

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

TUESDAY
April 14, 2015
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. UPHOLD STAFFS' RECOMMENDATION TO IMPOSE A \$1,000 FINE FOR METER TAMPERING AT 2878 GATE ELEVEN PLACE IN CHULA VISTA (MENDEZ-SCHOMER) [5 mins]
4. RECEIVE THE DISTRICT'S INVESTMENT POLICY, BOARD OF DIRECTORS POLICY NO. 27, FOR REVIEW AND RE-DELEGATE AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION 53607 (KOEPPEN) [5 minutes]
5. ADOPT RESOLUTION NOS. 4268, 4269, 4270, 4271, 4272, 4273, 4274, 4275, 4276, AND 4277 THAT ARE NECESSARY TO COMPLETE THE PROCESS FOR THE EXCLUSION OF PARCELS WITHIN WATER IMPROVEMENT DISTRICTS (IDs) 1, 2, 3, 5, 7, 9, 10 AND 20 AND SEWER IDs 4 AND 14; AND ADOPT RESOLUTION NOS. 4278, 4279, 4280, 4281, 4282, 4283, 4284, 4285, 4286, AND 4287 THAT ARE NECESSARY TO COMPLETE THE PROCESS FOR THE ANNEXATION OF THE EXCLUDED PARCELS IN WATER IDs 1, 2, 3, 5, 7, 9, 10 AND 20 INTO ID 22; AND SEWER IDs 4 AND 14 INTO ID 18 (BELL) [5 minutes]

6. APPROVE INFORMATION TECHNOLOGY RELATED SERVICE CONTRACTS FOR FISCAL YEAR 2016 THAT INCLUDES ONE (1) YEAR SERVICE AGREEMENTS WITH AT&T IN THE AMOUNT OF \$125,000 FOR LOCAL AND LONG-DISTANCE TELEPHONE AND INTERNET SERVICE; VERIZON WIRELESS IN THE AMOUNT OF \$85,000 FOR CELLULAR PHONE, WIRELESS MODEM SERVICE AND EQUIPMENT; TYLER TECHNOLOGIES IN THE AMOUNT OF \$127,000 FOR ERP/FINANCIAL SOFTWARE MAINTENANCE COSTS AND ANNUAL TECHNICAL SUPPORT; AND AZTECA CITYWORKS IN THE AMOUNT OF \$90,000 FOR SOFTWARE AND MAINTENANCE FOR THE DISTRICT'S ASSET AND WORK MANAGEMENT SYSTEM. IN ADDITION, APPROVE A THREE (3) YEAR SERVICE AGREEMENT WITH COMPUCOM, INC. IN THE AMOUNT OF \$180,000 (\$60,000 ANNUALLY) FOR MICROSOFT SOFTWARE LICENSES, UPGRADES AND MAINTENANCE SERVICES (KERR) [5 minutes]
7. ADOPT RESOLUTION NO. 4288 DECLARING THE THIRD WEEK OF APRIL AS CALIFORNIA NATIVE PLANT WEEK IN THE OTAY WATER DISTRICT (WATTON) [5 minutes]
8. REPORT ON THE STATE OF THE DISTRICT'S EMERGENCY PREPAREDNESS, SAFETY AND HEALTH, AND SECURITY (RAMIREZ) [5 minutes]
9. 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. 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 April 10, 2015 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 April 10, 2015.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 6, 2015
		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:	Impose a \$1,000 Fine for Meter Tampering		

GENERAL MANAGER'S RECOMMENDATION:

That the Board uphold staff's recommendation to impose a \$1,000 fine for meter tampering at 2878 Gate Eleven Place in Chula Vista.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To ensure the District continues to protect the water supply and applies violations consistent with the Code of Ordinances.

ANALYSIS:

The District began installing AMR Master Meters in 2004. In early 2013 there was an upgrade to the reading software, Master Links, which added the ability to detect tamper alerts. By Master Meter's definition a tamper alert "will appear on your screen when meter is tampered with a magnet."

On March 14, 2015, a staff member was responding to a tamper alert at 2878 Gate Eleven Place in Chula Vista. During the course of the

investigation, the meter box was opened and revealed a magnet attached directly to the water meter. This action caused the meter to fail and inaccurately measure the volume of water going through, thus causing the customer to be under billed. The magnet also disables the meter to the point that it cannot be repaired or reused.

Meter tampering is a violation of our Code of Ordinances as outlined in section 72.03C which reads "In addition to other remedies, tampering is subject to a Type II fine pursuant to Section 72.06. Additionally, tampering may be prosecuted as a crime under Section 498 of the California Penal Code, as set forth in Section 73.01 of this Code."

A review of the data from our Master Links system shows a total of 6 tamper alerts at this property from March 2013 to present. Staff investigated this property a total of 6 times prior to this latest incident. Those investigations did not yield any evidence of meter tampering and the alert was cleared each time.

The District has had two other incidents where a magnet was discovered inside a meter box in close proximity to the water meter. In both cases the customer was fined \$1,000.

Staff is recommending that the owner of the property, Mr. Jose Victor Barreiro will be fined \$1,000 and this charge is to be put on his next water bill which then becomes an inseparable part of that bill. If the charges remain unpaid, the District may disconnect water service, lien the delinquent real property, and may access damages and penalties established by the District or otherwise authorized by law. Applying the fine to the property owner, Mr. Jose Victor Barreiro, is consistent with the Code of Ordinances, Section 72.01 which states "Each person receiving service, or that owns a property that receives service, agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages in connection with any violation of this Code relating to their service."

In addition, the District has added \$381.78 for administrative costs related to the investigation, \$285.43 for the replacement of the meter and a charge of \$2,221.70 for the back billing of estimated water loss from April 2013 through February 2015 (Attachment B). This estimated water loss amount was calculated by using the monthly usage amounts for 2008-2012 (5 years) and taking an average of the total units used. That calculation was 26.15 units per month. Then, as a secondary measure, the highest and lowest years of usage over the five-year period were omitted, which left a three year average that spanned over the same five-year period. The average of that

calculation was 26.52 units per month. These two numbers (26.15 and 26.52) were then rounded down to 25 units per month.

The customer's monthly bills for the period of April 2013 through February 2015 were subtracted from the 25 units per month average and the difference totaled \$2,221.70.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Enforce the District's Code of Ordinances and protect the public water supply.

LEGAL IMPACT:

None.

Attachments:

- Attachment A - Committee Action
- Attachment B - Letter with Picture
- Attachment C - Code of Ordinances Sections 71, 72 and 73
- Attachment D - Barreiro Appeal Letter



ATTACHMENT A

SUBJECT/PROJECT:	Impose a \$1,000 Fine for Meter Tampering
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee recommend that the Board uphold staff's recommendation to impose a \$1,000 fine for meter tampering at 2878 Gate Eleven Place in Chula Vista.

NOTE:

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



...Dedicated to Community Service

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

April 3, 2015

Mr. Jose Victor Barreiro
2878 Gate Eleven Place
Chula Vista, CA 91914-2638

**Re: Real Property Located at 2878 Gate Eleven Place, Chula Vista, California -
Notice of Meter Tampering, Water Theft and assessment of fine.
Account # 255-2524-00**

Mr. Barreiro:

It has come to the attention of the Otay Water District (District) that 1) the meter servicing the property at 2878 Gate Eleven Place, Chula Vista, California, was tampered with in such a manner that it caused the meter to run erratically and not measure the true water use, and 2) the customer benefited from reduced billings and did not pay the true cost of water service. Each of these actions constitutes a separate violation of the District's Code of Ordinances that must be corrected as further described below. If you are not the owner or account holder for 2878 Gate Eleven Place, Chula Vista, California, please contact the District immediately.

The first tamper alarm was recorded on this meter in March 2013 and the District has conducted multiple investigations since this was detected. Then on March 14, 2015, an investigation uncovered a magnet on your meter which indicates that you deliberately altered our water meter with the purpose of receiving water service that was not registered. Meter tampering may be prosecuted as a crime under Section 497 of the California Penal Code, as set forth in Sections 71.D, 72.06 and 73.01 of the Otay Water District's Code of Ordinances.

You are hereby notified that the District is assessing the damages listed below on your account and that failure to pay such damages, at the District offices, by the due date on your water bill will result in suspension of water service to your property. If these fines and charges remain unpaid, the District will place a lien on the property to recoup these and any other costs and damages.

Summary of Damages	Amount
Costs incurred by District in connection with the investigation of the meter tampering, water theft and related matters (including staff time, attorney's fees, and other related administrative costs)	\$ 381.78
Fine as per Section 72 of District's Code of Ordinances	1,000.00
Estimated water loss back to first tamper alarm (March 2013)	2,221.70
Meter replacement fee	285.43
Total Amount Due	\$ 3,888.91

You have the right to appeal the fine of \$1,000.00 to the Board of Directors. If you would like to take advantage of this, please call Susan Cruz at 619-670-2280 within ten (10) days to notify the District in writing of your intent to appeal this charge. Your appeal would then be placed on the next available board agenda.

You may contact Alice Schomer at 619-670-2223 with any questions concerning this notice.

Sincerely,



Alice Schomer
Customer Service Manager

Enclosures:

Photos

Code of Ordinances Sections 71.D, 72.06 and 73.01



SECTION 71. VIOLATIONS; PROHIBITED ACTIVITIES

In addition to the prohibited practices described in any other sections of this Code or by law, all persons and entities are specifically prohibited from doing, or aiding or abetting any person in, any of the following:

- A. Installing or benefiting from any unauthorized connection to any District system;
- B. Refusing or failing to pay for services, in full, when bills are due;
- C. Entering, improving, purchasing, trading, selling, borrowing, using or otherwise benefiting from any District property or service without authorization from the District or without following authorized procedure;
- D. Vandalizing, tampering with, or threatening any portion of the District systems, services, facilities or property, including but not limited to taking any action to prevent any meter or other equipment device from accurately performing its function;
- E. Failing or refusing to install, maintain in good repair and working condition, or test any portion of any facilities required by the District in connection with a service, including any safety or prevention device or any measuring device;
- F. Knowingly permitting leaks or other wastes of water or recycled water or leaks or spills of sewage or other discharge;
- G. Preventing District staff from accessing any facilities connected to a service, including but not limited to meters located on private property, or in any manner threatening or interfering with any District staff performing his or her duties;
- H. Using or allowing the use of service for more than one parcel through one meter (except for master meters approved by the General Manager under Section 24.01) or supplying, reselling, using or permitting the use of any service by any other parcel, except as permitted under Section 27.04 of this Code or in writing by the District;
- I. Using or permitting the use of any District service for property outside the boundaries of an improvement district or not subject to District taxes, without prior written consent of the District;
- J. Using or attempting to use or connect to any fire hydrant within the District without proper authorization as required by Section 24.04 of this Code; or
- K. Violating or refusing to comply with any condition of service under this Code or with any law or regulation applicable to the use of any such service; including violating any conditions of any permit required for service or to regulate waste, such as a waste discharge permit under Sections 26 or 52 of the Code, or failing or refusing to obtain, maintain or comply with any required permit.

SECTION 72 PENALTIES AND DAMAGES

72.01 GENERAL

A. User and Owner Responsibility. Each person receiving service, or that owns a property that receives service, agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages in connection with any violation of this Code relating to their service.

B. District Not Liable. The District shall bear no liability for any cost, damage, claim or expense incurred by District or any responsible party or third party on behalf of the District arising from or related to any violation, including, but not limited to, costs, damages, claims or expenses arising from any corrective action of the District. Such corrective actions include, but are not limited to, the removal, confiscation, disposition or use of any device, equipment, improvement or material encroaching on any District property or used in connection with any other violation.

C. District Obligation to Collect Damages. Pursuant to Government Code Section 53069.6, the District shall take all practical and reasonable steps, including appropriate legal action, if necessary, to recover civil damages for the negligent, willful, or unlawful damaging or taking of property of the District.

D. Assessment of Damages. Actual damages resulting from any violation, including late payment or failure or refusal to pay for service and any interest thereon, may be assessed and collected as part of a customer's monthly bill to the extent allowed by law. The District will separately invoice any actual damages not assessed on a monthly bill, including any damages assessed against any responsible person who is not a customer.

E. Unpaid or Partially Paid Bills. Bills issued by the District are due in full as provided in such bills. Failure to timely pay bills in full may lead to a reduction, suspension, or termination of service, as provided in Section 72.02(B), below, in Section 34 of this Code, or pursuant to other provisions of this Code or applicable law. In addition, if bills remain unpaid, in full or in part, the District may lien the delinquent real property and may assess damages and penalties established by District or otherwise authorized by law.

72.02 VIOLATIONS AND GENERAL PENALTIES FOR VIOLATIONS

A. Notice of Violation. Notice and a reasonable period of time to correct a violation will be given prior to the termination, reduction or suspension of service or the imposition of any administrative fine. However, the District may, without notice, correct any condition or violation that endangers the health or safety or impairs any District service, facility or property or is otherwise determined by the District to require immediate action.

1. **Investigative Procedures.** If a possible violation is identified, observed or reported, the District will contact the allegedly responsible party to investigate. If the violation is in fact occurring, District staff will issue a notice of violation or otherwise inform the responsible party that corrective actions must be taken within a period of time deemed reasonable by the District, taking into consideration the nature of the violation and the potential damage that can arise if the violation continues.

2. **Content of Notice of Violation.** The notice will describe the violation, indicate the actions that must be taken, and indicate the date by which those actions must be taken. Unless immediate action is required, the notice will provide a reasonable time for the violation to be corrected. The notice will also specify the amount of any delinquency, actual damages or other amounts due the District, if any, and the telephone number of a representative of the District who can provide additional information.

3. **No Notice Required; District Action.** If the District determines that immediate or prompt correction of the violation is necessary to prevent waste or to maintain the integrity of the water supply, systems or facilities of the District, or for the immediate protection of the health, safety or welfare of persons or property, or for any other compelling reason, the District will take any action deemed necessary (including suspension, reduction or termination of service; locking or removal of meters; or repairs of any improvements) and a notice will be left at the affected parcel specifying any further corrective actions required. Any costs incurred by District and any applicable fines will be the responsibility of the responsible party.

4. **Notice; Failure to Comply.** The responsible party will be given an opportunity to correct the violation and to provide verbal, written and pictorial exculpatory evidence. If such evidence does not exonerate the responsible parties and if the violation(s) are not corrected to the satisfaction of the District within the time provided, the District may assess cost and penalties, administrative fines and may take any other action or pursue any other remedy available. Furthermore, if the violation concerns any service requirement or facility, or to prevent waste or protect the integrity of the system or the health and safety of the public, the District may suspend, reduce or terminate service to the extent permitted by law.

B. Service Termination, Suspension or Reduction; Removing or Locking Meters. Service may be reduced, suspended or terminated for failure to pay for service or in connection with a violation of this Code or applicable law. Termination, suspension or reduction of service will proceed as follows:

1. **Notice Prior to Termination, Suspension or Reduction of Service.** Except as provided in Paragraph A, above, or in other provisions of this Code or applicable law, not less than ten (10) days notice will be given prior to the date service is reduced, suspended or terminated; provided that, where service is terminated due to failure to comply with the terms of an amortization agreement, under Section 34 of this Code, only forty-eight (48) hours prior notice is required. The notice will be delivered to

the affected parcel and, if the owner of record does not reside in the affected parcel, a copy of the notice will be forwarded to the owner's address on record with the assessor's office via any available means, such as personal delivery, certified mail return receipt requested, email, fax or fed-ex.

2. Termination for failure to pay for service. The District may discontinue any or all service due to failure to pay the whole or any part of a bill issued by the District. In connection with termination of water service, the provisions of Section 60373 of the Government Code, or any other appropriate provision of law, or as set forth in Section 34 of this Code of Ordinance, will be followed. In connection with sewer, Section 71672 of the California Water Code or other applicable requirements will be followed.

C. Reconnection or Reinstatement of Service, Unlocking or Reinstalling Meters. If service is reduced, suspended or terminated for any reason, each of the following conditions applicable to the situation must be satisfied or arrangements satisfactory to the General Manager or a designee must be made *before* service is reinstated:

1. Outstanding amounts for service bills, including any service charges for benefits derived from the violation, must be paid;

2. All required deposits (including any security deposits), actual damages, fines, costs, charges and penalties must be paid;

3. Any amounts due for the removal, locking, servicing, repair or replacement of meters or other facilities required for service must be paid at the rates in effect at the time of reinstatement, as set forth on **Appendix A** to this Code or other schedule of fees then in effect;

4. All violations and related damages or conditions must have been corrected and/or repaired and evidence satisfactory to the District to that effect and demonstrating that it is safe to reinstate service, must have been provided to and approved by the District; and

5. If the service was originally in the name of a tenant, the District may require the owner of the parcel to request the service account under his or her name and responsibility.

D. Owner Responsibility for Account. In addition to owners' obligations under subsection (A) of section 72.01 and subsection (C)(5) of Section 72.02, above, and any other remedies provided by this Code or by applicable law, Owners may be required to deliver to the District a form of acknowledgement or authorization for service to a tenant. In addition, if (i) a tenant engages in any violation, (ii) if the District has reduced, suspended or terminated any service to a tenant three (3) times within any twenty-four (24) month period or (iii) the tenant has failed or refuses to comply with the terms of payment arrangements with the District four (4) times, the District reserves the right to demand that the property owner take responsibility for services to the tenant-

occupied parcel. The General Manager or a designee shall develop procedures to implement these requirements.

E. Right of Access to Customer's Premises; Interference. If any person refuses to consent to an investigation of a possible violation, or prevents or refuses to allow access to District staff or authorized representatives to any premises or facility during an investigation or in connection with any termination, reduction or suspension of service, the District may seek an injunction or a warrant, as provided in Section 71601 of the Water Code.

F. Other Remedies. In addition to the actions contemplated in this Section, the District may seek other remedies authorized or required by any applicable law, including imposing an administrative fine, pursuant to Section 72.06, or pursuing other available civil or criminal remedies.

72.03 CERTAIN SPECIFIC OPERATIONAL VIOLATIONS

A. Unauthorized Connections. The District shall bear no cost or liability for any unauthorized connection. In addition to other remedies, any unauthorized connection is subject to a Type II fine, pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration.., Further, the District may demand that the unauthorized connection be immediately disconnected. In the alternative, if the customer refuses to take immediate action, or if immediate actions is necessary as set forth in Section 72.02(A)(3), above, the District may immediately disconnect, remove, confiscate, destroy or dispose of any parts installed or used for the unauthorized connection, all at the expense of the customer and any other responsible party. To the extent allowed by law, the District may also, immediately or as otherwise deemed advisable by the District, terminate service to any parcel and any person that allows, uses or benefits from such unauthorized connection.

B. Water waste. No customer shall knowingly permit leaks or other wastes of water, including, but not limited to, allowing runoff on any portion of his or her property, engaging in non-permitted uses of water, or failing to take corrective action after notice of any leaks or water waste is given. If the District determines that water waste is occurring, the District will:

1. Notify the customer that they are in violation of the District's Code of Ordinances.

2. Notwithstanding the foregoing, the District may, without prior notice, repair or replace any District controlled facilities at the cost of the person identified as the responsible party, if any.

3. If the water waste is due to a condition within the customer's property or facilities, the District may (i) require the customer to repair or replace the affected facilities, immediately or within a reasonable time, depending on the situation; or (ii) if necessary to prevent further waste, adjust, lock or remove the meter. If any repair

or replacement required is not completed in a timely manner, the District may perform the repair or replacement at the cost of the customer or may terminate service without further notice.

C. Meter Tampering. In addition to other remedies, tampering is subject to a Type II fine pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration. Additionally, tampering may be prosecuted as a crime under Section 498 of the California Penal Code, as set forth in Section 73.01 of this Code.

D. Fire Service Violation. Fire service is subject to compliance with all provisions of this Code and the law concerning water service, and failure to comply with such provisions may result in the reduction, suspension, termination or disconnection of water service for fire protection, without any liability to District. Furthermore, illegal connections or other violations relating to fire service are subject to either a Type I or Type II fine, at the option of the District, and may be prosecuted as crimes.

E. Backflow prevention, screens and other safety devices. If service requirements include the installation, testing and maintenance of backflow prevention devices (Section 23.04 of this Code), screens or other safety operational items, in addition to, or in lieu of, other remedies provided herein, the District may apply any of the remedies under Section VI and VII of the District's Ordinance No. 386, as amended or renumbered. Furthermore, violations relating to backflow testing may be prosecuted as set forth in Section 73.01 of this Code. Violations of backflow requirements or knowingly filing a false statement or report required by a local health officer are subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

F. Violation Concerning Recycled Water Service. In addition to any fine, revocation, suspension or penalty imposed under Section 26 in connection with any violation of said Section, including permit suspension or revocation under Section 26.07.C, the District may (i) suspend or terminate water and or sewer service to the property, the owner and/or the operator; (ii) require payment by the owner for any damage to the District facilities, reimbursement to District of costs and expenses, or fines imposed on the District in connection with such violation; or (iii) prosecute the responsible party under any applicable provision of this Code, the Water Code or the Penal Code. Additionally, any violation concerning recycled water service is subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

G. Violation Concerning Sewer Service. In addition to any other remedy, fine or penalty provided by this Code or applicable law, failure to comply with any requirements of sewer service, including requirements for the preservation of public health, safety and welfare and including, but not limited to, the requirements established under Article II, Chapter 2, Sections 50 to 56.04 of this Code, as hereafter amended or as supplemented by other District Rules and Regulations for Sewer Service, the California Health and Safety Code, the California Code of Regulations, Titles 17 and 22, and Water

Agency Standards. Furthermore, may be prosecuted as set forth in Section 73.01 of this Code. Additionally, any violation concerning sewer service is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

H. Theft, Fraud, or Misappropriation. In addition to any other remedy, fine or penalty provided by this Code or applicable law, any violation involving theft, fraud or misappropriation of District water, services, or property is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

72.04 VIOLATIONS OF CONSERVATION OR OTHER WATER USE RESTRICTION PROVISIONS

The District has established and published conservation measures set forth in Section 39 of the Code. Commencing with declared Level 2 conditions, the District may assess water shortage rates and charges previously adopted. In addition, after notice of the declared water shortage level is given as required by law, any person who uses, causes to be used, or permits the use of water in violation of such requirements (other than a person who qualifies for an applicable exemption, if any) may be assessed damages, penalties and fines.

A. Additional provisions concerning use restriction violations. In addition to payment of actual damages, the following may apply to a violation of any water conservation or water use restriction measure:

1. A change on the account holder shall not cause the account to revert to pre-violation status unless the new account holder provides evidence that it is not related to the violator and had no responsibility for the prior account.

2. The District may reduce, suspend or terminate service to any parcel immediately and without further notice if the violation involves or results in water waste, as set for in Section 72.03(B), above.

3. Willful violations of mandatory conservation measures described in Section 39 of this Code may be enforced by terminating service to the property at which the violation occurs, as provided by Section 356 of the California Water Code.

B. Prosecution for violations of conservation measures. Pursuant to Section 377 and 71644 of the California Water Code, each violation of the District's Conservation Ordinance, set forth in Section 39 of this Code, may be prosecuted as a misdemeanor, punishable by imprisonment in the County jail for no more than thirty (30) days or by a fine, as set forth in subsection (C), below.

C. Assessment of fines for violations of conservation or water use restriction provisions. Any responsible party who fails to comply with any conservation or use restriction measure is subject to the assessment of an administrative Type I fine, added to account, pursuant to Section 72.06, below.

72.05 VIOLATIONS INVOLVING DISTRICT REAL
PROPERTY

A. Removal, Disposition and Costs. The District has absolute discretion to determine the corrective action required in connection with any violation involving District real property, including requiring the owner of any unauthorized encroachment or improvement to remove it or taking action to remove it immediately and without notice. Any improvements or uses placed within or on any District property or right of way are subject to the following:

1. Costs and Damages. All costs and damages shall be the responsibility of the customer and any other responsible party. Furthermore, the District shall not be liable for costs to repair or replace any unauthorized encroachment or improvement, or any property, improvement or thing used in connection with, supported by or attached thereto.

2. Burden of proof. The burden shall be on the user to prove to the District's satisfaction, the authority, scope and extent of any right to access, improve or use the District's property. Only written evidence in the form of an agreement, deed, statute, recorded or official map or plat, governmental regulation or other right may be used to establish such claim of right.

B. Notice. In connection with any improvement or use that does not constitute a health hazard and does not interfere with the District's use of its property, the District will give written notice of up to sixty (60) days, at the discretion of the General Manager, to cease, terminate, eliminate or remove the offending improvement, structure or use. Any written notice will be given to the responsible party or posted at the property where the trespass or encroachment occurs. If the responsible party is not the owner of any real property affected by the violation, the District will also give notice to the owner of record at the address on record with the assessor's office via personal delivery, certified mail return receipt requested or via Fed-Ex.

C. Immediate action. In connection with any improvement that constitutes a health hazard or interferes with the District's use of any District property, the District will take any immediate action deemed necessary by the General Manager.

D. Fines. In addition to all other remedies provided under this Article or under applicable law, the District may impose a fine as provided in Section 72.06. Additionally, the District may impose a fine up to either the amount specified on any sign, or a Type I or Type II fine, at the option of the District, in connection with any trespass on District property in violation of a sign prohibiting trespassing, pursuant to Section 72.06, below.

E. Separate violation. A separate violation will accrue for each day after the deadline to cease, terminate, eliminate or remove the trespass or encroachment, as set forth in the notice.

72.06 ADMINISTRATIVE FINES

Any administrative fines established herein shall be in the nature of civil penalties and shall be additional and cumulative to any other fines, damages or any other charges established by the District and are also separate from and cumulative to any other civil or criminal penalty, fine or remedy. In connection with each violation, the District may assess a fine up to the amount specified in the schedule of fines for the type of fine being imposed.

Each day during which a violation is in effect constitutes a separate violation and violations are cumulative while the account is in the name of the original violator or any person that participated in or benefited from the violation. Except where the violation creates an immediate danger to health or safety, the person responsible for the continuing violation will be provided a reasonable period of time to correct or otherwise remedy the violation(s) prior to the imposition of administrative fines.

A. Assessment of Fines for Technical Violations of Other Code Provisions. Any person who engages in a violation of any provision of this Code is subject to the assessment of a separate administrative Type I Fine, unless subject to a more severe fine as set forth in this Code.

B. Assessment of Separate Fines.

Nothing in this code or the limits specified per violation shall prevent the imposition of separate fines for each separate violation committed during a single act. For example, in connection with a violation concerning sewer service that involves a trespass on any portion of the District's real property, separate fines may be assessed for the trespass, the damage to District personal property, the damage to District real property; the damage to the sewer system and the activity resulting on all the damages.

C. Types of Fines. The amount for each type of fine specified below may increase automatically to reflect any higher amount authorized by law or regulation. The District has determined to establish two types of fines based on the nature of the violation, as follows:

1. Type I Fine. Any violation that does not have the potential to endanger the health or safety of the public. The fine will not exceed the amount specified in the Section 36900(b) of the California Government Code or Appendix A for a first, second, third or each additional violation of that same ordinance or requirement within a twelve-month period.

2. Type II Fine. Any violation that has the potential to endanger the health or safety, including, but not limited to, unauthorized or illegal connections, meter tampering, water theft, , or knowingly filing a false statement or report required by a local health officer . The fine will not exceed the amount specified on Appendix A per each day the violation is identified or continues.

D. Collection of Fines. Any fines assessed by the District are payable directly to the District, are due upon issuance or as otherwise indicated on the notice or bill, and are delinquent 30 calendar days from the due date.

E. Notice of Administrative Fine; Content. Notice of an administrative fine pursuant to this section will contain the following information: (i) a brief description of the violation(s); (ii) the date and location of the violation(s); (iii) a brief description of corrective action(s) required, as appropriate; (iv) a statement explaining that each day the violation continues constitutes a new violation; (v) in the case of violations creating an immediate danger to health or safety, the amount of civil penalty assessed or, in all other cases, the amount of civil penalty to be assessed if the violation(s) are not corrected within the time provided by the notice; (vi) a statement of the procedure for payment and the consequences of failure to pay; (vii) contact information for the District employee that should be contacted to discuss the notice and provide evidence of compliance; and (viii) a brief statement describing the responsible party's right to request further review, pursuant to subsection (F), below.

F. Option for Board Review . Persons receiving a Notice of Administrative Fine may request Board review. The request for Board consideration must be in writing, must be received by the District Secretary within ten (10) calendar days from the date of the notice and must include contact information, an explanation of the basis for the request, and any supporting documentation said person(s) wish to provide to the Board for review and consideration. District staff will review the petitioner's request and will make a recommendation to the Board in light of its investigation. The District will provide notice of the date, time and place for Board consideration by electronic means, facsimile or first class mail sent to the return addressee indicated on the written request.

G. Any fines assessed pursuant to the Notice of Administrative Fines must be timely paid notwithstanding the filing of a request for Board review.

At the time of Board review, the petitioner may, address the Board and respond to the charges to show good cause why the fine should not be imposed; however, the customer is not entitled to a full judicial-type hearing with cross examination, sworn testimony, etc. In accordance with the provisions of Government Code Section 53069.4, the Board's determination shall be final and conclusive, and shall be deemed confirmed, if not appealed within 20 calendar days to the Superior Court of the County of San Diego.

SECTION 73. ADDITIONAL DISTRICT REMEDIES

Each day during which a violation commences or continues shall constitute a separate violation which may be so prosecuted. In addition to, or on lieu of any damages, fines or other remedies provided in any other section of this Code, at the District's sole and absolute discretion, the District may enforce any other remedies available to it in law or equity.

73.01 OTHER REMEDIES OF DISTRICT

A. Collection of Unpaid Bills on Tax Roll. Pursuant to the provisions of the Health and Safety Code, commencing with Section 5470, the District may cause delinquent charges for services to be collected on the tax roll in the same manner as its general taxes.

B. Costs of Suit. Any person who violates any provision of this Code of Ordinance shall be liable for costs of any civil suit required to enforce the District's rights, including but not limited to reasonable attorney's fees in accordance with Civil Code Section 1882.2. The provisions of Civil Code Section 1882 *et seq.* are incorporated herein by reference. This Article shall be interpreted so as to be consistent with Civil Code Sections 1882 *et seq.*

C. Reward. In accordance with Government Code Section 53069.5, the District may offer and pay a reward, in an amount determined by the District, for information leading to the determination of the identity of, and the apprehension of, any person whose willful misconduct results in injury or death to any person or who willfully damages or destroys any property of the District or any property of any other local agency or state or federal agency located within the boundaries of the District. The person who has willfully damaged or destroyed such property shall be liable for the amount of any reward paid pursuant to this section.

D. Parental liability for Acts of Minors. If a violation is due to the acts of a minor child, the minor and his or her parents or guardians, as applicable, shall be jointly and severally liable to the maximum extent allowed by law, including parental liability pursuant to Section 1714.1 of the California Code of Civil Procedure, as hereafter amended or renumbered.

E. Backflow testing; Prosecution. A person is guilty of a misdemeanor in connection with the violation of any provision of the California Code of Regulations concerning backflow testing, including non-compliance with any order to test, knowingly filing a false statement or report concerning any information required by the District or failure to use a person qualified to conduct the testing. Such misdemeanor is punishable by a fine of up to \$500 or by imprisonment not exceeding 30 days. Each day of a violation is a separate offense.

F. Sewer Service Violation; Prosecution. Pursuant to Section 71689.27 of the Water Code of the State of California, upon conviction of a violation of any ordinance or provision of this Code concerning the sewer system the person shall be punished by being imprisoned in the county jail.

G. Theft of Utility Services, Water or Waterworks; Prosecution. Pursuant to Sections 498, 624 and 625 of the Penal Code of the State of California, theft of District facilities or theft of water or other utility services, including theft through unauthorized connections, may be prosecuted as a crime.

H. Prosecution of Code Violations. The District may, at its option, prosecute or cause to be prosecuted any violation of this Code of Ordinance or any other Ordinance of the District as a misdemeanor, pursuant to Section 71600 of the California Water Code.

I. Receipt or Purchase of Stolen Property; Prosecution. Pursuant to Section 496a of the Penal Code of the State of California, purchase or receipt of stolen property belonging to the water system, may be prosecuted as a crime.

J. Junk Dealers and Recyclers; Remedies. To the extent provided by law, including the provisions of AB844, approved by the Governor and chaptered in September of 2008, the District will pursue remedies available through or against any junk dealer or recycler that purchases any District property without prior written authorization from District.

73.02 NOTICE TO DISTRICT CONCERNING VIOLATIONS

Any person noticing or discovering an unauthorized connection to the District's sewer, water or recycled water system from a parcel owned or occupied by such person must notify the District immediately. If the unauthorized connection affects a parcel owned by the person, he or she must remove the unauthorized connection immediately and must notify the District. If the person rents or leases the affected parcel, the person shall provide the District the name and contact information of the owner of the parcel.

73.03 SEVERABILITY

If any portion of any chapter, section, subsection, paragraph, sentence, clause, or phrase of this Article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, independent and severable provision and such holding shall not affect the validity of the remaining portions hereof.



April 9, 2015

Dear Board of Directors ,

Regarding matter and to respond to you letter , we would like to clarify and prove our water consumption since 2006. It clearly shows on our records that when our home was undergoing construction, we were creating landscaping on our property.

The units of water consumed were relatively higher when under going the laying of the sod and setting up of the sprinkler systems. As our irrigation systems were finished consumption drastically decreased by more than half of what was initially used.

Our Household initially started as a family of (4) . My wife and I, and our two sons . Our eldest built his home in Bonita , and the other moved to Lemon Grove. Just me and my wife reside on this home @ 2878 Gate Eleven Place in the City of Chula Vista. That brought the consumption of resources down even more according to your records. We are very careful of what we spend on any resource available to us , we set up the drip irrigation system on our fruit trees and saw that they didn't work as well as we thought they would . So I took the initiative to water manually and that's what I have been doing since, as a result our rear yards sod has died. I understand that homes in our neighborhood are as big as our own but you have to take in consideration that it is only my wife and I that reside here , and we try to keep the bill at 10 to 20 units per month.

I am very offended to see that you think of me as a thief , I have never needed to steal in my entire life. I have always worked hard for what we own and have everything to show for it. We have established a great reputation with all of our vendors , always paid on time and created the highest of credit available to any citizen (890). We own rental property in many parts of this County for years and never been accused of sabotaging our meters to save money. I hope we can come to an understanding , and again I ,we, were not aware that there was any magnets as you said, to compromise our equipment of any kind. We wish to clarify any misconception you have of us in a professional manner.

Thank You.
The Barreiro Residence
2878 Gate Eleven Place
Chula Vista CA. 91914



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 6, 2015
SUBMITTED BY:	Kevin Koeppen, Finance Manager	PROJECT:	DIV.NO. All
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:	Annual Review of Investment Policy (Policy No. 27) and Re-Delegating Authority for All Investment Related Activities to the Chief Financial Officer		

GENERAL MANAGER'S RECOMMENDATION:

That the Board receives the District's Investment Policy (Policy #27) for review, and re-delegates authority for all investment related activities to the Chief Financial Officer (CFO), in accordance with Government Code Section 53607.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

Government Code Section 53646 recommends that the District's Investment Policy be rendered to the Board on an annual basis for review. In addition, Government Code Section 53607 requires that for the CFO's delegation of authority to remain effective, the governing board must re-delegate authority over investment activities on an annual basis.

ANALYSIS:

The primary goals of the Investment Policy are to assure compliance with the California Government Code, Sections 53600 et seq. The primary objectives, in priority order, of investment activities are:

1. Protect the principal of the funds.
2. Remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. The District's return is a market rate of return that is commensurate with the conservative investments approach to meet the first two objectives of safety and liquidity.

The code provides a broad range of investment options for local agencies, including Federal Treasuries, Federal Agencies, Callable Federal Agencies, the State Pool, the County Pool, high-grade corporate debt, and others. Over recent years, the size of the District's portfolio has declined from \$110 million in 2010 to \$84 million as of February 28, 2015. The reduction is primarily due to planned outlays for construction projects and the drawdown of debt proceeds.

Because of the District's adherence to a conservative range of authorized investments, we have been able to maintain a healthy and diversified portfolio with no investment losses despite an extended period of turmoil and instability in the national financial markets. The policy is consistent with the current law and the overall objectives of the policy are being met.

FISCAL IMPACT:

None.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.

Attachments:

- A) Committee Action Form
- B) Investment Policy No. 27
- C) Presentation



ATTACHMENT A

SUBJECT/PROJECT:	Annual Review of Investment Policy (Policy No. 27) and Re-delegating Authority for All Investment Related Activities to the Chief Financial Officer
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee recommend that the Board review the Investment Policy (Policy No. 27) and re-delegate authority for all investment related activities to the Chief Financial Officer (CFO), in accordance with Government Code Section 53607.

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.

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1.0: POLICY

It is the policy of the Otay Water District to invest public funds in a manner which will provide maximum security with the best interest return, while meeting the daily cash flow demands of the entity and conforming to all state statutes governing the investment of public funds.

2.0: SCOPE

This investment policy applies to all financial assets of the Otay Water District. The District pools all cash for investment purposes. These funds are accounted for in the District's audited Comprehensive Annual Financial Report (CAFR) and include:

- 2.1) General Fund
- 2.2) Capital Project Funds
 - 2.2.1) Designated Expansion Fund
 - 2.2.2) Restricted Expansion Fund
 - 2.2.3) Designated Betterment Fund
 - 2.2.4) Restricted Betterment Fund
 - 2.2.5) Designated Replacement Fund
 - 2.2.6) Restricted New Water Supply Fund
- 2.3) Other Post Employment Fund (OPEB)
- 2.4) Debt Reserve Fund

Exceptions to the pooling of funds do exist for tax-exempt debt proceeds, debt reserves and deferred compensation funds. Funds received from the sale of general obligation bonds, certificates of participation or other tax-exempt financing vehicles are segregated from pooled investments and the investment of such funds are guided by the legal documents that govern the terms of such debt issuances.

3.0: PRUDENCE

Investments should be made with judgment and care, under current prevailing circumstances, which persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

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The standard of prudence to be used by investment officials shall be the "Prudent Person" and/or "Prudent Investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0: OBJECTIVE

As specified in the California Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1) Safety: Safety of principal is the foremost objective of the investment program. Investments of the Otay Water District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

- 4.2) Liquidity: The Otay Water District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

- 4.3) Return on Investment: The Otay Water District's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the Otay Water District's investment program is derived from the California Government Code, Sections 53600 through 53692. Management responsibility for the investment program is hereby

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delegated to the Chief Financial Officer (CFO), who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the CFO.

The CFO shall establish written investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CFO.

6.0: ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the General Manager any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

7.0: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Chief Financial Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the District with the following, as appropriate:

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- Audited Financial Statements.
- Proof of National Association of Security Dealers (NASD) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read the District's Investment Policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the CFO. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

8.0: AUTHORIZED AND SUITABLE INVESTMENTS

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The District is governed by the California Government Code, Sections 53600 through 53692, to invest in the following types of securities, as further limited herein:

8.01) United States Treasury Bills, Bonds, Notes or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

8.02) Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, may be used up to the maximum permitted by State Law (currently \$50 million). The District may also invest bond proceeds in LAIF with the same but independent maximum limitation.

8.03) Bonds, debentures, notes and other evidence of indebtedness issued by any of the following government agency issuers:

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- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")
- Government National Mortgage Association (GNMA or "Ginnie Mae")
- Federal Farm Credit Bank (FFCB)
- Federal Agricultural Mortgage Corporation (FAMCA or "Farmer Mac")

There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable. Government agencies whose implied guarantee has been reduced or eliminated shall require an "A" rating or higher by a nationally recognized statistical rating organization.

8.04) Interest-bearing demand deposit accounts and Certificates of Deposit (CD) will be made only in Federal Deposit Insurance Corporation (FDIC) insured accounts. For deposits in excess of the insured maximum of \$250,000, approved collateral shall be required in accordance with California Government Code, Section 53652. Investments in CD's are limited to 15 percent of the District's portfolio.

8.05) Commercial paper, which is short-term, unsecured promissory notes of corporate and public entities. Purchases of eligible commercial paper may not exceed 10 percent of the outstanding paper of an issuing corporation, and maximum investment maturity will be restricted to 270 days. Investment is further limited as described in California Government Code, Section 53601(h). Purchases of commercial paper may not exceed 10 percent of the District's portfolio and no more than 10 percent of the outstanding commercial paper of any single issuer.

8.06) Medium-term notes defined as all corporate debt securities with a maximum remaining maturity of five years or less, and that meet the further requirements of California Government Code, Section 53601(k). Investments in medium-term notes are limited to 10 percent of the District's portfolio.

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8.07) Money market mutual funds that invest only in Treasury securities and repurchase agreements collateralized with Treasury securities, and that meet the further requirements of California Government Code, Section 53601(1). Investments in money market mutual funds are limited to 10 percent of the District's portfolio.

8.08) The San Diego County Treasurer's Pooled Money Fund, which is a County managed investment pool, may be used by the Otay Water District to invest excess funds. There is no percentage limitation of the portfolio which can be invested in this category.

8.09) Under the provisions of California Government Code 53601.6, the Otay Water District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity. Also, the borrowing of funds for investment purposes, known as leveraging, is prohibited.

9.0: INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc., utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.

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- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 COLLATERALIZATION

Collateralization will be required on certificates of deposit exceeding the \$250,000 FDIC insured maximum. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

11.0: SAFEKEEPING AND CUSTODY

All security transactions entered into by the Otay Water District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the District and evidenced by safekeeping receipts.

12.0: DIVERSIFICATION

The Otay Water District will diversify its investments by security type and institution, with limitations on the total amounts invested in each security type as detailed in Paragraph 8.0, above, so as to reduce overall portfolio risks while attaining benchmark average rate of return. With the exception of U.S. Treasury securities, government agencies, and authorized pools, no more than 50% of the District's total investment portfolio will be invested with a single financial institution.

13.0: MAXIMUM MATURITIES

To the extent possible, the Otay Water District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. However, for time deposits with banks or savings and loan

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associations, investment maturities will not exceed two years. Investments in commercial paper will be restricted to 270 days.

14.0: INTERNAL CONTROL

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15.0: PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The Otay Water District's investment strategy is passive. Given this strategy, the basis used by the CFO to determine whether market yields are being achieved shall be the State of California Local Agency Investment Fund (LAIF) as a comparable benchmark.

16.0: REPORTING

The Chief Financial Officer shall provide the Board of Directors monthly investment reports which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies. Schedules in the quarterly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value, amortized book value, and market value.
- Percentage of the portfolio represented by each investment category.

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17.0: INVESTMENT POLICY ADOPTION

The Otay Water District's investment policy shall be adopted by resolution of the District's Board of Directors. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

18.0: GLOSSARY

See Appendix A.

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APPENDIX A: GLOSSARY

ACTIVE INVESTING: Active investors will purchase investments and continuously monitor their activity, often looking at the price movements of their stocks many times a day, in order to exploit profitable conditions. Typically, active investors are seeking short term profits.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER/DEALER: Any individual or firm in the business of buying and selling securities for itself and others. Broker/dealers must register with the SEC. When acting as a broker, a broker/dealer executes orders on behalf of his/her client. When acting as a dealer, a broker/dealer executes trades for his/her firm's own account. Securities bought for the firm's own account may be sold to clients or other firms, or become a part of the firm's holdings.

CERTIFICATE OF DEPOSIT (CD): A short or medium term, interest bearing, FDIC insured debt instrument offered by banks and savings and loans. Money removed before maturity is subject to a penalty. CDs are a low risk, low return investment, and are also known as "time deposits", because the account holder has agreed to keep the money in the account for a specified amount of time, anywhere from a few months to several years.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured short-term promissory note, issued by corporations, with maturities ranging from 2 to 270 days.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Otay Water District. It includes detailed financial information prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a set date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

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FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures deposits in member banks and thrifts, currently up to \$100,000 per deposit.

FEDERAL FARM CREDIT BANK (FFCB): The Federal Farm Credit Bank system supports agricultural loans and issues securities and bonds in financial markets backed by these loans. It has consolidated the financing programs of several related farm credit agencies and corporations.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Agricultural Mortgage Corporation (FAMC or Farmer Mac): A stockholder owned, publicly-traded corporation that was established under the Agricultural Credit Act of 1987, which added a new Title VIII to the Farm Credit Act of 1971. Farmer Mac is a government sponsored enterprise, whose mission is to provide a secondary market for agricultural real estate mortgage loans, rural housing mortgage loans, and rural utility cooperative loans. The corporation is authorized to purchase and guarantee securities. Farmer Mac guarantees that all security holders will receive timely payments of principal and interest.

FEDERAL HOME LOAN BANK (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac): A stockholder owned, publicly traded company chartered by the United States federal government in 1970 to purchase mortgages and related securities, and then issue securities and bonds in financial markets backed by those mortgages in secondary markets. Freddie Mac, like its

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

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competitor Fannie Mae, is regulated by the United States Department of Housing and Urban Development (HUD).

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): A government owned agency which buys mortgages from lending institutions, securitizes them, and then sells them to investors. Because the payments to investors are guaranteed by the full faith and credit of the U.S. Government, they return slightly less interest than other mortgage-backed securities.

INTEREST-ONLY STRIPS: A mortgage backed instrument where the investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive, and cash flows vary between interest periods. Also, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

INVERSE FLOATER: A bond or note that does not earn a fixed rate of interest. Rather, the interest rate is tied to a specific interest rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the index. An inverse floater increases the market rate risk and modified duration of the investment.

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LEVERAGE: Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUNDS: An open-ended fund operated by an investment company which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds raise money by selling shares of the fund to the public. Mutual funds then take the money they receive from the sale of their shares (along with any money made from previous investments) and use it to purchase various investment vehicles, such as stocks, bonds, and money market instruments.

MONEY MARKET MUTUAL FUNDS: An open-end mutual fund which invests only in money markets. These funds invest in short term (one day to one

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year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization of the securities industry responsible for the operation and regulation of the NASDAQ stock market and over-the-counter markets. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

PASSIVE INVESTING: An investment strategy involving limited ongoing buying and selling actions. Passive investors will purchase investments with the intention of long term appreciation and limited maintenance, and typically don't actively attempt to profit from short term price fluctuations. Also known as a buy-and-hold strategy.

PRIMARY DEALER: A designation given by the Federal Reserve System to commercial banks or broker/dealers who meet specific criteria, including capital requirements and participation in Treasury auctions. These dealers submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker/dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC SECURITIES ASSOCIATION (PSA): A trade organization of dealers, brokers, and bankers who underwrite and trade securities offerings.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

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RANGE NOTE: An investment whose coupon payment varies and is dependent on whether the current benchmark falls within a pre-determined range.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REGIONAL DEALER: A securities broker/dealer, registered with the Securities & Exchange Commission (SEC), who meets all of the licensing requirements for buying and selling securities.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding securities issues following their initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FAMCA, etc.), and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

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TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



**INVESTMENT POLICY No. 27
and
PERFORMANCE REVIEW**

May 6, 2015



POLICY REVIEW

- **Purpose:**

- Annual Policy Review

- Delegation of Investment Authority



INVESTMENT POLICY GUIDELINES

A. California Government Code:

Sections 53600 through 53692

B. Investment Policy Certification:

Association of Public Treasurers of the United States & Canada (APT US&C)

Benefits of Certification:

- Trust and confidence that the District's Investment Policy is a professionally accepted policy.
- Assurance that the District is abiding by professional standards to ensure prudent management of public funds.



POLICY CHANGES

Changes have been made in the past when they were needed. There are no recommended changes to the Investment Policy.



INVESTMENT OBJECTIVE

To safeguard the principal, maintain liquidity and to achieve a market investment return.

Fund Objectives (in order of priority)

- Safety
- Liquidity
- Yield

Safety

Category	Safety
Bank Deposits	Amounts in excess of \$250,000 FDIC limit are required by California Government Code to be 110% collateralized by the bank.
LAIF	Mandated by applicable state statutes* and state law, invested in a conservative manner and limits the investments to fixed-income securities.
County Pool	Mandated by state law, invested in a conservative manner and limits the investments to fixed-income securities. S&P Rating of AA Af/Sl, which indicates extremely strong protection against losses and low sensitivity to changing market conditions.
GSEs	Guaranteed by the Federal Government.

* Applicable State Statutes

- No. California Government Code 16429.3 states that monies placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following:
 - Transfer or loan pursuant to Sections 16310, 16312, or 16313.
 - Impoundment or seizure by any state official or state agency.
- California Government Code 16429.4 states that the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency, to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or state agency based upon the States failure to adopt a State Budget by July 1 of each new fiscal year.



Liquidity

- Maintain highly liquid investments with a hold strategy

Category	Availability
Bank Deposits	Immediately
LAIF	Same day
County Pool	2-3 days
GSE's	Can be converted to cash in 2-3 days



Annual Yield Performance

YTD as of February 28th:

	FY15	FY14
Otay	0.64%	0.37%
LAIF	0.27%	0.26%
County Pool	0.48%	0.42%

Cash Management

- On a daily basis the District reconciles cash and performs a rolling 7 day forecast.
- On a monthly basis the District performs a 30 day forecast.

Levels by Investment Type

Category	Target Levels
Bank Deposits	Outstanding checks and current days electronic payments.
LAIF	Short-term (30-60 days) obligations.
County Pool	Amounts in excess of bank deposit and LAIF targets that are to be invested using the laddering approach or fund short-term obligations such as current year debt payments.
GSE's	Target 2-3 year issuances with a laddering approach.

INVESTMENT PORTFOLIO

as of February 28th

		Authorized	
	\$('000s)	\$ / %	Actual %
LAIF (Operating)	\$8,586	\$50 Mil	10.16%
Govt. Agency Bonds	\$63,738	100%	75.42%
Bank Deposits & CDs	\$893	15%	1.06%
San Diego County Pool	\$11,294	50%	13.36%
TOTAL:	\$84,511		



REQUESTED BOARD ACTION

Re-delegate authority for all investment related activities to the Chief Financial Officer (CFO) in accordance with Government Code Section 53607.



Questions?

consolidation process. Staff has published and posted the resolutions as required by statute, from April 20, 2015 through May 7, 2015. Therefore, the Board has the ability to confirm the exclusions and annexations at this Board meeting, provided there are not written protests filed by the holders of title of one-half of the value of the territory proposed to be annexed. The exclusions and the annexations will then become effective on July 1, 2015.

The availability fees are identical between Water IDs 1,2,3,5,7,9,10,20 and 22; except for 62 parcels within ID 1; and 6 parcels within ID 5; and identical between Sewer IDs 4, 14 and 18. Therefore, staff has determined there is no longer a reason to separate these parcels. This will streamline the accounting and tracking of these parcels within the District's various information systems.

Because the proposed consolidation technically imposes a "new" charge on customers, to be in compliance with the Proposition 218 requirements, notices were sent to all customers within these IDs to inform them of their option to protest the consolidation of IDs. The required public hearing will take place at the May 6, 2015 Board meeting.

Staff has completed the required publication and posting per Government Code section 6066 and Water Code sections 72084, 72707, and 72703. Having complied with such requirements, this second set of resolutions is being presented to confirm the exclusions and annexations. A subsequent action will request that Water IDs 1, 2,3,5,7,9,10 and 20, and Sewer IDs 4 and 14 be dissolved effective July 1, 2015.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

It is estimated that there will be savings to the District of 118 staff hours estimated at a cost of \$17,057. Additionally, the increase in the availability fees collected in IDs 1 and 5 would be approximately \$5,888 should none of the parcels qualify for the newly allowed exemptions.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.

Attachments:

- A) Committee Action
- B) Water ID Consolidation Map
- C) Sewer ID Consolidation Map
- D) Resolution No. 4268
 - Exhibit A - Legal Description ID 1
- E) Resolution No. 4269
 - Exhibit A - Legal Description ID 2
- F) Resolution No. 4270
 - Exhibit A - Legal Description ID 3
- G) Resolution No. 4271
 - Exhibit A - Legal Description ID 5
- H) Resolution No. 4272
 - Exhibit A - Legal Description ID 7
- I) Resolution No. 4273
 - Exhibit A - Legal Description ID 9
- J) Resolution No. 4274
 - Exhibit A - Legal Description ID 10
- K) Resolution No. 4275
 - Exhibit A - Legal Description ID 20
- L) Resolution No. 4276
 - Exhibit A - Legal Description ID 4
- M) Resolution No. 4277
 - Exhibit A - Legal Description ID 14
- N) Resolution No. 4278
 - Exhibit A - Legal Description ID 1
- O) Resolution No. 4279
 - Exhibit A - Legal Description ID 2
- P) Resolution No. 4280
 - Exhibit A - Legal Description ID 3
- Q) Resolution No. 4281
 - Exhibit A - Legal Description ID 5
- R) Resolution No. 4282
 - Exhibit A - Legal Description ID 7
- S) Resolution No. 4283
 - Exhibit A - Legal Description ID 9
- T) Resolution No. 4284
 - Exhibit A - Legal Description ID 10
- U) Resolution No. 4285
 - Exhibit A - Legal Description ID 20
- V) Resolution No. 4286
 - Exhibit A - Legal Description ID 4
- W) Resolution No. 4287
 - Exhibit A - Legal Description ID 14



ATTACHMENT A

SUBJECT/PROJECT:	Resolutions as Required by the Water Code and Government Code, to Confirm the Exclusion of Parcels from Water Improvement Districts (ID) 1,2,3,5,7,9,10 and 20 and Annexations into ID 22; and Sewer IDs 4 and 14 and Annexations into ID 18
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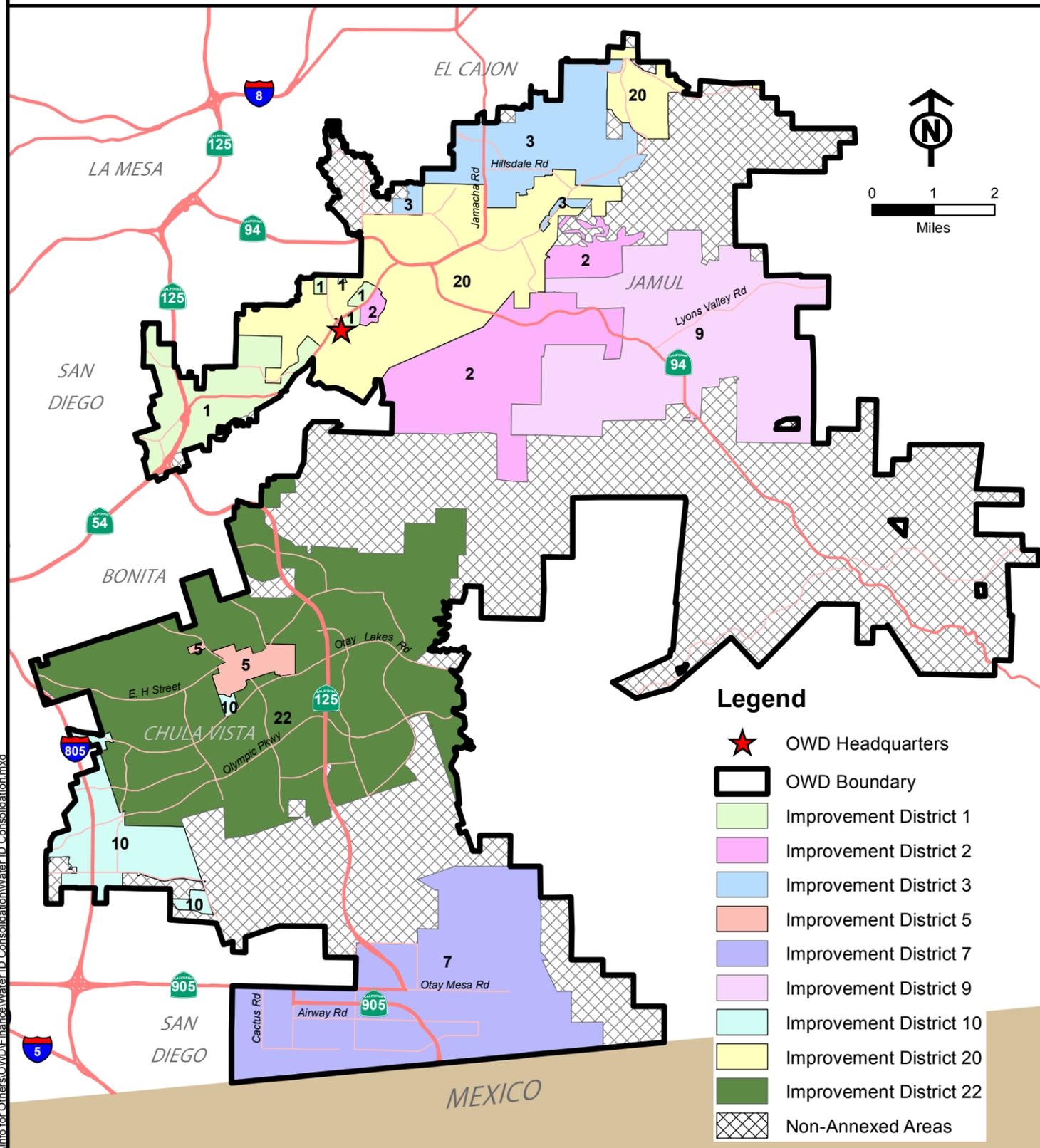
COMMITTEE ACTION:

The Finance, Administration and Communications Committee recommend that the Board adopt the attached Resolution Nos. 4268, 4269, 4270, 4271, 4272, 4273, 4274, 4275, 4276 and 4277, which are necessary to complete the process for the exclusion of parcels within Improvement Districts (IDs) 1,2,3,5,7,9,10 and 20; and Sewer IDs 4 and 14. Concurrent with said action, that the Board also approve the attached Resolutions Nos. 4278, 4279, 4280, 4281, 4282, 4283, 4284, 4285, 4286 and 4287, which are necessary to complete the process for the annexation of the excluded parcels in water IDs 1,2,3,5,7,9,10 and 20 into ID 22; and Sewer IDs 4 and 14 into ID 18.

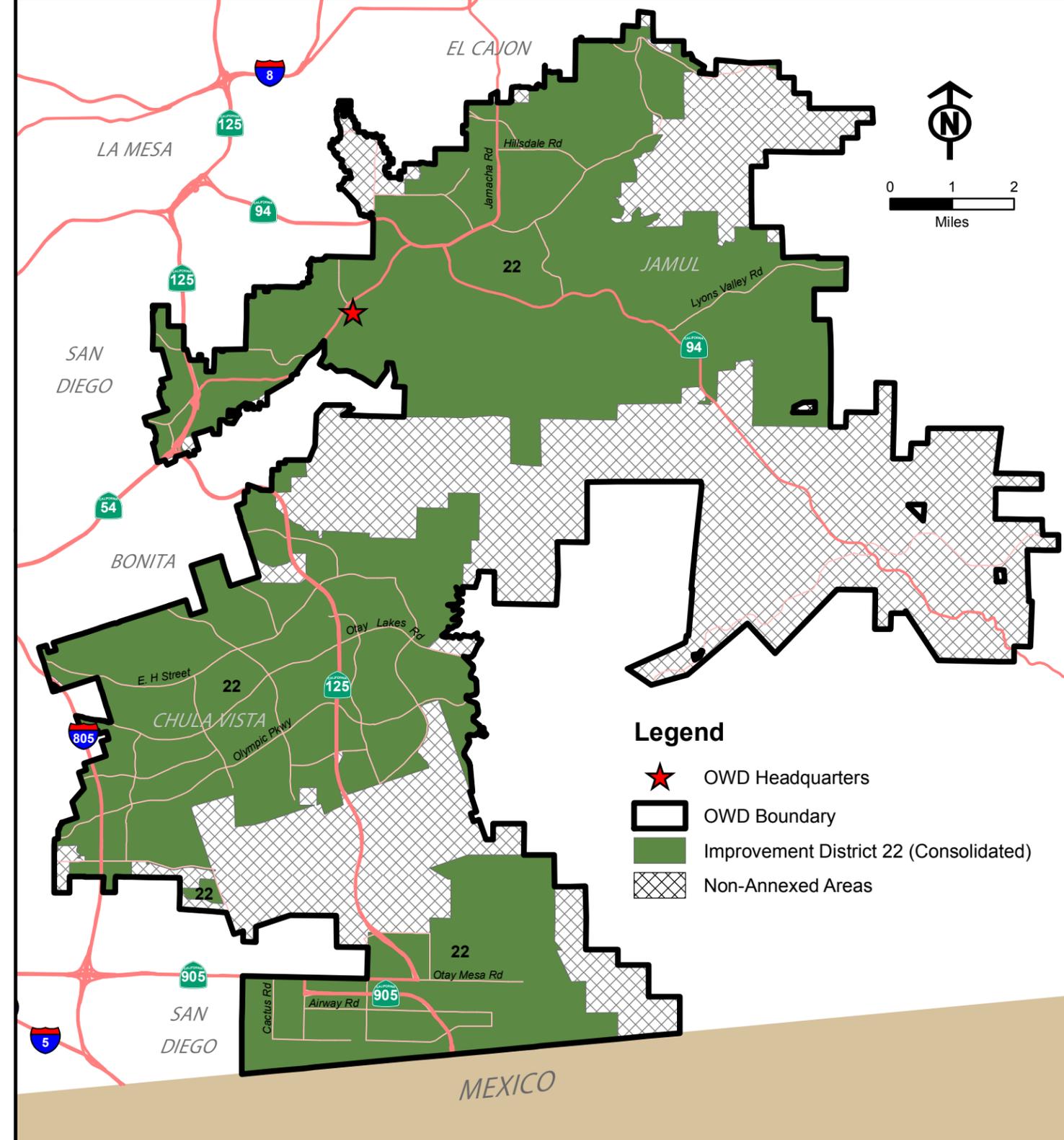
NOTE:

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.

EXISTING WATER IMPROVEMENT DISTRICTS



PROPOSED CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS



- Legend**
- ★ OWD Headquarters
 - ▭ OWD Boundary
 - ▭ Improvement District 1
 - ▭ Improvement District 2
 - ▭ Improvement District 3
 - ▭ Improvement District 5
 - ▭ Improvement District 7
 - ▭ Improvement District 9
 - ▭ Improvement District 10
 - ▭ Improvement District 20
 - ▭ Improvement District 22
 - ▭ Non-Annexed Areas

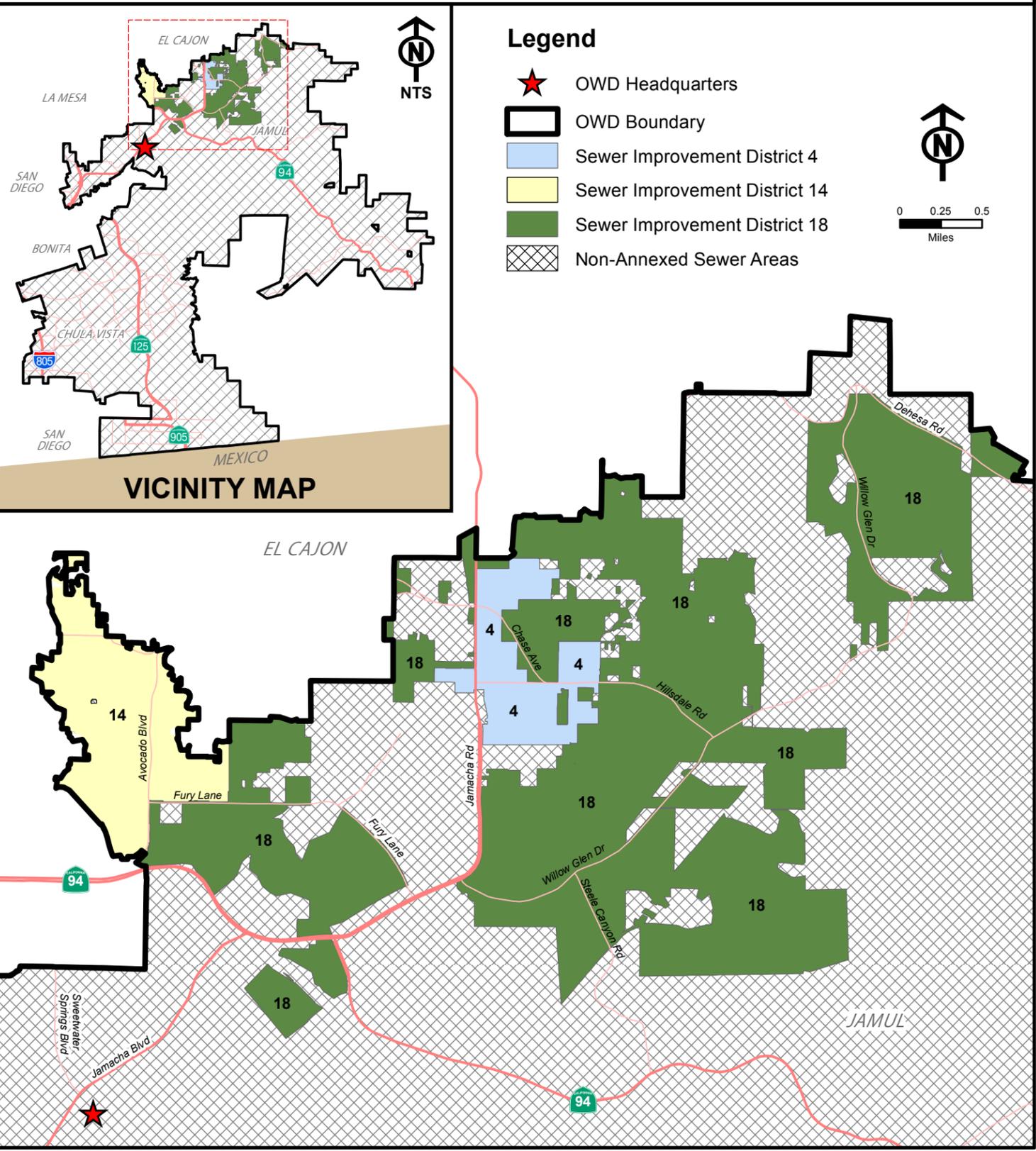
- Legend**
- ★ OWD Headquarters
 - ▭ OWD Boundary
 - ▭ Improvement District 22 (Consolidated)
 - ▭ Non-Annexed Areas

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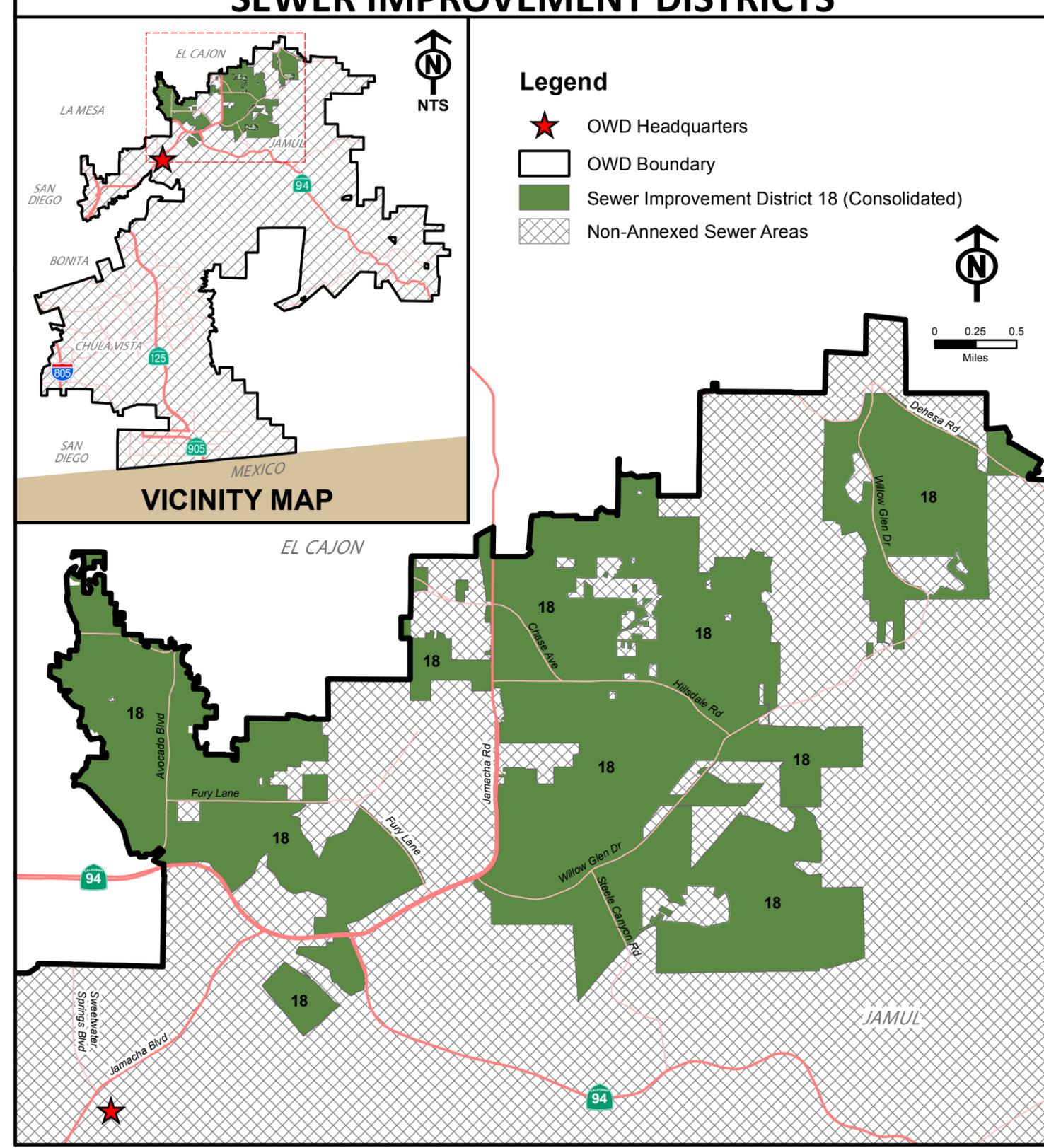


OTAY WATER DISTRICT CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

EXISTING SEWER IMPROVEMENT DISTRICTS



PROPOSED CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



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OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS

RESOLUTION NO. 4268

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 1

WHEREAS, on January 27, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) ID 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 1 and 22 for parcels less than one acre; however, there are 62 parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4257, the Board initiated proceedings to consolidate ID 1 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 1 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 1 and annexed

into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were nine protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 1 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 1, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 1, as identified in Exhibit A, to this resolution.

2. That the exclusion of parcels within ID 1, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 1 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 1 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4268 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 1.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4269

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 2

WHEREAS, on June 17, 1958 by Resolution No. 4, the Otay Water District Board of Directors ("Board") formed Improvement District ("ID") 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4248, the Board initiated proceedings to consolidate ID 2 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 2 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 2 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were no protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 2 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 2, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 2, as identified in Exhibit A to this resolution.

2. That the exclusion of parcels within ID 2, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 2 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 2 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4269 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 2.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4270

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 3

WHEREAS, on November 18, 1958, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4249, the Board initiated proceedings to consolidate ID 3 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 3 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 3 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were two protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 3 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 3, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 3, as identified in Exhibit "A" to this resolution.

2. That the exclusion of parcels within ID 3, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 3 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 3 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4270 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 3.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4271

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 5

WHEREAS, on November 28, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) ID 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 5 and 22 for parcels less than one acre; however, there are 6 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4260, the Board initiated proceedings to consolidate ID 5 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 5 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 5 and annexed

into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were no protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 5 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 5, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 5, as identified in Attachment B to this resolution.

2. That the exclusion of parcels within ID 5, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 5 and 22 for parcels less than one acre; however, there are 6 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 5 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4271 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 5.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4272

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 7

WHEREAS, on March 27, 1961 by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4262, the Board initiated proceedings to consolidate ID 7 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 7 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 7 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there was one protest regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 7 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 7, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 7, as identified in Attachment B to this resolution.

2. That the exclusion of parcels within ID 7, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 7 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 7 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4272 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 7.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4273

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 9

WHEREAS, on July 24, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4262, the Board initiated proceedings to consolidate ID 9 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 9 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 9 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there was one protest regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 9 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 9, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 9, as identified in Exhibit A to this resolution.

2. That the exclusion of parcels within ID 9, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 9 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 9 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4273 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 9.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4274

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 10

WHEREAS, on February 11, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4263, the Board initiated proceedings to consolidate ID 10 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 10 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 10 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were two protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 10 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 10, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 10, as identified in Exhibit A to this resolution.

2. That the exclusion of parcels within ID 10, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 10 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 10 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4274 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 10.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4275

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 20

WHEREAS, on April 19, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4219, the Board initiated proceedings to consolidate ID 20 into ID 22 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 20 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 20 and annexed into ID 22 at its May 6, 2015 Board meeting, where the Board determined that there were three protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Water District, ID 20 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 20, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 20, as identified in Exhibit A to this resolution.

2. That the exclusion of parcels within ID 20, with an eye towards annexing them to ID 22, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 20 and 22.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 20 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4275 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 20.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4276

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 4

WHEREAS, on August 4, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability fees are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4219, the Board initiated proceedings to consolidate ID 4 into ID 18 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 4 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 4 and annexed into ID 18 at its May 6, 2015 Board meeting, where the Board determined that there were no protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Sewer District, ID 4 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 4, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 4, as identified in Attachment C to this resolution.

2. That the exclusion of parcels within ID 4, with an eye towards annexing them to ID 18, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 4 and 18.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 4 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4276 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 4.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4277

RESOLUTION OF THE BOARD OF DIRECTORS
OF OTAY WATER DISTRICT
TO EXCLUDE PARCELS FROM
IMPROVEMENT DISTRICT 14

WHEREAS, on June 10, 1968 by Resolution No. 586, the Otay Water District Board of Directors ("Board") formed Improvement District ("ID") 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability fees are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015 by Resolution No. 4219, the Board initiated proceedings to consolidate ID 14 into ID 18 to streamline the accounting and tracking of these parcels by declaring, by its own motion, its intention to exclude parcels in ID 14 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18, including ordering a public hearing on said exclusion and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Otay Water District held the required public hearing on the new fees for the parcels excluded from ID 14 and annexed into ID 18 at its May 6, 2015 Board meeting, where the Board determined that there were no protests regarding this action and approved the new fees; and

WHEREAS, on May 6, 2015 at 3:30 p.m., a hearing was held by the Board on the questions of the proposed exclusion and the effect of such exclusion upon the Otay

Sewer District, ID 14 and the territory to be excluded, where at such time and place, any persons interested, including all persons owning property in the Otay Water District or in ID 14, were heard and allowed to appear and present any matters material to the questions set forth in the resolution of intention to exclude.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter, does hereby determine that it is desirable to exclude parcels within ID 14, as identified in Attachment C to this resolution.

2. That the exclusion of parcels within ID 14, with an eye towards annexing them to ID 18, is desirable to streamline the accounting and tracking of these parcels, given that the availability fees are identical between IDs 14 and 18.

3. That a map showing the exterior boundaries of the proposed territory to be excluded, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the then existing improvement district.

4. The exclusion of parcels within ID 14 will become effective on July 1, 2015.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4277 APPROVING THE EXCLUSION OF PARCELS WITHIN ID 14.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4278

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 1 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on January 27, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972, by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 1 and 22 for parcels less than one acre; however, there are 62 parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4247, the Board initiated proceedings to consolidate ID 1 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 1, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if

any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 1 into ID 22, as described in Attachment B pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 1 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 1 and 22 for parcels less than one acre; however, there are 62 parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries.

3. A depiction of the area to be annexed, and the boundaries of IDs 1 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

- (a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 1 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4278 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4279

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 2 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on June 17, 1958 by Resolution No. 4, the Otay Water District Board of Directors ("Board") formed Improvement District ("ID") 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4248, the Board initiated proceedings to consolidate ID 2 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 2, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 2 into ID 22, as described in Exhibit A to this resolution, pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 2 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 2 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 2 and 22 following the annexation, is set forth on a map in Attachment B, filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 2 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4279 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4280

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 3 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 18, 1958 by Resolution No. 51, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4270, the Board initiated proceedings to consolidate ID 3 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 3, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 3 into ID 22, as described in Exhibit A to this resolution, pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 3 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 3 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 3 and 22 following the annexation, is set forth on a map in Attachment "B," filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 3 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4280 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4281

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 5 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 28, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5, 1972, by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 5 and 22 for parcels less than one acre; however, there are 6 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4250, the Board initiated proceedings to consolidate ID 5 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 5, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if

any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 5 into ID 22, as described in Attachment B pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 5 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 5 and ID 22 for parcels less than one acre; however, there are 6 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries.

3. A depiction of the area to be annexed, and the boundaries of IDs 5 and ID 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

- (a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 5 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4281 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4282

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 7 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on March 27, 1961, by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4251, the Board initiated proceedings to consolidate ID 7 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 7, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 7 into ID 22, as described in Attachment B, pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 7 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 7 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 7 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 7 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4282 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4283

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 9 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on July 24, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4252, the Board initiated proceedings to consolidate ID 9 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 9, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 9 into ID 22, as described in Exhibit A, pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 9 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 9 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 9 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 9 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4283 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4284

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 10 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on February 11, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4253, the Board initiated proceedings to consolidate ID 10 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 10, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 10 into ID 22, as described in Exhibit "A," pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 10 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 10 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 10 and 22 following the annexation, is set forth on a map in Attachment B, filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 10 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4284 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4285

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 20 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on April 19, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on July 3, 1972 by Resolution No. 986, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability fees are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4221, the Board initiated proceedings to consolidate ID 20 into ID 22 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 20, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 20 into ID 22, as described in Exhibit "A," pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 20 and to be annexed into ID 22 will be benefited thereby, and that ID 22 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 20 and 22.

3. A depiction of the area to be annexed, and the boundaries of IDs 20 and 22 following the annexation, is set forth on a map in Exhibit "B" filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 20 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4285 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 22.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4286

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 4 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on August 4, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability fees are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4221, the Board initiated proceedings to consolidate ID 4 into ID 18 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 4, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 4 into ID 18, as described in Exhibit "A," pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 4 and to be annexed into ID 18 will be benefited thereby, and that ID 18 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 4 and 18.

3. A depiction of the area to be annexed, and the boundaries of IDs 4 and 18 following the annexation, is set forth on a map in Attachment C, filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that sewer service is to be provided, the payment of all sewer capacity fees per Equipment Dwelling Unit (EDU) at the time the service is requested.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 4 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4286 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 18.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4287

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT APPROVING THE ANNEXATION
OF PARCELS EXCLUDED FROM IMPROVEMENT
DISTRICT (ID) 14 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on June 10, 1968 by Resolution No. 586, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability fees are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, on March 4, 2015, by Resolution No. 4221, the Board initiated proceedings to consolidate ID 14 into ID 18 to streamline the accounting and tracking of these parcels by declaring its intention to annex parcels excluded from ID 14, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*, including ordering a public hearing on said annexation and directing staff to provide statutorily-required notice for the hearing; and

WHEREAS, in compliance with Proposition 218, the Board held the required public hearing on May 6, 2015, a hearing at which the Board received written protests, if any, theretofore filed with the Secretary of the District, received additional written protests, if any, and heard from any and all persons interested in the annexation, where

the Board determined that there were no protests filed by the holders of title of one-half of the value of the territory proposed to be annexed.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, following a public hearing on the matter where written protests were not made by the owners of one-half of the value of the territory proposed to be annexed, does hereby confirm the annexation of parcels excluded from ID 14 into ID 18, as described in Exhibit "A," pursuant to Water Code sections 72700, *et seq.*

2. That the Board determines from the evidence presented at the hearing that the parcels excluded from ID 14 and to be annexed into ID 18 will be benefited thereby, and that ID 18 will also be benefited thereby and will not be injured thereby, because of the streamlining of accounting and tracking of these parcels and because the availability fees are identical between IDs 14 and 18.

3. A depiction of the area to be annexed, and the boundaries of IDs 14 and 18 following the annexation, is set forth on a map in Attachment C, filed with the Secretary of the District, which map shall govern for all details as to the area to be annexed.

4. That the terms and conditions for the annexation of said parcels is as follows, with the owners required to:

(a) Pay yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.

(b) In the event that sewer service is to be provided, the payment of all sewer capacity fees per Equipment Dwelling Unit (EDU) at the time the service is requested.

5. That the annexation shall become effective on July 1, 2015, on the date the exclusion of parcels from ID 14 becomes effective.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of May, 2015.

President

ATTEST:

District Secretary

EXHIBIT A

CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18

LEGAL DESCRIPTION

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE JULY 1, 2015, FOLLOWING THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTING RESOLUTION NO. 4287 APPROVING THE ANNEXATION OF THE EXCLUDED PARCELS INTO ID 18.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

AGENDA ITEM 6



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: May 6, 2015

PROJECT: DIV.NO.: ALL

SUBMITTED BY: Michael Kerr, Information Technology Manager

APPROVED BY: Adolfo Segura, Assistant Chief, Admin and IT Services

Geoff Stevens, Chief Information Officer

German Alvarez, Assistant General Manager

Mark Watton, General Manager

SUBJECT: INFORMATION TECHNOLOGY RELATED SERVICE CONTRACTS FOR FY 2016

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to negotiate and enter into the following agreements:

1. One (1) year service agreements with:
 - a. AT&T in the amount of \$125,000 for local and long-distance telephone and internet service.
 - b. Verizon Wireless in the amount of \$85,000 for cellular phone, wireless modem service and equipment.
 - c. Tyler Technologies in the amount of \$127,000 for ERP/Financial software maintenance costs and annual technical support.
 - d. Azteca Cityworks in the amount of \$90,000 for software and maintenance for the District's asset and work management system.
2. Three (3) year service agreement with:
 - a. CompuCom, Inc. in the amount of \$180,000 (\$60,000 annually) for Microsoft Software Licenses, upgrades, and maintenance service.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To authorize the purchase of equipment and services necessary to support the District's business and technology operations and to enhance enterprise system architecture to meet emerging service needs as identified in the District's Strategic Plan.

ANALYSIS:

The IT department presents to the Board specific technology related expenses that require Board approval as they exceed the General Manager's signature authority of \$50,000 for a specific contract. These contracts and purchases are required to either operate the District's technology environment or to make planned technology related infrastructure improvements. Each item requiring the District to issue a purchase order or contract for greater than \$50,000 is described in detail in the following section. All of the items in this staff report are specifically itemized in the FY 2016 budget as well. By presenting these items collectively, staff would like to provide to the Board a more detailed view of expenses related to the District's information systems.

All purchasing guidelines have been met for the specific items in this report. Where possible, items have been competitively bid. Certain items, such as software licenses and vendor support, are sole source contracts, as only one vendor can support the product. Certain items are also purchased utilizing pricing provided in state authorized competitive contracts, primarily CALNET and WSCA (state and regional wide agreements which guarantees competitive pricing). Where possible, agreements will utilize the District's standard contract form, which provides the ability to terminate the agreement with or without cause upon 60-day notice. Contracts for software licenses and support are generally not open to negotiation and the manufacturer's standard one (1) year agreement will be utilized.

The following are detailed descriptions of the specific requests:

Explanation of Costs

Software and Support Agreements:

AT&T, \$125,000 - This item covers the purchase of telephone, facility connectivity and internet services to support all District operations. This item utilizes CALNET pricing which has been competitively bid by

the State of California. Funds for these services are allocated in the IT O&M budget.

Verizon Wireless, \$85,000 - This item covers cellular phone, wireless modem, and equipment service for District operations. Other main-stream carriers offered similar competitive device and service pricing via the Western States Contracting Alliance (WSCA) contract, however, staff selected Verizon based on the on-going reliability and signal coverage throughout the District's service footprint. Although Verizon was not the lowest submitted quote, staff determined that the minor savings does not outweigh the internal work efforts, training, and time required to replace devices across the District. In addition, the discount given to the District using WSCA is 22 percent off of the standard pricing. The District's inventory is as follows: 77 iPhones for staff use (administrative and field use) and 94 wireless 3G/4G devices and service for mobile air cards, hot-spots, field connectivity and remote monitoring of SCADA and alarm systems. Funds for this item are allocated in the IT O&M budget.

Eden Tyler Technologies, \$127,000 - This item covers yearly required software maintenance for the District's enterprise resource planning (ERP) software suite, which includes Utility Billing, Financial, Human Resources and Permitting Systems. The ERP software suite is exclusively owned and licensed by Tyler Technologies. The yearly maintenance fee includes all core licensing, software support to include required annual service packs and technical support for all software modules. This item is a sole source contract as only the product vendor is authorized to provide maintenance support. Funds for this item are allocated in the IT O&M budget.

Microsoft Software Licenses, \$180,000 (\$60,000 annually) - This item covers all of the District's required software licensing and maintenance for business operating systems to include, enterprise database, server, data center and other core productivity software. Staff negotiated a 3-year agreement with CompuCom, Inc., under the discounted pricing agreement through the County of Riverside statewide Microsoft Enterprise Agreement that provides Public Sector(s) in California with a peer-approved, audit-friendly method of saving funds and managing software licenses.

Cityworks, Public Asset Management Software, \$90,000 - This item covers yearly required software maintenance for the District's asset and work management solution. The Cityworks software suite is exclusively owned by Azteca Systems. The yearly maintenance fee includes all core licensing, GIS centric asset management solution, CCTV interface, Citizen Engagement Portal AMS/PLL and technical support for all components.



ATTACHMENT A

SUBJECT/PROJECT:	INFORMATION TECHNOLOGY RELATED SERVICE CONTRACTS FOR FY 2016
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on April 14, 2015 to review this item. The Committee supports presentation to the full Board for their consideration.

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 7



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 6, 2015
SUBMITTED BY:	Mark Watton, General Manager	PROJECT:	Various DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Joe Beachem, Chief Financial Officer <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4288 Declaring the Third Week of April as California Native Plant Week in the Otay Water District.		

GENERAL MANAGER'S RECOMMENDATION:

Adopt Resolution No. 4288 declaring the third week of April as California Native Plant Week in the Otay Water District.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To present for the Board of Directors' consideration a resolution to declare the third week of April, each year, as California Native Plant Week in the Otay Water District.

ANALYSIS:

The San Diego Chapter of the California Native Plant Society (CNPS) is requesting that the District formally declare the third week of April, each year, as California Native Plant Week. Resolution Number 4288 is presented for this purpose and is based on a resolution the California Legislature passed in 2010 to inaugurate Native Plant Week to celebrate California's natural heritage of native plants.

The CNPS is a 501(c)(3) organization dedicated to protecting California's native plants and preserving them for future generations. It is a highly respected botanical organization with nearly 10,000 members who promote native plant appreciation,

research, education, and conservation through five statewide programs and 34 regional chapters in California.

San Diego relies heavily on imported water, but more than half of that water is used annually to irrigate nonnative lawns and ornamental landscaping. With drought affecting the majority of the State and with the snowpack in the Sierras at the lowest levels in recorded history, California is entering its fourth straight year of extreme to exceptional drought. As a result, Governor Brown has issued new directives for all California cities and towns to reduce water consumption including mandated conservation measures and establishing a statewide initiative to replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes.

Maintaining a typical lawn in California requires many times more water than does maintaining California native plants which, once established, can survive on little or no supplemental irrigation. To help get this important message across to consumers, the CNPS has formed a statewide program to educate and engage the public as to the benefits of incorporating California native plants into residential and commercial landscaping.

For instance, native plants save water because they are perfectly suited to California's climate and soil. Native plants reduce the need for fertilizers and herbicides, which can pollute the environment and local water resources. California natives require less pruning or mowing, saving on maintenance costs. Some California native plants are fire-resistant and can be used as a fire barrier in wildland-urban interface areas. Native plants provide food, shelter and habitat for wildlife, including native birds and butterflies.

The CNPS' campaign will also introduce residents to the beauty of native plants and to help instill an understanding and appreciation for California's natural plant life, while having a positive impact on the environment and protecting important natural resources.

Staff recommends that the board adopt Resolution No. 4288 declaring the third week of April, every year, as California Native Plant Week in the Otay Water District .

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

This Resolution supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient

manner" and the General Manager's Vision, "A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action
Attachment B - Resolution No. 4288



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4288 Declaring the Third Week of April in every Year as California Native Plant Week
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COMMITTEE ACTION:

The committee reviewed this item and supported staffs' recommendation and presentation for consideration by to the full board.

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. 4288

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT
DECLARING THE THIRD WEEK OF APRIL IN EVERY YEAR
AS CALIFORNIA NATIVE PLANT WEEK

WHEREAS, California's native plants provide unique iconic, economic, artistic, historical, and environmental values to the state; and

WHEREAS, California has over 6,000 native plant types, of which over 2,000 exist only here, making our state home to more diverse plant life than all other states combined, including some of the oldest, tallest, and most massive living things on Earth; and

WHEREAS, California currently contends with over 1,000 non-native plants, some of which compete with native plant species, degrade soil, facilitate erosion and wildfires, and alter the state's natural landscapes; and

WHEREAS, California's first peoples lived and thrived by their knowledge of native plants, which provided them with the means of life for centuries; and

WHEREAS, in modern times our native plants still provide foods, medicines, and other products; and

WHEREAS, California native plant horticulture is a growing industry employing thousands of Californians, and the benefits to water conservation and natural area restoration help provide economic stability within the state; and

WHEREAS, our native plants provide essential watershed protections by helping to recharge natural aquifers, filtering flowing water, lessening erosion and flooding, and beautifying and renewing our state; and

WHEREAS, gardens and landscapes composed of California native plants, being perfectly suited to our climate and soil, require far fewer fertilizers, soil amendments, pesticides, and water than conventional landscapes, and provide essential habitat for wildlife, and

WHEREAS, restoring California native plants provides links to wild land areas, while introducing people to their beauty and instilling a greater understanding and appreciation for California's natural heritage; and

WHEREAS, many individuals and groups have as goals, among other things, the preservation and restoration of native plants and the education of the public on their value, including the California Native Plant Society, which is celebrating its 50th year.

NOW, THEREFORE, BE IT PROCLAIMED, that the Otay Water District encourages community groups, schools, and citizens to undertake appropriate activities to promote native plant conservation and restoration, and to inform their neighbors and communities of the value of native plants in natural and horticultural settings; and

BE IT FURTHER PROCLAIMED that the Otay Water District hereby declares the third week of April in each year as California Native Plant Week.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the
Otay Water District at a regular meeting held this 6th day of May 6,
2015.

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

in compliance with State of California Government Code 8607 and Homeland Security, Presidential Directive 5 (HSPD-5).

To date:

- 138 District staff members have completed Introduction to Incident Command System ICS-100 and IS-700 Basic Introduction to NIMS.
- 54 District staff members have completed Basic Incident Command System and Single Resources for Initial Action Incident ICS-200 and IS-800 an Introduction to National Response Framework.
- 34 District staff members have completed Intermediate Incident Command System for Expanding Incidents ICS-300 and ICS-400 Advanced Incident Command System for Expanding Incidents.

Safety & Health - Cal/OSHA Compliance Training provides instruction and training requirements to assigned, competent, qualified staff and to the District's 12 member HAZWOPER emergency response team. This is in compliance with the Construction and the General Industry Safety Orders of California Title 8, Division 1, Chapter 4 and in reference to Chapter 3.2 of the California Code of Regulations.

Examples of Training:

- HAZWOPER 40-Hour and 8-Hour Annual Refresher
- HAZWOPER Incident Command System
- Confined Space and Confined Space Rescue
- Trenching and Shoring
- Qualified Electrical Worker Electrical Safety
- Asbestos Cement Pipe Initial and Annual Refresher
- First Aid, CPR, and AED

Facilities Security Improvements:

Facilities - A District-wide physical security and functional improvement assessment effort for facilities has been completed. The assessment identified and produced the information required to help enhance the District's physical security and critical infrastructure program.

Examples of improvements:

- Enterprise physical security control methodology
- Enterprise burglar alarm monitoring 24X7
- System controlled access (Entre)
- Continuity of facility services via solar and battery powered sources (up to 72 hours)

Internal and External Support Efforts & Resources:

District Teams & Resources - The District maintains an active emergency operations center (EOC) and Safety/Security committee teams, which are activated for scheduled monthly and quarterly exercises. In addition, District staff interacts regularly with the following outside agencies for sharing of information and cross-functional trainings: SDCWA, County of San Diego, OES, Cal-WARN, MACS, WebEOC, Cal/OES, FEMA, Mutual Aid Agreement, DHS, LECC, InfraGard, Cal/OSHA, SD Sheriff's Critical

Infrastructure Team, local law enforcement, and alarm and security patrol vendors.

Business Continuity Improvements:

Technology Services - Over the past 36 months, the District has migrated many of its business critical services to the "cloud" and has made investments to harden and enhance our ability to sustain operations during power outages or other unplanned emergencies.

Examples of improvements:

- Enterprise email via cloud service (primary/backup service)
- Enterprise backup & replication of system data via cloud service (primary/backup service)
- Primary and backup Internet service
- Continuity of computing services via redundant UPS's and generator
- Planned colocation of backup core business systems to ensure continuity of services in the event administrative facilities are inoperable

Next Steps:

Staff continues to hold and participate in group meetings, workshops and exercises with internal stakeholders to obtain feedback on program improvements and with SDCWA, County of San Diego, and outside agencies for compliance and other key service updates.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None. This is an informational item only.

STRATEGIC GOAL:

Health & Safety and Business Continuity.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action Report



ATTACHMENT A

SUBJECT/PROJECT:	INFORMATIONAL ITEM -- EMERGENCY PREPAREDNESS, SAFETY & HEALTH, AND SECURITY OVERVIEW
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on April 14, 2015 to review this item. The Committee supports presentation to the full Board for their consideration.

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.