

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

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM

WEDNESDAY
February 20, 2013
11:30 A.M.

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

AGENDA

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

DISCUSSION ITEMS

3. REPORT ON DIRECTORS' 2ND QUARTER EXPENSES FOR FISCAL YEAR 2013 (BENHAM) [5 minutes]
4. ADOPT ORDINANCE NO. 537 AMENDING SECTION 25.03 B, MONTHLY FIXED METROPOLITAN WATER DISTRICT AND COUNTY WATER AUTHORITY CHARGES AND 25.03 C, MONTHLY FIXED SYSTEM CHARGES; SECTION 28.01 B, BASIS FOR DETERMINATION OF CONNECTION FEES AND CHARGES; AND SECTION 38.03, SERVICES FOR RESIDENTIAL FIRE PROTECTION OF THE DISTRICT'S CODE OF ORDINANCES (MENDEZ-SCHOMER) [10 minutes]
5. ADOPT THE 2013 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES (BUELNA) [10 minutes]
6. AUTHORIZE THE GENERAL MANAGER TO CONTRACT FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES FOR THE REFINANCING OF THE 2004 CERTIFICATES OF PARTICIPATION (COPS) (KOEPPEN) [5 minutes]

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

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

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 6, 2013
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Wales Benham Senior Accountant		
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:	Director's Expenses for the 2nd Quarter of Fiscal Year 2013		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 2nd quarter of Fiscal Year 2013.

ANALYSIS:

The Directors' expense information is being presented in order to comply with Otay's Board of Directors Policy 8, requiring staff to create a quarterly report showing expenses for the Directors. In addition, California Government Code Section 53065.5 requires special districts, at least annually, to disclose any reimbursement paid by a district within the immediately preceding fiscal year. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed, at least annually by

a date determined by that district, and shall be made available for public inspection. (See Attachment B for Summary and C-H for Details.)

FISCAL IMPACT:

None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT:

Compliance with state law.

Attachments: Attachment A Committee Action
 Attachment B Director's Expenses and per Diems
 Attachment C-H Director's Expenses Detail



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 2nd Quarter of Fiscal Year 2013
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COMMITTEE ACTION:

This is an informational item only.

NOTE:

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

BOARD OF DIRECTORS' EXPENSES AND PER-DIEMS

**FINANCE, ADMINISTRATION AND
COMMUNICATIONS COMMITTEE MEETING
February 20, 2013**

Policy 8 requires that staff present the Expenses and Per-Diems for the Board of Directors on a Quarterly basis:

- Fiscal Year 2013, 2nd Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information is to be presented to the Finance, Administration, and Communications Committee on February 20, 2013.

Board of Directors' Expenses and Per-Diems
Fiscal Year 2013 Quarter 2 (Oct 2012 - Dec 2012)

Director Croucher	\$600.00
Director Gonzalez	\$1,000.00
Director Lopez	\$1,840.97
Director Robak	\$554.39
Director Thompson	\$1,111.00
Total	\$5,106.36

Director Croucher

Fiscal Year 2013 Quarter 2

	Oct 2012	Nov 2012	Dec 2012
Business Meetings	0.00	0.00	0.00
Director's Fees	0.00	400.00	200.00
Mileage Business	0.00	0.00	0.00
Seminars	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Monthly Totals	<u>0.00</u>	<u>400.00</u>	<u>200.00</u>
Quarterly Total			<u><u>\$600.00</u></u>

Fiscal Year-to-Date 2013 (Jul 2012-Dec 2012)	\$1,260.00
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**Director Croucher serves on all
District Committees (6)**

Meetings Attended	0	4	2
Meetings Paid	0	4	2

Director Gonzalez

Fiscal Year 2013 Quarter 2

	Oct 2012	Nov 2012	Dec 2012
Business Meetings	0.00	0.00	0.00
Director's Fees	600.00	300.00	100.00
Mileage Business	0.00	0.00	0.00
Seminars	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Monthly Totals	<u>600.00</u>	<u>300.00</u>	<u>100.00</u>
Quarterly Total			<u><u>\$1,000.00</u></u>

Fiscal Year-to-Date 2013 (Jul 2012-Dec 2012)	\$1,610.00
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Meetings Attended	6	3	1
Meetings Paid	6	3	1

Director Lopez

Fiscal Year 2013 Quarter 2

	Oct 2012	Nov 2012	Dec 2012
Business Meetings	0.00	0.00	0.00
Director's Fees	700.00	500.00	500.00
Mileage Business	0.00	0.00	52.17
Mileage Commuting	22.20	44.40	22.20
Seminars and Travel	0.00	0.00	0
Monthly Totals	<u>722.20</u>	<u>544.40</u>	<u>574.37</u>
Quarterly Total			<u><u>\$1,840.97</u></u>

Fiscal Year-to-Date 2013 (Jul 2012-Dec 2012)	\$3,236.99
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Meetings Attended	8	7	5
Meetings Paid	7	5	5

Director Robak

Fiscal Year 2013 Quarter 2

	Oct 2012	Nov 2012	Dec 2012
Business Meetings	0.00	0.00	0.00
Director's Fees	100.00	200.00	200.00
Mileage Business	3.33	6.66	37.74
Mileage Commuting	2.22	4.44	0.00
Seminars and Travel	0.00	0.00	0.00
Monthly Totals	<u>105.55</u>	<u>211.10</u>	<u>237.74</u>
Quarterly Total			<u><u>\$554.39</u></u>

Fiscal Year-to-Date 2013 (Jul 2012-Dec 2012)	\$996.59
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Meetings Attended	2	3	5
Meetings Paid	1	2	2

Director Thompson

Fiscal Year 2013 Quarter 2

	Oct 2012	Nov 2012	Dec 2012
Business Meetings	0.00	0.00	0.00
Director's Fees	400.00	100.00	500.00
Mileage Business	13.32	0.00	39.96
Mileage Commuting	28.86	14.43	14.43
Seminars and Travel	0.00	0.00	0.00
Monthly Totals	<u>442.18</u>	<u>114.43</u>	<u>554.39</u>
Quarterly Total			<u><u>\$1,111.00</u></u>

Fiscal Year-to-Date 2013 (Jul 2012-Dec 2012)	\$2,211.91
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Meetings Attended	4	1	5
Meetings Paid	4	1	5

Board of Directors' Expenses and Per Diems
Fiscal Year 2013 to Date (Jul 2011- Dec 2012)

Director Croucher	\$1,260.00
Director Gonzalez	\$1,610.00
Director Lopez	\$3,236.99
Director Robak	\$996.59
Director Thompson	\$2,211.91
Total	\$9,315.49

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012**

DIRECTOR'S NAME CROUCHER, GARY

ATTACHMENT D

Account Name	Date	Descriptions	SECTION D Amount
Director's Fee	7/17/2012	ENGINEERING & OPERATIONS COMMITTEE	\$ 100.00
	8/1/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	8/21/2012	COUNCIL OF WATER UTILITIES MEETING	100.00
	9/11/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	9/19/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	11/7/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/13/2012	DESALINATION PROJECT COMMITTEE MEETING	100.00
	11/26/2012	EMPLOYEE NEGOTIATIONS	100.00
	11/28/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	12/10/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	12/19/2012	DESALINATION PROJECT COMMITTEE MEETING	<u>100.00</u>
Director's Fee Total			<u>1,200.00</u>
Business meetings	8/29/2012	COUNCIL OF WATER UTILITIES MEETING	25.00
	9/30/2012	SAN DIEGO EAST COUNTY	<u>35.00</u>
Business meetings Total			<u>60.00</u>
Grand Total			<u><u>\$1,260.00</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012**

DIRECTOR'S NAME: GONZALEZ, DAVID

ATTACHMENT E

Account Name	Date	Descriptions	SECTION E Amount
Director's Fee	7/11/2012	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	8/1/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	9/5/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	9/19/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	10/1/2012	CHULA VISTA REDEVELOPMENT MEETING	100.00
	10/9/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/23/2012	WEBINAR - UNDERSTANDING BOARD MEMBER AND DISTRICT LIABILITIES	100.00
	10/24/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	10/25/2012	UNDERSTANDING THE BROWN ACT: CODE COMPONENTS AND UPDATE	100.00
	10/31/2012	MEETING WITH STAFF: BRIEFING ON METRO	100.00
	11/1/2012	METRO COMMISSION MEETING	100.00
	11/7/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/28/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	12/10/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
Director's Fee Total			<u>1,600.00</u>
Business meetings Total			<u>10.00</u>
Grand Total			<u><u>\$1,610.00</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Mileage - Business	8/31/2012	MEETING - AUGUST 10 & 31, 2012	\$ 5.55
	9/30/2012	MEETING - SEPTEMBER 12, 2012	12.77
	12/31/2012	MEETING - DECEMBER 6, 7 & 12, 2012	<u>52.17</u>
Mileage - Business Total			<u>70.49</u>
Mileage - Commuting	7/31/2012	MEETING - JULY 11 & 19, 2012	22.20
	8/31/2012	MEETING - AUGUST 1 & 7, 2012	22.20
	9/30/2012	MEETING - SEPTEMBER 5 , 11, & 17, 2012	33.30
	10/31/2012	MEETING - OCTOBER 9 & 23, 2012	22.20
	11/30/2012	MEETING - NOVEMBER 7, 13, 26 & 28, 2012	44.40
	12/31/2012	MEETING - DECEMBER 4 & 19, 2012	<u>22.20</u>
Mileage - Commuting Total			<u>166.50</u>
Director's Fee	7/11/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/19/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	7/25/2012	AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	8/1/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/7/2012	REGIONAL GMs & BOARD PRESIDENTS MEETING	100.00
	8/10/2012	GENERAL MANAGER - COMMITTEE AGENDAS MEETING	100.00
	8/31/2012	AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	9/5/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2012	BOARD WORKSHOP/SPECIAL MEETING	100.00
	9/12/2012	WATER CONSERVATION GARDEN	100.00
	9/14/2012	COMMITTEE AGENDA BRIEFING	100.00
	9/17/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/20/2012	MEETING WITH SUPERVISOR COX - INTERCONNECT PIPELINE	100.00
	10/1/2012	BOARD AGENDA BRIEFING	100.00
	10/9/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/11/2012	TIJUANA INNOVADORA 2012 CONFERENCE	100.00
	10/19/2012	COMMITTEE AGENDA BRIEFING	100.00
	10/23/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/29/2012	BOARD AGENDA BRIEFING	100.00
	10/30/2012	MEXICO CITY - GOVERNMENT OFFICIALS	100.00
	11/7/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/13/2012	DESALINATION PROJECT COMMITTEE MEETING	100.00
	11/20/2012	MINUTES 319 SIGNING CEREMONY	100.00
	11/26/2012	AD HOC EMPLOYEE NEGOTIATIONS	100.00
	11/28/2012	SPECIAL BOARD OF DIRECTORS MEETING - POSEIDON	100.00
	12/4/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/6/2012	ACWA FALL CONFERENCE	100.00
	12/7/2012	ACWA FALL CONFERENCE	100.00
	12/12/2012	WATER CONSERVATION GARDEN BOARD OF DIRECTORS MEETING	100.00
	12/19/2012	DESALINATION PROJECT COMMITTEE MEETING	<u>100.00</u>
Director's Fee Total			<u>3,000.00</u>
Grand Total			<u><u>\$ 3,236.99</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012**

DIRECTOR'S NAME: ROBAK, MARK

ATTACHMENT G

Account Name	Date	Descriptions	SECTION G Amount
Mileage - Business	7/11/2012	MEETING - JULY 11, 2012	\$ 3.33
	8/1/2012	MEETING - AUG. 1, 2012	3.33
	9/30/2012	MEETING - SEPTEMBER 5 & 11, 2012	6.66
	10/9/2012	MEETING - OCTOBER 9, 2012	3.33
	11/7/2012	MEETING - NOVEMBER 7 & 28, 2012	6.66
	12/4/2012	MEETING - DECEMBER 4 & 5, 2012	<u>37.74</u>
Mileage - Business Total			<u>61.05</u>
Mileage - Commuting	7/11/2012	MEETING - JULY 11, 2012	2.22
	8/1/2012	MEETING - AUG. 1, 2012	2.22
	9/30/2012	MEETING - SEPTEMBER 5 & 11, 2012	4.44
	10/9/2012	MEETING - OCTOBER 9, 2012	2.22
	11/7/2012	MEETING - NOVEMBER 7 & 28, 2012	<u>4.44</u>
Mileage - Commuting Total			<u>15.54</u>
Director's Fee	7/11/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/1/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/5/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/9/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/7/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/28/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	12/4/2012	ACWA CONFERENCE - BI-ANNUAL CONFERENCE	100.00
	12/5/2012	ACWA CONFERENCE - BI-ANNUAL CONFERENCE	<u>100.00</u>
Director's Fee Total			<u>900.00</u>
Business meetings	9/7/2012	SAN DIEGO EAST COUNTY CHAMBER OF COMMERCE	20.00
Business meetings Total			<u>20.00</u>
Grand Total			<u><u>\$ 996.59</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012**

DIRECTOR'S NAME: THOMPSON, MITCHELL

ATTACHMENT H

Account Name	Date	Descriptions	SECTION H Amount
Mileage - Business	7/31/2012	MEETING - JULY 26 & 27, 2012	108.78
	10/31/2012	MEETING - OCTOBER 8 & 25, 2012	13.32
	12/31/2012	MEETING - DECEMBER 6, 7, 10 & 17, 2012	39.96
Mileage - Business Total			<u>162.06</u>
Mileage - Commuting	7/31/2012	MEETING - JULY 17 & 19, 2012	28.86
	8/31/2012	MEETING - AUG. 1, 2, & 13, 2012	34.41
	9/30/2012	MEETING - SEPTEMBER 11 & 17, 2012	28.86
	10/31/2012	MEETING - OCTOBER 9 & 23, 2012	28.86
	11/30/2012	MEETING - OCTOBER 8 & 25, 2012	14.43
	12/4/2012	MEETING - DECEMBER 4, 2012	14.43
Mileage - Commuting Total			<u>149.85</u>
Director's Fee	7/17/2012	ENGINEERING & OPERATIONS COMMITTEE	100.00
	7/19/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	7/26/2012	TRAINING FOR NEW BOARD MEMBERS -CSDA LEADERSHIP ACADEMY	100.00
	7/27/2012	TRAINING FOR NEW BOARD MEMBERS -CSDA LEADERSHIP ACADEMY	100.00
	8/1/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/2/2012	STAFF BRIEFING - DESALINATION PROJECT	100.00
	8/13/2012	REDEVELOPMENT OVERSIGHT BUILDING MEETING	100.00
	9/11/2012	REGULAR SPECIAL BOARD OF DIRECTORS MEETING	100.00
	9/17/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/8/2012	CHULA VISTA REDEVELOPMENT MEETING	100.00
	10/9/2012	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/23/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/25/2012	SOUTH COUNTY EDC ELECTED OFFICIALS RECEPTION	100.00
	11/30/2012	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	12/4/2012	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/6/2012	ACWA CONFERENCE - BI-ANNUAL CONFERENCE	100.00
	12/7/2012	ACWA CONFERENCE - BI-ANNUAL CONFERENCE	100.00
	12/10/2012	CHULA VISTA REDEVELOPMENT MEETING	100.00
	12/17/2012	CHULA VISTA REDEVELOPMENT MEETING	100.00
Director's Fee Total			<u>1,900.00</u>
Grand Total			<u><u>\$2,211.91</u></u>

AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 6, 2013
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Alicia Mendez-Schomer, Customer Service Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Ordinance No. 537 Amending Section 25.03 B, Monthly Fixed MWD & CWA Charges and 25.03 C, Monthly Fixed System Charges; Section 28.01 B, Basis for Determination of Connection Fees and Charges; and Section 38.03, Services for Residential Fire Protection of the District's Code of Ordinances		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 537 amending Sections 25.03 B & C, 28.01 B, and 38.03 of the District's Code of Ordinances.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To clarify the language in Sections 25.03 B & C, 28.01 B, and 38.03 in the District's Code of Ordinances that was adopted on March 7, 2012. The changes should have specified that they were for individually metered single-family residences only.

ANALYSIS:

Background:

On March 7, 2012, the Board adopted Ordinance No. 531 which amended Sections 25, 28, and 38 to accommodate new Fire Service Building Codes approved by the California Building Standards Commission, effective January 1, 2011. This fire code change required the addition of residential fire sprinklers in all "new one and two family dwellings, and townhouse construction statewide." This required fire service protection for individually metered residential homes in excess of normal capacity requirements. Prior to the passage of this update, sprinkler systems had only been required in office buildings and multi-dwelling units.

Also on March 7, 2012, the Board approved staff's recommendation to waive the additional capacity fee for upsizing the residential meter to meet fire flow requirements. Prior to this, on March of 2008, CWA amended Ordinance No. 97-1 allowing for the capacity charge to be established without the additional size necessary for standby capacity. These two changes brought consistency between both agencies.

Section 25.03 B, Monthly Fixed MWD & CWA Charges and 25.03 C, Monthly Fixed System Charges

The proposed change would specify individually metered residential fire service to clarify the current language.

Section 28.01 B, Basis for Determination of Connection Fees and Charges

The proposed change would specify individually metered residential fire service to clarify the current language.

Section 38.03, Services for Individually Metered Residential Fire Protection

The proposed language clarifies that the District will waive additional capacity fees for upsizing of single-family residential meters to meet fire flow requirements.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

The capacity fees were set based on the required meter size without the additional standby capacity. Therefore, this has already been incorporated into the District's financial planning and will not affect the District's financial standing. Likewise, the District's rate modeling process projected system fees without additional fees for the upsized meters.

STRATEGIC GOAL:

None.

LEGAL IMPACT:

None.

Attachments:

- Attachment A - Committee Action Form
- Attachment B - Ordinance No. 537
 - Exhibit I - Strike-through Section 25
 - Exhibit II -Strike-through Section 28
 - Exhibit III -Strike-through Section 38
- Attachment C - Proposed Section 25
- Attachment D - Proposed Section 28
- Attachment E - Proposed Section 38



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance No. 537 Amending Section 25.03 B, Monthly Fixed MWD & CWA Charges and 25.03 C, Monthly Fixed System Charges; Section 28.01 B, Basis for Determination of Connection Fees and Charges; and Section 38.03, Services for Residential Fire Protection of the District's Code of Ordinances
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee recommend that the Board adopt Ordinance No. 537 amending Sections 25.03 B & C, 28.01 B, and 38.03 of the District's Code of Ordinances.

NOTE:

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

ORDINANCE NO. 537

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT AMENDING SECTION 25.03 B, MONTHLY FIXED MWD & CWA CHARGES AND SECTION 25.03 C, MONTHLY FIXED SYSTEM CHARGES; SECTION 28.01 B, BASIS FOR DETERMINATION OF CONNECTION FEES AND CHARGES; AND SECTION 38.03, SERVICES FOR RESIDENTIAL FIRE PROTECTION OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances, Section 25.03 B, Monthly Fixed MWD & CWA Charges and Section 25.03 C, Monthly Fixed System Charges; Section 28.01 B, Basis for Determination of Connection Fees and Charges; and Section 38.03, Services for Residential Fire Protection be replaced as per Attachments C, D, and E, respectively.

NOW, THEREFORE, BE IT RESOLVED that the new proposed Sections 25.03 B & C, 28.01 B and 38.03 of the Code of Ordinances shall become effective March 6, 2013.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 6th day of March, 2013, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

SECTION 25

CONDITIONS FOR WATER SERVICE25.01 SERVICE AREA

Water service shall be furnished by the District only to property within (annexed to) a water improvement district within the District's service area. Water service to property located outside an improvement district may be furnished only upon prior approval of the Board of Directors. Temporary water service to property located outside an improvement district may be furnished, in accordance with Section 25.03 E.10., upon the approval of the General Manager.

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

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

25.03 DEFINITIONS OF WATER SERVICE CATAGORIES, WATER RATES, CHARGES AND FEES

Water service furnished by the District shall be under the categories of services and at the rates, charges and fees as set forth in Appendix A, Section 25.

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

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

- A. Set-up Fees for Accounts. A set-up fee shall be charged for each account transferred to another customer. See Appendix A, 25.03 A. for charges. A deposit will be required of all customers who do not own the property to be served. See Appendix A, 25.04 A. for deposit amounts.
- B. Monthly Fixed MWD & CWA Charges. Each potable water service customer shall pay a monthly MWD and CWA fixed charge, as set forth in Appendix A, 25.03 C. Proceeds of the charge will be used to pay for operating and maintenance costs, including the following: MWD Readiness-to-Serve Charge and Capacity Reservation Charge; CWA Infrastructure Access Charge, Customer Service Charge, and

Emergency Storage Charge. The MWD & CWA charge is based on the size of the water meter(s) in service with the exception of upsizing the meter for individually metered residential fire-protection service, as described in Section 38.03 of the Code. The MWD & CWA charge shall start upon installation of the meter.

- C. Monthly Fixed System Charges. Each water service customer shall pay a monthly fixed system charge, as set forth in Appendix A, 25.03 C. Proceeds of the charge will be used to pay for water system replacement, maintenance, and operation expenses. The system charge is based on the size of the water meter(s) in service. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The system charge shall start upon installation of the meter
- D. Water Conservation Drought Pricing. To promote conservation, base tiered water rates for all water services are subject to percentage increases during drought stages, as shown in the table below:

	Drought Stage Pricing		
	Stage 2	Stage 3	Stage 4
Tier 1*	0%	0%	0%
Tier 2	Up to 5%	Up to 10%	Up to 15%
Tier 3	Up to 30%	Up to 60%	Up to 90%

*Domestic residential water service has four tiered base rates as outlined in Appendix A, 25.03 E.1.(b). Tier 1 of the above table applies to the first two tiered base rates. Tier 2 of the above table applies to the third tiered base rate. Tier 3 of the above table applies to the fourth tiered base rate.

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

1. DOMESTIC RESIDENTIAL WATER

- (a) Defined as: Water service for single residential and individually metered attached households as well as other domestic uses (other than that provided for in Paragraph 2 below).
- (b) Base Rate: The tiered base rates of water furnished under this category shall be set forth in Appendix A, 25.03 E.1.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

2. MULTIPLE RESIDENTIAL WATER

(a) Defined as: Master metered water service for multiple residential households, for example, duplexes, townhomes, apartments and mobile homes.

(b) Base Rate: The tiered base rates of water furnished for each dwelling unit under each block of service in this category shall be as set forth in Appendix A, 25.03 E.2.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

3. BUSINESS AND PUBLICLY-OWNED WATER

(a) Defined as: Potable water service for commercial, industrial and publicly-owned establishments.

(b) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.3.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

4. IRRIGATION AND COMMERCIAL AGRICULTURAL USING POTABLE WATER

(a) Irrigation is potable water service provided solely for irrigation of landscape or landscaping, as defined in Section 0.02.

(b) Commercial agricultural engaged in the growing or raising of live stock, in conformity with recognized practices of husbandry, for the purpose of commerce, trade or industry, or for the use by public educational or correctional institutions or agricultural horticultural or floricultural products and produced,

(i) for human consumption or for the market,
or

(ii) for the feeding of fowl or livestock produced for human consumption or for the market, or

(iii) for feeding fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.

(c) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.4.(c).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

5. RECYCLED WATER

(a) Defined as: Non-potable and recycled water service provided for irrigation of landscaping, as defined in Section 0.02 A. of the Code, and certain non-irrigation purposes, other than domestic use, in compliance with federal, state and local laws and regulations regarding use of recycled water.

(b) The provisions of this Code, relating to use of recycled water, set forth in Section 26 of the Code, including but not limited to cross-connections and backflow protective devices, shall be strictly enforced in connection with the use of recycled water.

(c) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.5.(c).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

(d) Monthly system charge: The monthly system charge for recycled water service is set forth in Appendix A, 25.03 C.

6. TEMPORARY AND CONSTRUCTION WATER SERVICE

(a) Defined as: Water service provided by the District on a temporary basis, pursuant to Section 31 of this Code.

(b) If capacity fees have not been paid by the customer, the rates for water furnished under

this category is set forth in Appendix A, 25.03 E.6.(b).

- (c) If the customer has paid capacity and annexation fees, the base rate for water furnished under this category shall be the base rate charged customers in the same category of service on a permanent meter basis.
- (d) The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.
- (e) The applicable monthly system and MWD & CWA charge shall be the same rates charged to customers in the same category of service on a permanent meter basis per Appendix A, 25.03 C.

7. WATER SERVICE UNDER SPECIAL AGREEMENTS

- (a) Defined as: Water service provided under express agreements approved by the Board of Directors for service to golf courses and other entities, which service may be curtailed or interrupted by the District under conditions provided in such agreements.
- (b) For water service under this category the base rate shall be determined on a case-by-case basis.

Unless otherwise specified in the particular agreement, the tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

8. TANK TRUCKS

- (a) Defined as: Water service provided for the filling of tanks on motor vehicles transporting water used for other than earth grading purposes, which service shall be made only through a portable meter issued by the District to a customer specifically for use in accordance with the provisions herein for such service.
- (b) The rate for metered water furnished under this category is reflected in Appendix A, 25.03 E.8.(b), plus a monthly system charge at the rate set forth in Appendix A, 25.03 C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (c) Requirements for Use of Water Meter

- (1) To receive such service, the customer must make a deposit for the use a water meter furnished by the District. The fee is set forth in Appendix A, 31.03 A.1.
- (2) Upon termination of the service, the District will refund the amount of deposit remaining after making the following deductions:
 - (i) Cost of repairing or replacing the meter, fire hydrant and/or any fittings damaged or lost while in use; and
 - (ii) Unpaid charges for water or other applicable charges.
- (3) Prior to the end of each six month period following issuance of a meter under this section, or at the request of the District, whichever is earlier, the customer shall return the meter to the District for inspection, repair, or calibration as deemed necessary by the District.
- (4) Payment for water service under this category shall be made as follows:
 - (i) The bill shall be based on the amount of water actually used, which shall be determined by the District's reading of the meter or by a report made by the customer to the District in the manner prescribed by the District.
 - (ii) Where the actual amount of water used cannot be determined as provided in (i), the District will issue a bill based on a District estimate of the amount of water used, as determined by the District. Such estimates shall be reconciled with actual amounts used when the customer returns the meter to the District as provided in paragraph 3 above.
 - (iii) Payments shall be made as specified on the bill.

9. WATER SERVICE OUTSIDE DISTRICT

- (a) Defined as: Water service for real property outside the service area of the District.

- (b) This service will be provided only upon prior approval of the General Manager when there is a surplus of water over and above the existing needs for service in the District. This service is temporary and may be terminated upon written notice from the District. Customers for this service are sometimes referred to as "outside users."
- (c) Customers applying for this category of service shall pay an application fee as set forth in Appendix A, 25.03 E.9.(c).
- (d) The rate for metered water furnished under this category shall be charged the rate as described in Appendix A, 25.03 E.9.(d), plus a monthly system charge at the rate set forth in Appendix A, 25.03 C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (e) Customers requesting only fire service or a fire hydrant under this category shall be charged a capacity fee based on one (1) EDU for a permanent meter in the improvement district from which the fire service derives its flow, plus a monthly system charge at the rate set forth in Appendix A, 25.03 E.11.(c).

10. WATER SERVICE OUTSIDE AN IMPROVEMENT DISTRICT

- (a) Defined as: Water service for property located within the boundaries of the District, but not within a water improvement district. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for this service shall pay an application fee as set forth in Appendix A, 25.03 E.10.(b). The District will review the application to determine whether the land to be served should be annexed to an improvement district. If it is determined that annexation is not practical, the Board of Directors may authorize service as an outside user. This service will be reviewed periodically until it is determined that the property must be annexed to an improvement district or that service must be terminated.
- (c) The rate for metered water furnished under this category is as set forth in Appendix A, 25.03

E.10.(c), plus a monthly system charge as set forth in Appendix A, 25.03.C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (d) Upon approval of the Board of Directors, a customer, who has paid all construction costs for facilities necessary to serve the customer's property in lieu of annexation to a water improvement district, shall be exempt from the provision for this category of service.

11. SERVICE FOR FIRE PROTECTION

- (a) Defined as: Water service provided by the District solely to feed fire hydrants or fire sprinkler systems from lines or laterals connected to District water mains.
- (b) The District will not make a charge for the quantity of water used for fire protection purposes.
- (c) The monthly system charge for this category of service is set forth in Appendix A, 25.03 E.11.(c) for each connection to a District water main made for fire protection service.

12. WATER SERVICE TO PROPERTY NOT SUBJECT TO DISTRICT TAXES

- (a) Pursuant to Section 71613 of the California Water Code, the District may furnish water to property, not subject to District taxes, at special rates, terms and conditions as are determined by the Board of Directors for such service. Such rates, terms and conditions shall be uniformly applied to like classes and conditions of service in the same improvement district or geographical area.
- (b) Customers in this category, such as publicly-owned establishments, shall pay an additional fee as outlined in Appendix A, 25.03 E.12.(b).

13. INTERIM WATER SERVICE IN IMPROVEMENT DISTRICT 7

- (a) Definition of Interim Service. This is water Service furnished to a customer in Improvement District 7 (ID 7) for temporary use.
- (b) Rates for Interim Service. Customers applying for interim service in ID 7 shall not be required

to pay the ID 7 water capacity fee and San Diego County Water Authority fee, as required under Section 2801 of this Code. The water rate is set forth in Appendix A, 25.03 E.13.(b).

- (c) Conversion to Permanent Service. At such time as use expires, the customer shall be required to pay all fees in effect at the time the permanent use is implemented.

F. Energy Charges for Pumping Water

In addition to water rates and other charges provided for in this Section 25.03, customers shall be charged an energy pumping charge based on the quantity of water used and the elevation to which the water has been lifted to provide service. The energy pumping charge shall be made at the rate set forth in Appendix A, 25.03 F.

G. Additional Water Charge for Service in the North District

- 1. In addition to other applicable water rates and charges provided for in this Section 25.03, each customer receiving water service in the North District shall pay a charge as set forth in Appendix A, 25.03 G.1. The North District area is defined in Section 0.02 of this Code.
- 2. All proceeds from charges collected pursuant to this Section 25.03 G. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the North District.

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

- 1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a charge set forth in Appendix A, 25.03 H.1. The ID 9 Water Service Zone area is defined in Section 0.02 of this Code.
- 2. In addition to the monthly system charges provided for, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a monthly meter system charge as outlined in Appendix A, 25.03 H.2. for each meter in service.

3. All proceeds from charges collected pursuant to this Section 25.03 H. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowing for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the ID 9 Water Service Zone.

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

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 17, 1993, each customer receiving water service in ID 3, ID 10 and La Presa Water Service Zones is assessed an additional charge per H.C.F. of water furnished by the District. Said surcharge is assessed as set forth in Appendix A, 25.03 I.1.(a), (b), and (c).
2. All proceeds from charges collected pursuant to this Section 25.03 I. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage, reservoirs, pump stations and water lines to provide service in the ID 3, ID 10 and La Presa Water Service Zones, respectively.

25.04 DEPOSITS BY LESSEES OR NON-OWNERS OF PROPERTY

When an application for water service is made by a customer who does not own the land to be served, the customer shall be required to make a cash deposit to assure payment of the account. In lieu of a deposit, the customer may have payment of water service bills guaranteed in writing by the owner of the property. The amount of deposit, determined by the size of meter is outlined in Appendix A, 25.04 A.

A. AMOUNT OF DEPOSIT

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

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

B. REFUND OF DEPOSIT

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

C. LETTER OF CREDIT

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

25.05 SERVICE TO SUBSEQUENT CUSTOMERS

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

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECYCLED WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or recycled water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, applicable zone charge and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, by the total of the District-wide capacity fee and applicable zone charge.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. The District-wide capacity fee and the applicable zone charge shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.1. for fees.)

2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.2. for fees.)

28.02

INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The meter fees and installation charges are set forth in Appendix A, 28.02.

Where a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

- A. The meter fees and installation charges shall be set effective September 1, 2012, and then adjusted in the same manner as capacity fees as described in Section 28.01 B.1 above (See Appendix A, 28.01 B.2. for fees).

28.03

METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.
- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.
- C. If a water meter/service has been previously paid and installed, and the customer requests a different meter size, the customer shall pay for the new meter and installation fees, plus any differential in capacity and new water supply fees as described in Section 28.03 B above.

SECTION 38 SERVICE FOR FIRE PROTECTION SYSTEMS38.01 SERVICE FOR COMMERCIAL OR INDUSTRIAL PURPOSES

The District will provide water service for fire protection systems for commercial or industrial developments within the District. Such service shall be available only in accordance with the rules and regulations provided in this Code.

38.02 RULES AND REGULATIONS FOR FIRE HYDRANT AND/OR
FIRE SPRINKLER SERVICE FOR COMMERCIAL OR
INDUSTRIAL PURPOSES ON PRIVATE PROPERTY

- A. All fire hydrant and/or fire sprinkler service mains installed for commercial or industrial purposes on privately-owned land shall be owned and maintained by the land owner; except for fire hydrants installed for developments where the District has accepted an easement for such service mains.
- B. Where service is provided for fire hydrant or fire sprinkler service on privately-owned land under Paragraph A above, the service shall be provided by the District at the property line of the land to be served. The property owner or developer shall be responsible to construct and maintain the remainder of the facilities to provide fire protection to the property. Each such facilities installation shall include a reduced pressure principle assembly backflow device installed in accordance with District specifications on the fire main on the customer side of the property line.
- C. Water furnished for fire hydrant or fire sprinkler service shall be used only for fire protection purposes. Water service for domestic, business, commercial or irrigation purposes shall be furnished only after a meter or meters have been installed on laterals connected to the District main in the street pursuant to requirements of this Code.
- D. Upon application for installation of one or more fire service connections to an existing District water main, the customer shall pay such charges as shall be determined on the basis of actual costs incurred by the District in performing the

work. At the time of application for the installation, the District will estimate the total costs to be incurred in performing the work. The customer shall deposit the estimated amount with the District prior to commencement of the work. The work shall be performed by the District under a District Water/Sewer Order. If actual costs incurred by the District are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If the costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs. Where the fire service connection is to be made to a water main to be constructed in a street by the owner or developer, the costs for such connection shall be covered under the standard developer's agreement with the District for installation of the water facilities for the development project.

- E. Water for fire protection services shall be provided in accordance with District fees and charges set forth in Section 25.03.D of this Code.
- F. The District shall have no responsibility for the proper function of the fire service system nor for the availability of water from its mains for fire protection in the event of emergency. While the District undertakes at all times to have adequate supplies available in its system for ordinary uses, it is not a guarantor of continual service in quantities adequate for all purposes however, and each customer shall specifically agree that as a condition of the fire service connection contracted for that the District shall incur no liability nor be subject to any damages resulting from a failure or malfunctioning of the fire sprinkler lateral or fire sprinkler system or from a lack of water in adequate quantity or pressure to make it fully effective.

| 38.03

SERVICES FOR INDIVIDUALLY METERED RESIDENTIAL FIRE PROTECTION

| When a single-family residential water meter is required to provide standby capacity for a fire sprinkler system, the capacity charge may be determined according to the size of the meter necessary to meet the water use requirements for

the property. Additional capacity fees for upsizing the single-family residential meter to meet fire flow requirements will be waived. This is determined according to the rules of the member agency providing the meter, without consideration of additional size necessary to provide the standby capacity. Standby capacity to provide water for a fire sprinkler system is required when (1) the fire sprinkler system is required by law, including any requirement imposed as a condition of development, permit, or occupancy, and (2) the fire chief, fire marshal, or building official of the city, county, or special district responsible for fire protection service to the property has a requirement for additional meter size due to fire protection. The determination, under this section, shall be made at the time the meter is first obtained, or at the time a meter is replaced with one of greater size due to the later installation of a fire protection system.

SECTION 25

CONDITIONS FOR WATER SERVICE25.01 SERVICE AREA

Water service shall be furnished by the District only to property within (annexed to) a water improvement district within the District's service area. Water service to property located outside an improvement district may be furnished only upon prior approval of the Board of Directors. Temporary water service to property located outside an improvement district may be furnished, in accordance with Section 25.03 E.10., upon the approval of the General Manager.

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

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

25.03 DEFINITIONS OF WATER SERVICE CATAGORIES, WATER RATES, CHARGES AND FEES

Water service furnished by the District shall be under the categories of services and at the rates, charges and fees as set forth in Appendix A, Section 25.

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

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

- A. Set-up Fees for Accounts. A set-up fee shall be charged for each account transferred to another customer. See Appendix A, 25.03 A. for charges. A deposit will be required of all customers who do not own the property to be served. See Appendix A, 25.04 A. for deposit amounts.
- B. Monthly Fixed MWD & CWA Charges. Each potable water service customer shall pay a monthly MWD and CWA fixed charge, as set forth in Appendix A, 25.03 C. Proceeds of the charge will be used to pay for operating and maintenance costs, including the following: MWD Readiness-to-Serve Charge and Capacity Reservation Charge; CWA Infrastructure Access Charge, Customer Service Charge, and

Emergency Storage Charge. The MWD & CWA charge is based on the size of the water meter(s) in service with the exception of upsizing the meter for individually metered residential fire service, as described in Section 38.03 of the Code. The MWD & CWA charge shall start upon installation of the meter.

- C. Monthly Fixed System Charges. Each water service customer shall pay a monthly fixed system charge, as set forth in Appendix A, 25.03 C. Proceeds of the charge will be used to pay for water system replacement, maintenance, and operation expenses. The system charge is based on the size of the water meter(s) in service. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The system charge shall start upon installation of the meter
- D. Water Conservation Drought Pricing. To promote conservation, base tiered water rates for all water services are subject to percentage increases during drought stages, as shown in the table below:

Drought Stage Pricing			
	Stage 2	Stage 3	Stage 4
Tier 1*	0%	0%	0%
Tier 2	Up to 5%	Up to 10%	Up to 15%
Tier 3	Up to 30%	Up to 60%	Up to 90%

*Domestic residential water service has four tiered base rates as outlined in Appendix A, 25.03 E.1.(b). Tier 1 of the above table applies to the first two tiered base rates. Tier 2 of the above table applies to the third tiered base rate. Tier 3 of the above table applies to the fourth tiered base rate.

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

1. DOMESTIC RESIDENTIAL WATER

- (a) Defined as: Water service for single residential and individually metered attached households as well as other domestic uses (other than that provided for in Paragraph 2 below).
- (b) Base Rate: The tiered base rates of water furnished under this category shall be set forth in Appendix A, 25.03 E.1.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

2. MULTIPLE RESIDENTIAL WATER

- (a) Defined as: Master metered water service for multiple residential households, for example, duplexes, townhomes, apartments and mobile homes.
- (b) Base Rate: The tiered base rates of water furnished for each dwelling unit under each block of service in this category shall be as set forth in Appendix A, 25.03 E.2.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

3. BUSINESS AND PUBLICLY-OWNED WATER

- (a) Defined as: Potable water service for commercial, industrial and publicly-owned establishments.
- (b) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.3.(b).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

4. IRRIGATION AND COMMERCIAL AGRICULTURAL USING POTABLE WATER

- (a) Irrigation is potable water service provided solely for irrigation of landscape or landscaping, as defined in Section 0.02.
- (b) Commercial agricultural engaged in the growing or raising of live stock, in conformity with recognized practices of husbandry, for the purpose of commerce, trade or industry, or for the use by public educational or correctional institutions or agricultural horticultural or floricultural products and produced,
 - (i) for human consumption or for the market, or
 - (ii) for the feeding of fowl or livestock produced for human consumption or for the market, or

(iii) for feeding fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.

(c) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.4.(c).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

5. RECYCLED WATER

(a) Defined as: Non-potable and recycled water service provided for irrigation of landscaping, as defined in Section 0.02 A. of the Code, and certain non-irrigation purposes, other than domestic use, in compliance with federal, state and local laws and regulations regarding use of recycled water.

(b) The provisions of this Code, relating to use of recycled water, set forth in Section 26 of the Code, including but not limited to cross-connections and backflow protective devices, shall be strictly enforced in connection with the use of recycled water.

(c) Base Rate: The tiered base rate for water furnished under this category shall be determined by meter size and usage block as set forth in Appendix A, 25.03 E.5.(c).

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

(d) Monthly system charge: The monthly system charge for recycled water service is set forth in Appendix A, 25.03 C.

6. TEMPORARY AND CONSTRUCTION WATER SERVICE

(a) Defined as: Water service provided by the District on a temporary basis, pursuant to Section 31 of this Code.

(b) If capacity fees have not been paid by the customer, the rates for water furnished under

this category is set forth in Appendix A, 25.03 E.6.(b).

- (c) If the customer has paid capacity and annexation fees, the base rate for water furnished under this category shall be the base rate charged customers in the same category of service on a permanent meter basis.
- (d) The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.
- (e) The applicable monthly system and MWD & CWA charge shall be the same rates charged to customers in the same category of service on a permanent meter basis per Appendix A, 25.03 C.

7. WATER SERVICE UNDER SPECIAL AGREEMENTS

- (a) Defined as: Water service provided under express agreements approved by the Board of Directors for service to golf courses and other entities, which service may be curtailed or interrupted by the District under conditions provided in such agreements.
- (b) For water service under this category the base rate shall be determined on a case-by-case basis.

Unless otherwise specified in the particular agreement, the tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

8. TANK TRUCKS

- (a) Defined as: Water service provided for the filling of tanks on motor vehicles transporting water used for other than earth grading purposes, which service shall be made only through a portable meter issued by the District to a customer specifically for use in accordance with the provisions herein for such service.
- (b) The rate for metered water furnished under this category is reflected in Appendix A, 25.03 E.8.(b), plus a monthly system charge at the rate set forth in Appendix A, 25.03 C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (c) Requirements for Use of Water Meter

- (1) To receive such service, the customer must make a deposit for the use a water meter furnished by the District. The fee is set forth in Appendix A, 31.03 A.1.
- (2) Upon termination of the service, the District will refund the amount of deposit remaining after making the following deductions:
 - (i) Cost of repairing or replacing the meter, fire hydrant and/or any fittings damaged or lost while in use; and
 - (ii) Unpaid charges for water or other applicable charges.
- (3) Prior to the end of each six month period following issuance of a meter under this section, or at the request of the District, whichever is earlier, the customer shall return the meter to the District for inspection, repair, or calibration as deemed necessary by the District.
- (4) Payment for water service under this category shall be made as follows:
 - (i) The bill shall be based on the amount of water actually used, which shall be determined by the District's reading of the meter or by a report made by the customer to the District in the manner prescribed by the District.
 - (ii) Where the actual amount of water used cannot be determined as provided in (i), the District will issue a bill based on a District estimate of the amount of water used, as determined by the District. Such estimates shall be reconciled with actual amounts used when the customer returns the meter to the District as provided in paragraph 3 above.
 - (iii) Payments shall be made as specified on the bill.

9. WATER SERVICE OUTSIDE DISTRICT

- (a) Defined as: Water service for real property outside the service area of the District.

- (b) This service will be provided only upon prior approval of the General Manager when there is a surplus of water over and above the existing needs for service in the District. This service is temporary and may be terminated upon written notice from the District. Customers for this service are sometimes referred to as "outside users."
- (c) Customers applying for this category of service shall pay an application fee as set forth in Appendix A, 25.03 E.9.(c).
- (d) The rate for metered water furnished under this category shall be charged the rate as described in Appendix A, 25.03 E.9.(d), plus a monthly system charge at the rate set forth in Appendix A, 25.03 C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (e) Customers requesting only fire service or a fire hydrant under this category shall be charged a capacity fee based on one (1) EDU for a permanent meter in the improvement district from which the fire service derives its flow, plus a monthly system charge at the rate set forth in Appendix A, 25.03 E.11.(c).

10. WATER SERVICE OUTSIDE AN IMPROVEMENT DISTRICT

- (a) Defined as: Water service for property located within the boundaries of the District, but not within a water improvement district. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for this service shall pay an application fee as set forth in Appendix A, 25.03 E.10.(b). The District will review the application to determine whether the land to be served should be annexed to an improvement district. If it is determined that annexation is not practical, the Board of Directors may authorize service as an outside user. This service will be reviewed periodically until it is determined that the property must be annexed to an improvement district or that service must be terminated.
- (c) The rate for metered water furnished under this category is as set forth in Appendix A, 25.03

E.10.(c), plus a monthly system charge as set forth in Appendix A, 25.03.C.

The tiered base rates for this category of service are subject to the increased drought pricing outlined in Section 25.03 D.

- (d) Upon approval of the Board of Directors, a customer, who has paid all construction costs for facilities necessary to serve the customer's property in lieu of annexation to a water improvement district, shall be exempt from the provision for this category of service.

11. SERVICE FOR FIRE PROTECTION

- (a) Defined as: Water service provided by the District solely to feed fire hydrants or fire sprinkler systems from lines or laterals connected to District water mains.
- (b) The District will not make a charge for the quantity of water used for fire protection purposes.
- (c) The monthly system charge for this category of service is set forth in Appendix A, 25.03 E.11.(c) for each connection to a District water main made for fire protection service.

12. WATER SERVICE TO PROPERTY NOT SUBJECT TO DISTRICT TAXES

- (a) Pursuant to Section 71613 of the California Water Code, the District may furnish water to property, not subject to District taxes, at special rates, terms and conditions as are determined by the Board of Directors for such service. Such rates, terms and conditions shall be uniformly applied to like classes and conditions of service in the same improvement district or geographical area.
- (b) Customers in this category, such as publicly-owned establishments, shall pay an additional fee as outlined in Appendix A, 25.03 E.12.(b).

13. INTERIM WATER SERVICE IN IMPROVEMENT DISTRICT 7

- (a) Definition of Interim Service. This is water Service furnished to a customer in Improvement District 7 (ID 7) for temporary use.
- (b) Rates for Interim Service. Customers applying for interim service in ID 7 shall not be required

to pay the ID 7 water capacity fee and San Diego County Water Authority fee, as required under Section 2801 of this Code. The water rate is set forth in Appendix A, 25.03 E.13.(b).

- (c) Conversion to Permanent Service. At such time as use expires, the customer shall be required to pay all fees in effect at the time the permanent use is implemented.

F. Energy Charges for Pumping Water

In addition to water rates and other charges provided for in this Section 25.03, customers shall be charged an energy pumping charge based on the quantity of water used and the elevation to which the water has been lifted to provide service. The energy pumping charge shall be made at the rate set forth in Appendix A, 25.03 F.

G. Additional Water Charge for Service in the North District

- 1. In addition to other applicable water rates and charges provided for in this Section 25.03, each customer receiving water service in the North District shall pay a charge as set forth in Appendix A, 25.03 G.1. The North District area is defined in Section 0.02 of this Code.
- 2. All proceeds from charges collected pursuant to this Section 25.03 G. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the North District.

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

- 1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a charge set forth in Appendix A, 25.03 H.1. The ID 9 Water Service Zone area is defined in Section 0.02 of this Code.
- 2. In addition to the monthly system charges provided for, effective May 1, 1986, each customer receiving water service in the ID 9 Water Service Zone shall pay a monthly meter system charge as outlined in Appendix A, 25.03 H.2. for each meter in service.

3. All proceeds from charges collected pursuant to this Section 25.03 H. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowing for construction, installation and maintenance of water storage reservoirs, pump stations and water lines to provide service in the ID 9 Water Service Zone.

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

1. In addition to other applicable water rates and charges provided for in this Section 25.03, effective May 17, 1993, each customer receiving water service in ID 3, ID 10 and La Presa Water Service Zones is assessed an additional charge per H.C.F. of water furnished by the District. Said surcharge is assessed as set forth in Appendix A, 25.03 I.1.(a), (b), and (c).
2. All proceeds from charges collected pursuant to this Section 25.03 I. shall be set aside by the District in a separate account and shall be used solely for payment of costs and borrowings for construction, installation and maintenance of water storage, reservoirs, pump stations and water lines to provide service in the ID 3, ID 10 and La Presa Water Service Zones, respectively.

25.04 DEPOSITS BY LESSEES OR NON-OWNERS OF PROPERTY

When an application for water service is made by a customer who does not own the land to be served, the customer shall be required to make a cash deposit to assure payment of the account. In lieu of a deposit, the customer may have payment of water service bills guaranteed in writing by the owner of the property. The amount of deposit, determined by the size of meter is outlined in Appendix A, 25.04 A.

A. AMOUNT OF DEPOSIT

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

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

B. REFUND OF DEPOSIT

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

C. LETTER OF CREDIT

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

25.05 SERVICE TO SUBSEQUENT CUSTOMERS

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

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECYCLED WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or recycled water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, applicable zone charge and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. For individually metered residential fire service, as outlined in Section 38.03 of the Code, the size and fee would be set based on water use requirements without additional fire capacity. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, by the total of the District-wide capacity fee and applicable zone charge.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. The District-wide capacity fee and the applicable zone charge shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.1. for fees.)

2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.2. for fees.)

28.02

INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The meter fees and installation charges are set forth in Appendix A, 28.02.

Where a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

- A. The meter fees and installation charges shall be set effective September 1, 2012, and then adjusted in the same manner as capacity fees as described in Section 28.01 B.1 above (See Appendix A, 28.01 B.2. for fees).

28.03

METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.
- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.
- C. If a water meter/service has been previously paid and installed, and the customer requests a different meter size, the customer shall pay for the new meter and installation fees, plus any differential in capacity and new water supply fees as described in Section 28.03 B above.

SECTION 38 SERVICE FOR FIRE PROTECTION SYSTEMS38.01 SERVICE FOR COMMERCIAL OR INDUSTRIAL PURPOSES

The District will provide water service for fire protection systems for commercial or industrial developments within the District. Such service shall be available only in accordance with the rules and regulations provided in this Code.

38.02 RULES AND REGULATIONS FOR FIRE HYDRANT AND/OR
FIRE SPRINKLER SERVICE FOR COMMERCIAL OR
INDUSTRIAL PURPOSES ON PRIVATE PROPERTY

- A. All fire hydrant and/or fire sprinkler service mains installed for commercial or industrial purposes on privately-owned land shall be owned and maintained by the land owner; except for fire hydrants installed for developments where the District has accepted an easement for such service mains.
- B. Where service is provided for fire hydrant or fire sprinkler service on privately-owned land under Paragraph A above, the service shall be provided by the District at the property line of the land to be served. The property owner or developer shall be responsible to construct and maintain the remainder of the facilities to provide fire protection to the property. Each such facilities installation shall include a reduced pressure principle assembly backflow device installed in accordance with District specifications on the fire main on the customer side of the property line.
- C. Water furnished for fire hydrant or fire sprinkler service shall be used only for fire protection purposes. Water service for domestic, business, commercial or irrigation purposes shall be furnished only after a meter or meters have been installed on laterals connected to the District main in the street pursuant to requirements of this Code.
- D. Upon application for installation of one or more fire service connections to an existing District water main, the customer shall pay such charges as shall be determined on the basis of actual costs incurred by the District in performing the

work. At the time of application for the installation, the District will estimate the total costs to be incurred in performing the work. The customer shall deposit the estimated amount with the District prior to commencement of the work. The work shall be performed by the District under a District Water/Sewer Order. If actual costs incurred by the District are less than the amount deposited, the District shall refund the balance of the deposit to the customer. If the costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs. Where the fire service connection is to be made to a water main to be constructed in a street by the owner or developer, the costs for such connection shall be covered under the standard developer's agreement with the District for installation of the water facilities for the development project.

- E. Water for fire protection services shall be provided in accordance with District fees and charges set forth in Section 25.03.D of this Code.
- F. The District shall have no responsibility for the proper function of the fire service system nor for the availability of water from its mains for fire protection in the event of emergency. While the District undertakes at all times to have adequate supplies available in its system for ordinary uses, it is not a guarantor of continual service in quantities adequate for all purposes however, and each customer shall specifically agree that as a condition of the fire service connection contracted for that the District shall incur no liability nor be subject to any damages resulting from a failure or malfunctioning of the fire sprinkler lateral or fire sprinkler system or from a lack of water in adequate quantity or pressure to make it fully effective.

38.03

SERVICES FOR INDIVIDUALLY METERED RESIDENTIAL
FIRE PROTECTION

When a single-family residential water meter is required to provide standby capacity for a fire sprinkler system, the capacity charge may be determined according to the size of the meter necessary to meet the water use requirements for

the property. Additional capacity fees for upsizing the single-family residential meter to meet fire flow requirements will be waived. Standby capacity to provide water for a fire sprinkler system is required when (1) the fire sprinkler system is required by law, including any requirement imposed as a condition of development, permit, or occupancy, and (2) the fire chief, fire marshal, or building official of the city, county, or special district responsible for fire protection service to the property has a requirement for additional meter size due to fire protection. The determination, under this section, shall be made at the time the meter is first obtained, or at the time a meter is replaced with one of greater size due to the later installation of a fire protection system.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 6, 2013
SUBMITTED BY:	Armando Buelna, Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2013 Legislative Program Guidelines		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2013 Otay Water District Legislative Program Guidelines.

PURPOSE:

To provide direction to staff in the formulation of the District's response to legislative initiatives on issues affecting the District during the 2013 legislative session.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

The Otay Water District maintains a set of legislative policy guidelines to direct staff and legislative advocates on issues important to the District. The legislative guidelines are updated annually with the proposed updates presented to the Otay Water District's Board of Directors for review and adoption. The attached draft 2013 Legislative Program represents policy positions on legislation for the Board's consideration.

Each legislative session, representatives to the California Legislature sponsor some 2,000 or more bills or significant resolutions. While many fail to make it out of their respective house of origin, many of these bills are signed by the governor, become law and can affect special districts in substantive ways. The same is true with each session of the House of Representatives and the U.S. Senate.

The draft 2013 Legislative Program establishes guidelines and policy direction that can be used by staff in monitoring legislative activity to facilitate actions that can be taken

quickly in response to proposed bills. The guidelines provide a useful framework for staff when evaluating the potential impact of state or federal legislation on the District. This is particularly helpful when a timely response is necessary to address a last minute amendment to legislation and should calls or letters of support or opposition be needed. While the Legislative Program provides useful guidelines, sensitive or controversial policy matters will nevertheless be brought to the full Board of Directors for its deliberation and direction.

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.

General Manager

Attachments:

- A - Committee Action Report*
- B - 2013 Otay Water District Legislative Program*
- C - 2013 Otay Water District Legislative Program Redline*

ATTACHMENT A

SUBJECT/PROJECT:	2013 Legislative Program Guidelines
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COMMITTEE ACTION:

NOTE:

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

Otay Water District 2013 Legislative Program

Legislative Policy Guidelines

Effective Date: __/__/____

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2013 Legislative Session includes the following:

Water Services

Support efforts to:

- a. Provide for a comprehensive state water plan that balances California's competing water needs, achieves the co-equal goals of water supply reliability and environmental restoration, and results in a reliable supply of high-quality water for the San Diego region.
- b. Finalize and implement the Bay Delta Conservation Plan to address Bay-Delta environmental and water quality issues.
- c. Support "Around-the-Delta", "right-sized", or other alternatives as ways to improve water quality or water transport and reduce the possibility or impacts of levee failure.
- d. Finalize Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality.
- e. Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
- f. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- g. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- h. Provide ongoing federal and state funding for the California Bay-Delta, and those which focus attention to Delta financing, affordability, commitments to pay, and the demand for Bay-Delta Water.
- i. Support ongoing implementation of the Quantitative Settlement Agreement.
- j. Provide reliable water supplies to meet California's short and long-term needs.
- k. Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements in proportion to the benefits they receive.
- l. Support water transfers between willing sellers and buyers.
- m. Promote desalination pilot studies and projects.
- n. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- o. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- p. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- q. Encourage feasibility studies of water resource initiatives.

Otay Water District 2013 Legislative Program

- r. Increase funds for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- s. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- t. Streamline grant application procedures.
- u. Improve the existing Sacramento-San Joaquin River Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- v. Evaluate long-term threats to the Delta levees and conveyance system and pursues actions to reduce risks to the state's water supply and the environment.
- w. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- x. Streamline the permitting and approval process for implementing water transfers.
- y. Establish reasonable statewide approaches to sewer reporting standards.
- z. Provide the State Water Project with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.
- aa. Fast-track design, permits and construction for pilot projects in the Sacramento-San Joaquin Delta to create barriers to keep fish away from Delta water pumps, improve water quality and supply reliability.
- bb. Provide deliberative processes that are designed to ensure meaningful dialogue with all stakeholders in an open and transparent process in order to reduce future conflicts and challenges in implementing a Bay Delta solution.
- cc. Provide a Bay Delta solution that acknowledges, integrates and supports the development of water resources at the local level.
- dd. Improve the ability of water-users to divert water from the Delta during wet periods when impacts to fish and the ecosystem are lower and water quality is higher.
- ee. Improve coordination of the Central Valley Project and State Water Project Operations.
- ff. Provide a Bay Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California's water needs.
- gg. Identify the total cost of any Bay Delta solution before financing and funding decision are made.
- hh. Require a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay Delta solution through take-or-pay contracts or the legal equivalent.
- ii. Provide "right-sized" facilities to match firm commitments to pay for the Bay Delta solution.
- jj. Provide State Water Project (SWP) contractors and their member agencies access to all SWP to facilitate water transfers.
- kk. Continue state ownership and operation of SWP as a public resource.
- ll. Improve efficiency and transparency of all SWP operations.

Otay Water District 2013 Legislative Program

Oppose efforts that:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing protocol.
- c. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
- d. Restrict use of recycled water for groundwater recharge.
- e. Disproportionately apportion costs of water.
- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- g. Create undo hurdles for seawater desalination projects.
- h. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.
- i. Create unreasonable or confusing sewer reporting standards.
- j. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
- k. Create a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.
- l. Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).

Financial

Support efforts to:

- a. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- b. Give special districts the discretion to cease performance of unfunded mandates.
- c. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- d. Provide incentives for local agencies to work cooperatively, share costs or resources.
- e. Provide for the stable, equitable and reliable allocation of property taxes.
- f. Continue to reform workers compensation.
- g. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- h. Promote competition in insurance underwriting for public agencies.
- i. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- j. Require disbursement decisions in a manner appropriate to the service in question.
- k. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- l. Produce tangible results, such as water supply reliability or water quality improvement.
- m. Provide financial incentives for energy projects that increase reliability, diversity, and reduce green house gasses.

Otay Water District 2013 Legislative Program

Oppose efforts to:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.
- i. Adversely affect the cost of electricity.

Governance/Local Autonomy

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Promote comprehensive long-range planning.
- c. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- d. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- e. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- f. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts to:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors’ ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Create new oversight roles or responsibility for monitoring Special District affairs.
- i. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.

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- j. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- k. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
- l. Impair the ability of water districts to acquire property or property interests required for essential capital improvement projects.
- m. Increase the cost of property and right-of-way acquisition, or restricts the use of rights of way.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.
- h. Create tax credits for citizens or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers to install water wise landscape in new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.
- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.

Oppose efforts to:

- a. Weaken federal or state water efficiency standards.

Safety, Security and Information Technology

Support efforts to:

- a. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.

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- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.
- e. Fund infrastructure and facility security improvements that include facility roadway access, remote gate access and physical security upgrades.
- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
- h. Equitably allocate security funding based on need, threats and/or population.
- i. Encourage or promote compatible communication systems.
- j. Encourage and promote funding of Department of Homeland Security Risk Mitigation programs.
- k. Recognizes water agencies as emergency responders to damage and challenges caused by wildfires, earthquakes, and other natural disasters, as well as terrorist and other criminal activities that threaten water operations, facilities and supplies.

Oppose efforts that:

- a. Create unnecessary, costly, or duplicative security mandates.

Optimize District Effectiveness

Support efforts to:

- a. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- b. Develop reasonable Air Pollution Control District engine permitting requirements.
- c. Reimburse or reduce local government mandates.
- d. Allow public agencies to continue offering defined benefit plans.
- e. Result in predictable costs and benefits for employees and taxpayers.
- f. Eliminate abuses.
- g. Retain local control of pension systems.
- h. Be constitutional, federally legal and technically possible.

Oppose efforts to:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.
- e. Tax dependent benefits.

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Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the border region.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance communications and understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts to:

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

Water Bonds

Support efforts to:

- a) Provide an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers' payments on the bonds.
- b) Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses, promotion of greater regional and local self-sufficiency, surface storage and promotion of water use efficiency.
- c) Provides for the state's share of funding for Bay-Delta conveyance projects.
- d) Provides fund for water infrastructure that resolves conflicts in the state's water system and provides long-term benefits to water supply, reliability, water quality and ecosystem restoration.
- e) Give primary consideration to funding priorities established by local and regional entities through their IRWM planning process.
- f) Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
- g) Fund emergency and carryover storage projects including those in San Diego County.
- h) Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.

Oppose efforts that:

- a) Do not provide an equitable share of funding to San Diego County, based on the San Diego County taxpayers' proportional contribution to repayment of the bond.

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- b) Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
- c) Do not provide funding that result in net increases in real water supply and water supply reliability.

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Legislative Policy Guidelines

Effective Date: __/__/____

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2012-2013 Legislative Session includes the following:

Water Services

Support efforts to:

- a. Provides for a comprehensive state water plan that balances California's competing water needs, achieves the co-equal goals of water supply reliability and environmental restoration, and results in a reliable supply of high-quality water for the San Diego region.
- b. ~~Finalize and i~~Implement the Bay Delta Conservation Plan to address Bay-Delta environmental and water quality issues.
- c. Support "Around-the-Delta", "right-sized", or other alternatives as ways to improve water quality or water transport and reduce the possibility or impacts of levee failure.
- d. Finalize ~~long-term~~Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective toensure water availability and quality.
- ~~e. Improve the existing Sacramento-San Joaquin River Delta water conveyance system to study the impact of Global Climate Change and its potential to impact the snow pack, sea level and salinity in the Delta, the possibility of reduced precipitation or more severe storms.~~
- ~~f.e.~~ Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
- ~~g.f.~~ Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- ~~h.g.~~ Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- ~~i.h.~~ Provide ongoing federal and state funding for the California Bay-Delta, and those which focus attention to Delta financing, affordability, commitments to pay, and the demand for Bay-Delta Water.
- ~~j.i.~~ Support ongoing implementation of the Quantitative Settlement Agreement.
- ~~k.j.~~ Provide reliable water supplies to meet California's short and long-term needs.
- ~~l. Provide conveyance and storage facilities that are cost effective, improve the reliability and quality of San Diego region's water supplies as well as the Bay-Delta region.~~
- ~~m.k.~~ Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements in proportion to the benefits they receive.
- ~~n.l.~~ Support ~~agriculture to urban~~water transfers between willing sellers and buyers.
- ~~o.m.~~ Promote desalination pilot studies and projects.

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- ~~p-n.~~ Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- ~~q-o.~~ Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- ~~r-p.~~ Provide financial incentives for recharge of groundwater aquifers using recycled water.
- ~~s-q.~~ Encourage feasibility studies of water resource initiatives.
- ~~t-r.~~ ~~Increase funding~~ Increase funds -for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- ~~u-s.~~ Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- ~~v-t.~~ Streamline grant application procedures.
- ~~w-u.~~ Improve the existing Sacramento-San Joaquin River Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- ~~x-v.~~ Evaluate long-term threats to the Delta levees and conveyance system and pursue actions to reduce risks to the state's water supply and the environment.
- ~~y-w.~~ Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- ~~z-x.~~ Streamline the permitting and approval process for implementing water transfers.
- ~~aa-y.~~ Establish reasonable statewide approaches to sewer reporting standards.
- ~~bb-z.~~ Provide the State Water Project with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.
- aa. Fast-track design, permits and construction for pilot projects in the Sacramento-San Joaquin Delta to create barriers to keep fish away from Delta water pumps, improve water quality and supply reliability.
- bb. Provide deliberative processes that are designed to ensure meaningful dialogue with all stakeholders in an open and transparent process in order to reduce future conflicts and challenges in implementing a Bay Delta solution.
- cc. Provide a Bay Delta solution that acknowledges, integrates and supports the development of water resources at the local level.
- dd. Improve the ability of water-users to divert water from the Delta during wet periods when impacts to fish and the ecosystem are lower and water quality is higher.
- ee. Improve coordination of the Central Valley Project and State Water Project Operations.
- ff. Provide a Bay Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California's water needs.
- gg. Identify the total cost of any Bay Delta solution before financing and funding decision are made.

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- hh. Require a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay Delta solution through take-or-pay contracts or the legal equivalent.
- ii. Provide “right-sized” facilities to match firm commitments to pay for the Bay Delta solution.
- jj. Provide State Water Project (SWP) contractors and their member agencies access to all SWP to facilitate water transfers.
- kk. Continue state ownership and operation of SWP as a public resource.
- ee-ll. Improve efficiency and transparency of all SWP operations.

Oppose efforts thate:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing protocol.
- c. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
- d. Restrict use of recycled water for groundwater recharge.
- e. Disproportionately apportion costs of water.
- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- g. Create undo hurdles for seawater desalination projects.
- h. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.
- i. Create unreasonable or confusing sewer reporting standards.
- j. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
- k. Create a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.
- l. Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).

Financial

Support efforts to:

- a. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- b. Give special districts the discretion to cease performance of unfunded mandates.
- c. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- d. Provide incentives for local agencies to work cooperatively, share costs or resources.
- e. Provide for the stable, equitable and reliable allocation of property taxes.
- f. Continue to reform workers compensation.
- g. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- h. Promote competition in insurance underwriting for public agencies.

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- i. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- j. Require disbursement decisions in a manner appropriate to the service in question.
- k. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- l. Produce tangible results, such as water supply reliability or water quality improvement.
- m. Provide financial incentives for energy projects that increase reliability, diversity, and reduce green house gasses.

Oppose efforts to:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.
- i. Adversely affect the cost of electricity.

Governance/Local Autonomy

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Promote comprehensive long-range planning.
- c. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- d. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- e. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- f. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts to:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.

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- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors' ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Create new oversight roles or responsibility for monitoring Special District affairs.
- i. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- j. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- k. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
- l. Impairs the ability of water districts to acquire property or property interests required for essential capital improvement projects.
- m. Increases the cost of property and right-of-way acquisition, or restricts the use of rights of way.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.
- h. Create tax credits for citizens or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
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- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.
- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.

Otay Water District 2012-2013 Legislative Program

Oppose efforts to:

- a. Weaken federal or state water efficiency standards.

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Support efforts to:

- a. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.
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- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
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Oppose efforts that:

- a. Create unnecessary, costly, or duplicative security mandates.

Optimize District Effectiveness

Support efforts to:

- ~~a.~~ ~~Continue to reform Workers Compensation.~~
- ~~b.~~a. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- ~~e.~~b. Develop reasonable Air Pollution Control District engine permitting requirements.
- ~~d.~~c. Reimburse or reduce local government mandates.
- ~~e.~~d. Allow public agencies to continue offering defined benefit plans.
- ~~f.~~e. Result in predictable costs and benefits for employees and taxpayers.
- ~~g.~~f. Eliminate abuses.
- ~~h.~~g. Retain local control of pension systems.
- ~~i.~~h. Be constitutional, federally legal and technically possible.

Oppose efforts to:

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- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.
- e. Tax dependent benefits.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the border region.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance communications and understanding of the interdependence of communities on both —sides of the border with the goal of improved cross-border cooperation.

Oppose efforts to:

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

Water Bonds

Support efforts to:

- a) Provide an equitable share of funding to San Diego County, with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers' payments on the bonds.
- b) Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses, promotion of greater regional and local self-sufficiency, surface storage and promotion of water use efficiency.
- c) Provides for the state's share of funding for Bay-Delta conveyance projects.
- d) Provides fund for water infrastructure that resolves conflicts in the state's water system and provides long-term benefits to water supply, reliability, water quality and ecosystem restoration.
- e) Give primary consideration to funding priorities established by local and regional entities through their IRWM planning process.
- f) Ensures that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.

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- g) Fund emergency and carryover storage projects including those in San Diego County.
~~h~~) Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.

Oppose efforts that:

- a) Do not provide an equitable share of funding to San Diego County, based on the San Diego County taxpayers' proportional contribution to repayment of the bond.
- b) Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
- c) Do not provide funding that result in net increases in real water supply and water supply reliability.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 6, 2013
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Kevin Koeppen, Finance 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:	Selection of Bond Counsel and Disclosure Counsel		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to contract for Bond Counsel and Disclosure Counsel services for the refinancing of the 2004 Certificates of Participation (COPS).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

The financial benefit of refinancing is highly sensitive to interest rate fluctuations. Approval of this recommendation will allow the refinancing to move forward quickly and therefore, improve our ability to mitigate exposure to potential rate shifts and ultimately achieve the anticipated savings.

ANALYSIS:

On February 6, 2013, the Board was presented with an informational item that staff was evaluating the possible savings from refinancing the 2004 COPS, and that request for proposals (RFPs) had been sent for various services necessary to accomplish the refinancing.

Based on the current financial markets, the refinancing of the 2004 COPS has the potential to save the District \$550,000 to \$600,000. The District is in the process of receiving proposals for Bond Counsel and Disclosure Counsel. As part of the refinancing process, the District is required to obtain both Bond Counsel and Disclosure Counsel.

Bond Counsel and Disclosure Counsel can be performed by separate firms or the same firm, resulting in either a single contract with a single firm or two contracts with two firms. Depending on the selection of Bond Counsel and Disclosure Counsel the contract may exceed the General Manager's \$50,000 approval limit. The District is requesting that the Board authorize the General Manager to contract for both Bond Counsel and Disclosure Counsel Services in the event the selected firms exceed the \$50,000 limit.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

All fees for the refinancing have been included in the calculation of the overall estimated savings of \$550,000-\$600,000. The Bond Counsel and Disclosure Counsel fees plus out-of-pocket expenses are a required part of refinancing.

STRATEGIC GOAL:

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

LEGAL IMPACT:

Attachments:

Attachment A - Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:	Selection of Bond Counsel and Disclosure Counsel
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee recommend that the Board authorize the General Manager to contract with Bond Counsel and Disclosure Counsel services for the refinancing of the 2004 Certificates of Participation (COPS).

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.