

OTAY WATER DISTRICT  
ENGINEERING AND OPERATIONS COMMITTEE MEETING  
and  
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
Board Room

**Wednesday**  
**October 18, 2006**  
**3:30 P.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

**INFORMATION / ACTION ITEMS**

3. APPROVE A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CHAVEZ ANNEXATION" (APN 595-020-17) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 22/27 (WO 00210-20.282/DIVISION 4) (CHARLES) [5 minutes]
4. APPROVE UTILITY AGREEMENTS NO. 31756 AND 31817 WITH CALTRANS FOR THE SR 905 UTILITY RELOCATIONS (RIPPERGER) [5 minutes]
5. AWARD A CONSTRUCTION CONTRACT FOR THE LOWER OTAY PUMP STATION ACCESS ROAD TO KOCH-ARMSTRONG GENERAL ENGINEERING, INC. IN THE AMOUNT OF \$76,800 (RIPPERGER) [5 minutes]
6. APPROVE AN AGREEMENT BETWEEN THE SAN DIEGO COUNTY WATER AUTHORITY (CWA) AND THE OTAY WATER DISTRICT FOR THE DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE FOR THE OTAY 14 FLOW CONTROL FACILITY MODIFICATIONS CONTINGENT UPON CWA

BOARD OF DIRECTORS APPROVAL OF SUBSTANTIALLY THE SAME  
(PEASLEY) [5 minutes]

7. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Gary Croucher  
Jose Lopez

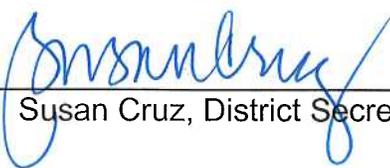
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

If you have any disability that 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 October 13, 2006, 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 October 13, 2006.

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



# AGENDA ITEM 3

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	David Charles, Public Services Manager	W.O./G.F. NO:	0210- DIV. 4 20.280 NO.
APPROVED BY: (Chief)	Rod Posada, Chief of Engineering 		
APPROVED BY: (Asst. GM):	Manny Magana, Asst. GM Engineering & Operations 		
SUBJECT:	Chavez Water Annexation to ID 22/27		

### GENERAL MANAGER'S RECOMMENDATION:

Approve Resolution No. 4090, the annexation of the property of Miriam and Samuel Chavez to Improvement District No. 22/27.

### COMMITTEE ACTION:

Please see Attachment "A."

### PURPOSE:

The purpose of the proposed annexation is to provide water service to a parcel owned by Mr. and Mrs. Samuel Chavez (APN 595-020-17).

### ANALYSIS:

A written request and Petition signed by Mr. and Mrs. Chavez has been received for annexation of APN 595-020-17 into Improvement District No. 22/27 for water service. The total acreage to be annexed is 0.91 acres. The property is within the sphere of Otay Water District and will be part of Improvement District No. 22/27 after the Board of Directors approves this request. The property is located at Proctor Valley Road, in the city of Chula Vista and County of San Diego.

### FISCAL IMPACT:



The property owners will be charged \$10 per year for availability fees. A water annexation fee of \$1,309 will be collected at the time water service will be provided.

**STRATEGIC GOAL:**

Provide water service to meet increasing customer needs.

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

No legal impact.

A handwritten signature in blue ink, appearing to read 'M. Watt', is written over a horizontal line.

**General Manager**



## ATTACHMENT A

SUBJECT/PROJECT:	Chavez Water Annexation to ID 22/27 (APN 595-020-17)
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### COMMITTEE ACTION:

On October 18, 2006, the Engineering and Operations Committee met to consider this item and supported staff's recommendation.

RESOLUTION NO. 4090

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CHAVEZ ANNEXATION" (APN 595-020-17) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 22/27 (WO 00210-20.282/DIVISION 4)

WHEREAS, the District has received a request from a property owner that has an interest in the land described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District No. 22/27 pursuant to California Water Code Section 72670 et seq.; and

WHEREAS, pursuant to Section 72680.1 of said Water Code, the Board of Directors may proceed and act thereon without notice and hearing.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. A description of the area proposed to be annexed is set forth on a map filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.
2. The purpose of the proposed annexation is to provide water service to the territory to be annexed.
3. The Board of Directors hereby finds and determines that the area proposed to be annexed to Otay Water District Improvement District No. 22/27 will be benefited thereby and that Otay Water District Improvement District No. 22/27 will also be benefited and not injured by such annexation because the

property to be annexed will benefit from the facilities in Improvement District No. 22/27 and the property already within the Improvement District will now have a larger base to finance the water improvements.

4. The Board of Directors hereby declares that the annexation of said property is subject to owner first meeting the following terms and conditions:

(a) That the owner for said annexation shall pay to Otay Water District the following:

- (1) Standard processing fee in the amount of \$628.00;
- (2) State Board of Equalization filing fees in the amount of \$300; and
- (3) All other applicable local or state agency fees.

(b) The property to be annexed shall be subject to taxation after annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district, authorized and outstanding at the time of annexation, the same as if the annexed property had always been a part of the improvement district.

5. The Board of Directors of the Otay Water District does hereby declare the property described in Exhibit "A" to be

annexed to Improvement District No. 22/27 of the Otay Water District.

6. The Board of Directors further finds and determines that there are no exchanges of property tax revenues to be made pursuant to California Revenue and Taxation Code Section 95 et seq., as a result of such annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a special meeting held this 1<sup>ST</sup> day of November, 2006.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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President

ATTEST:

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District Secretary

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Annexation Parcel  
Otay Water District I.D. 22/27

LOT 3 OF HALEY'S ADDITION, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 1286. FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 22, 1910.

CONTAINING 0.91 ACRES MORE OR LESS



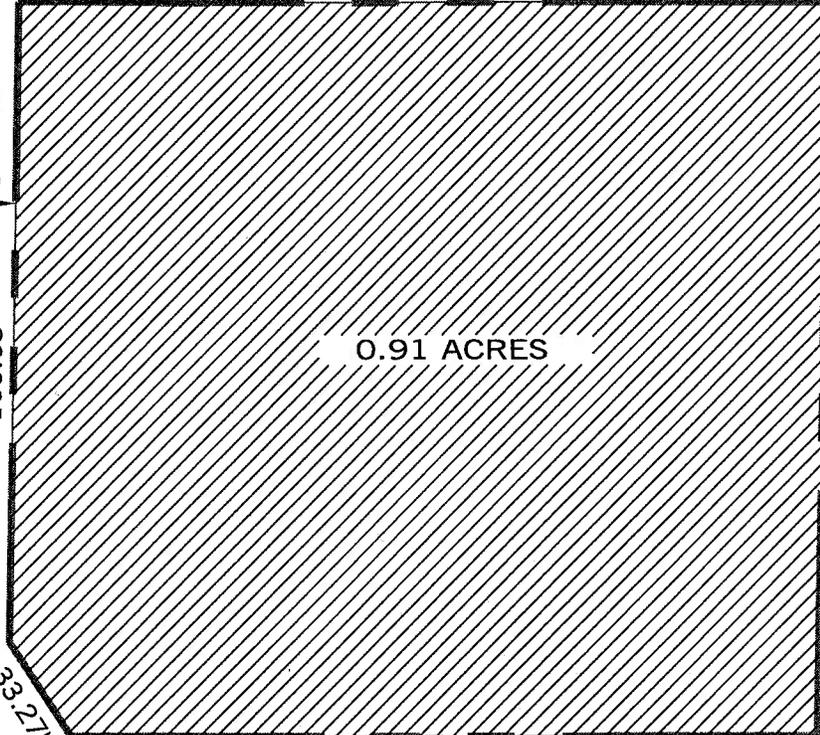
*Erick L. Ricci*  
ERICK L. RICCI, R.C.E. 32103

5-17-06  
DATE

# Exhibit " K "

HALEY'S ADDITION  
LOT 2

211.70'

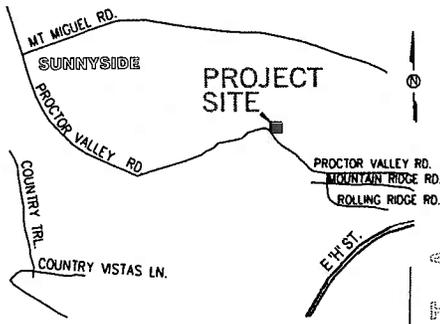


0.91 ACRES

195.26'

S1°18'W 190.00'  
MAP 14261

LOT 4  
MAP 1286



VICINITY MAP  
(NOT TO SCALE)

LOT 14

LOT A

20'

165.63'

33.27'

40'

PROCTOR VALLEY ROAD



SCALE 1"=50'

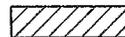


**E RICCI, CIVIL ENGINEERING**

CIVIL ENGINEERING, SURVEYING, LAND PLANING  
3103 FALCON ST., SUITE G  
SAN DIEGO, CA. 92103  
TELEPHONE (619) 296-3183 FAX (619) 296-8180

*Erick L. Ricci* 5-17-06  
ERICK L. RICCI R.C.E. 32103 DATE

## LEGEND



INDICATES ANNEXATION  
AREA (I.D. 22/27)

A.P.N. No. 595 - 020 - 17

## OTAY WATER DISTRICT

LOT 3 OF HALEY'S ADDITION, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF No. 1286, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 22, 1910.

			RECORDERS F/P _____	COORDINATES
			RECORDING DATE _____	MAP No. _____
			OTAY W.D. DEED No. _____	SCALE: 1"=50'
			IMP. DISTRICT No. _____	DATE: 5/17/06
				DRAWN BY: T.T.NGUYEN
REV.	DATE	DESCRIPTION		WO No. _____



## AGENDA ITEM 4

### STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Ron Ripperger/Marta Riendeau <i>WR</i>	C.I.P./G.F. NO:	P2440/ W030131
APPROVED BY:	Rod Posada <i>R Posada</i> (Chief), Chief, Engineering	DIV. NO.	2
APPROVED BY:	Manny Magaña <i>M Magaña</i> (Asst. GM): Assistant General Manager, Engineering and Operations		
SUBJECT:	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations		

#### GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations (See attached Exhibit A for project location, and Exhibit B for Utility Agreements).

#### COMMITTEE ACTION:

Please see Attachment A.

#### PURPOSE:

To obtain Board authorization to execute Utility Agreements No. 31756 and 31817 with Caltrans for relocation of District facilities within SR 905 right-of-way.

#### ANALYSIS:

Caltrans is currently in the process of completing land acquisition and design for SR 905 located within Otay Mesa. Part of this process is to relocate existing utilities where conflicts exist. The District's existing pipelines within public streets or easements will need to be relocated to accommodate the new freeway.

Responding to a request from Caltrans, staff submitted claim letters for all five (5) crossings where the District has utility conflicts. Subsequently, the District received notices to relocate. The District has prior and superior rights at each crossing. Utility Agreements for four (4) of these crossings, at Gales Boulevard/Dublin Drive, Pacific Rim Court, Cactus Road, and Airway/Harvest Road have been

approved by the Board. The two (2) agreements for relocations at Britannia Boulevard are included in Exhibit B and ready for Board Approval. Caltrans will be performing the relocations at Britannia Boulevard.

**Utility Agreement # 31756:**

The scope of work for Utility Agreement No. 31756 includes removing approximately 820 linear feet of 12-inch ACP located in Britannia Boulevard within the SR 905 right-of-way. This relocation is necessary due to the lower finished grade elevations for the proposed freeway.

This work also includes installation of approximately 900 linear feet of 12-inch CML&C pipe, and 2,350 20-inch CML&C pipe within the 871 Pressure Zone. This installation will not adversely affect any District customers. Staff will coordinate the necessary short-term shutdowns to minimize the impact on system operations.

The calculated depreciation cost for the existing 12-inch ACP and appurtenances is \$7,653. The total design and inspection costs to be incurred by the District for this relocation are estimated at \$108,956. The estimated construction cost for installing the new 12-inch and 20-inch steel pipe is \$1,094,730 and will be performed by Caltrans. However, the relocation includes betterment to the District's facilities by extending outside of the right-of-way and also an increase in size from the existing 12-inch pipeline. The District is responsible for the cost of the betterment estimated to be \$809,820. The District has prior rights, therefore Caltrans is responsible for the design, inspection, and construction costs minus depreciation and betterment. The total District's liability for this agreement is \$708,517.

**Utility Agreement # 31817:**

The scope of work for Utility Agreement No. 31817 includes additional redesign of water plans. This redesign was per Caltrans request. A new storm drain was added which conflicted with the proposed water line after the 100% plans were completed.

The total design cost to be incurred by the District for this relocation is estimated at \$8,600. The District has prior rights, therefore Caltrans is responsible for cost of the design and, therefore, the total District's liability for this agreement is - \$8,600.

**Overall:**

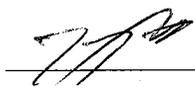
The total District's liability is \$699,917.

	Caltrans Responsibility	Otay Responsibility
Design	\$86,100.00	
Design	\$8,600.00	
Depreciation		\$7,653.00
Construction		\$809,820.00 *
Inspection	\$22,856.00	
Total	\$117,556.00	\$817,473.00
		<b>\$699,917.00</b>

\* Betterment Cost

Consistent with the conditions of all other utility agreements between the District and Caltrans, actual costs may not exceed 125 percent of the estimated cost in the agreement without a revised amendment being executed.

**FISCAL IMPACT:**



The approved total budget for CIP P2440 is \$2,700,000, as approved in the 2007 budget process. The actual costs paid on this project as of September 19, 2006 are \$448,400.37. Total expenditures plus outstanding commitment and forecast to date, including this contract, are approximately \$1,682,075. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment B is a table of commitments, expenditures, and projected final cost for the project.

Finance has determined that 100% of the funding for this project is currently available from the Replacement Fund.

During FY 2008 budget cycle, the project's budget will need to be re-evaluated. An increase or decrease will be necessary due to the status of all reimbursement agreements with Caltrans.

**STRATEGIC GOAL:**

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner...". This project fulfills the District's Strategic Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing that the District will provide for current and future water needs.

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

Legal counsel reviewed both Utility Agreements for consistency and content.



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

HJ/RR/RP/jf  
Attachments



## ATTACHMENT A

SUBJECT/PROJECT:	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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### COMMITTEE ACTION:

On October 18, 2006, the Engineering and Operations Committee met and supported staff's recommendation.

### NOTE:

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



## ATTACHMENT B

**SUBJECT/PROJECT:** Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations

<i>Budget</i>	<i>Committed</i>	<i>Expenditures to Date</i>	<i>Outstanding &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$ 2,260,000.00					Updated September 19, 2006
<b>Planning</b>					
Labor		\$ 56,363.31		\$ 56,363.31	In house, Sedona Staffing
Land Acquisition	\$ 15,000.00	\$ 12,000.00	\$ -	\$ 12,000.00	Bowen & Associates
Land Acquisition	\$ 10,575.00	\$ 10,575.00	\$ -	\$ 10,575.00	Easement Purchases
Legal		\$ 35.00		\$ 35.00	Burke, Williams, Sorensen LP
<b>Total Planning</b>	<b>\$ 25,575.00</b>	<b>\$ 78,973.31</b>	<b>\$ -</b>	<b>\$ 78,973.31</b>	
<b>Design</b>					
Consultant	\$ 226,900.00	\$ 220,547.03	\$ 6,352.97	\$ 226,900.00	HDR Inc
Consultant	\$ 67,315.00	\$ 67,315.00	\$ -	\$ 67,315.00	Hirsch & Company
In House/Labor		\$ 129,068.01	\$ 20,000.00	\$ 149,068.01	
Advertise & Award		\$ 2,587.73	\$ -	\$ 2,587.73	OCB, SD Daily, Union Tribune
Legal		\$ 985.00	\$ -	\$ 985.00	Garcia, Calderon, Ruiz
Reimbursement		\$ (55,279.38)	\$ -	\$ (55,279.38)	CalTrans La Media Rd
Consultant Reimbursement			\$ (134,435.00)	\$ (134,435.00)	UA # 31755, 31757, 31758, 31759
Consultant Reimbursement			\$ (69,300.00)	\$ (69,300.00)	Utility Agreement # 31756
Consultant Reimbursement			\$ (8,600.00)	\$ (8,600.00)	Utility Agreement # 31817
Labor Reimbursement			\$ (53,760.00)	\$ (53,760.00)	UA # 31755, 31757, 31758, 31759
Labor Reimbursement			\$ (16,800.00)	\$ (16,800.00)	Utility Agreement # 31756
<b>Total Design</b>	<b>\$ 294,215.00</b>	<b>\$ 365,223.39</b>	<b>\$ (256,542.03)</b>	<b>\$ 108,681.36</b>	
<b>Construction</b>					
In House/Labor		\$ 3,244.04	\$ 166,755.96	\$ 170,000.00	
Construction Contracts	\$ 711,316.00	\$ -	\$ 711,316.00	\$ 711,316.00	Zondiros Corporation
Accpt/close-out			\$ 20,000.00	\$ 20,000.00	
Materials		\$ 959.63	\$ -	\$ 959.63	C.W. Mcgrath, HSS Rentx, Penhall
Labor Reimbursement			\$ (45,752.00)	\$ (45,752.00)	UA # 31755, 31757, 31758, 31759
Labor Reimbursement			\$ (11,900.00)	\$ (11,900.00)	Utility Agreement # 31756
Construction Cost	\$ 97,500.00		\$ (221,085.00)	\$ (221,085.00)	Utility Agreement # 31755
Construction Cost	\$ 809,820.00		\$ 809,820.00	\$ 809,820.00	Utility Agreement # 31756
CM Reimbursement			\$ (33,208.00)	\$ (33,208.00)	UA # 31757, 31758, 31759
CM Reimbursement			\$ (10,956.00)	\$ (10,956.00)	Utility Agreement # 31756
Depreciation	\$ 97,572.40		\$ 97,572.40	\$ 97,572.40	UA # 31755, 31757, 31758, 31759
Depreciation	\$ 7,652.92		\$ 7,652.92	\$ 7,652.92	Utility Agreement # 31756
<b>Total Construction</b>	<b>\$ 1,723,861.32</b>	<b>\$ 4,203.67</b>	<b>\$ 1,490,216.28</b>	<b>\$ 1,494,419.95</b>	
<b>Grand Total</b>	<b>\$ 2,043,651.32</b>	<b>\$ 448,400.37</b>	<b>\$ 1,233,674.25</b>	<b>\$ 1,682,074.62</b>	



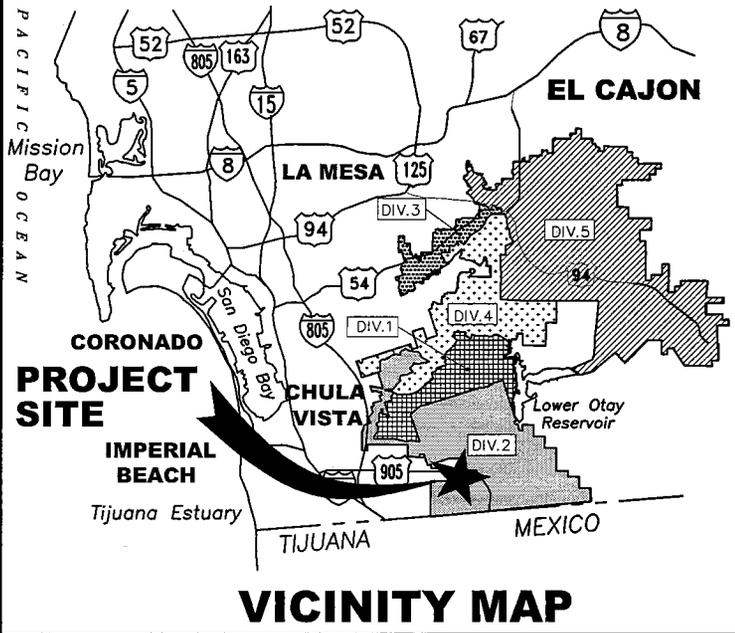
**EXHIBIT A**

<b>SUBJECT/PROJECT:</b>	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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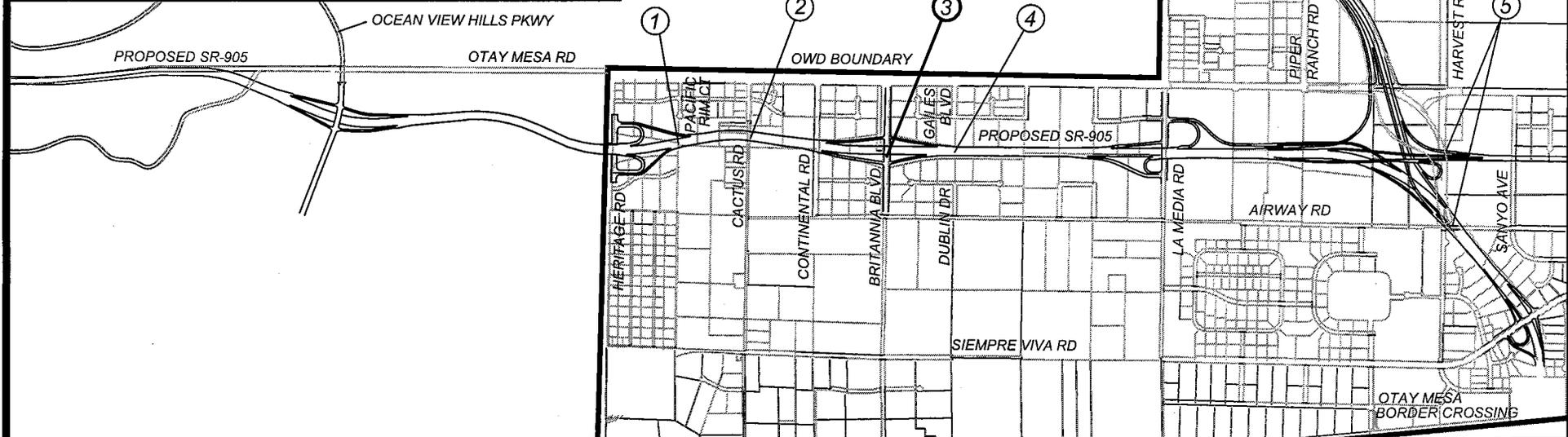
- ① PACIFIC RIM CT (APPROVED)  
UTILITY AGREEMENT NO. 31758
- ② CACTUS RD (APPROVED)  
UTILITY AGREEMENT NO. 31759
- ③ BRITANNIA BLVD  
UTILITY AGREEMENT NO. 31756  
UTILITY AGREEMENT NO. 31817
- ④ GAILES BLVD/DUBLIN DR (APPROVED)  
UTILITY AGREEMENT NO. 31757
- ⑤ AIRWAY RD/HARVEST RD (APPROVED)  
UTILITY AGREEMENT NO. 31755

CENTRAL AREA SYSTEM  
OTAY MESA SYSTEM

1" = 3000'



**VICINITY MAP**



OTAY WATER DISTRICT  
SR-905 UTILITY RELOCATIONS

P:\WORKING\CIP\_V440-P2440\_Graphics\Drawings\Exhibit A - September 2006 Staff Report.dwg



**EXHIBIT B**

**SUBJECT/PROJECT:**

Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations

Dist	Co	Rte	KP (P.M.)	EA
11	SD	905	R9.3/R18.62 (R5.8/R11.6)	091821
Federal Aid No.: A905 (015)				
Owners File: CU12242				
FEDERAL PARTICIPATION: On the Project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the Utilities <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

**UTILITY AGREEMENT NO. 31756 DATE \_\_\_\_\_**

The State of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to construct a new freeway (Phase 1) in San Diego County in San Diego from 1.1 km east of the Route 905/805 separation to 0.6 km west of the Mexico Border and OTAY WATER DISTRICT, hereinafter called "OWNER", owns and maintains water facilities within the limits of STATE's project.

It is hereby mutually agreed that:

**I. WORK TO BE DONE**

In accordance with Notice to Owner 31756 dated 1/12/06 STATE shall relocate OWNER's water facilities as shown on OWNER's Plan No. CU12242 dated 12/16/05, which plans are included in STATE's Contract Plans for the improvement of State Route 905, E.A. 091824 which, by this reference, are made a part hereof. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plans described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work by STATE's contractor during construction. Upon completion of the work by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities.

**II. LIABILITY FOR WORK:**

The existing facilities are lawfully maintained in their present location and qualify for relocation at STATE expense under the provisions of Section 703 of the Streets and Highways Code.

**III. PERFORMANCE OF WORK:**

Owner shall have access to all phases of the relocation work to be performed by STATE, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Construction Contract; however, all questions regarding the work being performed will be directed to STATE's Resident Engineer for their evaluation and final disposition.

IV. PAYMENT FOR WORK:

The STATE shall pay its share of the actual cost of the herein-described work within 90 days after receipt of five (5) copies of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles. The OWNER's billing cost to STATE is \$92,703.00.

The State shall perform the work under Section I above at no expense to OWNER except as hereinafter provided. It is understood that the relocation as herein contemplated includes betterment to OWNER's facilities by reason of increased capacity in the estimated amount of \$809,820.00, said amount to be deposited upon demand in the San Diego Office of the Department of Transportation, prior to the time that the subject freeway contract bid is opened by the STATE. The final betterment payment shall be calculated based upon the actual quantities installed as determined by the STATE's engineer, and the current cost data as determined from the records of the OWNER. In addition, the OWNER shall credit the STATE at the time of the final billing for all the accrued depreciation and the salvage value of any material or parts salvaged and retained by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I. above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I. of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities, STATE will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and/or 18 CFR, Chapter 1, Parts 101, 210, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse STATE upon receipt of STATE billing.

V. GENERAL CONDITIONS:

All costs accrued by OWNER as a result of STATE's request of June 15, 2004 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If STATE's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE under the terms of this Agreement are subject to the passage of the annual Budget Act by the State Legislature and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

\* \* \* \*

UTILITY AGREEMENT NO. 31756

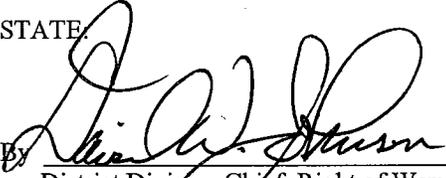
THE ESTIMATED COST TO STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$377,613.00

CERTIFICATION OF FUNDS				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.				
			1-30-2006	
HQ Accounting Officer			Date	
ITEM	CHAP	STAT	FY	AMOUNT
2660-301-0892, 0042-20	38	2005	05/06	\$92,703.00

FUND TYPE	EA	AMOUNT
Design Funds		\$
Construction Funds	091824	\$284,910.00
RW Funds	091829	\$ 92,703.00

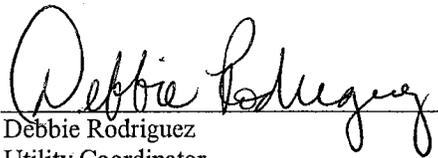
IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE:

By  1/17/06  
Date  
District Division Chief, Right of Way  
Delegated, DAVID W. JOHNSON, Chief  
Utility Relocation Branch

OWNER: OTAY WATER DISTRICT

By \_\_\_\_\_  
Name/Title Date

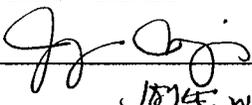
By  1/17/06  
Date  
Debbie Rodriguez  
Utility Coordinator

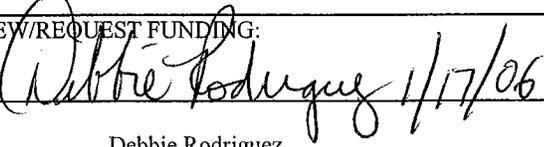
DO NOT WRITE BELOW - FOR ACCOUNTING PURPOSES ONLY

PLANNING AND MANAGEMENT COMPLETES EXCEPT SHADED COLUMNS:

UTILITY COMPLETES:

T CODE	DOCUMENT NUMBER	SUF FIX	DIST	UNIT	CHG DIST	EA	SUB JOB	SPECIAL DESIGNATION	FFY	FA	OBJ CODE	DOLLAR AMOUNT
	UA 31756		11	440	11	091829	3ST1P	931756	06	L	054	92,703.00

EA FUNDING VERIFIED:	
Sign> 	
Print> JOE WEISS	1-25-06
R/W Planning and Management	Date

REVIEW/REQUEST FUNDING:	
Sign> 	
Print> Debbie Rodriguez	1/17/06
Utility Coordinator	Date

Distribution: 3 originals to R/W Program Accounting & Analysis  
3 originals returned to R/W Planning & Management

**UTILITY AGREEMENT**

RW 13-5 (Rev. 10/95)

Dist	Co	Rte	KP (P.M.)	EA
11	SD	905	R9.3/R18.62 (R5.8/R11.6)	091821
Federal Aid No.: N/A				
Owners File:				
FEDERAL PARTICIPATION: On the Project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the Utilities <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**UTILITY AGREEMENT NO. 31817 DATE**

The State of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to construct a new freeway (Phase 1) in San Diego County in San Diego from 1.1 km east of the Route 905/805 separation to 0.6 km west of the Mexico Border and OTAY WATER DISTRICT, hereinafter called "OWNER", owns and maintains water facilities within the limits of STATE's project.

It is hereby mutually agreed that:

**I. WORK TO BE DONE**

In accordance with direction by State in April 2006, OWNER began revised utility design activities required to accommodate State's proposed highway improvement project pursuant to the terms and conditions of this Agreement.

**II. LIABILITY FOR WORK:**

Owner completed the redesign for the relocation of the 12-inch water line that was in conflict with the construction of Route 905 Britannia Boulevard drainage facilities. The previous design is wasted/useless work and State has 100% liability for the expense of this design.

**III. PERFORMANCE OF WORK:**

Owner agreed to perform the herein-described work with its own forces or to cause the herein-described work to be performed by the OWNER's contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools and equipment required therefore, and to prosecute said work diligently to completion.

Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by OWNER's contractor is a public work under the definition of Labor Code section 1720(a) and is therefore subject to prevailing wage requirements. OWNER shall verify compliance with this requirement in the administration of its contracts reference above.

IV. PAYMENT FOR WORK:

The STATE shall pay its share of the actual cost of the herein-described work within 90 days after receipt of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles. The OWNER's billing cost to STATE is \$8,600.00.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I. above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I. of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities, STATE will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR Chapter 1, Part 645 and/or 18 CFR, Chapter 1, Parts 101, 201, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse STATE upon receipt of STATE billing..

V. GENERAL CONDITIONS:

All costs accrued by OWNER as a result of STATE's request of June 15, 2004 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

V. GENERAL CONDITIONS: (Continued)

If STATE's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE under the terms of this Agreement are subject to the passage of the annual Budget Act by the State Legislature and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

\* \* \* \*

**UTILITY AGREEMENT (Cont.)**

RW 13-5 (Rev. 10/95)

UTILITY AGREEMENT NO. 31817

THE ESTIMATED COST TO STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$ 8,600.00

CERTIFICATION OF FUNDS				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.				
<i>[Signature]</i>				8-28-06
Accounting Officer				Date
ITEM	CHAP	STAT	FY	AMOUNT
2660-801-0892 8042-20	47	2016	06/07	\$8,600.00

FUND TYPE	EA	AMOUNT
Design Funds		\$
Construction Funds		\$
RW Funds	091829	\$8,600.00

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE:

OWNER: OTAY WATER DISTRICT

By *[Signature]* 7/20/06  
 District Division Chief, Right of Way  
 Delegated, DAVID W. JOHNSON, Chief  
 Utility Relocation Branch

By \_\_\_\_\_  
 Name/Title Date

By *[Signature]* 7/14/06  
 Debbie Rodriguez  
 Utility Coordinator Date

**DO NOT WRITE BELOW - FOR ACCOUNTING PURPOSES ONLY**

PLANNING AND MANAGEMENT COMPLETES EXCEPT SHADED COLUMNS:

UTILITY COMPLETES:

T CODE	DOCUMENT NUMBER	SUF FIX	DIST	UNIT	CHG DIST	EA	SUB JOB	SPECIAL DESIGNATION	FFY	FA	OBJ CODE	DOLLAR AMOUNT
	UA 31817		11	440	11	091829	STHP	931817	07	7	254	8600.00

EA FUNDING VERIFIED:	
Sign> <u><i>[Signature]</i></u>	
Print>	<u>7/31/06</u>
R/W Planning and Management Date	

REVIEW/REQUEST FUNDING:	
Sign> <u><i>[Signature]</i></u>	<u>7/14/06</u>
Print>	
Debbie Rodriguez Utility Coordinator Date	

**Sign &**

Distribution: 3 originals to R/W Program Accounting & Analysis  
 3 originals returned to R/W Planning & Management



# AGENDA ITEM 5

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Ron Ripperger/David Padilla	C.I.P./G.F.NO:	W258 WO 8696
		DIV. NO.	2
APPROVED BY: (Chief):	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Award a Construction Contract for the Lower Otay Pump Station Access Road (CIP P2258)		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors award a construction contract to Koch-Armstrong General Engineering, Inc., in the amount of \$76,800.00, for the Lower Otay Pump Station Access Road (see Exhibits A and B for project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

To obtain Board approval for award of a construction contract for the Lower Otay Pump Station Access Road.

### ANALYSIS:

The Lower Otay Pump Station Access Road is needed to provide all-weather access to the temporary pumping facility and the future (permanent) facility known as the Lower Otay Pump Station (LOPS) Interconnection project. The access road will consist of approximately 500 feet of paved road having a width of 16 to 24 feet. The road will provide safe access for refueling of the temporary pumping facility and will reduce maintenance performed on the existing, unpaved access road by District personnel.

District staff performed the design of the access road and developed the bid documents. The project was advertised for bid on September 18, 2006 and bids were opened on October 10, 2006 with the following results:

**ENGINEER'S ESTIMATE**

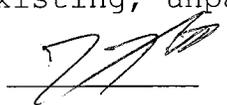
**\$98,800**

<u>CONTRACTOR</u>	<u>TOTAL BID</u>
Koch-Armstrong General Engineering, Inc.	\$76,800.00
SRM Contracting and Paving, Inc.	\$82,475.00
Frank & Son Paving, Inc.	\$83,700.00
NPG Corporation	\$88,888.00
M & M Gen. Engr., Inc.	\$89,800.00
Daley Corporation	\$90,450.00
New Century Construction, Inc.	\$94,400.00
Kirk Paving, Inc.	\$109,880.00
J.D. Paving, Inc.	\$125,167.60

Staff reviewed the bids submitted for conformance with the contract requirements and determined that Koch-Armstrong General Engineering, Inc. was the lowest responsive and responsible bidder. Koch-Armstrong General Engineering, Inc. holds a valid General Engineering Class A Contractor's License. Reference checks indicated an excellent performance record on similar projects and that all agencies contacted would hire Koch-Armstrong General Engineering, Inc. for future projects. Per the public competitive bidding process, staff recommends award of the contract to Koch-Armstrong General Engineering, Inc. in the amount of \$76,800.00.

Staff recommends approval of this contract in order to provide safe and reliable access to the temporary pumping facility during periods of inclement weather and to reduce maintenance performed by District personnel on the existing, unpaved access road.

**FISCAL IMPACT:**



Funds for the Lower Otay Pump Station Access Road are available within the Lower Otay Pump Station (LOPS) Interconnection project capital improvement program budget. The approved total budget for LOPS (CIP P2258/W258) is \$7,805,000. Total commitments and expenditures as of September 27, 2006 are approximately \$1,962,000.

Total expenditures, plus outstanding commitment and forecast to date, including this contract and District inspection fees, are approximately \$2,048,800. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment A is a table of commitments, expenditures, and projected final cost for the project.

Finance has determined that 100% of the funding for this project is currently available from the Expansion Fund.

**STRATEGIC GOAL:**

This project supports the District's Strategic Goal to "Operate and maintain water services infrastructure." The project also supports the District's Agreement with the City of San Diego to purchase water from the Otay Water Treatment Plant.

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

The existing Right of Entry Permit between the City of San Diego and the District that was executed for construction of the temporary pumping facility will be amended to include the proposed paving and to allow long-term access through the City's property for District operations. All other terms of the Permit will remain in effect.

Staff has submitted an Encroachment Permit Application for portions of the existing temporary pumping facility and portions of the proposed contract work that are located on City of Chula Vista property in lieu of acquiring a temporary easement. This is consistent with the recommendation of City of Chula Vista real property staff. Approval of the encroachment permit by the City of Chula Vista is pending.



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

DP/RR/RP:jf  
Attachments



## ATTACHMENT A

SUBJECT/PROJECT:	Lower Otay Pump Station Access Road CIP P2258/W258 W.O. 8696
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### COMMITTEE ACTION:

On October 18, 2006, the Engineering and Operations Committee met and supported staff's recommendation.

### NOTE:

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



## ATTACHMENT B

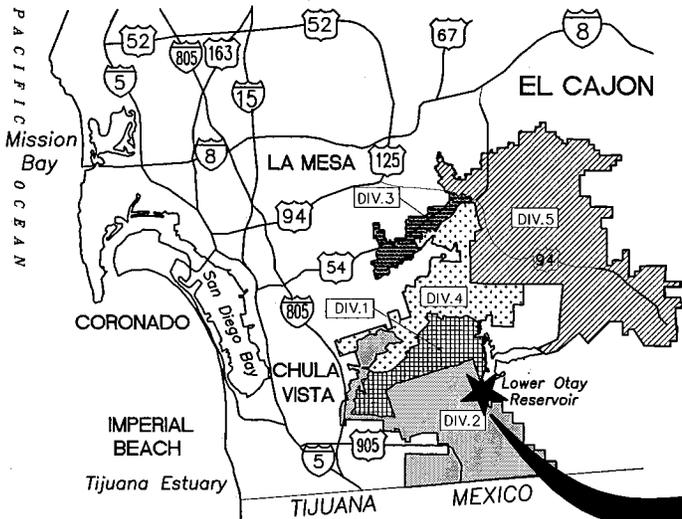
<b>SUBJECT/PROJECT:</b>	Lower Otay Pump Station Access Road CIP P2258/W258 W.O. 8696
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Otay Water District

Date Updated: October 10, 2006

### P2258 - Lower Otay Pump Station

	<i>Budget</i>	<i>Committed</i>	<i>Expenditures to Date</i>	<i>Outstanding &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
	\$ 7,805,000.00					
<b>Planning</b>						
Studies			\$ 166,000.00		\$ 166,000.00	
Labor					\$ -	
Environmental					\$ -	
Land Acquisition					\$ -	
Preliminary Design					\$ -	
<b>Total Planning</b>		\$ -	\$ 166,000.00	\$ -	\$ 166,000.00	
<b>Design</b>						
Consultant			\$ 638,000.00		\$ 638,000.00	
In House/Labor			\$ 705,000.00	\$ 21,000.00	\$ 726,000.00	
Advertise & Award			\$ 1,000.00	\$ 10,000.00	\$ 11,000.00	
<b>Total Design</b>		\$ -	\$ 1,344,000.00	\$ 31,000.00	\$ 1,375,000.00	
<b>Construction</b>						
In House/Labor	\$ 10,000.00	\$ 10,000.00	\$ 452,000.00	\$ 240,000.00	\$ 692,000.00	
Construction Contracts	\$ 76,800.00			\$ 4,950,000.00	\$ 4,950,000.00	
Construction Manager				\$ 545,000.00	\$ 545,000.00	
Accpt/close-out				\$ 22,000.00	\$ 22,000.00	
<b>Total Construction</b>	\$ 86,800.00	\$ 86,800.00	\$ 452,000.00	\$ 5,757,000.00	\$ 6,209,000.00	
<b>Grand Total</b>	\$ 86,800.00	\$ 86,800.00	\$ 1,962,000.00	\$ 5,788,000.00	\$ 7,750,000.00	

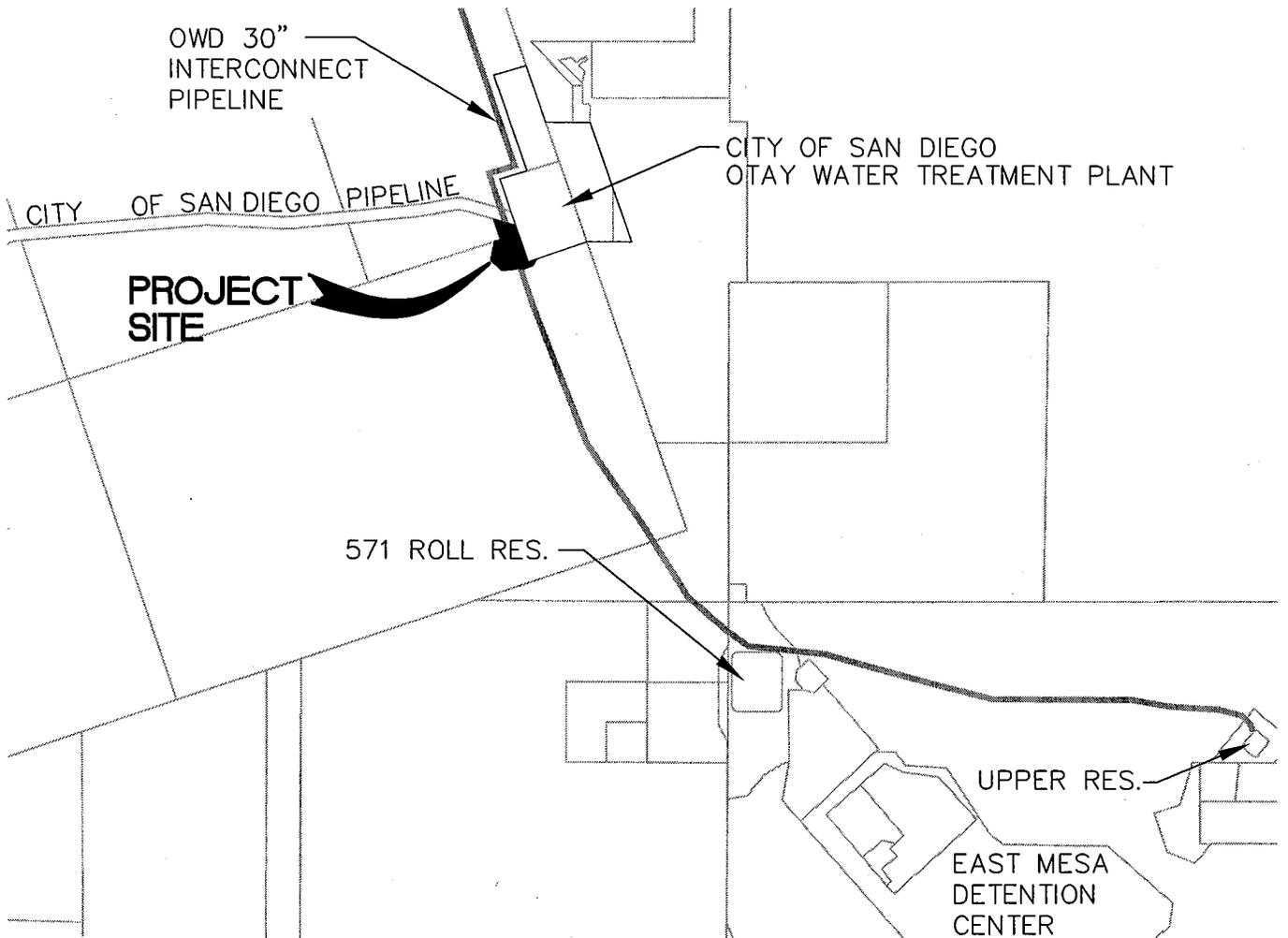


VICINITY MAP



SCALE: 1"=1,500'

PROJECT SITE



OTAY WATER DISTRICT  
LOWER OTAY PUMP STATION

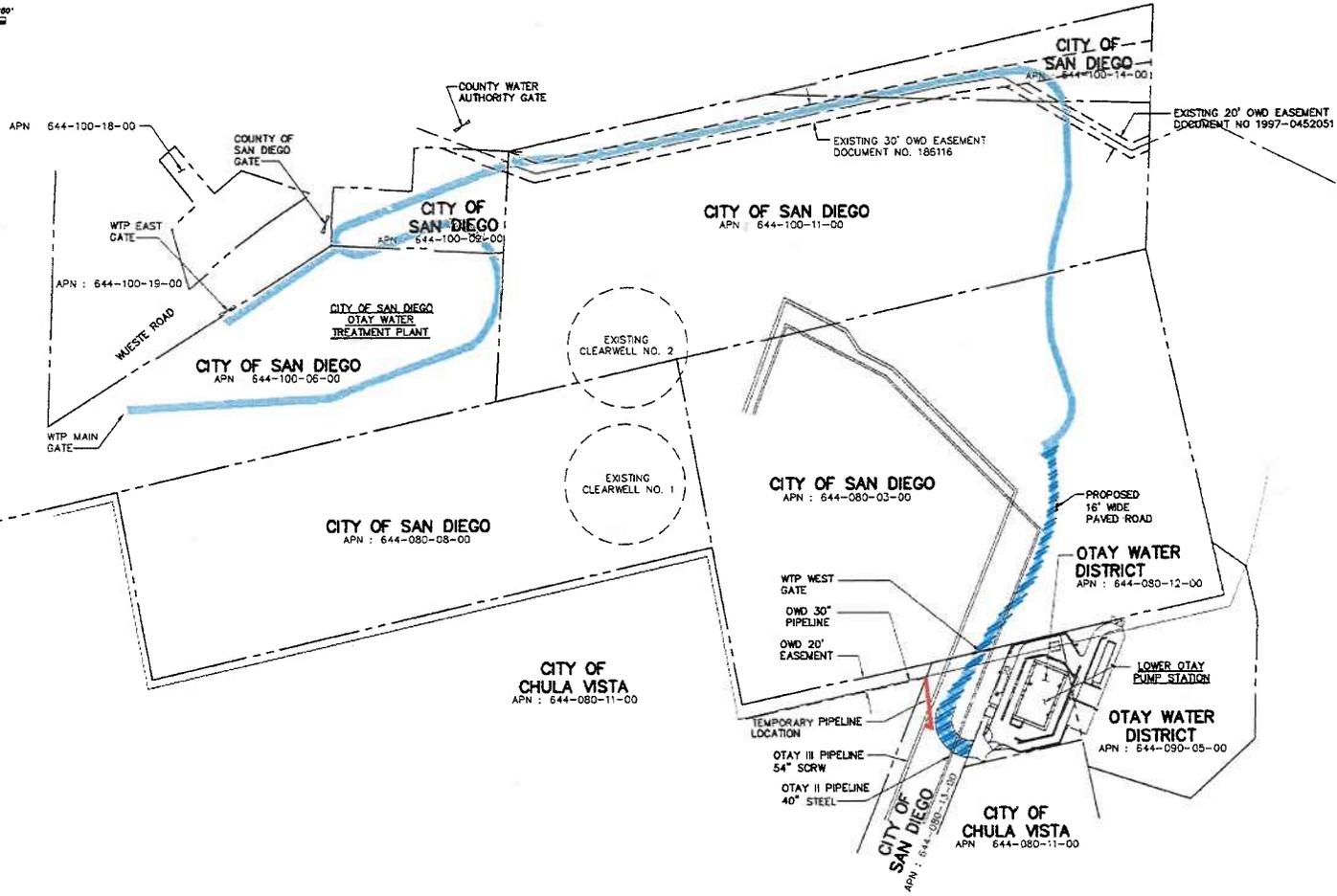
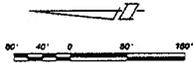
W.O. 8696

LOCATION MAP

CIP# W258

EXHIBIT A

# EXHIBIT B



F:\WORKING\01P\W2058\WO 8696\Graphics\Drawings\G-2-01\permocscplan\_NOSUPER110204.dwg 3/28/2005 10:13:50 AM PST

### LEGEND

- PROPOSED ACCESS ROUTE  
54,220 SQ FT \*INCLUDES  
PROPOSED PAVED ROAD
- \*16' WIDE PROPOSED PAVED ROAD
- EXISTING EASEMENT LINE
- PROPOSED OWD EASEMENT
- TEMPORARY PIPE



**OTAY WATER DISTRICT**  
 2554 SWEETWATER SPRINGS BOULEVARD  
 SPRING VALLEY, CA 91770-2096  
 919 - 470-2555

**LOWER OTAY PUMP STATION**  
**PERMANENT ACCESS PLAN**



# AGENDA ITEM 6

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006		
SUBMITTED BY:	Jim Peasley <i>J.P.</i>	W.O./G.F. NO:	30096	DIV.	N/A
APPROVED BY:	Rod Posada <i>R. Posada</i>			NO.	
(Chief)					
APPROVED BY:	Manny Magaña <i>M. Magaña</i>				
(Asst. GM):					
SUBJECT:	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization				

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors authorize the General Manager to execute the Agreement Between the San Diego County Water Authority (Water Authority) and the Otay Water District (Otay) for Design, Construction, Operation, and Maintenance for the Otay 14 Flow Control Facility Modifications (Otay 14 FCF Agreement) contingent upon Water Authority Board of Directors approval of substantially the same. The Water Authority staff plans to present for approval the Otay 14 FCF Agreement at their November 30, 2006 Board meeting.

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

The Board of Directors of the Water Authority and Otay authorized the General Managers of each agency to execute the East County Regional Treated Water Improvement Program (ECRTWIP) agreement between the Water Authority and Otay. Implementation of the ECRTWIP Agreement will significantly improve the local water treatment capacity in East County.

The ECRTWIP Agreement obligates the Water Authority and Otay to enter into a subsequent agreement to establish terms and conditions to modify the existing Otay 14 FCF to increase its capacity to 16 million gallons per day (MGD). The ECRTWIP Agreement established that the Water Authority and Otay will pay equal shares for the cost to modify Otay 14 FCF.

**ANALYSIS:**

In May 2004, the Water Authority adopted its Regional Water Facilities Master Plan (Master Plan) identifying infrastructure needs to the year 2030. One element of the Water Authority Master Plan includes the expanded utilization of local water treatment plants owned and operated by member agencies.

The Board of Directors of the Water Authority, Helix, Padre Dam, Otay, and Lakeside each has approved binding ECRTWIP Agreements. With implementation of these ECRTWIP agreements, each agency commits to certain capital improvements and/or guaranteed usage levels.

The primary terms of the Otay 14 FCF Agreement (Attachment B) are as follows:

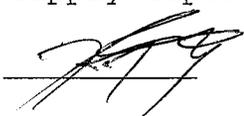
- Otay 14 FCF to have 16 MGD of capacity supplied from the Helix Levy Water Treatment Plant (WTP).
- Water Authority to design, construction, own, operate, and maintain the Otay 14 FCF.
- Water Authority and Otay to 50% cost share the expansion and modification of Otay 14 FCF from 8 MGD to 16 MGD.

With implementation of the ECRTWIP and Otay 14 FCF Agreements the following primary objectives of Otay for the North District are met:

1. Acquire local water system capacity to access the regions raw water supply, transmission, storage, and treatment systems for the North District.
2. Acquire an alternative supply source to sustain a minimum of ten (10) continuous day's outage of Pipeline No. 4.

Following Otay and Water Authority Board approval of the Otay 14 FCF Agreement and the implementation of both the ECRTWIP and Otay 14 FCF Agreements, Otay will have a significant alternative water supply resource for 12 MGD of on-peak and 16 MGD of off-peak treated water supply capacity from the Helix Levy WTP.

**FISCAL IMPACT:**



The total budget for CIP P2009 is \$18,490,000, of which \$700,000 is earmarked to fund the Otay 14 FCF obligation, as approved by the Board in the 2007 budget process. The CIP P2009 project budget is to fund the 36-inch pipeline from Otay 14 FCF to the Regulatory Site and the Otay 14 FCF modification expenses. The

Otay 14 FCF modification is estimated by the Water Authority to cost \$1,240,000. The Water Authority and Otay will equally share the actual total cost. Hence, the total estimated obligation to Otay for Otay 14 FCF modifications is estimated to be \$620,000. The actual costs paid against CIP P2009 as of September 6, 2006 are \$165,451. Total expenditures and commitments, including the Otay 14 FCF Agreement, are approximately \$2,119,259. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment C is a table of commitments, expenditures, and the projected final cost for CIP P2009.

Finance has determined that 100% of the funding will be available from the Expansion Fund.

**STRATEGIC GOAL:**

The ECRTWIP and Otay 14 FCF Agreements support the Otay WD's Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced." and the Otay strategic goal, in planning for infrastructure and supply to meet current and future potable water demands.

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

None.

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

Attachments

JP/RP/MM:jfp



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization
<b>PROJECT:</b>	W.O. No. 30096

### COMMITTEE ACTION:

The Engineering and Operations Committee met on October 18, 2006 and supported staff's recommendation.

### NOTE:

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

**ATTACHMENT B**

Agreement Between San Diego County Water Authority  
and Otay Water District for Design, Construction, Operation, and Maintenance  
of the Otay 14 Flow Control Facility Modifications

This Agreement is made and entered into as of \_\_\_\_\_, 2006, between the San Diego County Water Authority, a county water Authority (Water Authority), and Otay Water District, a water district established under the Municipal Water District Law of 1911, (Otay) (collectively, the Parties) in view of the following facts:

**RECITALS:**

- A. Otay is a member agency of the Water Authority and currently distributes and sells retail water supplied by the Water Authority.
- B. Water Authority currently meters and controls the delivery of treated water from Otay 8 Flow Control Facility (Otay 8 FCF) and Otay 14 Flow Control Facility (Otay 14 FCF) to the Otay system via the existing La Mesa Sweetwater Extension (LMSE). Otay 14 FCF Notice of Completion was filed October 30, 2003 and Otay 14 FCF Modifications were approved by Water Authority Board of Directors on February 23, 2006 as part of the East County Regional Treated Water Improvements Program Implementation Agreements.
- C. Water Authority is obligated, pursuant to the Agreement Between Otay Water District and San Diego County Water Authority for Construction, Operation, and Maintenance of Otay 14 Flow Control Facility, dated August 13, 2002 (Otay 14 Agreement) and in accordance with the 1976 Water Authority policy regarding treated water service, to provide 8 mgd service to Otay, at no additional capital cost to Otay.
- D. Otay 14 Agreement provides (a) that improvement costs in the LMSE and Helix Flume pipeline (Flume) associated with providing flows above 8 mgd are the responsibility of Otay, and (b) that arrangements for future service capacity increases may be made either by an amendment of that agreement or by a separate agreement.
- E. Water Authority wishes to transfer the existing Otay 8 FCF capacity of 4 mgd for its own convenience to the existing location of Otay 14 FCF at 290 South Third Street, El Cajon.
- F. A test of the LMSE flow capacity was made in April 2005. The results indicate that the maximum flow that can be transmitted to Otay via LMSE in its existing condition is 6.2 mgd.
- G. Otay wishes to increase its service capacity at the Otay 14 FCF location to a new total of at least 12 mgd of on-peak capacity and 16 mgd of off-peak capacity. Otay and the Water Authority will pay for all costs associated with the increased flow capacity as per the terms of the Agreement Between The San Diego County Water Authority and Otay Water District Regarding Implementation of the East County Regional Treated Water Improvement Program, dated April 27, 2006 (East County Agreement).

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1 Delivery of Water to Otay

- 1.1 The Water Authority hereby agrees to deliver and sell and Otay hereby agrees to purchase a minimum of 10,000 acre-feet of treated water per calendar year via an upgraded permanent, metered, service connection to remain known as Otay 14 FCF as per the East County Agreement.
- 1.2 Availability, delivery, rate of flow, and cost of treated water to be sold by the Water Authority to Otay shall be as established by the Board of Directors of the Water Authority in accordance with the Water Authority's Administrative Code, on the same basis as generally applicable to the Water Authority's member agencies.
- 1.3 Otay's points of delivery will remain at Otay 8 FCF and Otay 14 FCF until such time as the modifications to Otay 14 FCF begin. During construction of Otay 14 FCF Modifications, Otay's point of delivery will be Otay 8 FCF. No planned outage of Otay 8 FCF or LMSE is planned during the construction of the Otay 14 FCF Modifications. If LMSE is shutdown in conjunction with the construction of Otay 14 FCF Modifications, shutdown will not exceed 24 hours. Once the Water Authority is delivering and selling treated water to Otay through the modified Otay 14 FCF, and upon completion of the Los Coches Pump Station, the 48-inch Flume Improvement Project and the Otay 14 to Regulatory Reservoir Pipeline Improvement project, delivery and sale of treated water through Otay 8 FCF will cease. The Los Coches Pump Station and the 48-inch Flume Improvement Project are to be completed by Helix Water District no later than February 1, 2008 as per the terms of the East County Agreement. The LMSE shall remain in operation for treated water service until Otay's completion of the Otay 14 to Regulatory Reservoir Pipeline Improvement project is placed in service, which is no later than March 1, 2010.
- 1.4 The Water Authority currently provides a connection for telemetry signals of Otay 14 FCF flow rate, upstream pressure, and downstream pressure to Otay. These signals will continue to be provided to Otay upon completion of the Otay 14 FCF Modifications. Otay will connect at their expense.

2 Facility Design and Construction

- 2.1 Otay 14 FCF Modifications will be designed and constructed to Water Authority standards.
- 2.2 Otay 14 FCF Modifications will be designed and constructed to deliver up to 16 mgd of treated water capacity to the Otay water system. The Water Authority will bear all costs associated with the improved capacity from 8 mgd to 12 mgd, and this shall serve as full compensation to Otay for the abandonment of Otay 8 FCF. Otay shall bear all costs associated with the capacity increase from 12 mgd to 16 mgd.
- 2.3 Otay 14 FCF Modifications will be constructed using the existing Otay 14 FCF structure and site.

2.4 It is anticipated that the Otay 14 FCF Modifications will be completed prior to the completion of the Otay 14 to Regulatory Reservoir Pipeline Improvement project. Otay 14 FCF Modifications design, construction, and operational schedule is anticipated to be as follows.

The Otay 14 FCF Modifications design shall be complete no later than June 30, 2008.

The Otay 14 FCF Modifications construction shall be complete no later than June 30, 2009.

The Otay 14 FCF Modifications shall be operational no later than March 1, 2010.

3 Facility and Access Right-of-Way

3.1 Otay 14 FCF Modifications will be on property located at 290 South Third Street, El Cajon, northwest of the intersection of Lexington Avenue and South Third Street in the City of El Cajon as shown on Exhibit A attached hereto and by reference made a part of this Agreement. This property is owned in fee by the Water Authority. Facility access will be from public streets.

4 Otay Will Perform the Following:

4.1 Otay will design, construct or cause to be constructed a new 36-inch pipeline from Otay 14 FCF to its Regulatory Reservoir Site to be know as the Otay 14 to Regulatory Reservoir Pipeline Improvement project. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will be constructed to a defined point of connection, as shown on Exhibit B attached hereto and by reference made a part of this Agreement. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will terminate the use of LMSE turnout. Otay to install a blind flange or other type of connection, as directed by the Water Authority, at the property line.

4.2 Otay shall assume the lead agency role for environmental and permit compliance for this construction as per the East County Agreement. The Water Authority shall grant to Otay property rights as per the East County Agreement. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will be completed no later than March 1, 2010.

4.3 Otay will review and provide written comments on all studies, reports, construction contract, etc., produced by the Water Authority related to Otay 14 FCF Modifications within 20 working days of receipt.

4.4 During construction of Otay 14 FCf Modifications, Otay will review and provide written comments and approval of construction change orders prior to authorization within five working days of receipt.

4.5 Otay's review and approval of studies, reports, construction contract, change orders, etc. shall not be unreasonable delayed or withheld.

4.6 Otay will assign a project manager to participate in the consultant selection process and will be the Water Authority's single point of contact.

4.7 Otay will provide the Water Authority, for review and comment, two hard copies and one electronic copy of the construction drawings and specifications for the Otay 14 to Regulatory Reservoir

Pipeline Improvement project. Water Authority shall determine the type of connection. Point of connection is as shown on Exhibit B.

- 4.8 Otay will be required to coordinate with the Water Authority for inspection and shutting down of Otay 14 FCF and the LMSE in order to perform the connection between the Otay 14 to Regulatory Pipeline Improvement project and Otay 14 FCF.
- 4.9 Otay will provide to the Water Authority electronic record drawings in AutoCad format of the Otay 14 to Regulatory Reservoir Pipeline Improvement project.

5 The Water Authority Will Perform the Following:

- 5.1 The Water Authority will develop a Request for Proposals and select a consultant to provide the preliminary design, final design, and construction support services for the Otay 14 FCF Modifications.
- 5.2 The Water Authority will assign a project manager for the Otay 14 FCF Modifications who will be Otay's single point of contact.
- 5.3 The Water Authority will conduct a public bid, prepare addendum and change orders, and construct or cause to be constructed the Otay 14 FCF Modifications to a defined point of connection to the Otay 14 to Regulatory Reservoir Pipeline Improvement project to be constructed by Otay in South Third Street, all as shown on Exhibit B
- 5.4 During construction of the Otay 14 FCF, the Water Authority shall provide written construction contract change orders for Otay's review, comment, and approval prior to authorization of the changed construction work to the contractor. Otay's approval shall not be unreasonable delayed or withheld.
- 5.5 The Water Authority will provide to Otay electronic record drawings in AutoCad format of the Otay 14 FCF Modifications.
- 5.6 The Water Authority will provide Otay, for review and comment, two hard copies and one electronic copy, of the design report, construction drawings, specifications, construction contract change orders, and the construction cost estimates.

6 Ownership and Operational Control of Facilities:

- 6.1 The Water Authority will own, maintain, and operate all components of Otay 14 FCF, including inlet and outlet piping, within the Water Authority property line of the Otay 14 FCF site.
- 6.2 Otay will own, maintain, and operate the Otay 14 to Regulatory Reservoir Pipeline Improvement project and connection piping outside the Water Authority property line of Otay 14 FCF site from a defined point of connection, as shown on Exhibit B.

6.3 In accordance with current Water Authority Board policy, all operation and maintenance costs shall be borne by the Water Authority. Otay acknowledges the right of the Water Authority's Board to revise the policy to recover future operation and maintenance costs.

7 Calculation and Payment of Costs:

7.1 Otay will pay 50 percent and the Water Authority will pay 50 percent of all actual costs incurred including public outreach, preliminary design, final design, construction, and construction support of Otay 14 FCF Modifications, in accordance with Exhibit C attached hereto and by reference made a part of this Agreement.

7.2 The Water Authority will pay all costs related to Otay 8 FCF capacity transfer to Otay 14 FCF.

7.3 If Otay decides to cease Otay 14 FCF Modifications at any time during design or construction, Otay will reimburse the Water Authority for all costs incurred for Otay 14 FCF Modifications through the date of notification.

7.4 Deposits and final accounting will be conducted based on the following schedules. The cost items for each phase are shown on Exhibit C.

7.5 Deposit Schedule. Exhibit C demonstrates the estimated costs and payment in association with all costs for design and construction of Otay 14 FCF Modifications. Otay will make deposits with the Water Authority in the amounts shown on Exhibit C, based on the following milestones.

7.5.1 Phase I: Deposit within 30 calendar days of the full execution of this Agreement.

7.5.2 Phase II: Deposit within 30 calendar days of the Water Authority Board awarding the construction contract for Otay 14 FCF Modifications.

7.6 Project Cost Accounting. Otay 14 FCF Modifications cost accounting will be performed by the Water Authority for the following milestones:

7.6.1 Phase I: Water Authority Board award of the construction contract for Otay 14 FCF Modifications.

7.6.2 Phase II: Water Authority Board's acceptance of the project and the filing and recording of the Notice of Completion with the County of San Diego.

7.6.3 Upon completion of a cost accounting, as indicated above, Water Authority will provide an accounting report to Otay detailing the costs incurred during Phase I and/or Phase II, as applicable, in form and content satisfactory to Otay.

7.6.3.1 If Otay's share of actual costs is more than the deposits, Otay will, within 40 calendar days of receipt by Otay of cost accounting from the Water Authority, make full payment to the Water Authority of all undisputed amounts. Any payment not made will be subject to a delinquency charge of two percent of the delinquent payment for each month or portion thereof after said 40 calendar days that the payment remains delinquent, provided that undisputed amounts shall not be considered due until Otay

and Water Authority agree on the amount actually due. If the delinquency does not exceed five business days, the charge shall be equal to a one percent of the delinquent amount; or

7.6.3.2 If Otay's share of actual costs is less than deposits, Water Authority will, within 40 calendar days of receipt by Otay of cost accounting from the Water Authority, make full payment to Otay. Any payment not received will be subject to a delinquency charge of two percent of the delinquent payment for each month or portion thereof that the payment remains delinquent. If the delinquency does not exceed five business days, the charge shall be equal to a one percent of the delinquent amount. If Otay believes its share of actual costs should be less than the amount specified in the accounting report, it will notify the Water Authority prior to the expiration of the 40-day period. It is agreed that no delinquency charge will be assessed on any additional sums claimed by Otay to be due until Otay and the Water Authority agree on the amount actually due.

7.6.4 Detailed records from which costs are compiled will be retained by the Water Authority for a period of three years from the date of final invoice, and will be available for verification by Otay. If Otay determines an audit is necessary, it will be completed at Otay's expense during the three-year period. If any adjustments are recommended by the audit, payment shall be made to the party, in accordance with such recommendations. Agreement shall not be unreasonably withheld and payment shall be made within 40 calendar days of receipt of the audit

- 8 Indemnification. Otay and the Water Authority, agree to mutually indemnify, defend at their own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, demands, losses, and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of any error, omission, negligent act or willful misconduct of that party, its officers, directors, employees, agents, volunteers or any other person acting pursuant to its control in performing under this Agreement.
- 9 Laws and Venue. This Agreement will be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in San Diego County,
- 10 Amendment. This Agreement may be modified only by a subsequent written amendment executed by both Parties.
- 11 Successors or Assigns. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the duties be delegated, without the express written consent of both Parties, which shall not be unreasonably withheld or delayed. Any attempt to assign or delegate this Agreement without the express written consent of both Parties shall be void and of no force or effect.

- 12 Notices. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, postage prepaid, addressed to:

San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123  
Attention: Maureen A. Stapleton, General Manager

Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978  
Attention: Mark Watton, General Manager

- 13 Dispute Resolution. The parties agree to try to resolve any dispute arising under this Agreement amicably and by negotiation. However, if the parties are unable to reach agreement within a reasonable time from the commencement of negotiations, either party may seek any legal remedy available to it. For purposes of this Agreement, a reasonable time consists of not less than ninety (90) days.
- 14 Signatures. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed as of the date written above.

San Diego County Water Authority

Otay Water District

By: \_\_\_\_\_  
Maureen A. Stapleton  
General Manager

By: \_\_\_\_\_  
Mark Watton  
General Manager

Approved as to form:

Daniel S. Hentschke  
General Counsel

Approved as to form:

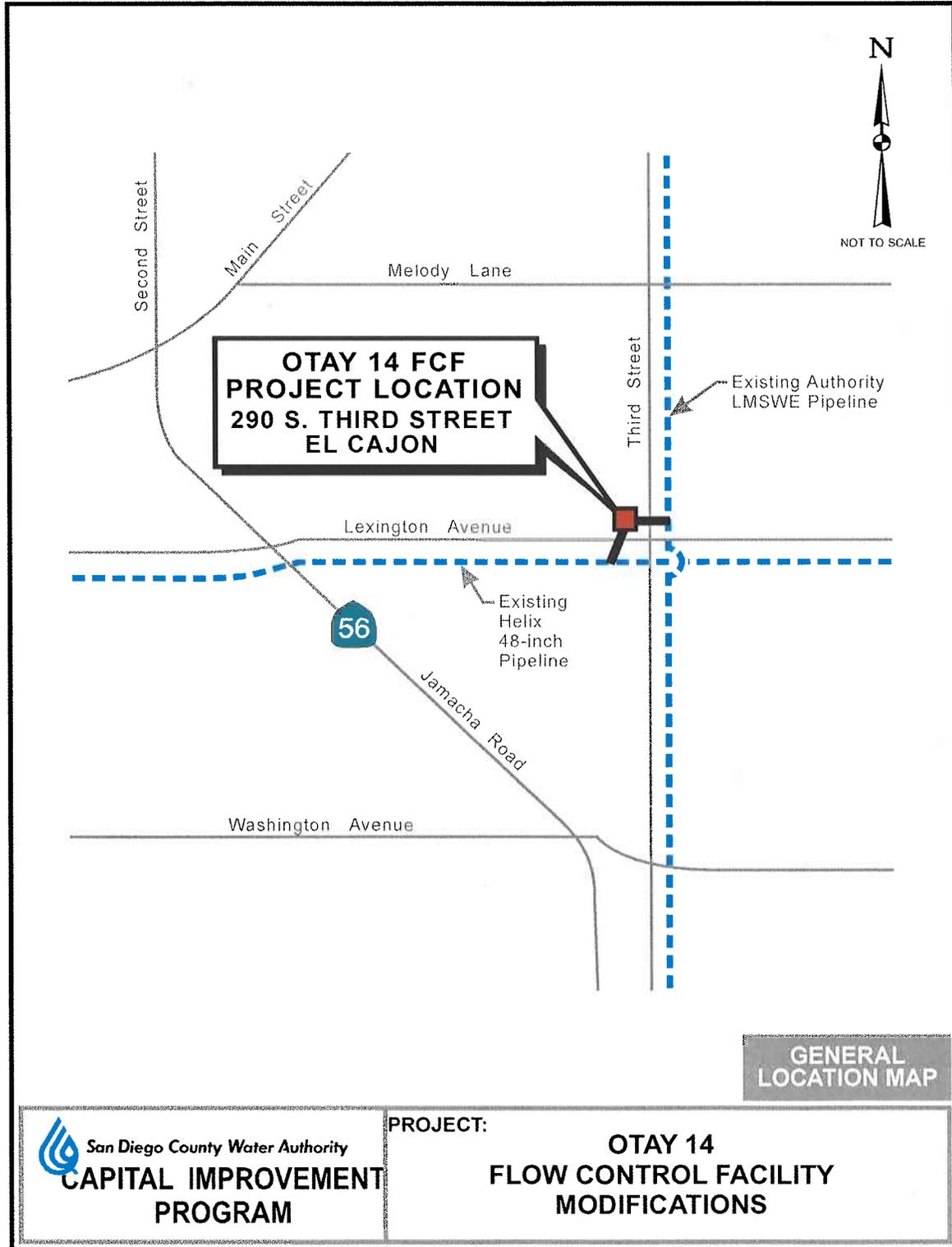
Yuri A. Calderon  
General Counsel

\_\_\_\_\_

\_\_\_\_\_

EXHIBIT A

Otay 14 FCF Modifications Location Map



W:\Graphics \ N0034 \ - Otay14 FCF LOC MAP.cdr

EXHIBIT B

Otay 14 Flow Control Facility and the Otay 14 to Regulatory Reservoir Pipeline Improvement project  
Connection Point

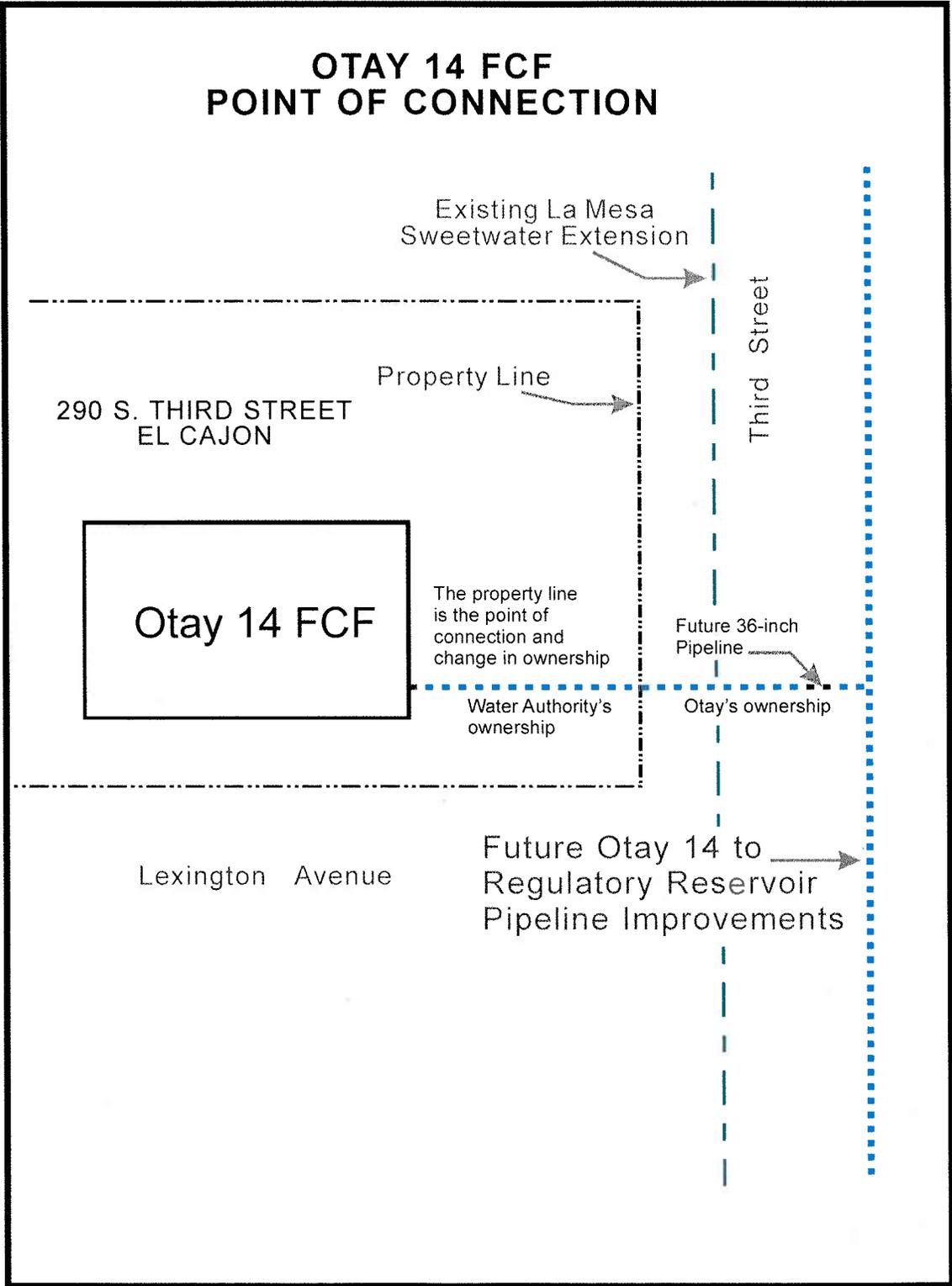


EXHIBIT C

ESTIMATED PROJECT COSTS

	Estimated Project Cost <sup>1</sup>	Otay's Estimated Deposit
<b>Phase I: Design</b>		
Design	\$250,000	\$125,000
<b>Phase II: Construction</b>		
Construction Contract	\$900,000	\$450,000
Construction Support Services	\$50,000	\$25,000
Capitalized Overhead	\$40,000	\$20,000
Total	\$1,240,000	\$620,000

<sup>1</sup> Cost items include staff time, consultant fees, project coordination, meeting attendance, public outreach, right-of-way acquisition, preparation, review, and revisions of various studies and reports, proposals, and agreements, construction bidding process, construction cost, construction management, warranty monitor, and all project related administrative costs.



## ATTACHMENT C

<b>SUBJECT/PROJECT:</b>	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization
<b>PROJECT:</b>	W.O. No. 30096

Otay Water District				Date Updated: September 6, 2006	
P2009 - 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site					
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
<b>\$18,490,000</b>					
<b>Planning</b>					
Studies				\$ -	
In House Staff Labor		\$ 139,155.71	\$ 22,785.32	\$ 161,941.03	
Printing		\$ 992.75		\$ 992.75	OCB Reprographics
Professional Legal Fees		\$ 5,595.00		\$ 5,595.00	Burke Williams & Sorensen
Service Contracts		\$ 789.20		\$ 789.20	Union Tribute & SD Daily Transcript
Subcontract		\$ 12,266.07		\$ 12,266.07	Helix Water District
Temporary Labor		\$ 15.95		\$ 15.95	Sedona Staffing
Land & Easement Acquisition			\$ 325,000.00	\$ 325,000.00	
<b>Total Planning</b>	\$ -	\$ 158,814.68	\$ 347,785.32	\$ 506,600.00	
<b>Design</b>					
Consultant	\$ 1,333,808.00		\$ -	\$ 1,333,808.00	IEC
Value Engineering			\$ 91,000.00	\$ 91,000.00	
Risk Assessment			\$ 20,000.00	\$ 20,000.00	
In House Staff Labor		\$ 6,394.04	\$ 475,000.00	\$ 481,394.04	
Office Supplies & Misc.		\$ 209.40		\$ 209.40	
Office Supplies (Projected)		\$ -	\$ 588.55	\$ 588.55	
Outside Services			\$ 10,000.00	\$ 10,000.00	Team Reprographics, LLC
Service Contracts			\$ 50,000.00	\$ 50,000.00	
Advertise and Award			\$ 50,000.00	\$ 50,000.00	
<b>Total Design</b>	\$ 1,333,808.00	\$ 6,603.44	\$ 696,588.55	\$ 2,037,000.00	
<b>Construction</b>					
In House Staff Labor		\$ 32.90	\$ 229,967.10	\$ 230,000.00	
Construction Contracts			\$ 14,013,400.00	\$ 14,013,400.00	
Construction Manager			\$ 900,000.00	\$ 900,000.00	
FCF No. 14 Modifications	\$ 620,000.00		\$ 700,000.00	\$ 700,000.00	SDCWA
Acceptance & Close-out			\$ 103,000.00	\$ 103,000.00	
<b>Total Construction</b>	\$ 620,000.00	\$ 32.90	\$ 15,946,967.10	\$ 15,946,400.00	
<b>Grand Total</b>	<b>\$ 1,953,808.00</b>	<b>\$ 165,451.02</b>	<b>\$ 16,990,740.98</b>	<b>\$ 18,490,000.00</b>	