

## **Recycled-water facility tops fiscal plans for Otay district**

**By Amy Oakes**

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SPRING VALLEY – The Otay Water District will spend most of its capital improvement funds in the coming fiscal year on its recycled-water facility.

The district's fiscal 2005-06 budget calls for nearly \$30 million of the \$36 million in capital improvement funds to be used for the project. The district is laying six miles of 30-inch pipeline and building a 12 million-gallon storage tank and pump station north of Main Street in Chula Vista.

The facility will supply recycled water to the growing communities in eastern Chula Vista. The water can be used in parks, sports fields and landscaped areas.

"These are big projects for Otay," said Mark Watton, the district's general manager. "They are the premier."

The district can fund such projects because it has a healthy budget. It has revenue to support operations and fees from growth to fund future projects. On May 23, the district's board approved an \$88 million budget for the next fiscal year.

Watton said the operations portion of the budget, about \$52 million, will be offset by revenue. Revenue is projected to be \$220,000 more than expenses.

That money can be used for unplanned expenses throughout the year or be folded into the district's reserves, Watton said. The district has about \$100 million in reserves, with most of that earmarked for future projects, Watton said.

The district serves 173,000 people in the southeastern part of the county. The 125.5-square-mile service area encompasses eastern Chula Vista,

southern El Cajon and La Mesa, Jamul, Spring Valley, Bonita and the San Diego neighborhood of Otay Mesa.

Watton said the board opted to approve the budget at a workshop rather than wait until its June general meeting. The board had adopted a strategic plan before the workshop, and that was incorporated into the proposed budget.

"Usually, there's a lot more questions," Watton said. "They (the board) had a good understanding of what the staff wanted to do."

The budget is a 15 percent increase over the current year's spending plan. The district needs to spend more because of higher water prices charged by wholesalers, the need for more water, higher energy costs and an expansion of the recycled-water system.

In November, the board approved a 3.9 percent rate increase for customers, which will take effect in January. The increase will partially offset the San Diego County Water Authority's 9.7 percent rate increase.

The district has been able to absorb the authority's rate increases with costs savings and revenue.

Watton said the district did benefit from the city of San Diego's troubles and its decision to delay some maintenance projects. The recycled-water pipeline project was estimated to cost the district \$19 million. The district ended up awarding a contract for \$14.7 million, Watton said.

"Contractors are out there desperately looking for work," Watton said. "We are the (beneficiaries) of that."

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