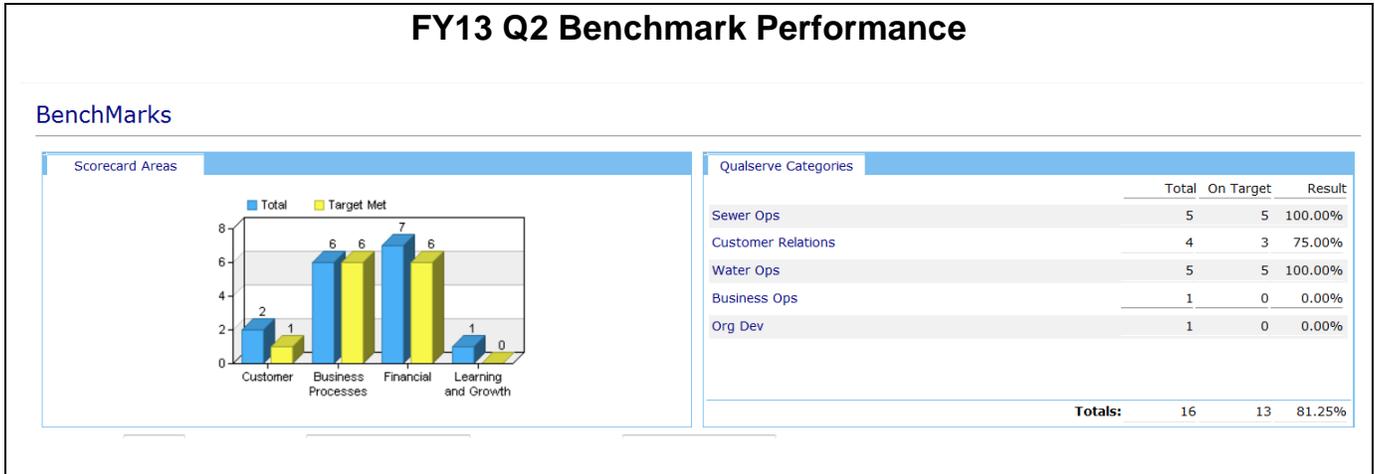
## FY13 Q2 Performance Measures



**30 of 41 Performance Measures Are on Target (73%)**  
**Target is 75%**

**Benchmarks - Peer Comparisons**

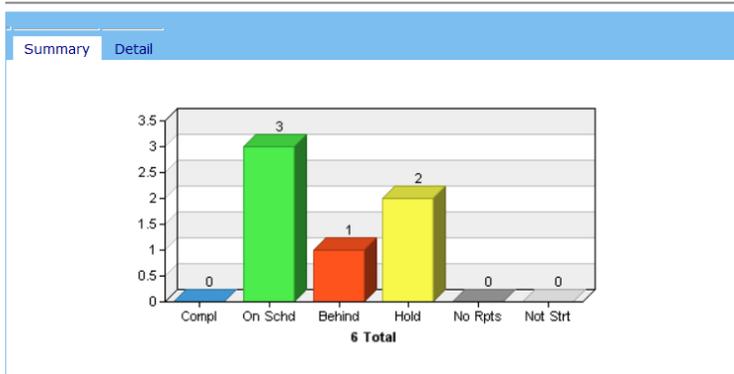
The District participates in the AWWA QualServe Benchmarking Study and has selected a subset of measures that help us measure how our performance compares to other water industry organizations. Overall, the District is above target on 13 of 16 items (81%). While we do not have a specific combined target for benchmarks, we do consider 81% a good indication of quality performance compared to our peers.



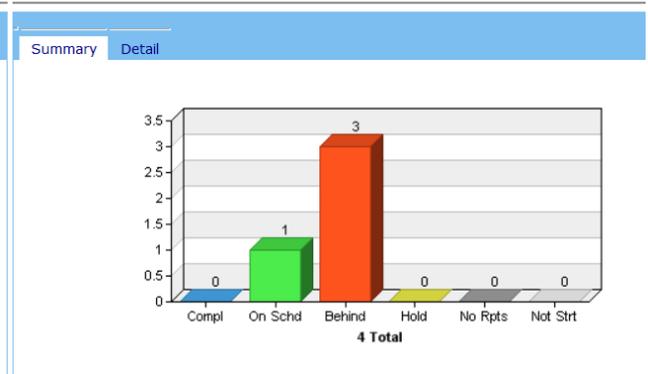
**Department Specific Results**

The following FY13 Quarter 2 charts provide an overview of Department performance. Staff will focus on presentations for Engineering and Operations at the EO&WR Committee meeting and with Finance, Administrative Services, and IT at the FA&C Committee meeting.

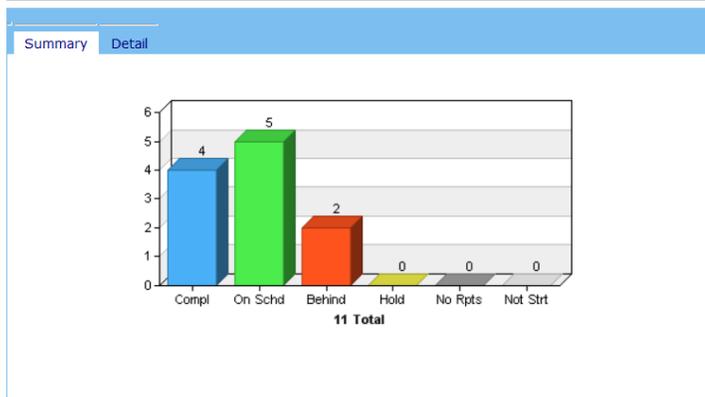
**Objectives: 2-Engineering**



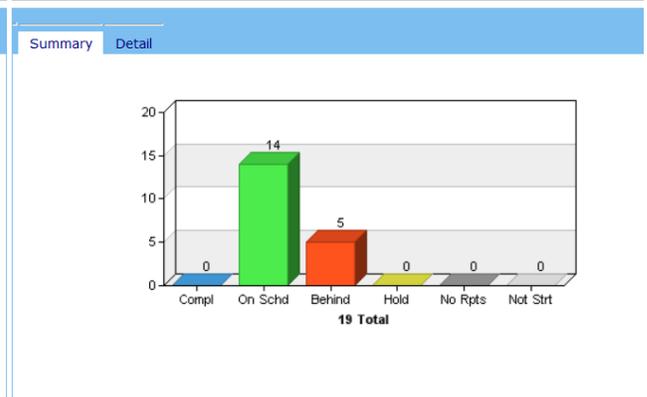
**Measures: 2-Engineering**



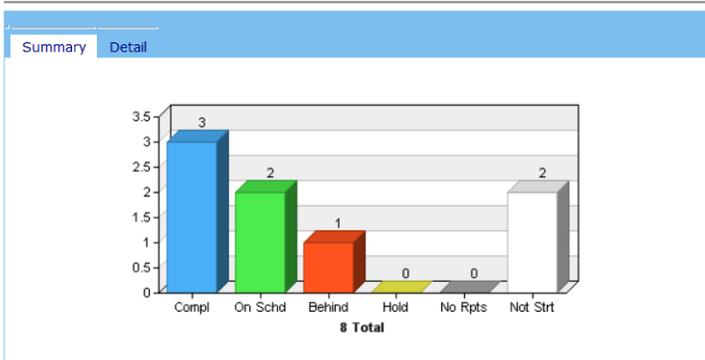
### Objectives: 5-Operations



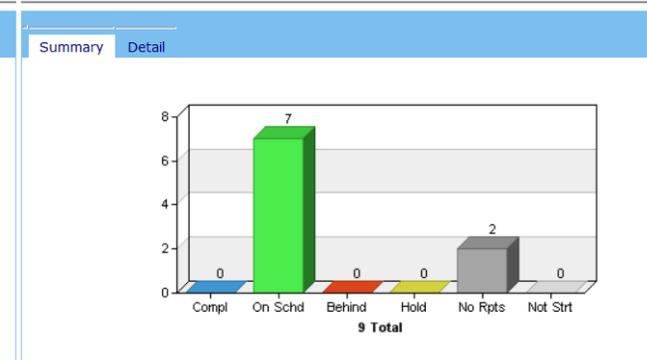
### Measures: 5-Operations



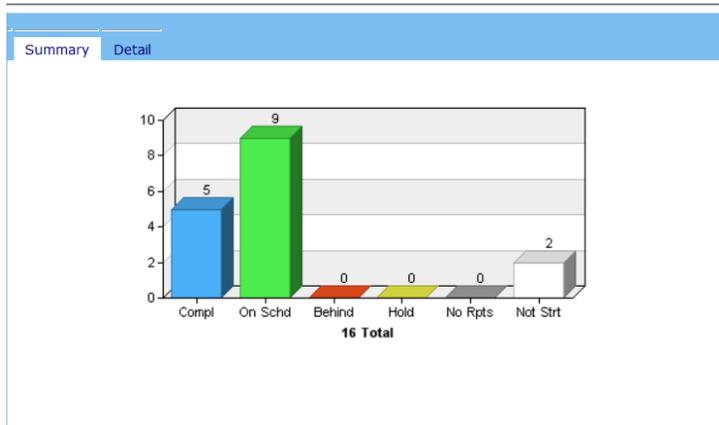
### Objectives: 3-Finance



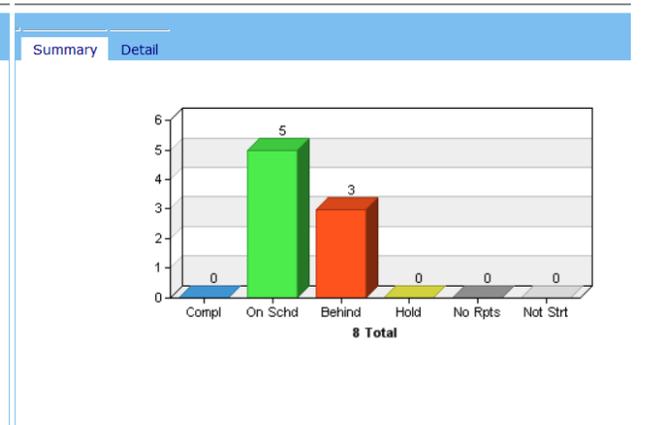
### Measures: 3-Finance



### Objectives: 1-Administrative Services

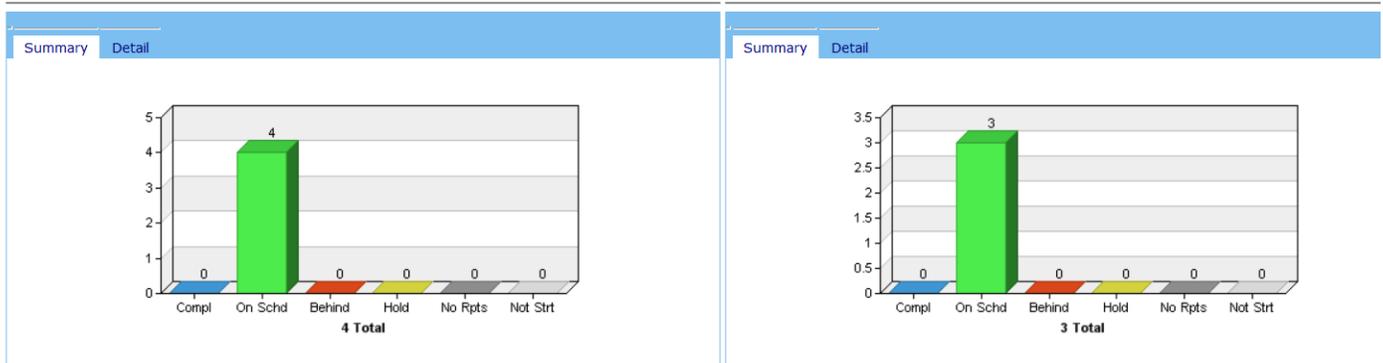


### Measures: 1-Administrative Services



## Objectives: 4-Information Technology

## Measures: 4-Information Technology



### Next Steps

Staff is currently evaluating changes to the FY14 Strategic Plan in advance of presentation of the FY14 budget to the Board. In addition, as the new FY15-17 will be presented to the Board this time next year, staff will begin the necessary preparation in September of this year to allow an opportunity to consider the next set of critical issues and decisions the District will face in the next three to four years.

### Strategic Plan on the Board Extranet

All of the current and past strategic plan results and associated details are provided in a real time, interactive web-based application available to the Board on the Board Extranet.

**FISCAL IMPACT:**       Joe Beachem, Chief Financial Officer

Informational item only, no fiscal impact.

### STRATEGIC GOAL:

Strategic Plan and Performance Measure reporting is a critical component in providing performance reporting to the Board and staff.

### LEGAL IMPACT:

None.

Attachments:      Attachment A - Committee Action Report  
Attachment B - PowerPoint Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	FY13 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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### **COMMITTEE ACTION:**

The Finance, Administration and Communications Committee and the Engineering, Operations and Water Resources Committee met on March 20, 2013, to review this item. Based upon this discussion, the Committees recommend that the Board receive that attached information.

### **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.

# Strategic Planning

**FY 2013 – Mid Year Report**

**(Halfway There!)**

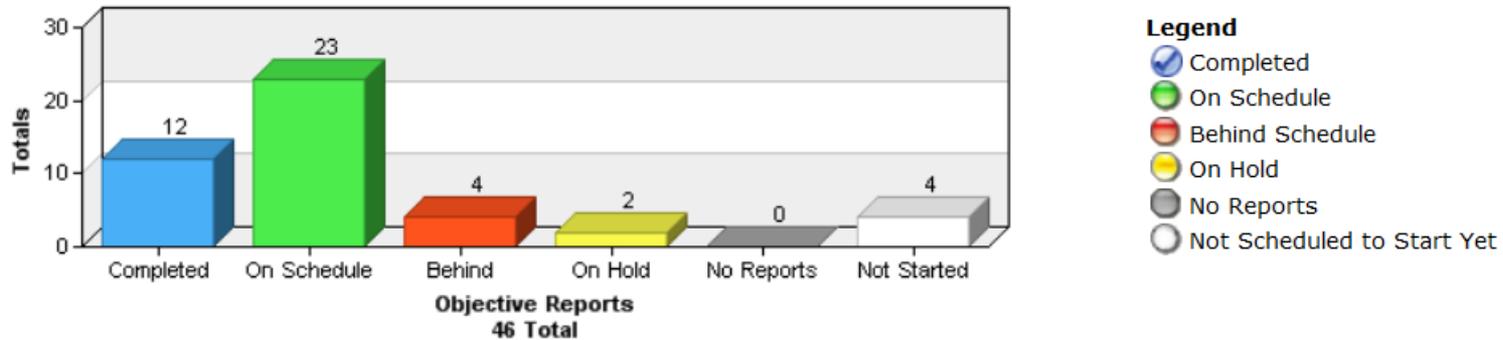


# FY2013 Objectives – 2<sup>nd</sup> Quarter

25 of 29 objectives complete, ahead or on target (86%)

Target is 90%

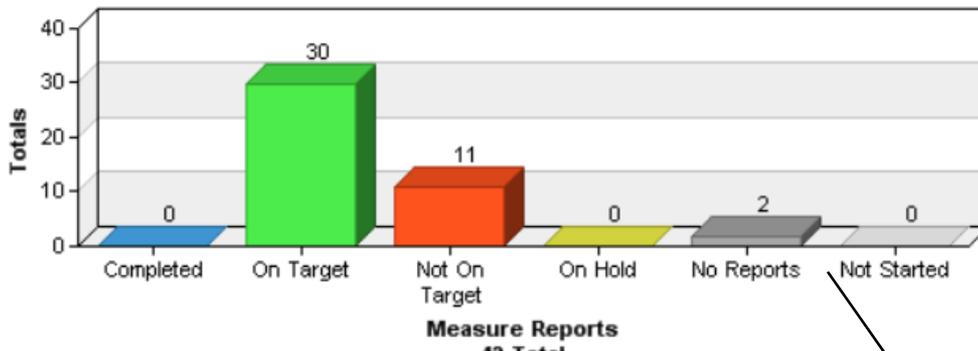
## Objectives: All Departments



# FY2013 2nd Quarter Performance Measures

**30 of 41 performance measures complete, ahead or on target (73%)**  
**Target is 75%**

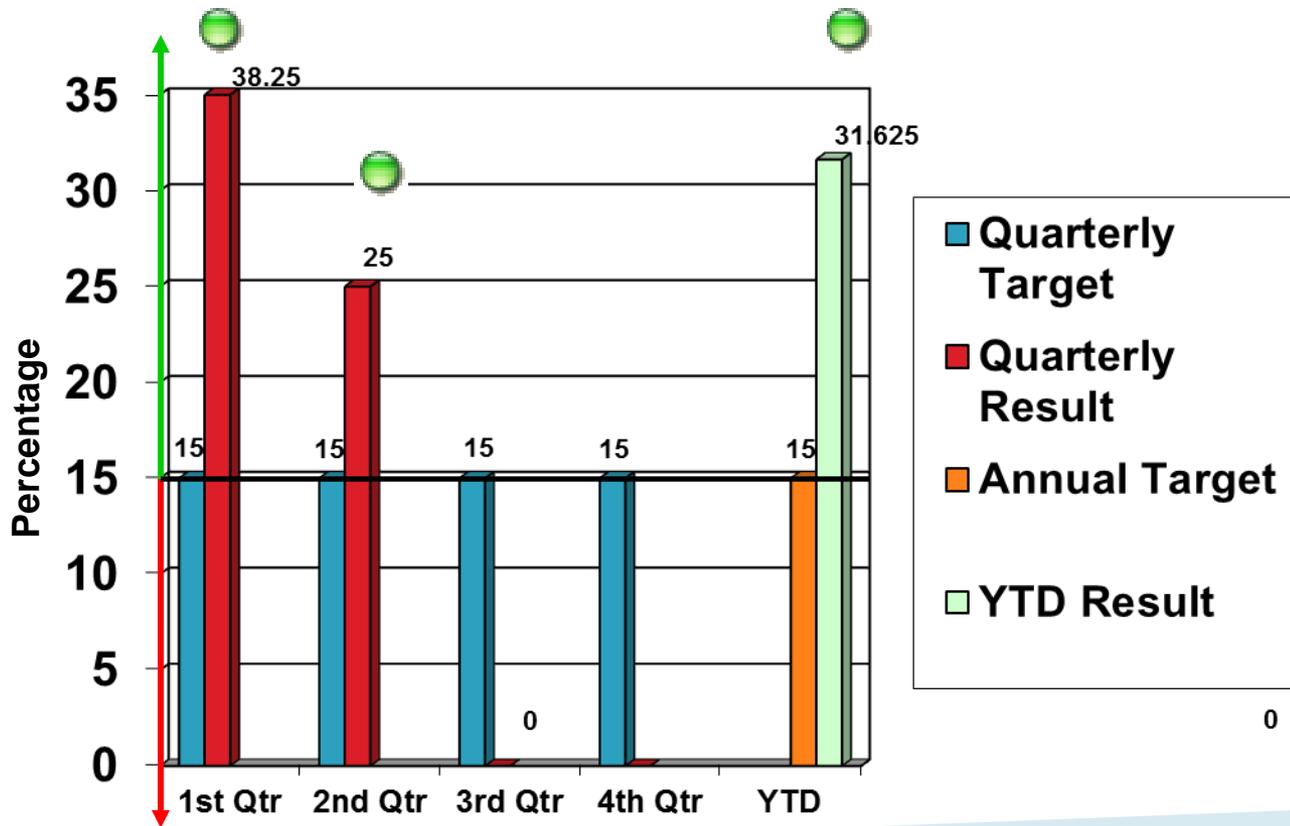
YTD Measures: All Departments



### Legend

- Completed
- On Target
- Not on Target
- On Hold
- No Reports
- Not Scheduled to Start Yet

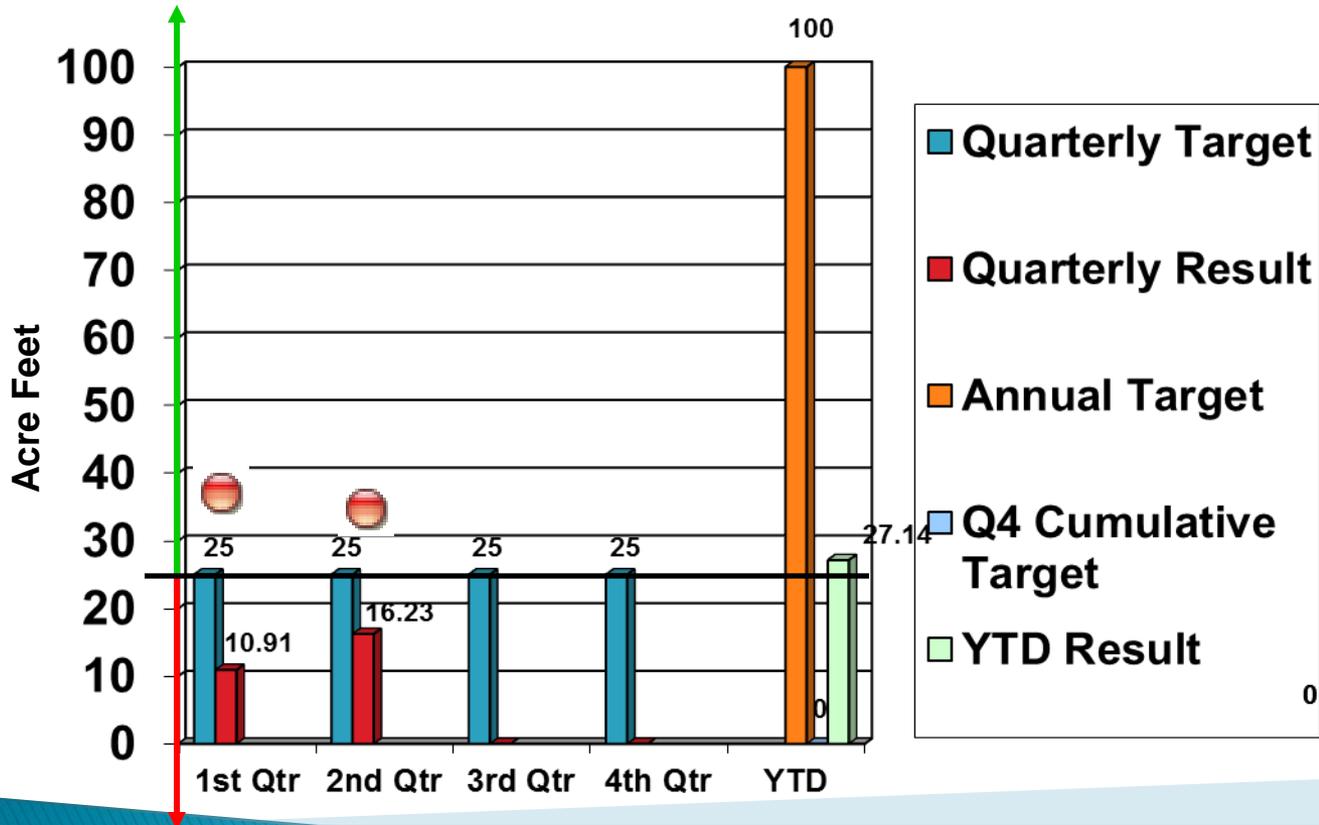
Measured Once per Year at Year End



Measure 1.2.101, Blanket Order Activity, aims to be above all set targets in order to have no less than 15% of material purchases acquired via blanket POs per quarter in a single year.

# Total Customer Water Saved

1.3.102

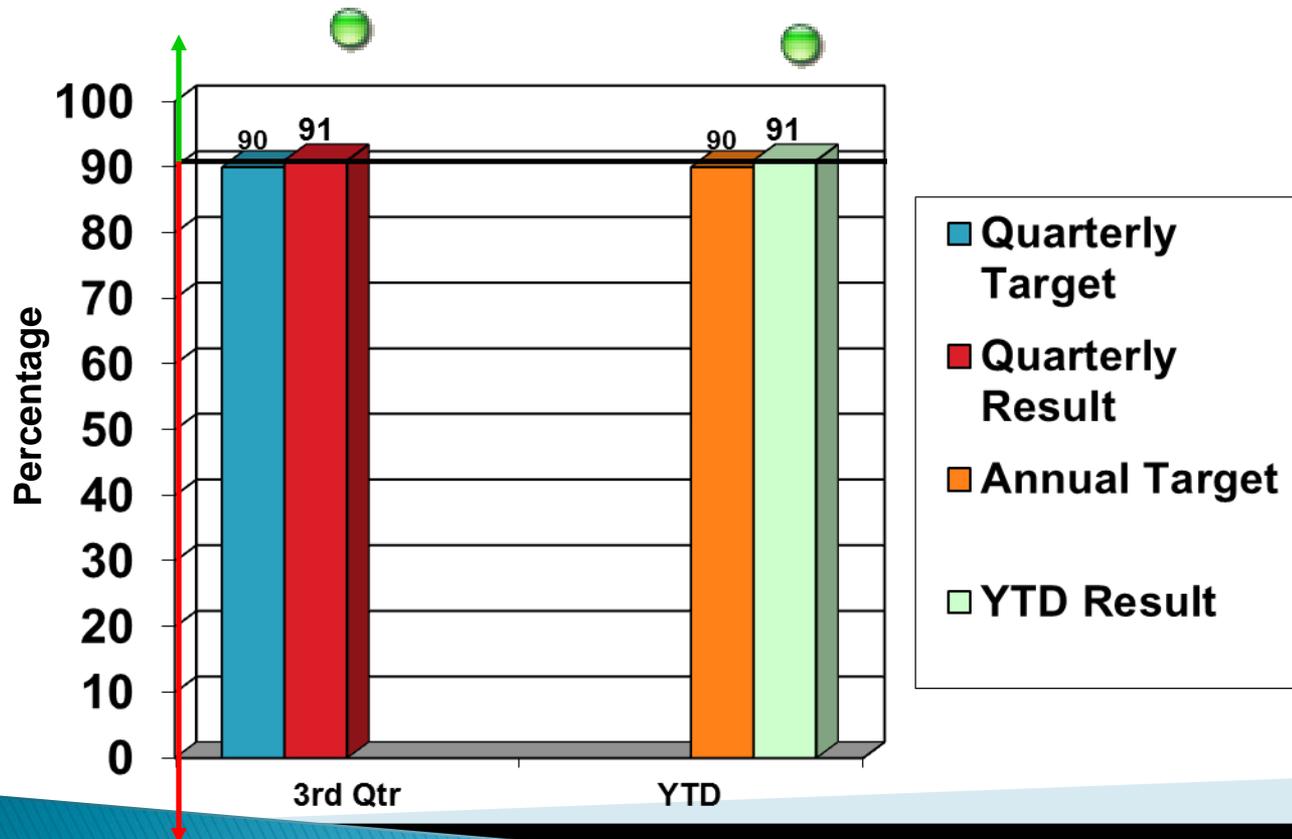


Measure 1.3.102, Total Water Saved, aims to be above all set targets in order to save more than 100 acre feet of water in a single year.

# Customer Satisfaction

Measured Once per Fiscal Year

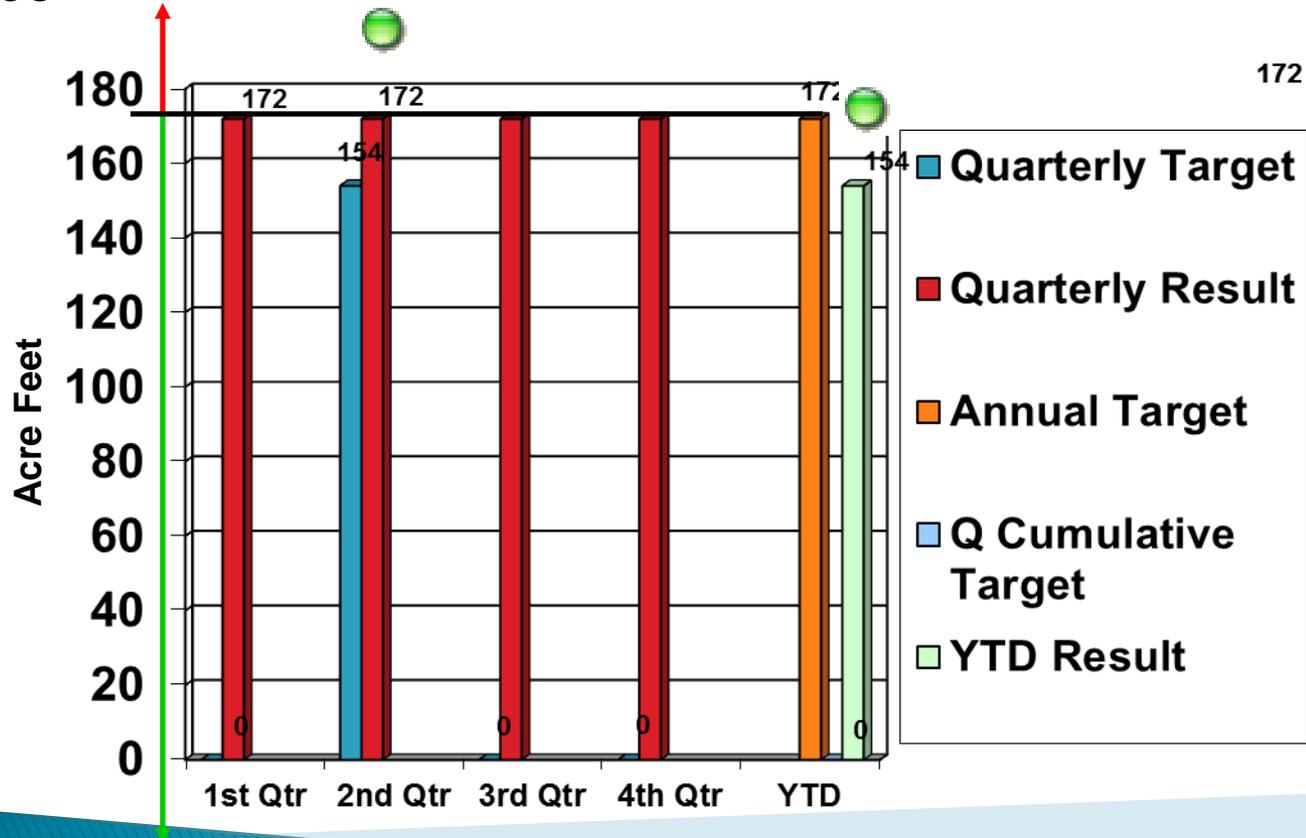
1.1.100



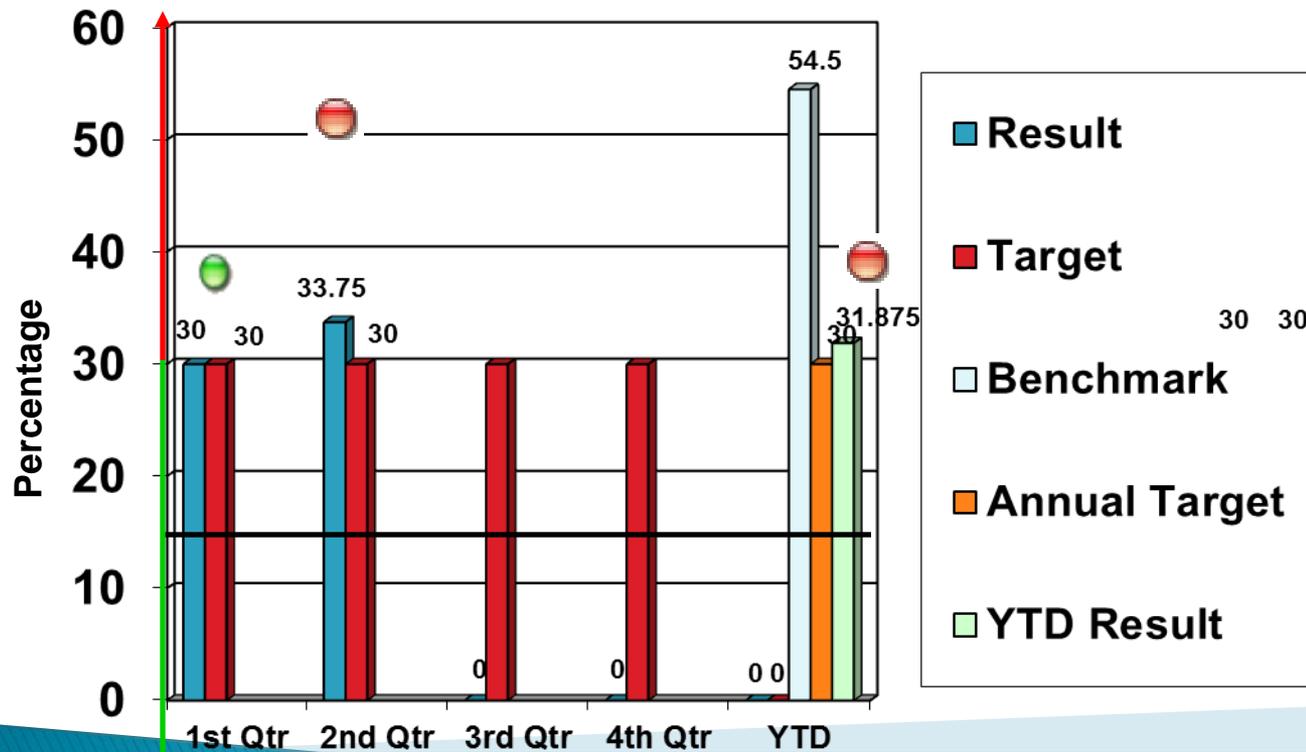
Measure 1.1.100, Customer Satisfaction, is a once yearly survey that is reported on annually in the third quarter and represents the results for the given fiscal year.

# Gallons Per Capita per Day

## 1.3.103

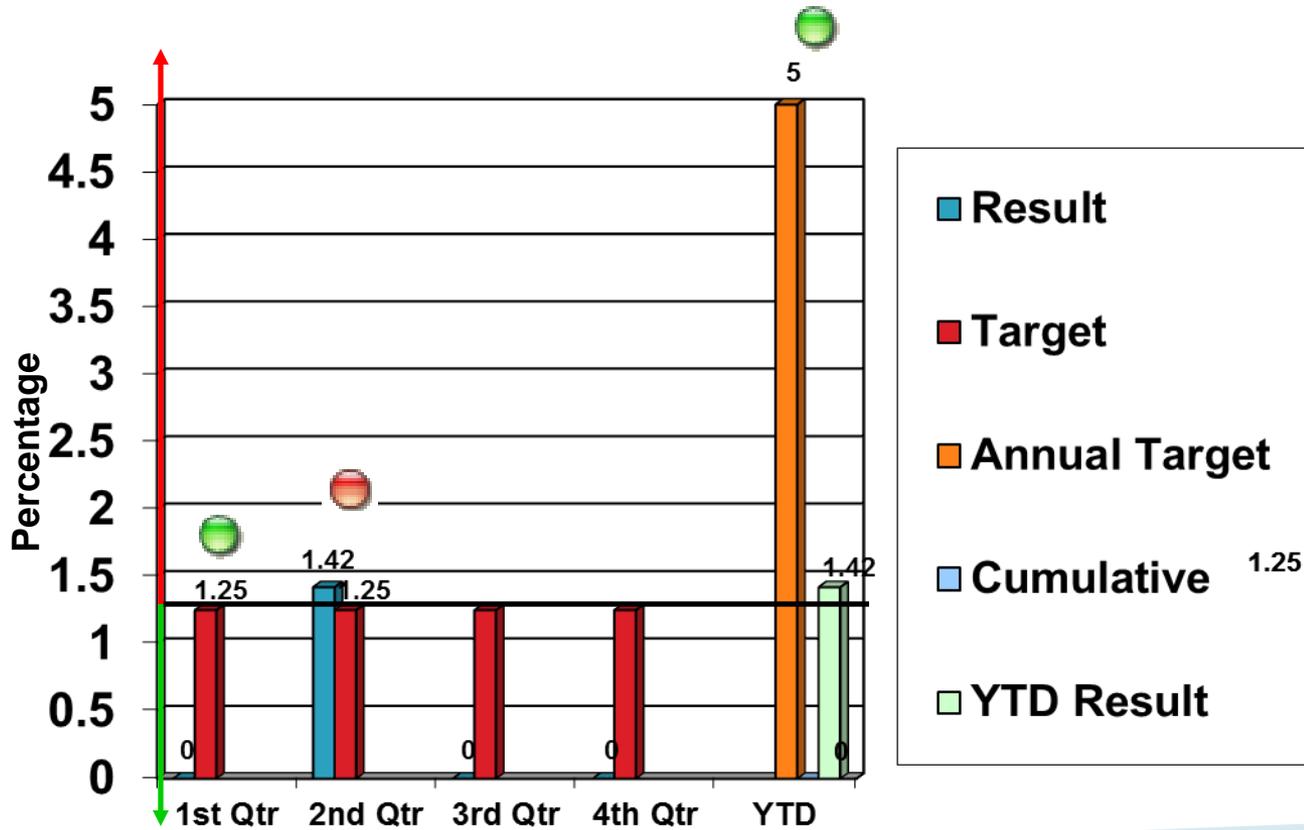


Measure 1.3.103, Otay Water Use, aims to be below 172 Gallons Per Day.



Measure 1.4.104, H & S Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

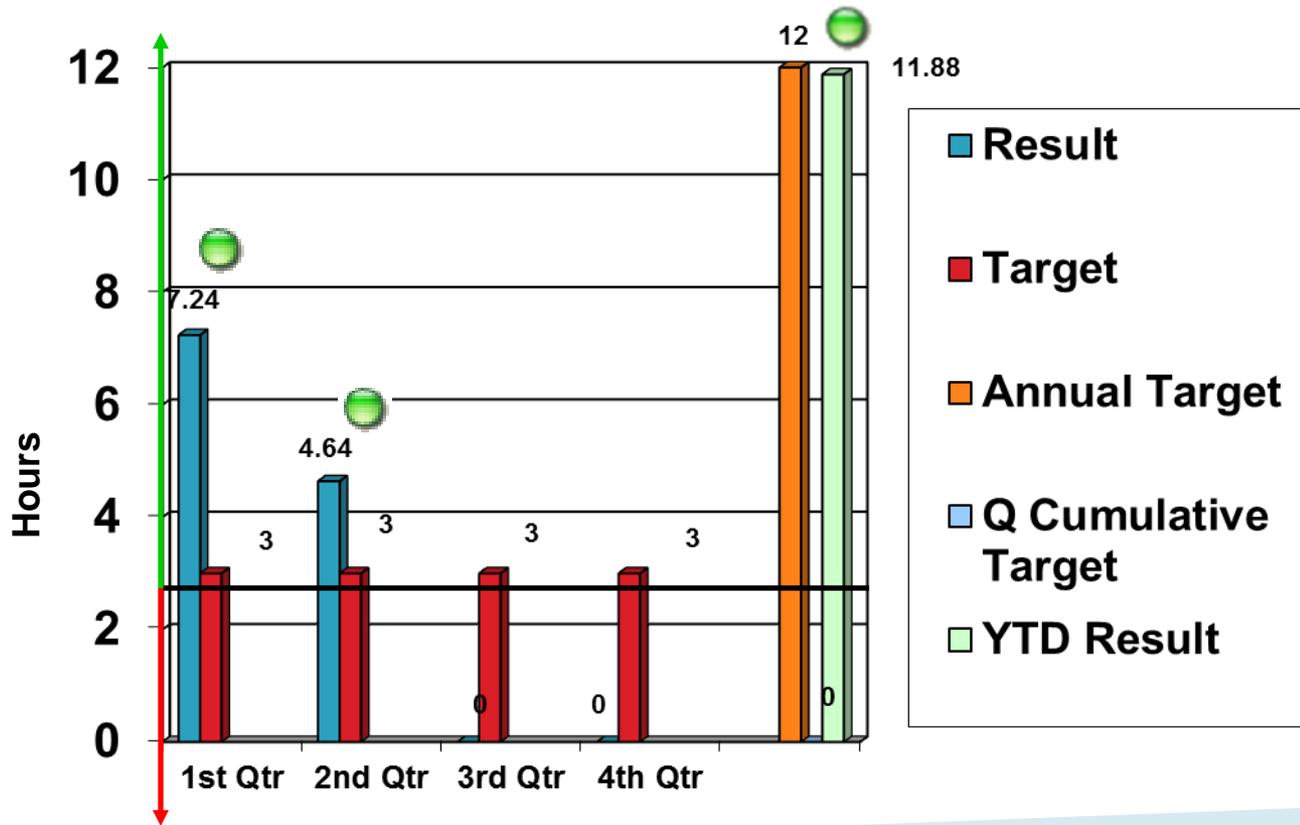
# Employee Turnover Rate 1.4.105



Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

# Training Hours per Employee

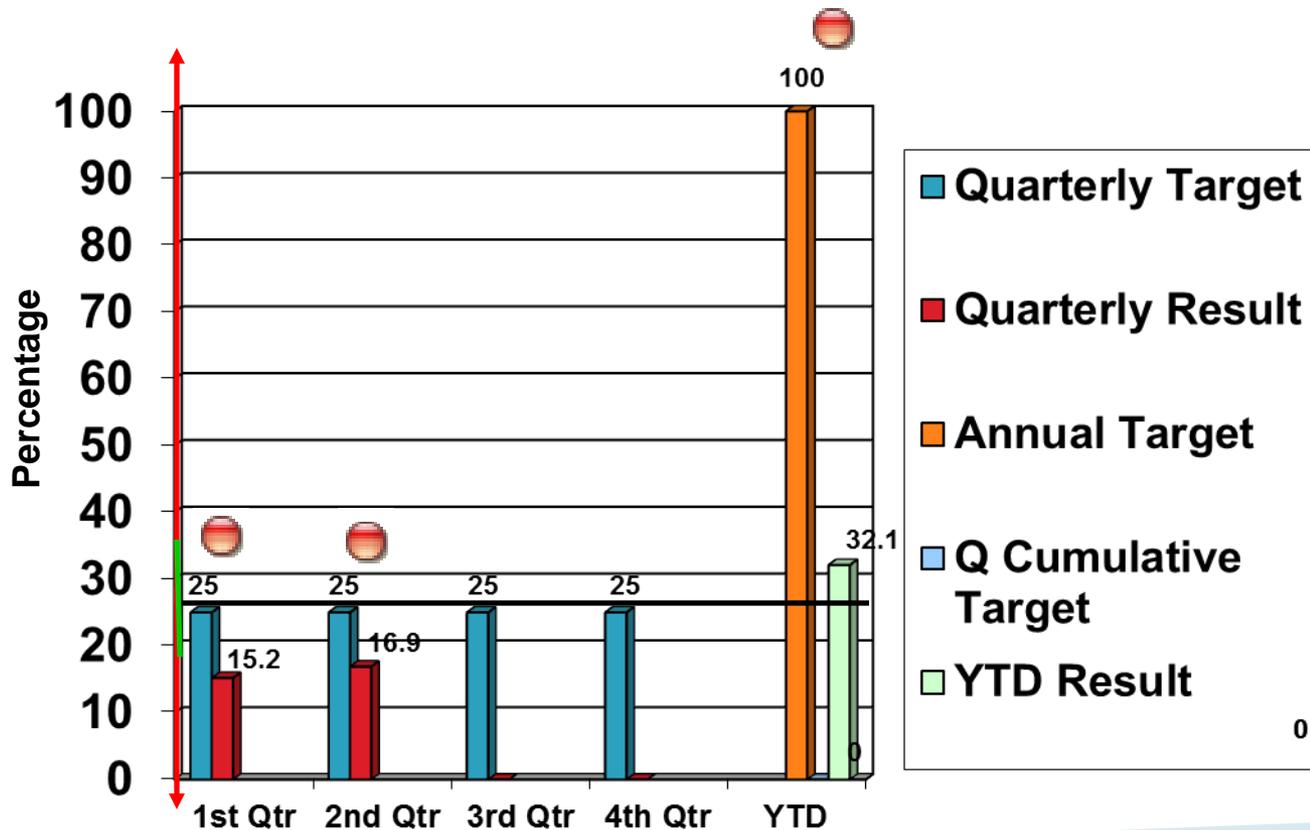
1.4.106



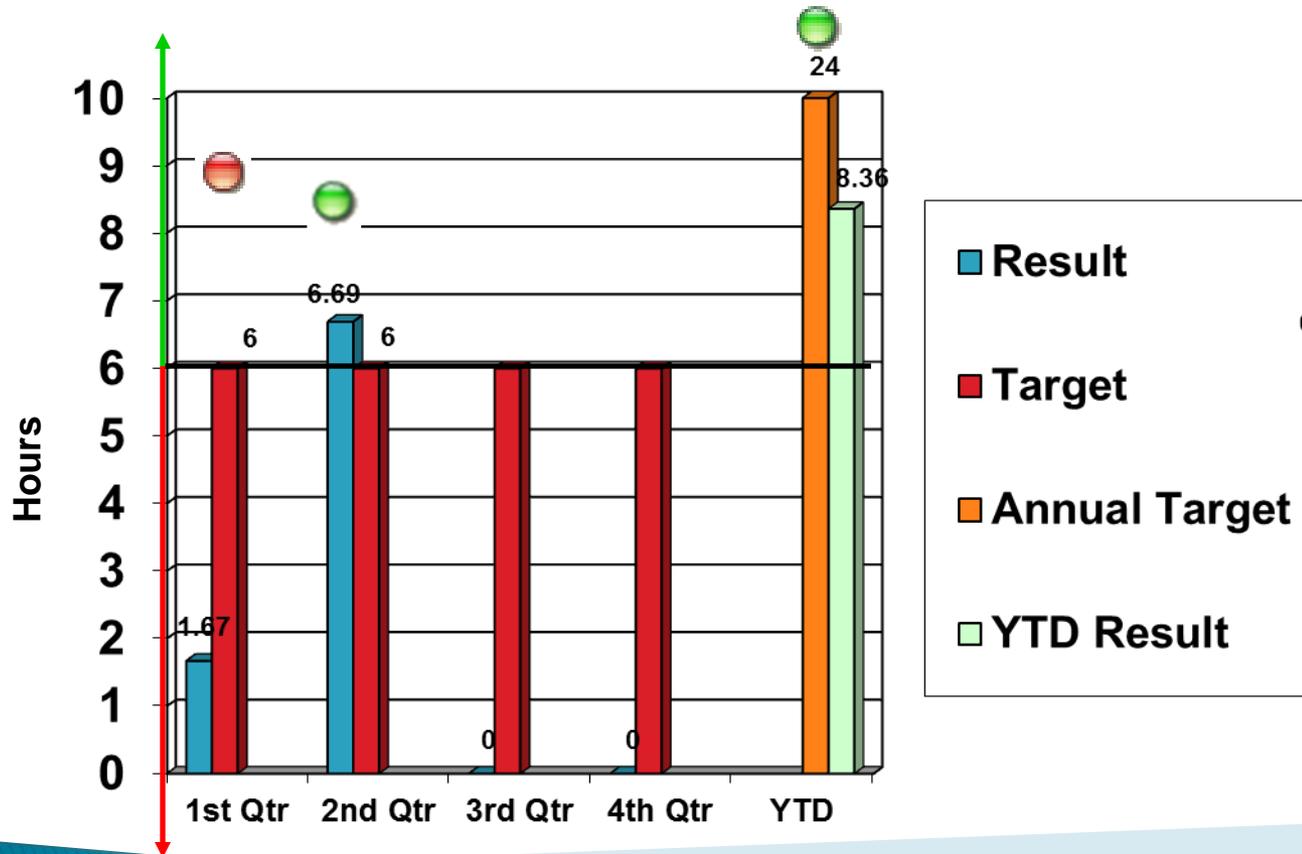
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of training per employee in a single year.

# CIP Project Expenditure vs. Budget

2.2.200

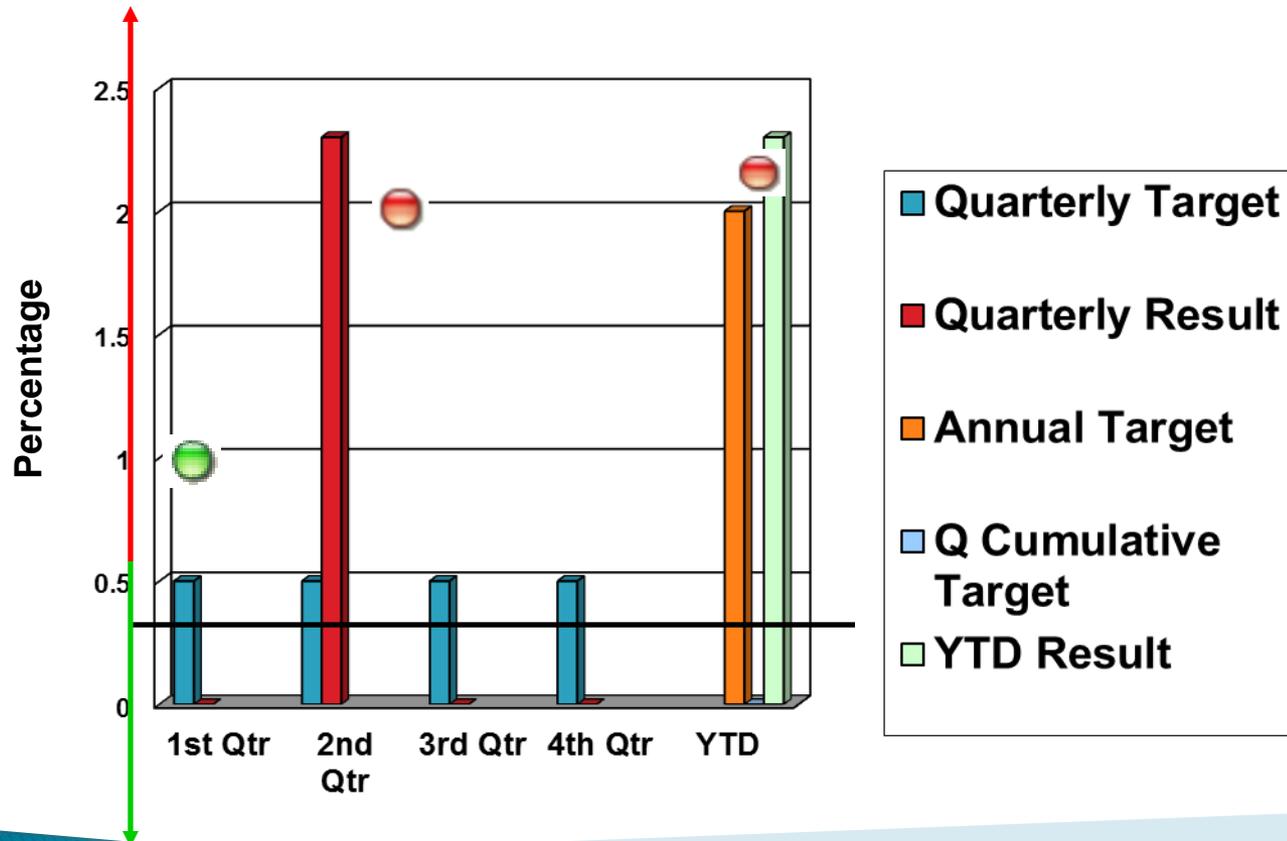


Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be below all set targets in order to keep expenditures below 100% of the budgeted amount for a single year. Note: Annual result aims to be between 95-100% but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.



Measure 1.4.107, Safety Training Program, aims to be above all set targets in order to have no less than 8 hours of training per field employee per quarter in a single year.

## Construction Change Order Incidence (without allowances) 2.2.201

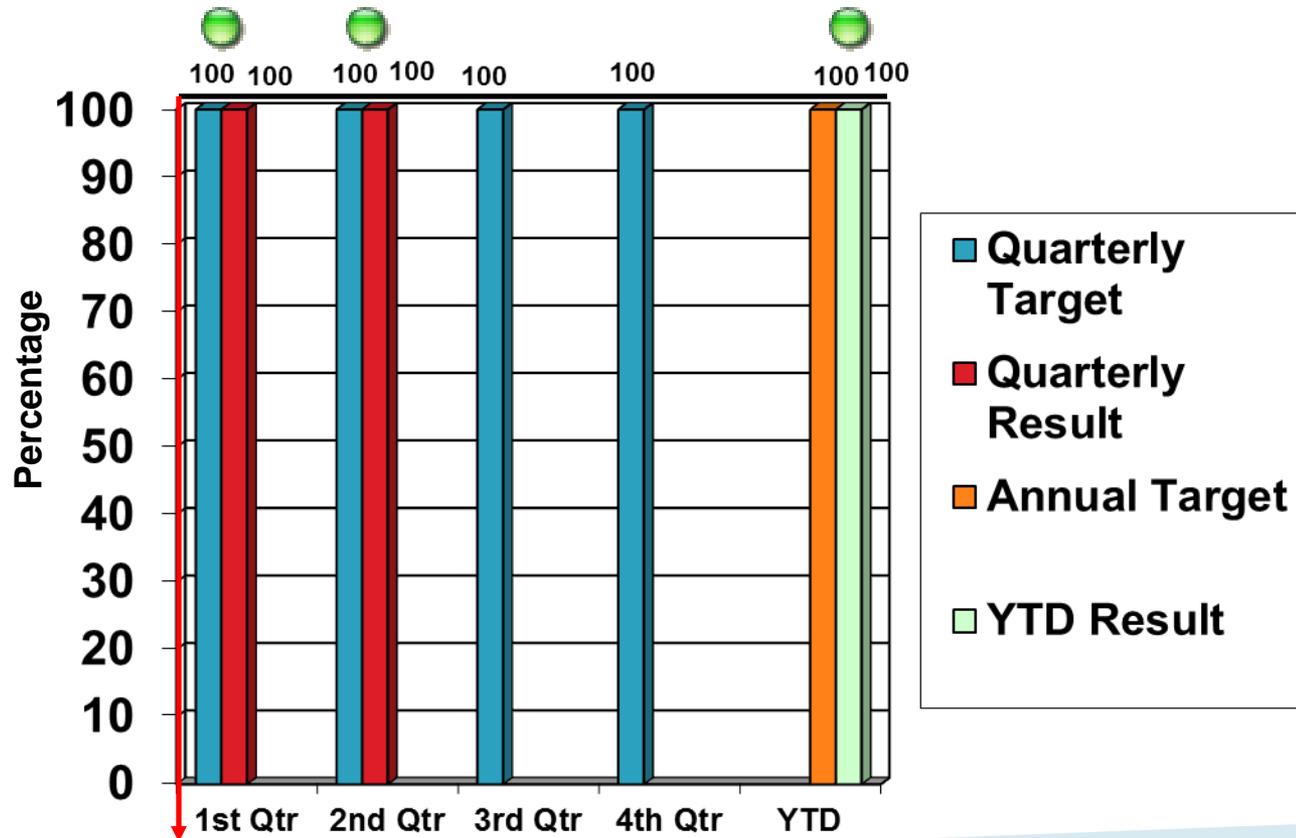


Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 2 % in one year.

% rate of change orders in a single year.

# Mark Out Accuracy

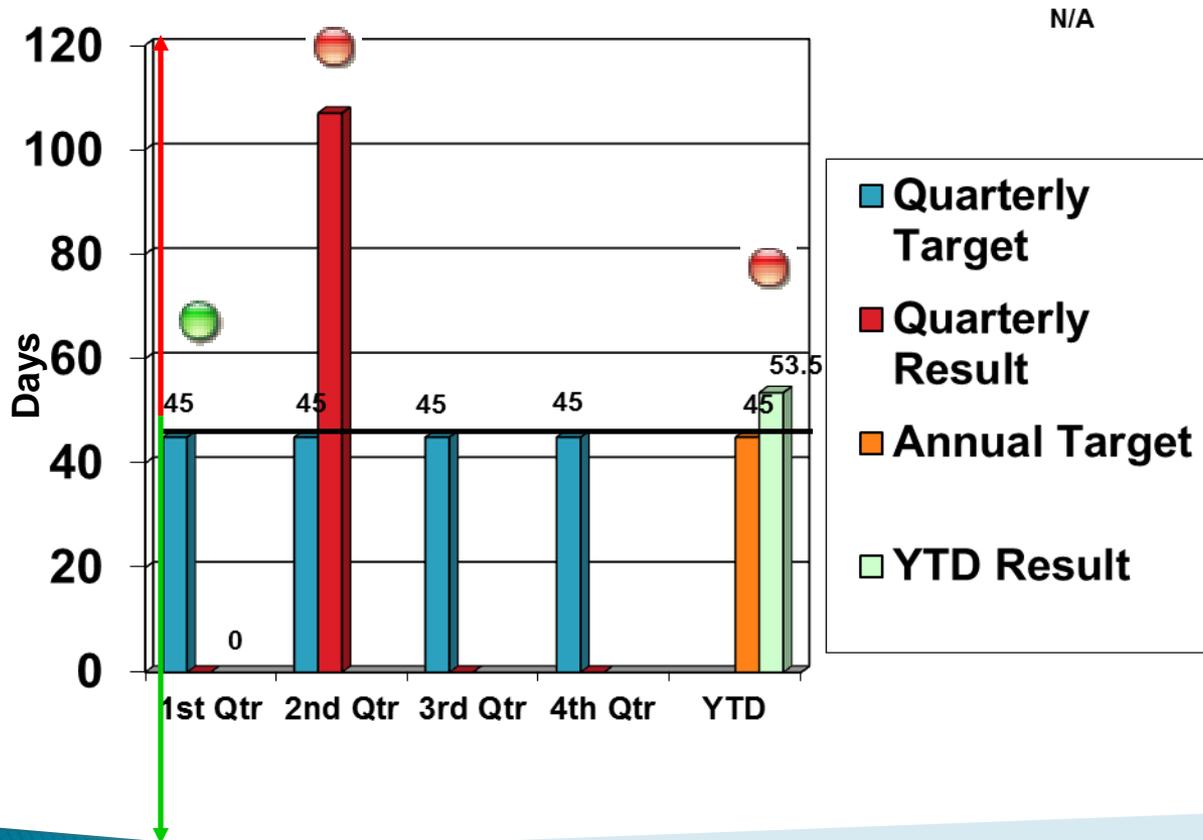
2.3.202



Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

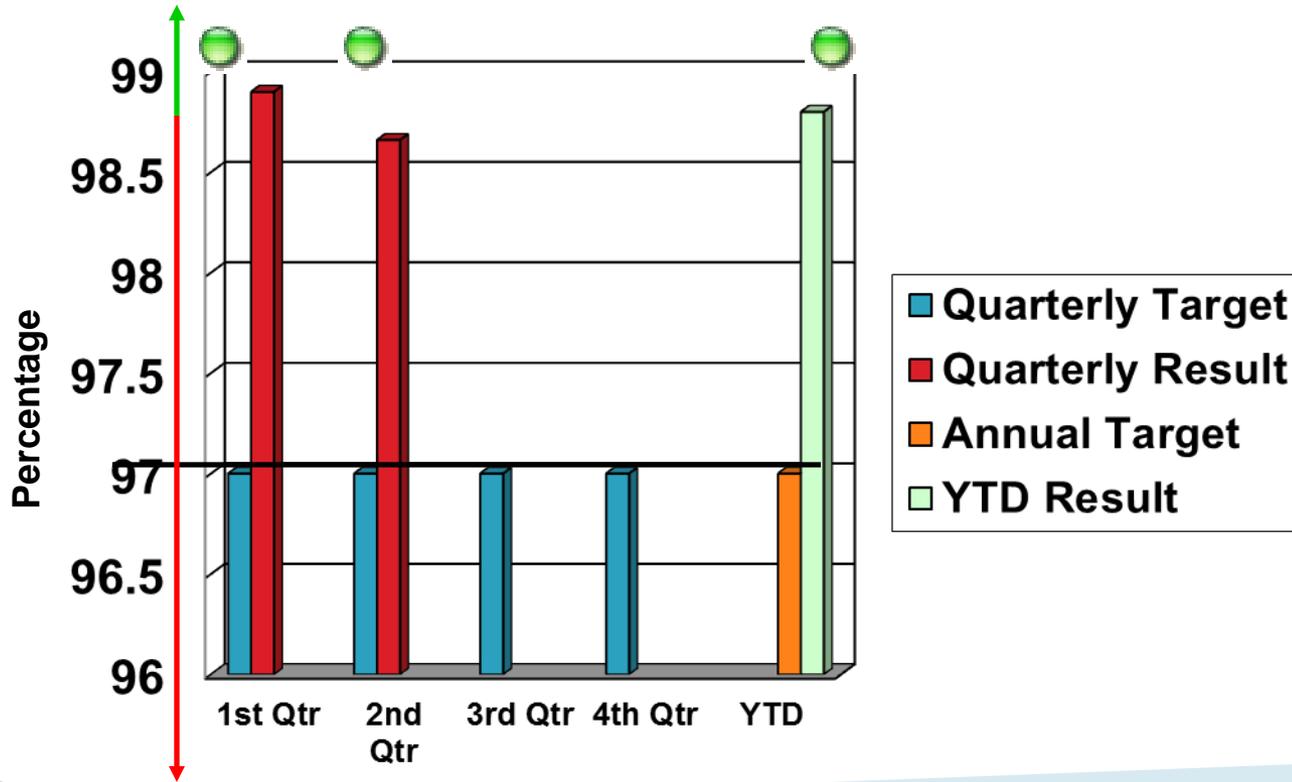
# Project Closeout Time

2.3.203



Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days per quarter in a single year.

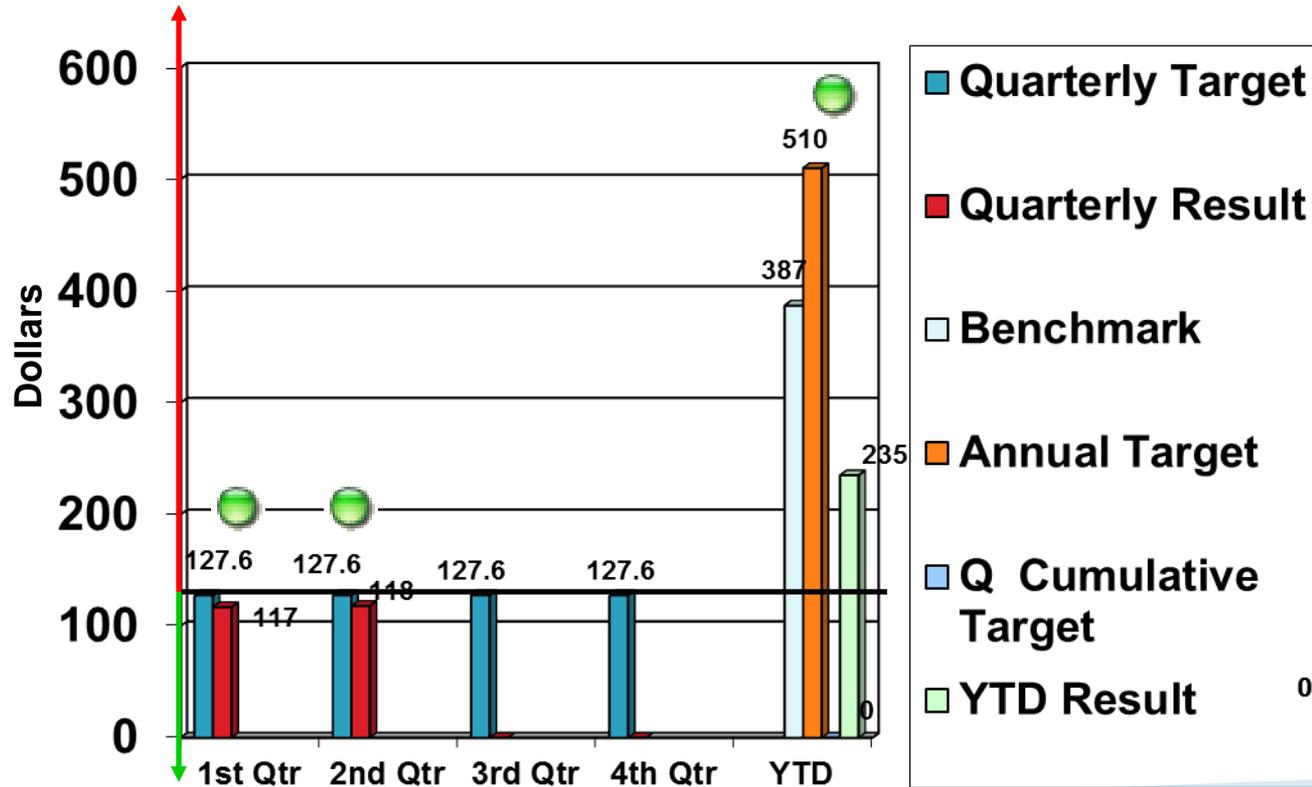
Note: No projects closed out in the 1<sup>st</sup>, quarter.



Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate of no less than 97% .

# O & M Cost per Account (QualServe)

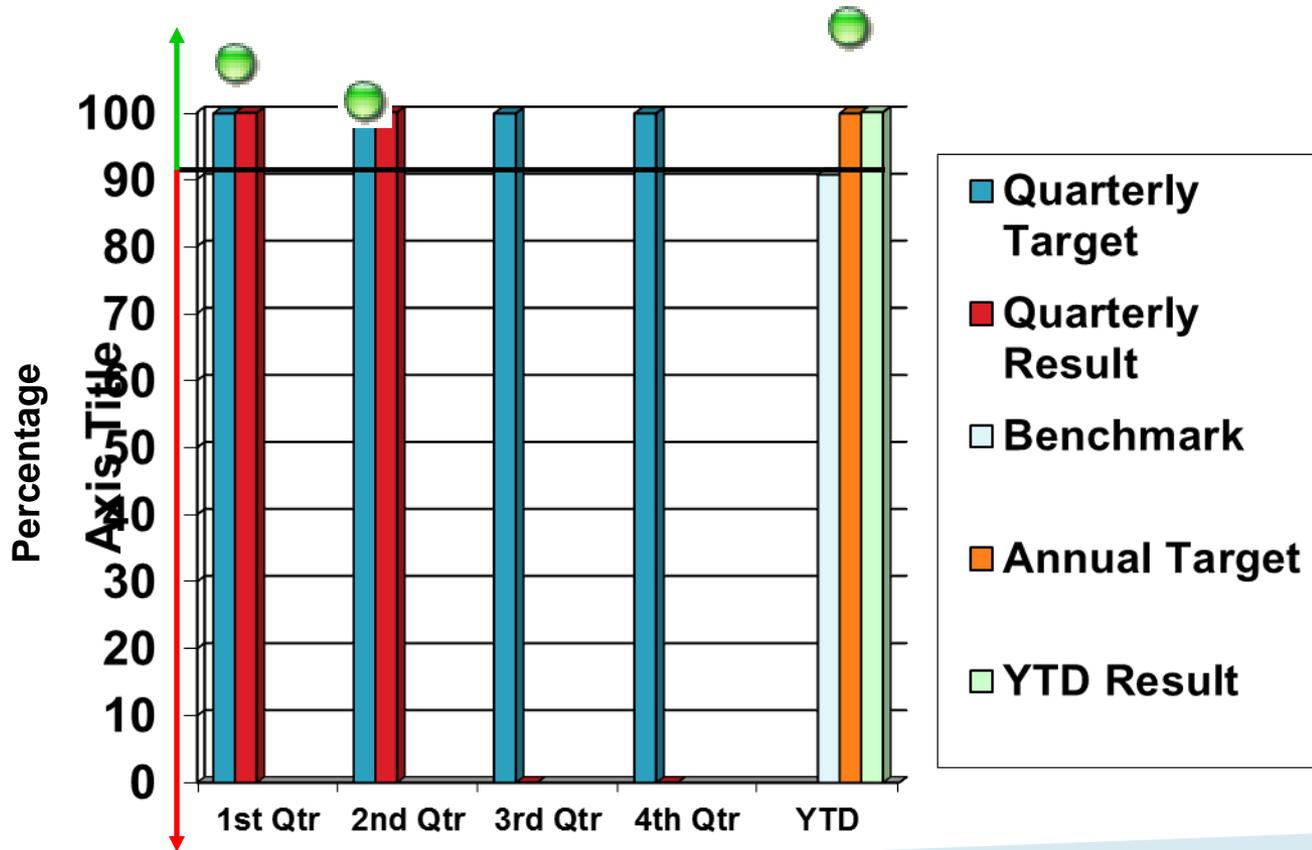
3.2.301



Measure 3.2.301, O & M Cost per Account, aims to be below all set targets in order to keep O & M cost per account less than \$510.40 in a single year.

# Billing Accuracy (QualServe)

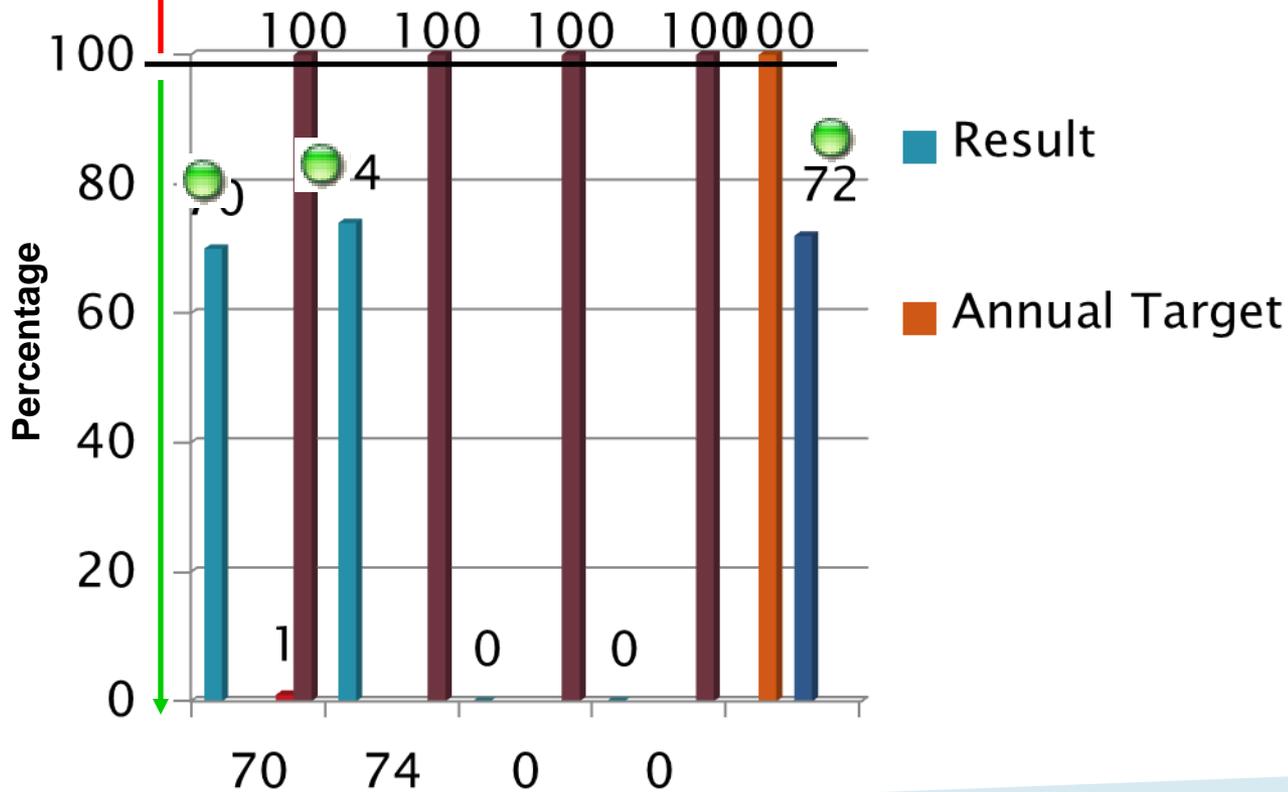
3.2.302



Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

# Overtime Percentage

3.2.303

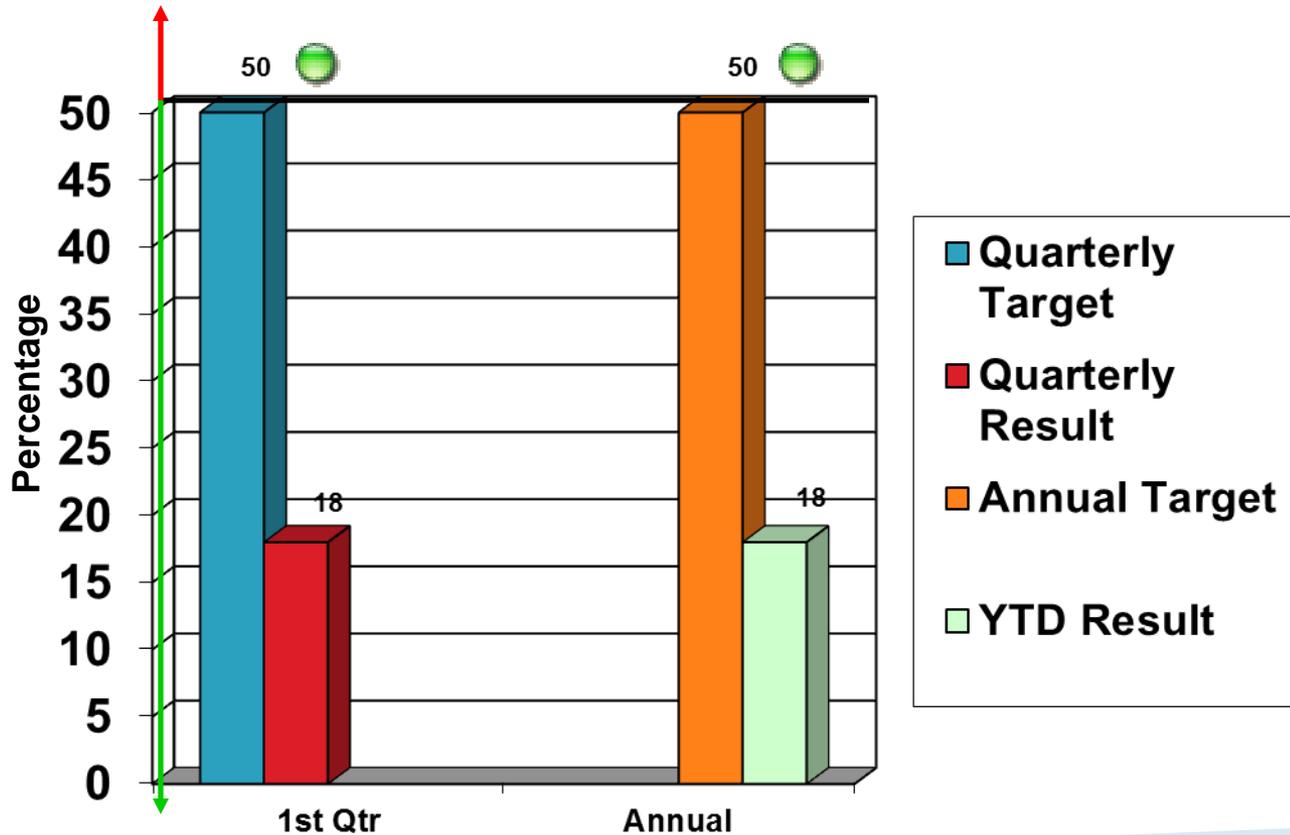


Measure 3.2.303, Overtime Percentage, aims to be below all set targets in order to keep expenditures below the budgeted amount for a single year.

# Sewer Rate Ranking

Measured Once per Fiscal Year

3.2.304

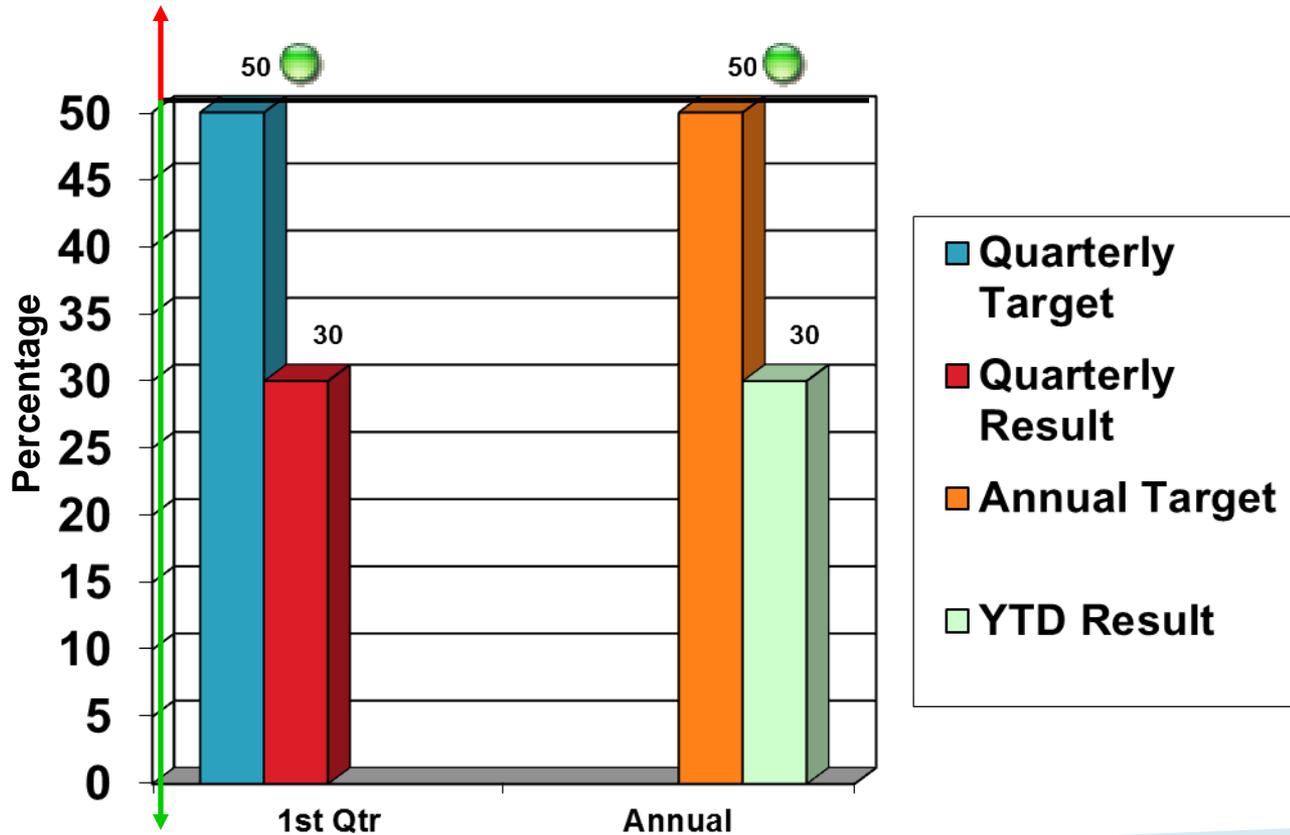


Measure 3.2.304, Sewer Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

# Water Rate Ranking

Measured Once per Fiscal Year

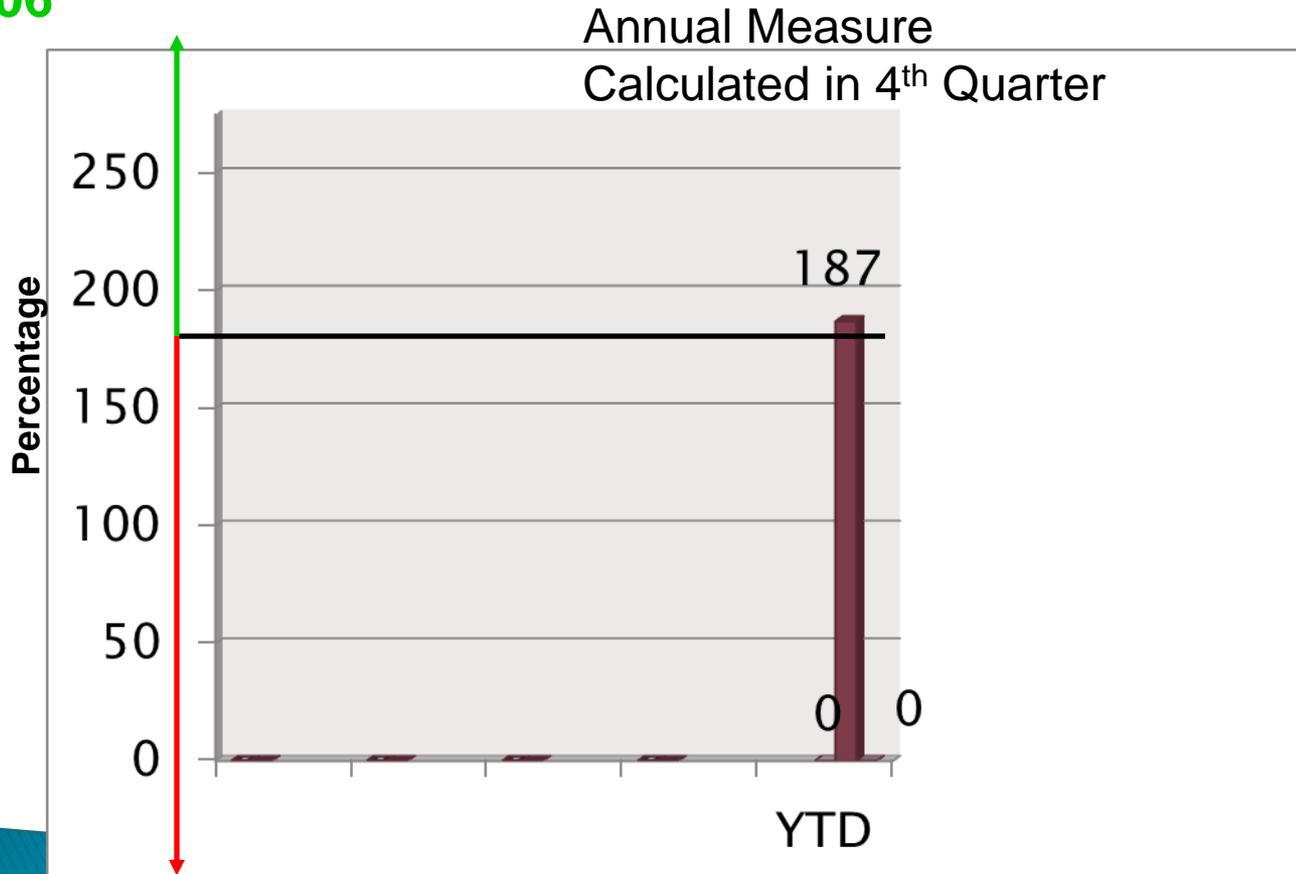
3.2.305



Measure 3.2.305, Water Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

# Debt Coverage Ratio (QualServe) – YTD

3.2.306



Measure 3.2.306, Debt Coverage Ratio, aims to be above all set targets in order to have sufficient debt coverage.

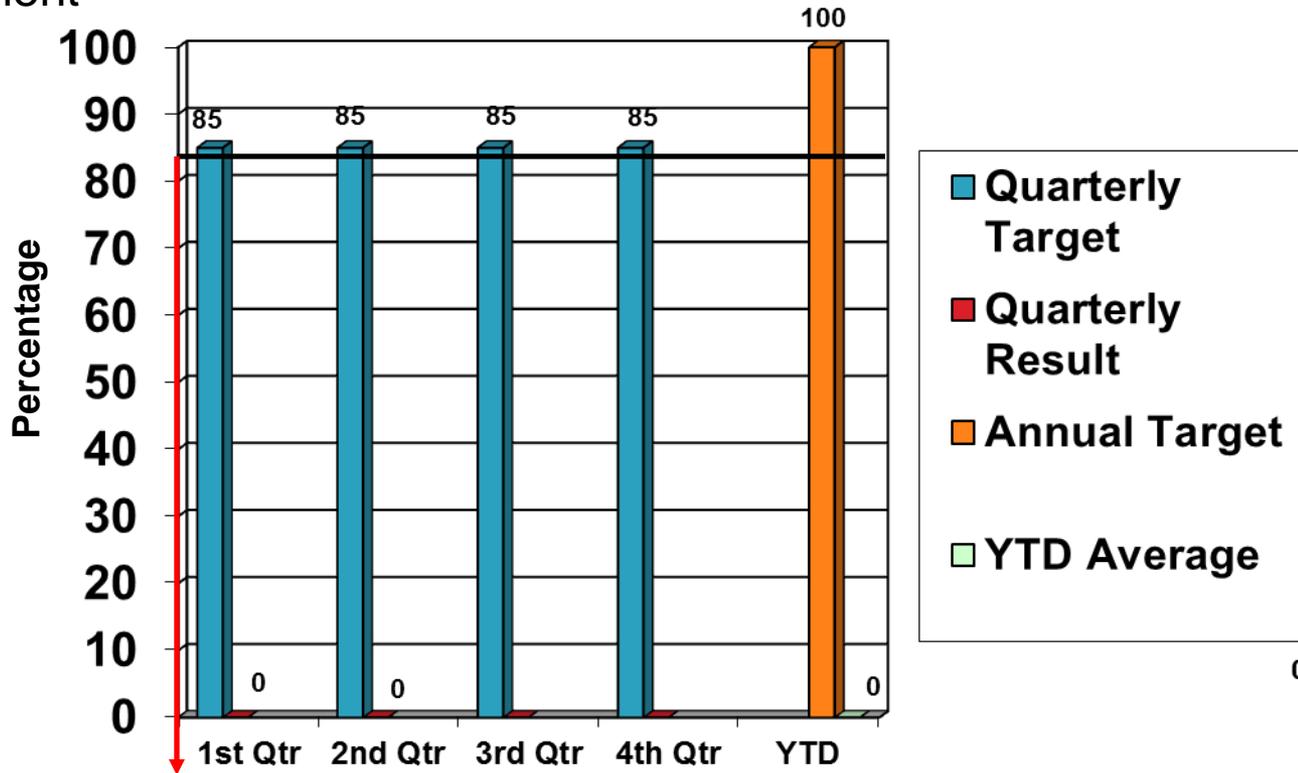
\*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

# Reserve Level

Annual Measure  
Calculated in 4<sup>th</sup> Quarter

3.2.307

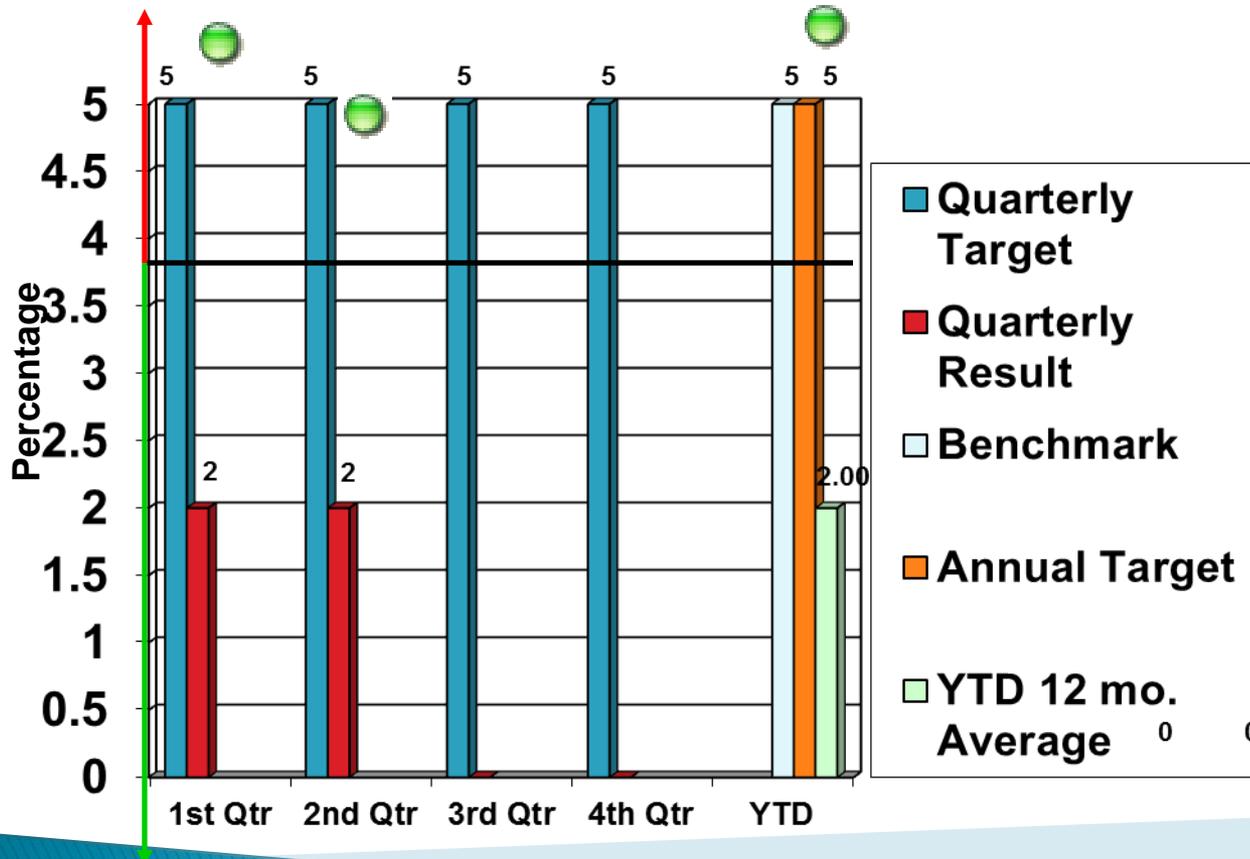
In Development



Measure 3.2.307, Reserve Level, aims to be no less than 100%. It is measured annually.

# Distribution System Loss (QualServe)

3.3.308



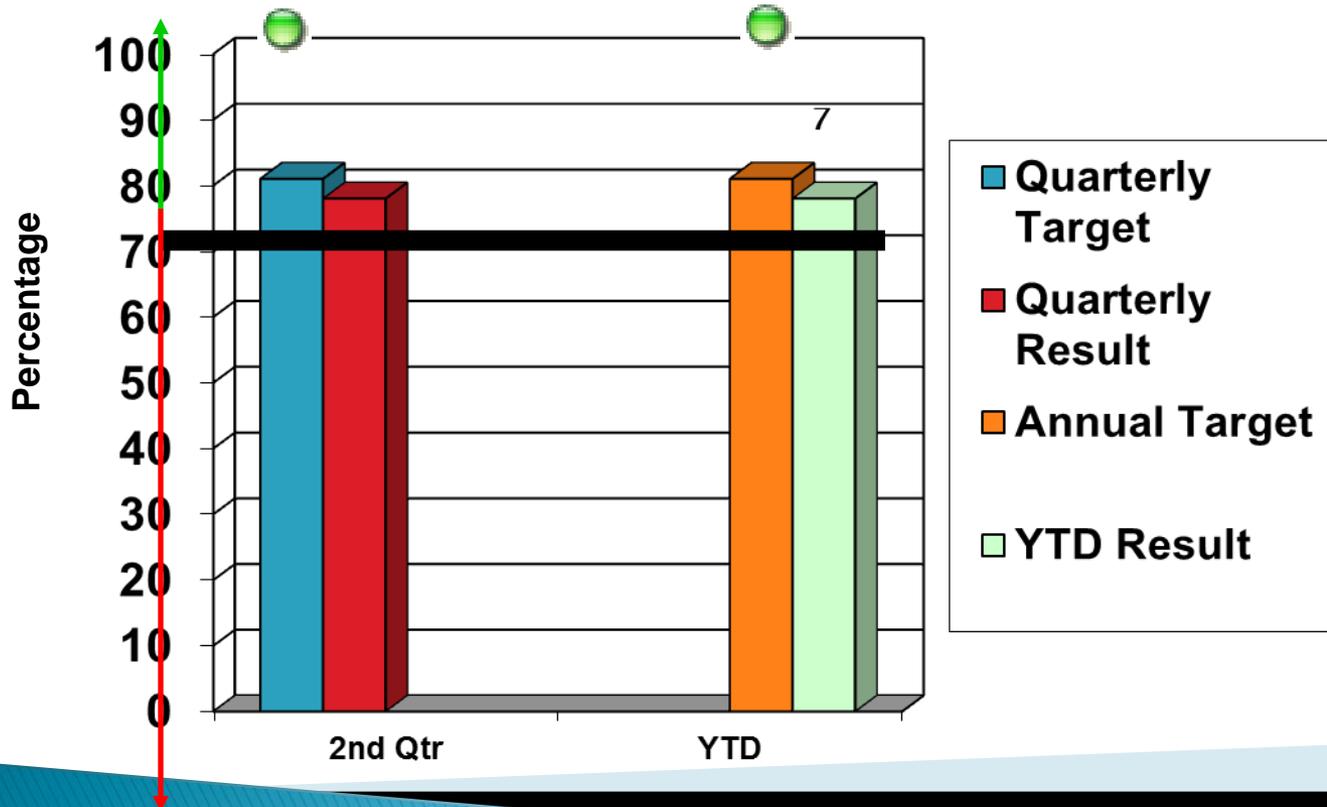
Measure 3.3.309, Distribution System Loss, aims to be below all set targets in order to ensure less than 4.5% of unaccounted water in a single year.

\*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

# Customer Satisfaction with Website

4.1.400

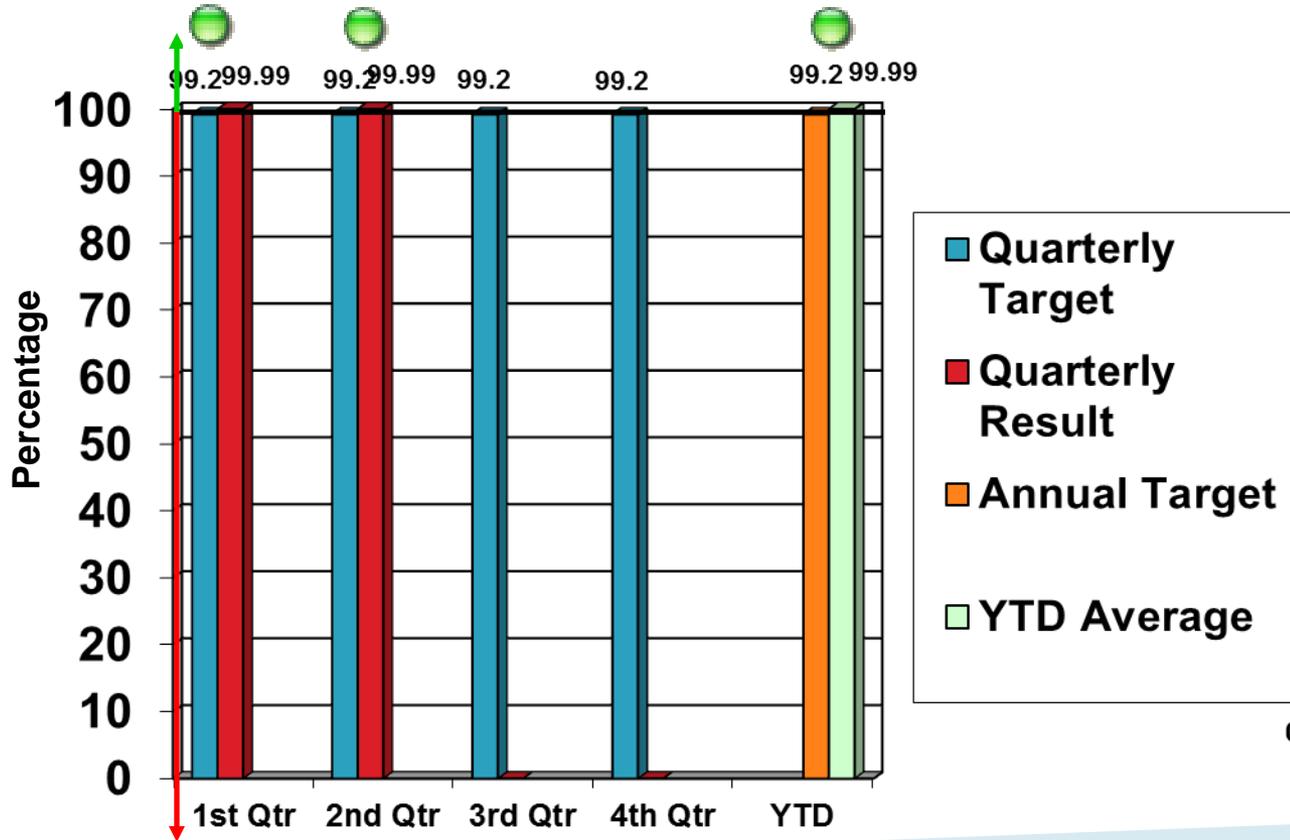
Measured Once per Fiscal Year



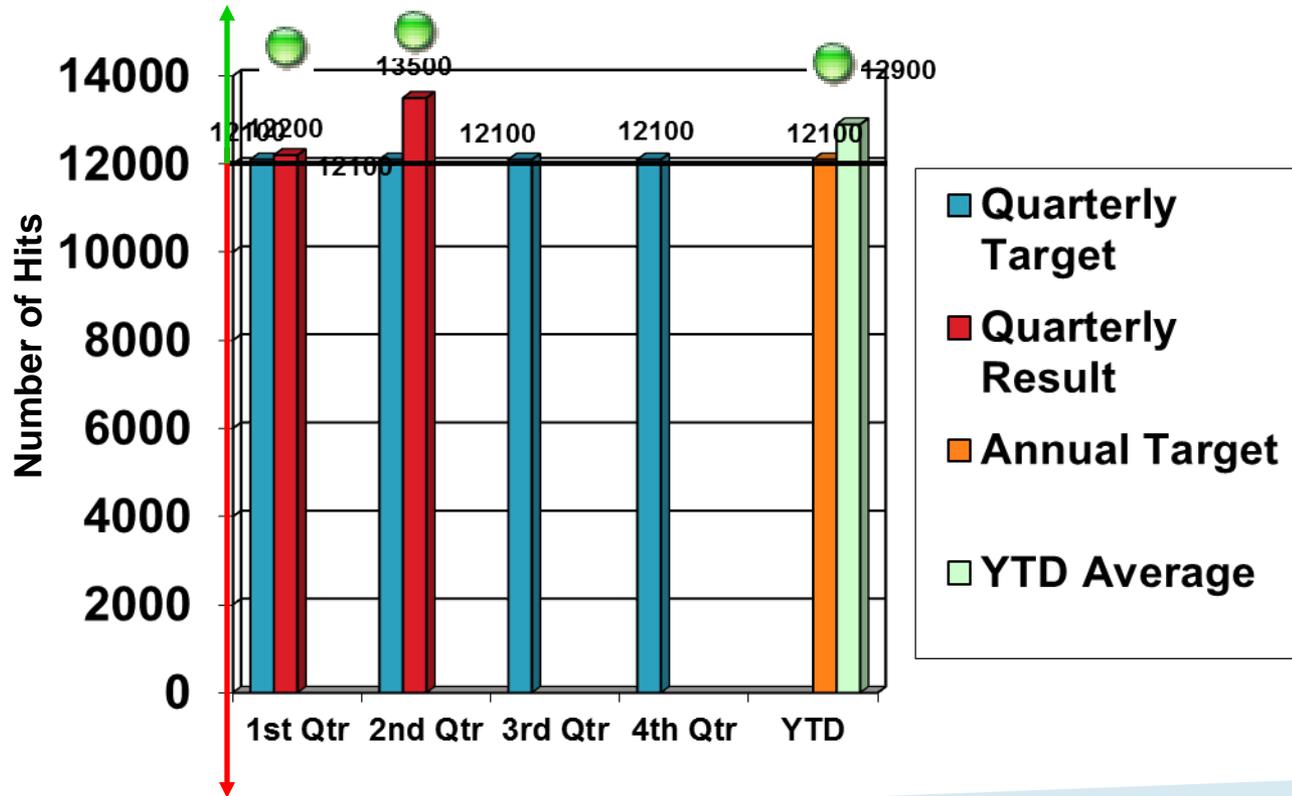
Measure 4.1.400, Customer Satisfaction with Website, is a once yearly survey that is reported on annually in the second quarter and represents the results for the given fiscal year.

# Network Availability

4.3.401



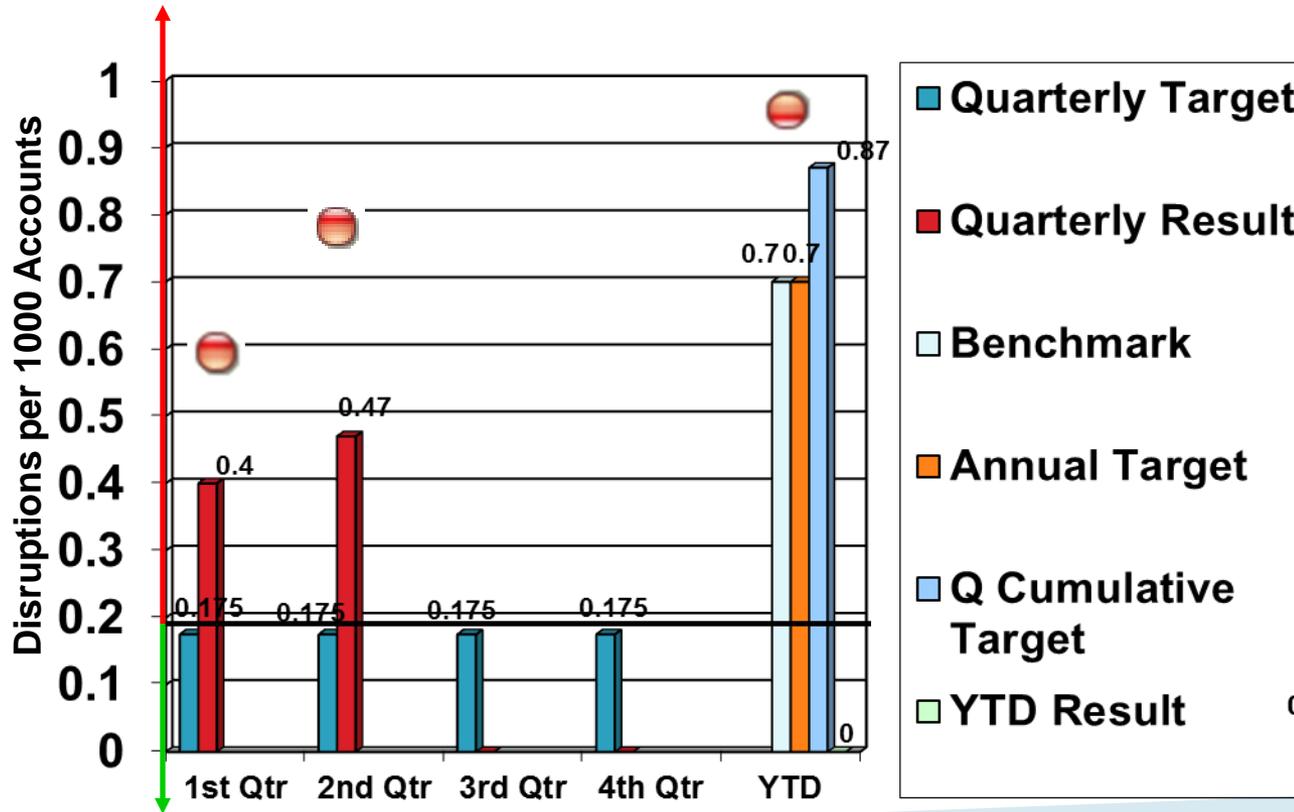
Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.2% network availability per quarter in a single year.



Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 12,100 website hits per quarter in a single year.

# Unplanned Disruptions (QualServe)

5.1.500

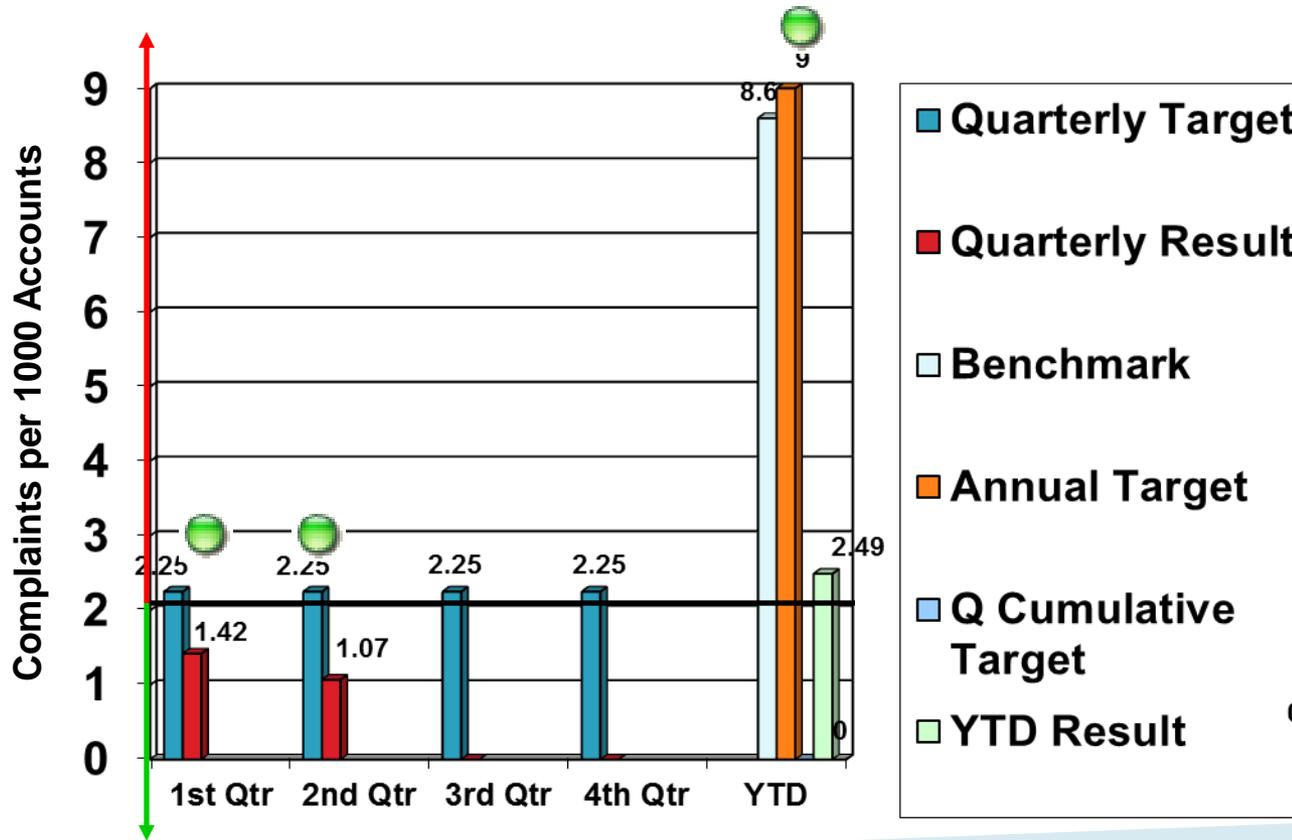


Measure 5.1.500, Unplanned Disruptions, aims to be below all set targets in order to have no more than .7 disruptions per 1000 accounts in a single year.

Note: Target is expressed as number of disruptions per 1000 accounts

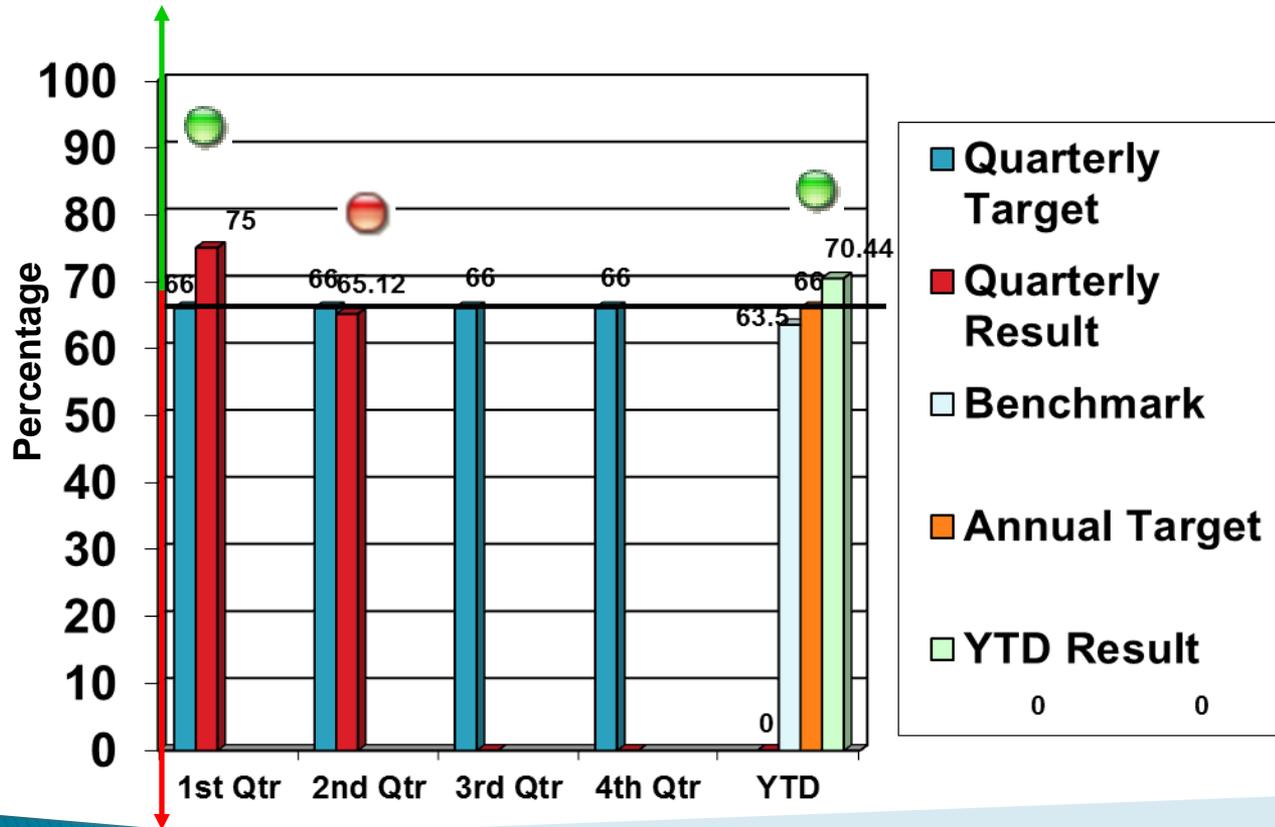
# Technical Quality Complaint (QualServe)

5.1.501



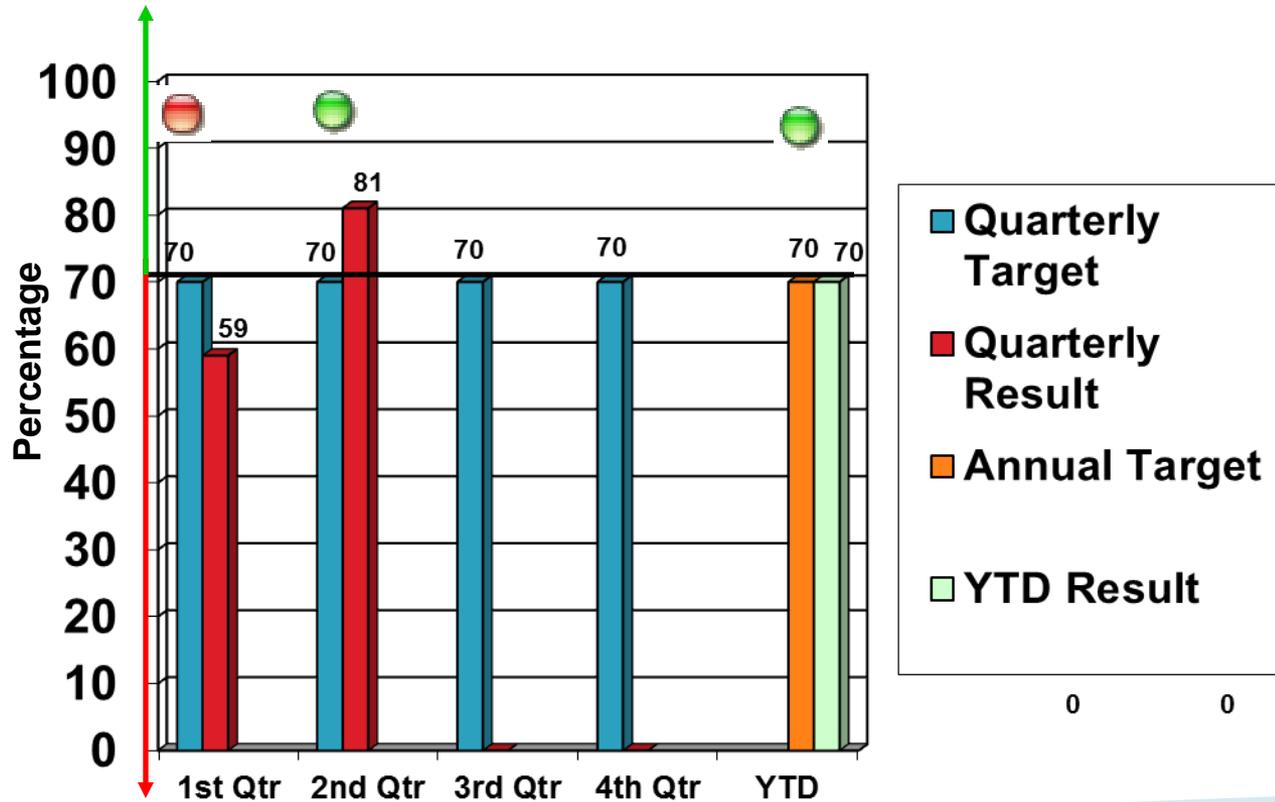
Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

## Planned Potable Water Maintenance Ratio in \$ (QualServe) 5.2.502



Measure 5.2.502, Planned Drinking Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year.

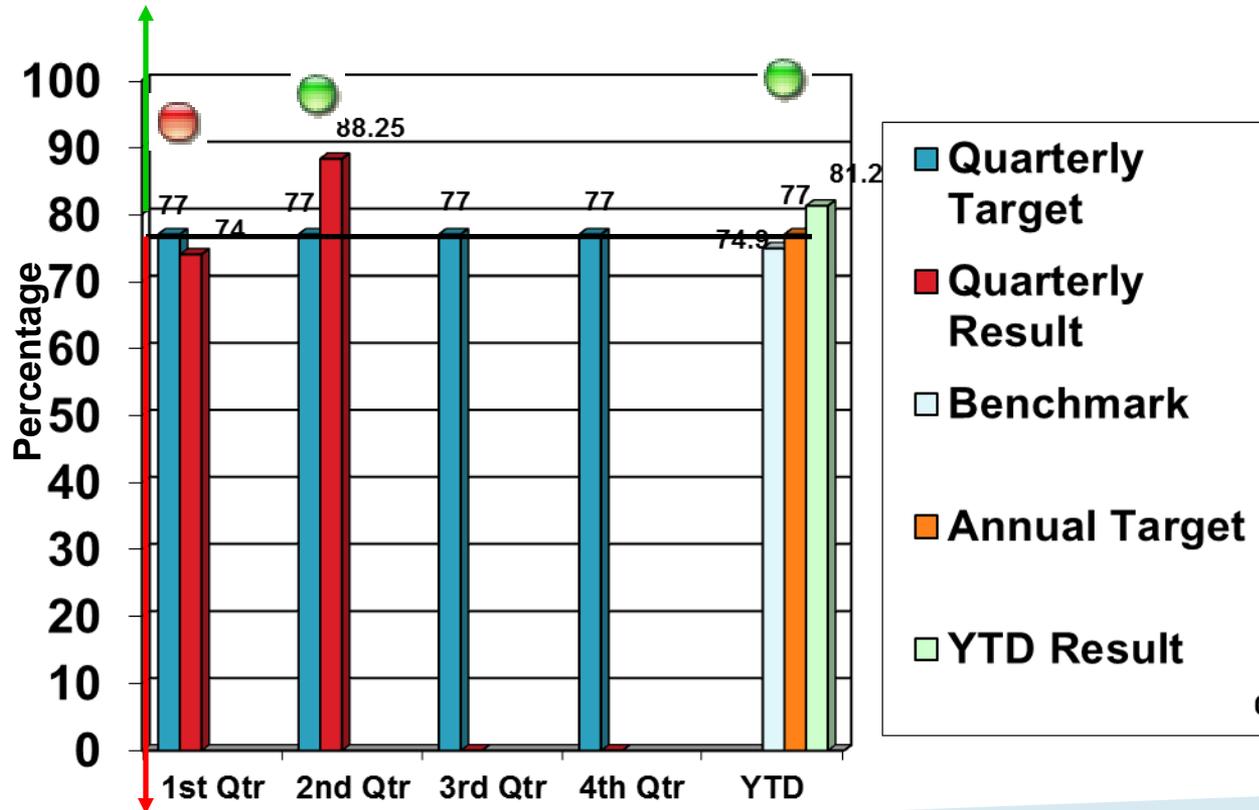
Note: Quarterly results are subject to change.



Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year.

Note: Quarterly results are subject to change.

## Planned Wastewater Maintenance Ratio in \$ (QualServe) 5.2.504

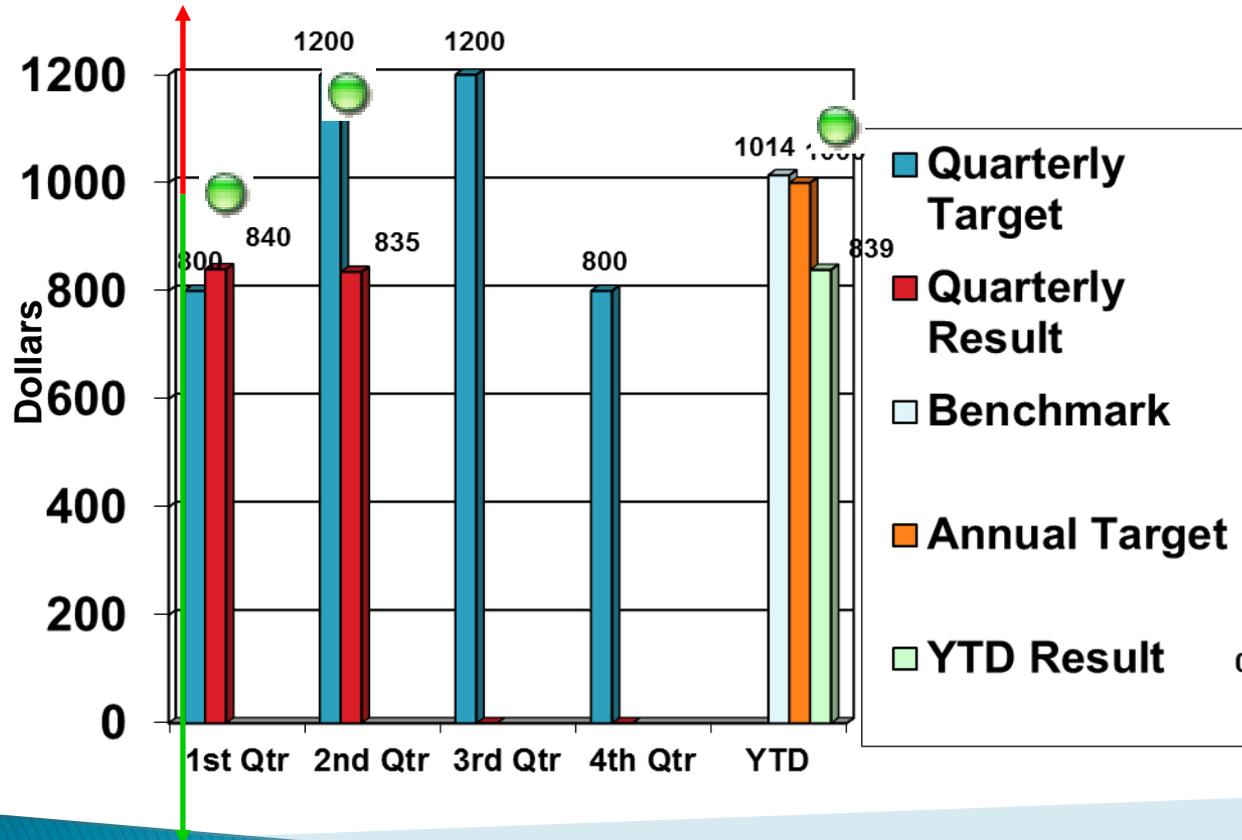


Measure 5.2.504, Planned Wastewater Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 77% of all labor dollars spent on preventative maintenance per quarter in a single year.

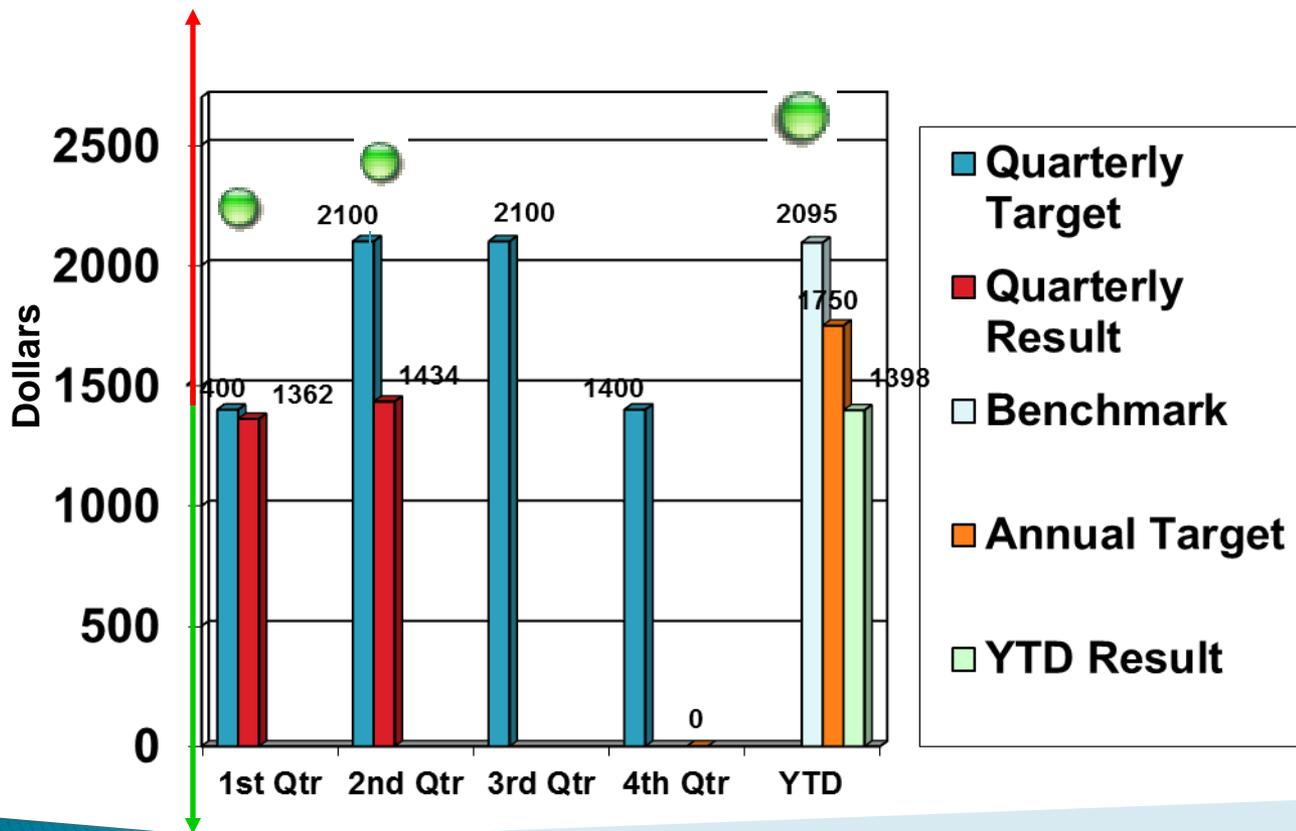
Note: Quarterly results are subject to change.

# Direct Cost of Treatment per MGD (QualServe)

5.2.505



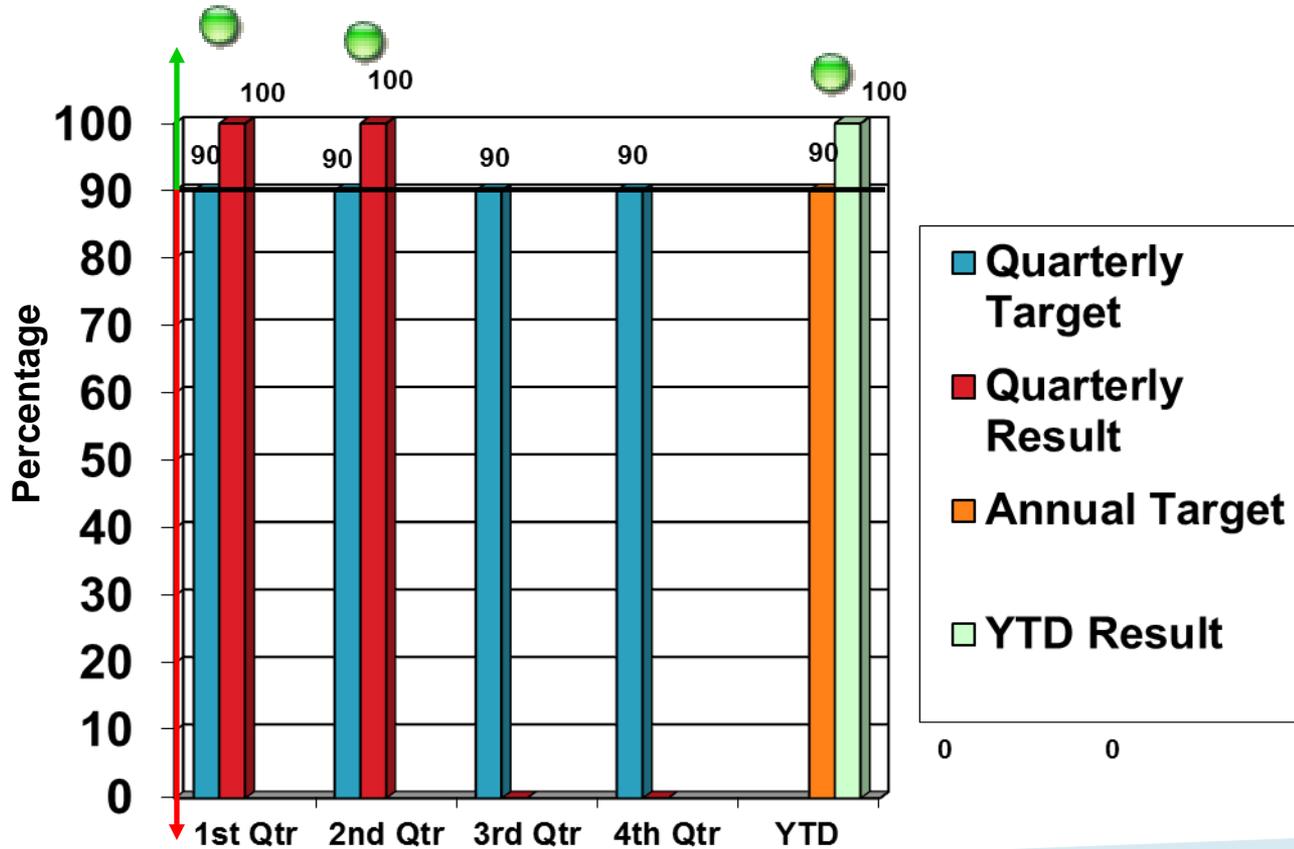
Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1000 per MG spent on wastewater treatment per quarter in a single year.



Measure 5.2.506, O & M Cost per MGP - wastewater, aims to be below all set targets in order to have no more than \$1750 per MG spent on O & M for wastewater treatment per quarter in a single year.

# % PMs Completed – Fleet Shop

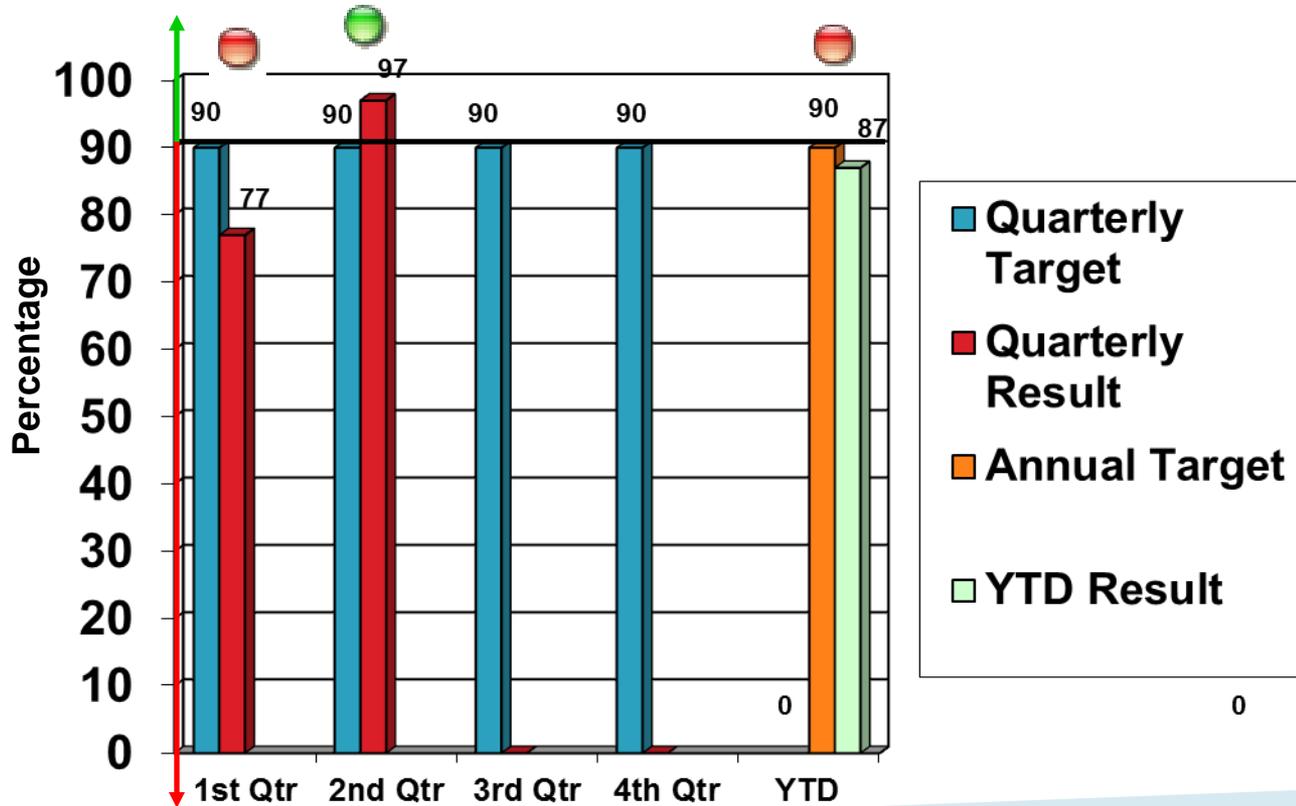
5.3.507



Measure 5.3.507, % PMs Completed – Fleet Shop, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Reclamation Plant

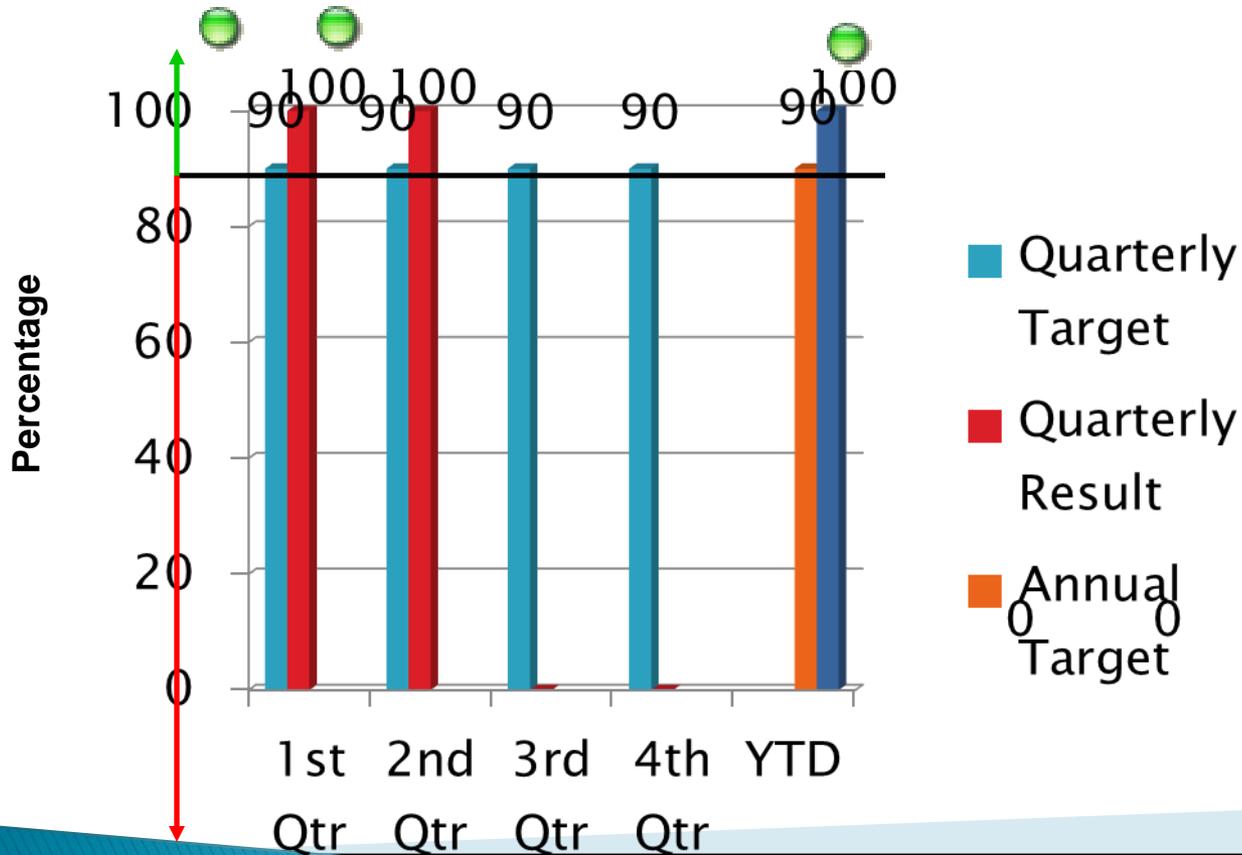
5.3.508



Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Pump/Electric Section

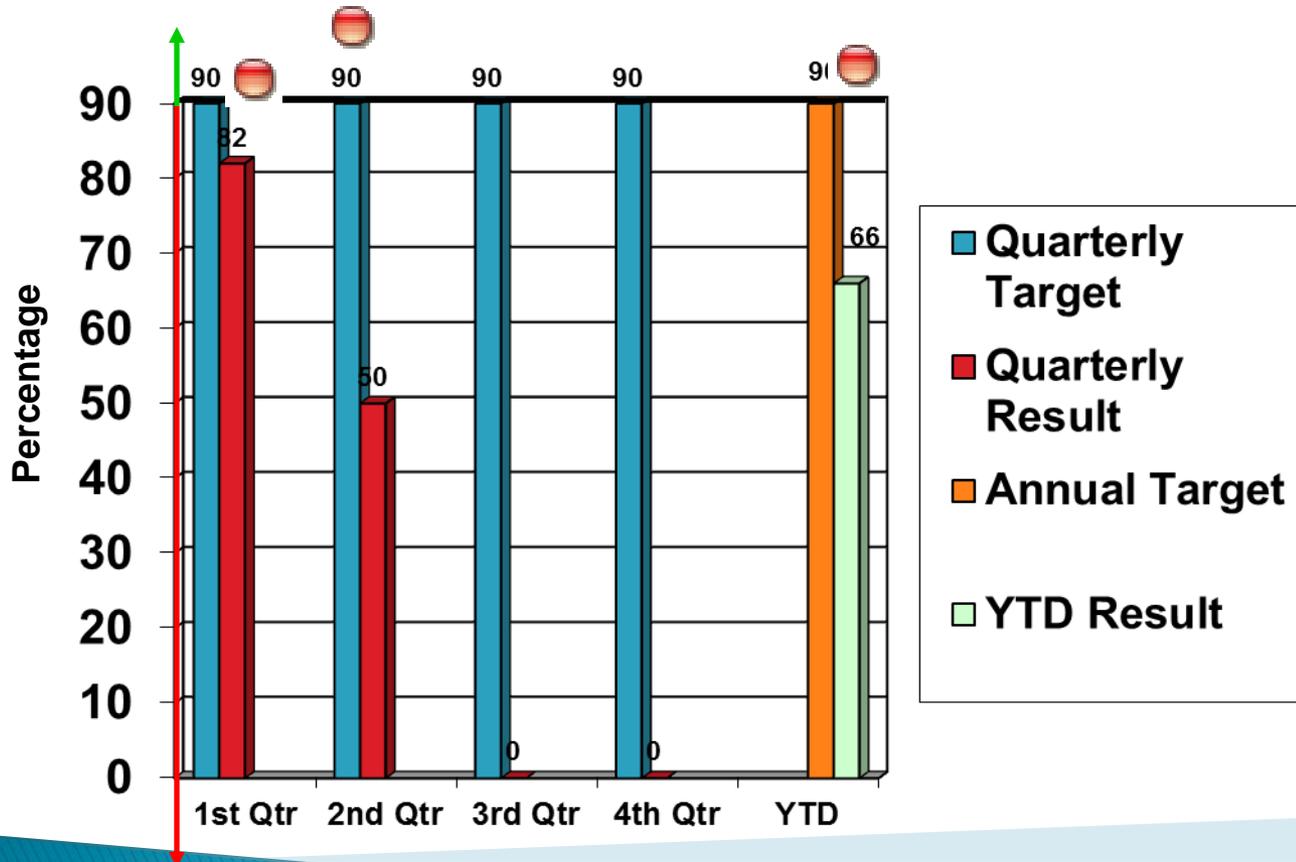
5.3.509



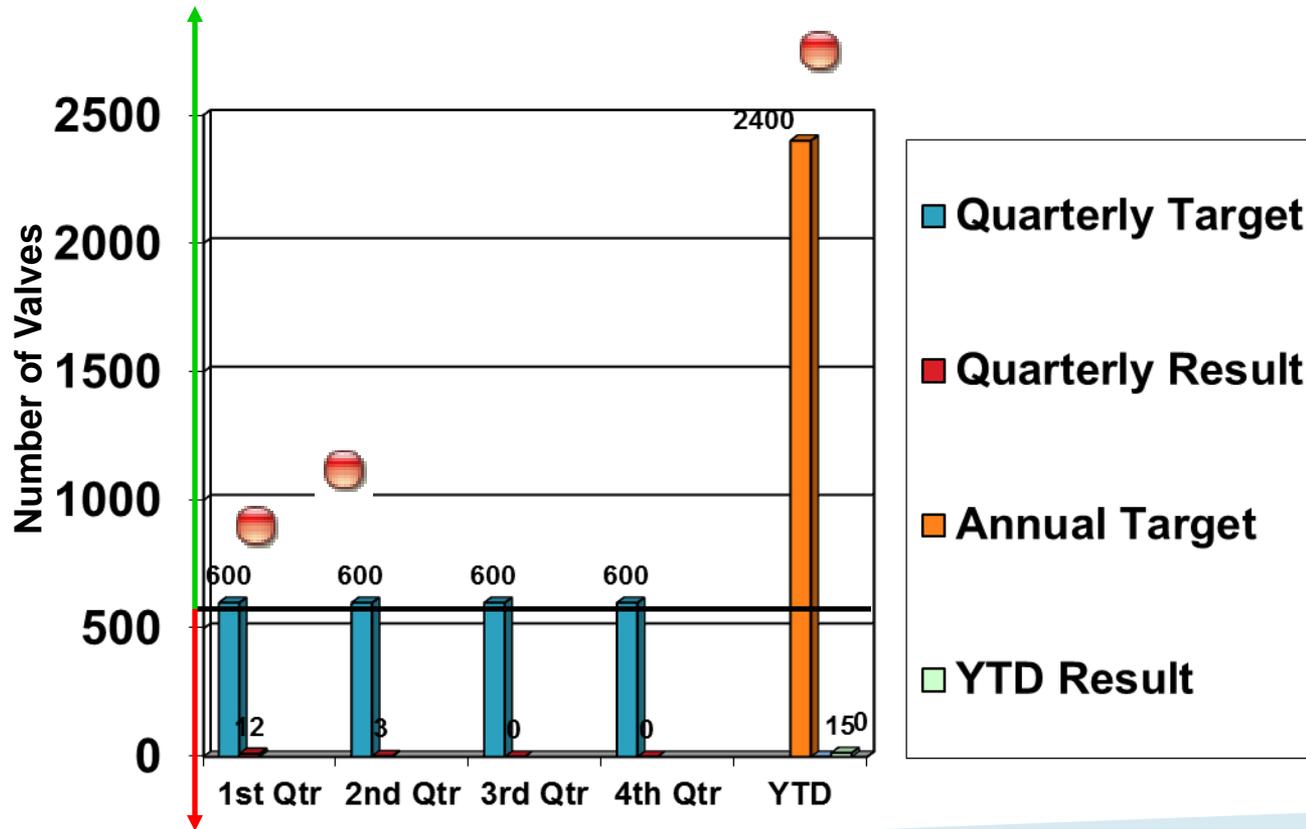
Measure 5.3.509, % PMs Completed – Pump/Electric Section, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Valve Maintenance Program

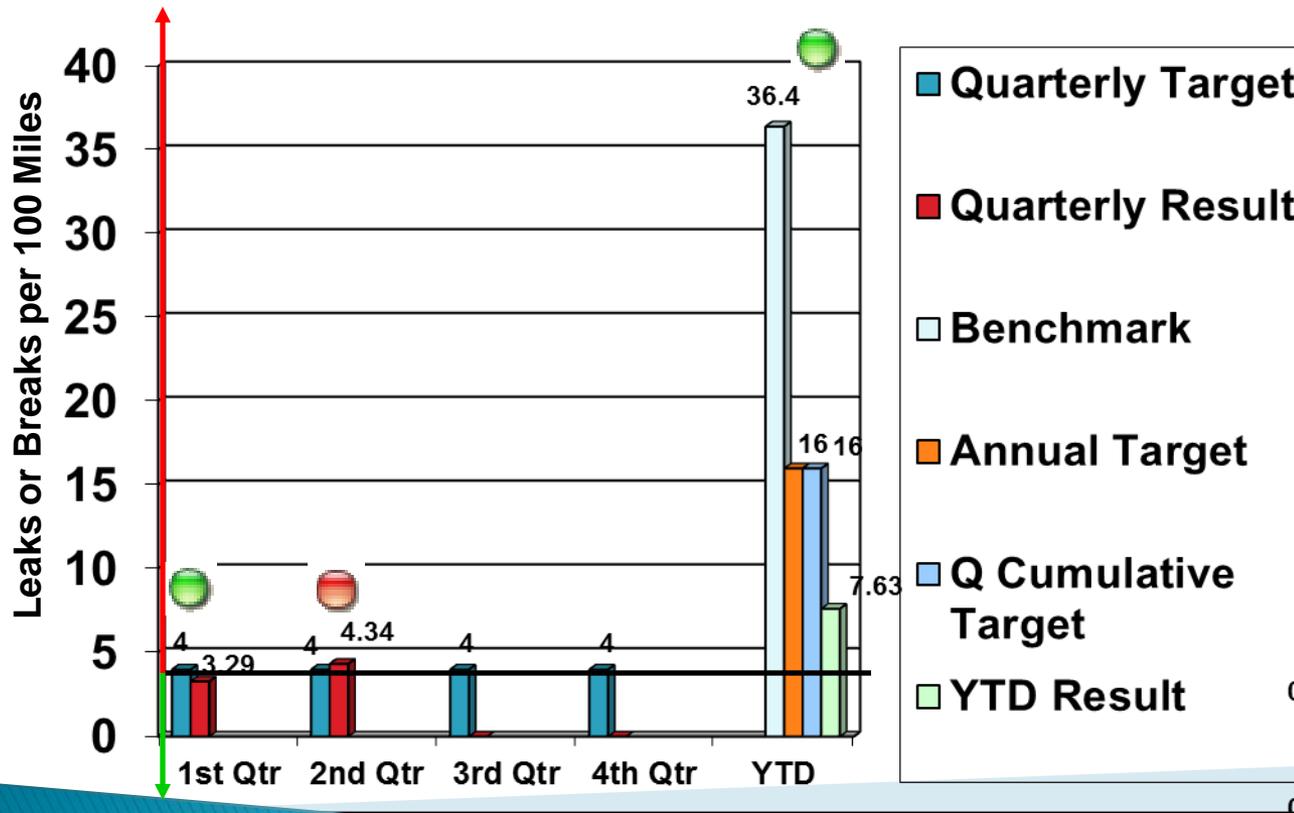
5.3.510



Measure 5.3.510, % PMs Completed – Valve Maintenance Program, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.



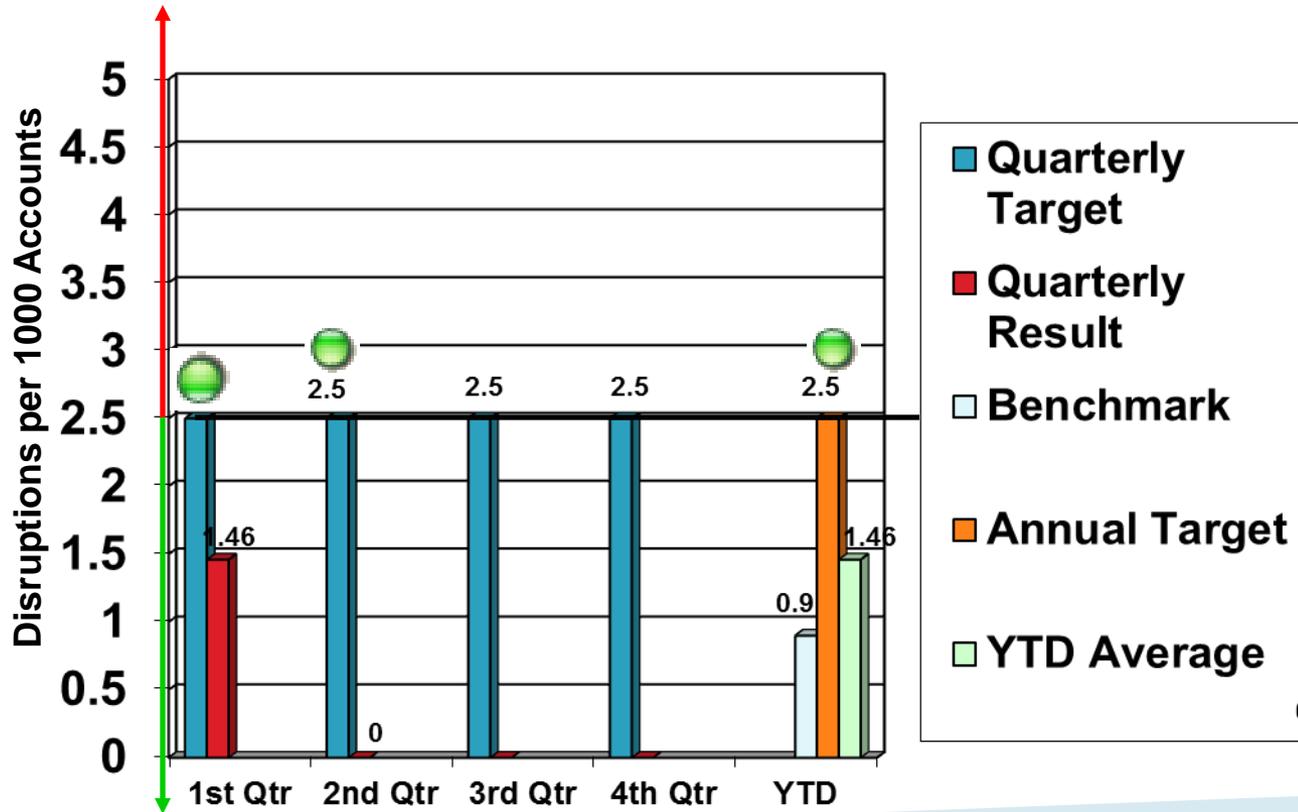
Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 2400 valves exercised in a single year.



Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

# Planned Water Service Disruption Rate (QualServe)

5.3.513

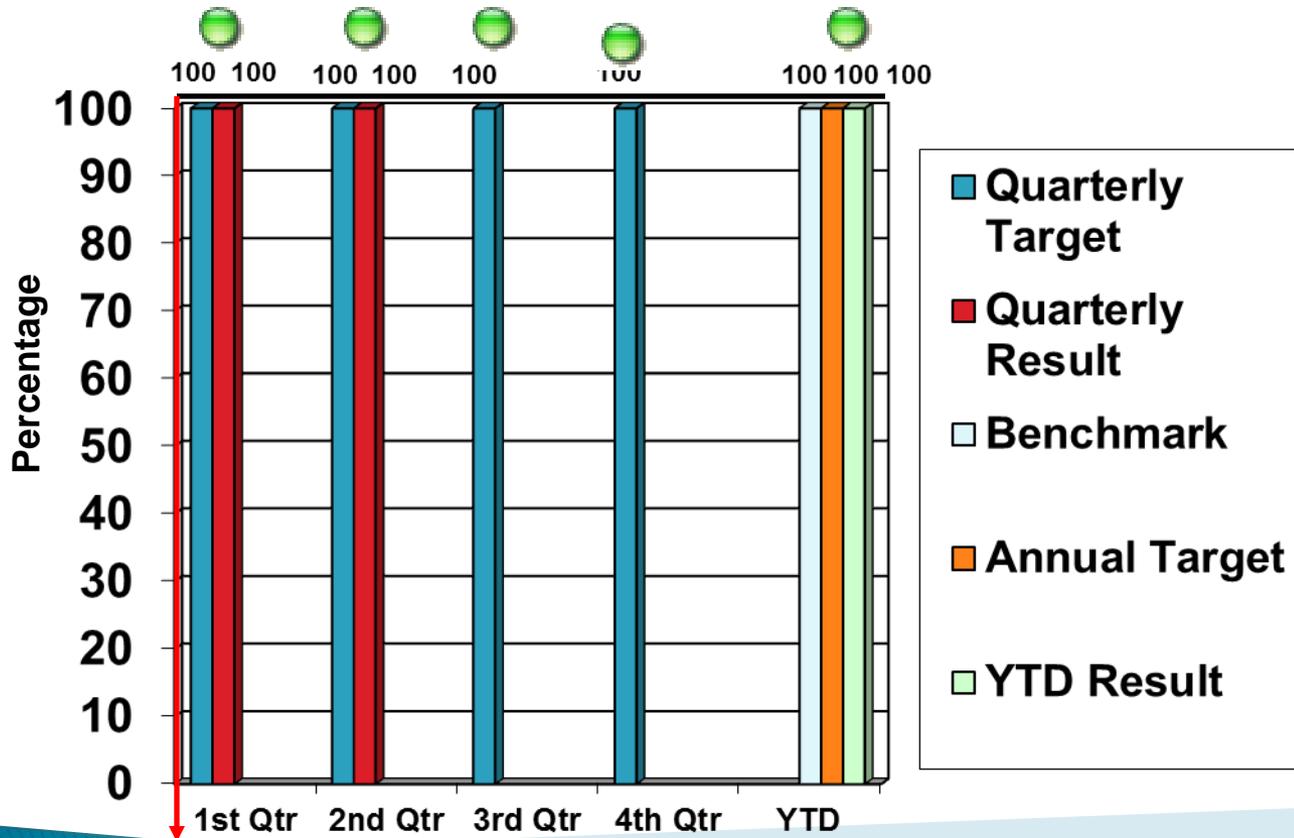


Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1000 accounts per quarter in a single year.

Note: This measure is expressed as number of accounts affected per 1000 accounts.

# Potable Water Compliance Rate (QualServe)

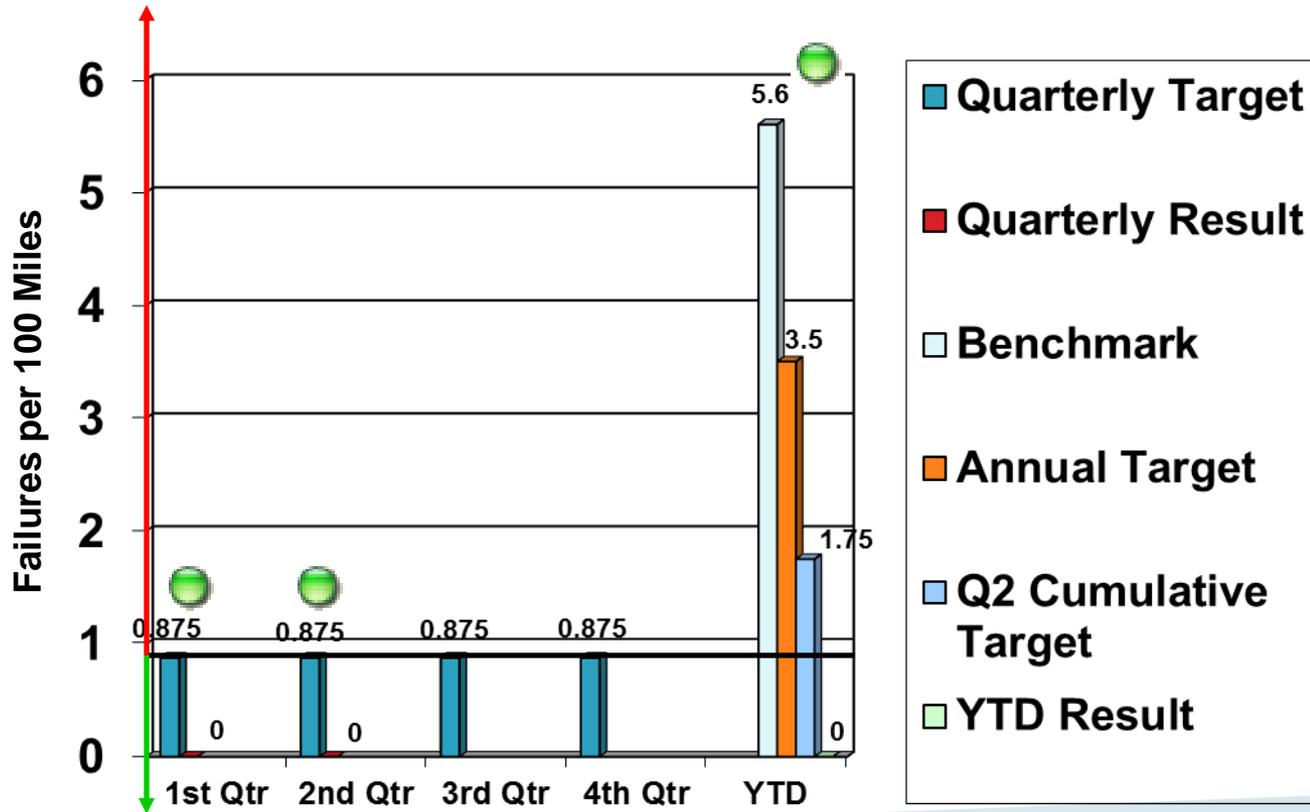
5.3.514



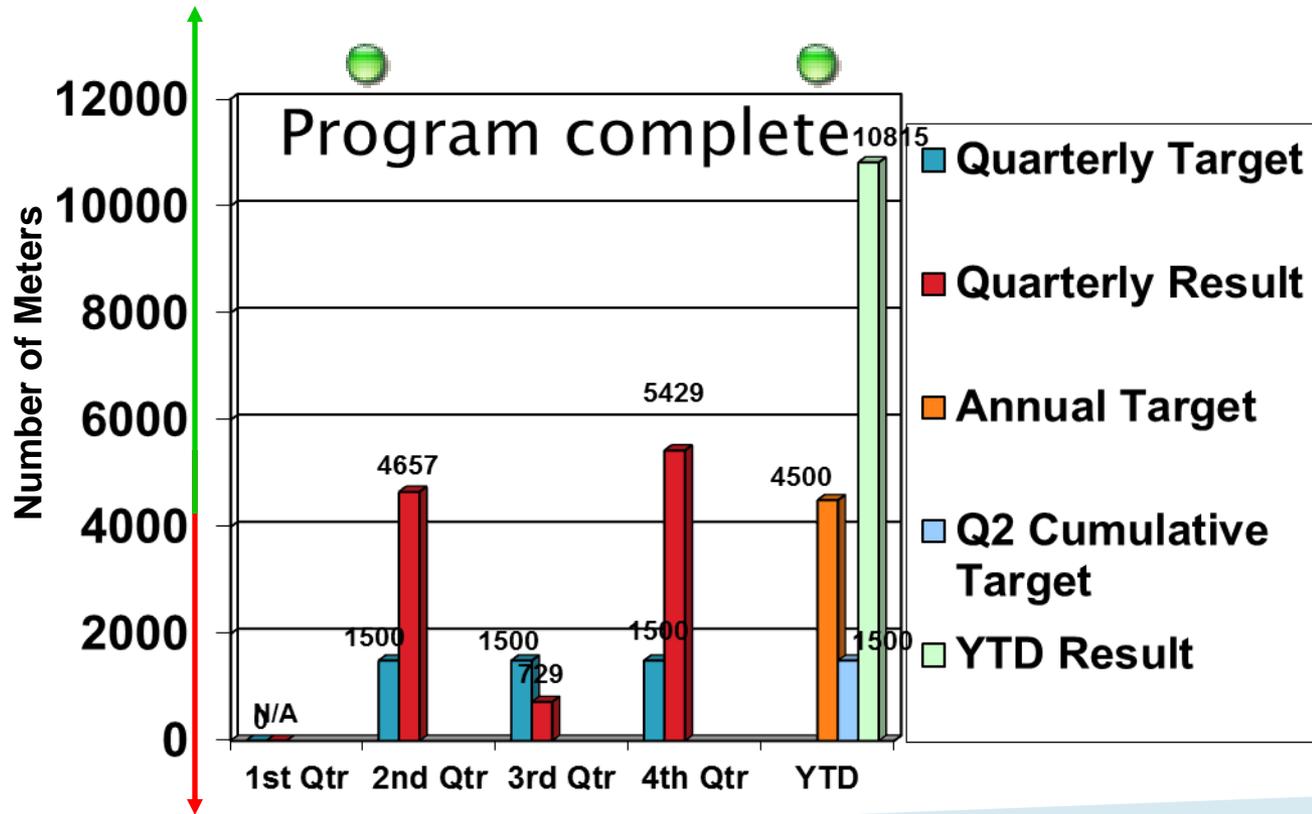
Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.

# Collection System Integrity (QualServe)

5.3.515



Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.

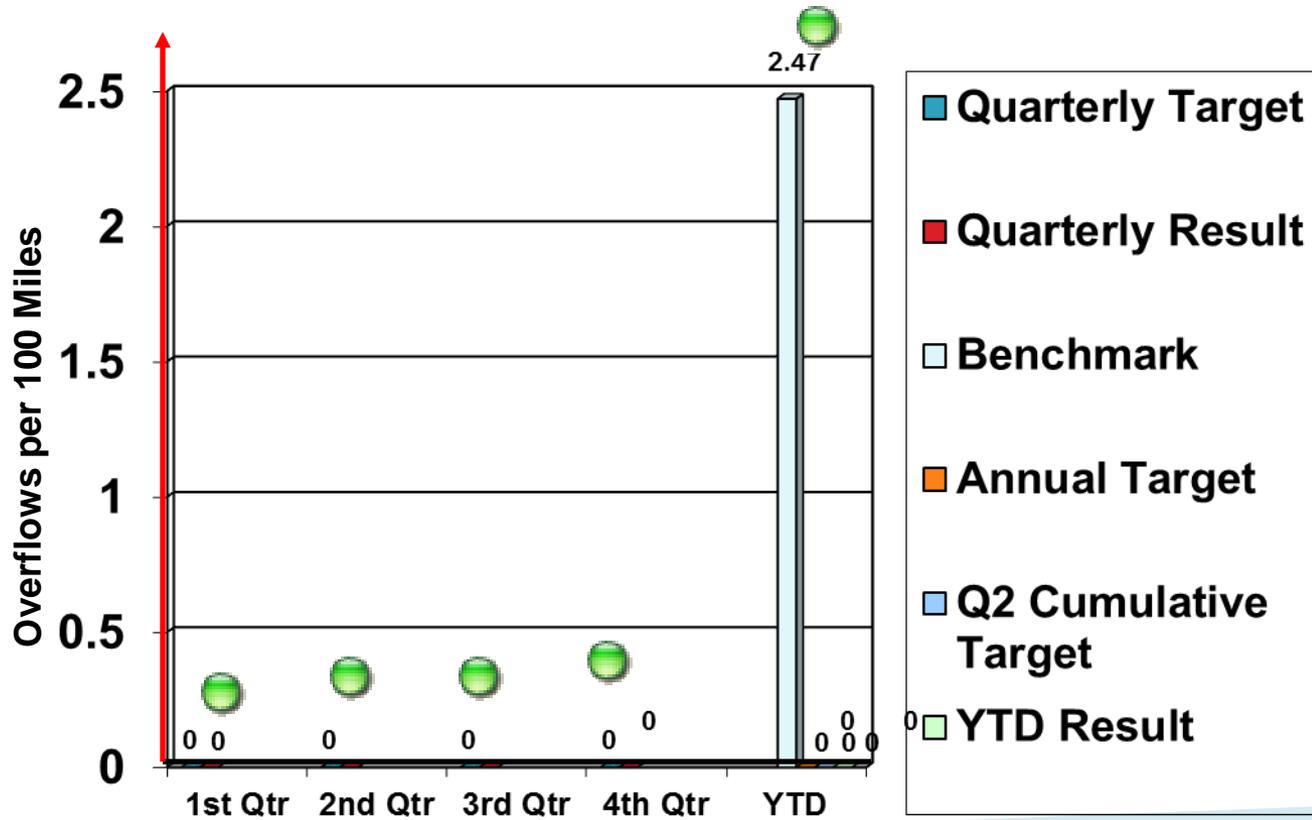


Measure 5.3.516, Replace Manual Read Meters with Automated Meters, aims to be above all set targets in order to have no less than 4500 meters replaced in a single year.

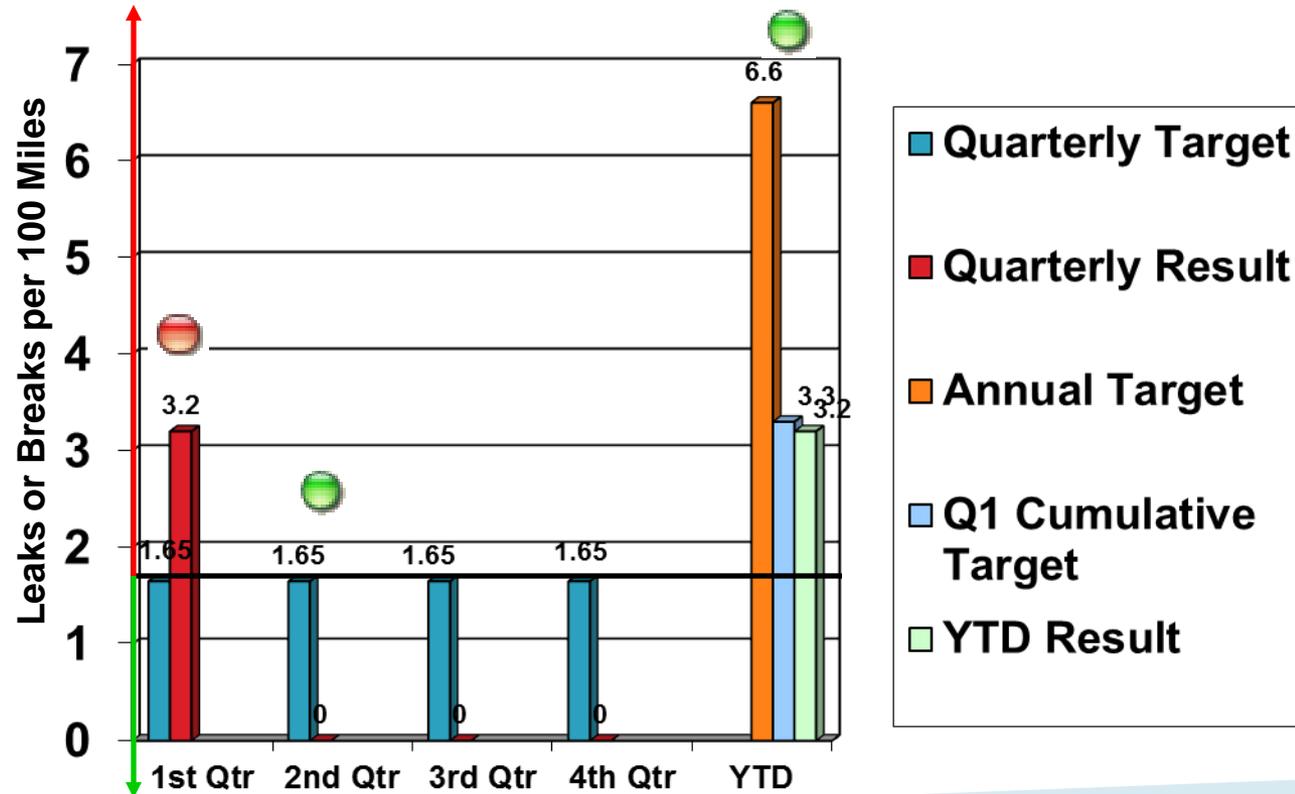
No Spills Please !

## Sewer Overflow Rate (QualServe)

5.3.518



Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows in a single year.



Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

# What's New/Next

- Board Update of FY 2014 Modifications
  - FY 2015 – 2017 Strategic Plan
- 