

OTAY WATER DISTRICT
ENGINEERING, OPERATIONS & WATER RESOURCES COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
Board Room

Wednesday
June 27, 2007
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

INFORMATION / ACTION ITEMS

3. ADOPT RESOLUTION NO. 4100 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 "ESHO ANNEXATION" (APN 517-112-49-00) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.289) (POSADA / CHARLES) [5 minutes]
4. ADOPT RESOLUTION NO. 4102 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 "ROBERT AND CYNTHIA TAYLOR (APNs 519-283-05 and 519-283-06) AND MICHAEL AND MARION SOLOWAY (APN 519-283-04)," AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.288 (POSADA / CHARLES) [5 minutes]
5. APPROVE THE REQUEST TO REIMBURSE MCMILLIN OTAY RANCH, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECT, MCMILLIN OTAY RANCH VILLAGE 7, ROCK MOUNTAIN ROAD, 8-INCH RECYCLED

PIPELINE (CIP R2043) IN THE AMOUNT OF \$53,146.80 (POSADA / CHARLES) [5 minutes]

6. APPROVE THE REQUEST TO REIMBURSE MCMILLIN ROLLING HILLS RANCH, LLC AS THE SUCCESSOR IN INTEREST TO THE REIMBURSEMENT AGREEMENT BETWEEN OTAY WATER DISTRICT AND PACIFIC BAY HOMES DATED JANUARY 20, 1998 (CIP P2070), 16" POTABLE WATER PIPELINE FROM PROCTOR VALLEY ROAD TO THE 1296 PUMP STATION IN THE AMOUNT OF \$392,637 (POSADA / CHARLES) [5 minutes]
7. APPROVE THE REQUEST TO REIMBURSE BROOKFIELD SHEA OTAY, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECTS (CIP NOS. P2169, P2397) IN THE AMOUNT OF \$436,525.95 (POSADA / CHARLES) [5 minutes]
8. AWARD OF A CONTRACT TO UNDERGROUND UTILITIES, INC. IN THE AMOUNT OF \$208,500 FOR RETROFITTING UP TO 3,500 EXISTING MANUAL-READ METERS WITH NEW AUTOMATED-METER-READ (AMR) METERS (HENDERSON / DOBRAWA / PORRAS) [10 minutes]
9. AWARD OF A CONSTRUCTION CONTRACT TO ORTIZ CORPORATION IN THE AMOUNT OF \$831,000 FOR THE INSTALLATION OF A 12-INCH PVC WATER LINE AND REMOVAL OF A 10-INCH ACP WATER LINE ALONG OLIVE VISTA DRIVE (CIP P2459) (POSADA / KAY) [5 minutes]
10. AWARD OF A PROFESSIONAL AS-NEEDED ENVIRONMENTAL SERVICES CONTRACT WITH JONES & STOKES IN THE AMOUNT OF \$300,000 OVER A PERIOD OF THREE FISCAL YEARS, NOT TO EXCEED \$100,000 PER FISCAL YEAR (POSADA / COBURN-BOYD) [5 minutes]
11. PUBLIC HEARING TO RECEIVE THE PUBLIC'S COMMENTS ON THE 2005 UPDATED URBAN WATER MANAGEMENT PLAN AND APPROVE RESOLUTION NO. 4098 ADOPTING CHANGES TO THE DISTRICT'S UPDATED 2005 URBAN WATER MANAGEMENT PLAN (GRANGER / SARNO) [10 minutes]
12. STATUS OF SECURITY AND EMERGENCY PREPAREDNESS (BURPEAU / SARNO) [10 minutes]
13. AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY WATER AUTHORITY TO CONTINUE PARTICIPATION IN THE RESIDENTIAL WATER CONSERVATION PROGRAMS (GRANGER / SARNO) [10 minutes]
14. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Jose Lopez, Chair
Gary Croucher

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 June 22, 2007 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 June 22, 2007.



Connie Rathbone
Connie Rathbone, Assistant District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	W.O./G.F. NO:	0210-20.289 DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering & Operations		
SUBJECT:	Esho Sewer Annexation to ID 18		

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board adopt Resolution No. 4100 (Attachment B), the annexation of the property owned by Mazin and Eva Esho to Improvement District No. 18.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To provide sewer service to a parcel owned by Mazin and Eva Esho (APN 517-112-49-00).

ANALYSIS:

A written request and petition signed by Mazin Esho, has been received for annexation of APN 517-112-49-00 into Improvement District No. 18 for sewer service. The total acreage to be annexed is 0.62 acres. The property is within the sphere of Otay Water District and will be part of Improvement District 18 after the Board of Directors approves this request. The property is located at 1621 Vista Vereda, in the City of El Cajon, County of San Diego.

FISCAL IMPACT:

7-7-07

The property owners will be charged \$10 per year for availability fees.

STRATEGIC GOAL:

Provide sewer service to meet increasing customer needs.

LEGAL IMPACT:

No legal impact.

Mr. Watt

General Manager

G:\UserData\DistSec\WINWORD\STAFRPTS\Annexation Esho Sewer 7-10-07.doc

DC/RP:CR

Attachment A Committee Action
Attachment B Resolution No. 4100

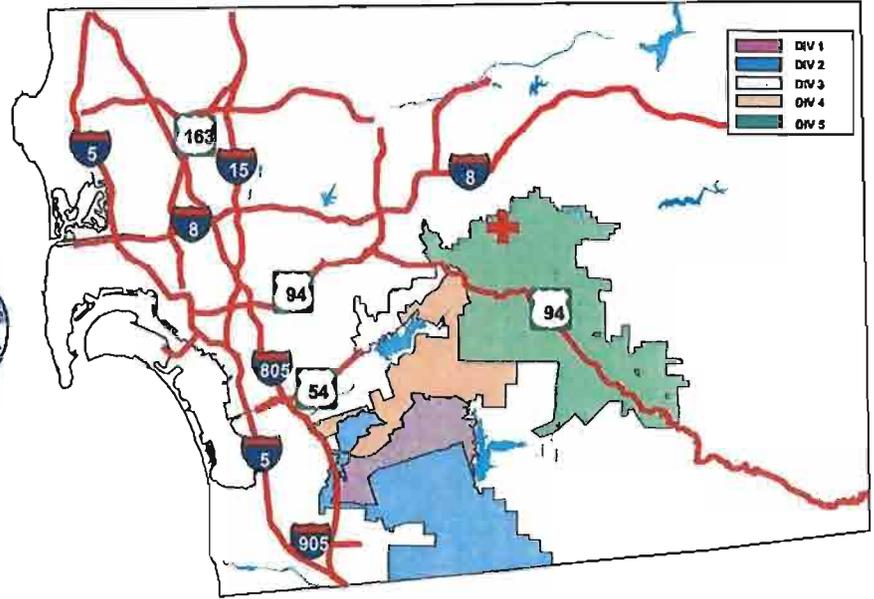
ESHO ANNEXATION REQUEST TO ID. 18

LOCATION MAP

FILE NO.: 0210-20-289

I.D.: 18

DIR.DIV.: DIVISION 5



VICINITY MAP



ESHO RESIDENCE ANNEXATION TO ID. 18



ID. 18 BOUNDARY

P:\Public\GEL\Steshosawerannex.apr



ATTACHMENT A

SUBJECT/PROJECT:

Esho Sewer Annexation to ID 18

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee recommends that the Board adopt Resolution No. 4100 in order to annex the property of Mr. and Mrs. Mazin Esho into ID 18.

NOTE:

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

ATTACHMENT B

RESOLUTION NO. 4100

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS "ESHO SEWER ANNEXATION" (WO 0210-20.289/DIV. 5)

WHEREAS, a petition has been filed by Mazin Esho, the owner and party 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. 18 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, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of ID 18 following the annexation, 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 make sewer service available to the area to be annexed, which availability constitutes a benefit to said area.

3. The Board finds and determines that the area proposed to be annexed to ID 18 will be benefited by such annexation and that the property currently within ID 18 will also be benefited and not injured by such annexation because after the annexation a larger tax base will be available to finance the sewer facilities and improvements of ID 18.

4. The Board of Directors hereby declares that the annexation of said property is subject to the owners complying with the following terms and conditions:

- (a) The petitioners for said annexation shall pay to Otay Water District the following:

- (1) Standard processing fee in the amount of \$682.00;
 - (2) State Board of Equalization filing fees in the amount of \$300;
 - (3) A sewer annexation fee of \$4,946 per EDU to be collected at the time of connection to the Otay Water District sewer system;
 - (4) Yearly assessment fees will be collected through the County Tax Assessor's office in the amount of \$10 for APN 517-112-49-00;
 - (5) In the event that water service is to be provided, Petitioners shall pay the then applicable annexation fees per EDU at the time the meter is purchased; and
 - (6) Payment by the owners of APN 517-112-49-00 of all other applicable local or state agency fees or charges.
- (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 hereby declares the property described in Exhibit "A" shall be considered annexed to ID 18 upon passage of this resolution.

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.

7. The annexation of APN 517-112-49-00 to the District is hereby designated as the "ESHO SEWER ANNEXATION."

8. Pursuant to Section 572029(c) of the Government Code, the effective date of the ESHO SEWER ANNEXATION shall be the date this Resolution is adopted by the Board of Directors of the Otay Water District.

9. The General Manager of the District and the Secretary of the District, or their respective designees, are hereby ordered to take all actions required to complete this annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

President

ATTEST:

District Secretary

EXHIBIT "A"
LEGAL DESCRIPTION
ANNEXATION PARCEL
OTAY WATER DISTRICT I.D. 20

PARCEL 3 OF PARCEL MAP NO. 6664, IN THE COUNTY OF SAN DIEGO,
STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN
DIEGO, DECEMBER 15, 1977.

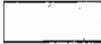
CONTAINING 0.62 ACRES GROSS & 0.50 ACRES NET

 3/14/07

LORNE L. DA PRON, PLS 7824



LEGEND

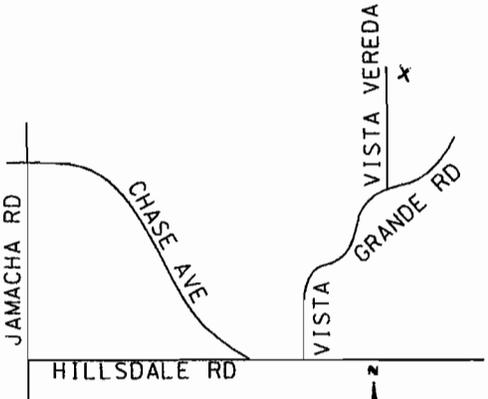
 INDICATES ANNEXATION AREA

APN: 517-112-49
 1621 VISTA VEREDA
 EL CAJON, CA 92019

N12°21'53"W 39.03

S89°37'57"E 20.00

20' PRIVATE ROAD EASEMENT
 PER PARCEL MAP 6664



THOS. BROS.
 PG. 1272 C-1
 VICINITY MAP
 NO SCALE

EXISTING 20' PRIVATE ROAD & UTILITY
 EASEMENT PER DOC. 70-076256
 DATED MARCH 16 1978, O.R.



Lorne Da Pron 3/14/07
 LORNE DA PRON L.S. 7824 DATE:

195.00
 N00°08'30"W

PARCEL 3
 PARCEL MAP 6664
 0.50 NET ACRES

R 20.00
 Δ 89°29'27"
 L 31.23

188.19
 S14°22'53"W

20.00

85.02

S89°37'51"E

40.00 VISTA VEREDA

EXISTING 40' PRIVATE ROAD
 EASEMENT PER DOC. 75-090484
 DATED APRIL 18 1975, O.R.
 AND PER DOC. NO. 77-261756,
 DATED JUNE 300 1977, O.R.



SCALE 1"=40'

OTAY WATER DISTRICT

PARCEL 3 PARCEL MAP 6664

REV.	DATE	DESCRIPTION	RECORDERS F/P	MAP NO. PM 6664
			RECORDING DATE	SCALE: 1" = 40'
			OTAY W.D. DEED NO.	DATE: 3/14/07
			IMP. DIST. NO.	DRAWN BY: LLD
				W.D. ND. 390-07



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	W.O./G.F. NO:	0210- DIV. NO. 5 20.288
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>Manny Magaña</i> Assistant General Manager of Engineering & Operations		
SUBJECT:	Robert Taylor and Michael Soloway Sewer Annexation to ID 18		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4102 (Attachment B), the annexation of APNs 519-283-04 and 519-283-05 and 519-283-06 to Improvement District No. 18.

COMMITTEE ACTION: _____

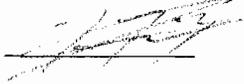
Please see Attachment A.

PURPOSE:

To provide sewer service to parcels owned by Robert and Cynthia Taylor (APNs 519-283-05 and 519-283-06) and Michael M. and Marion S. Soloway (APN 519-283-04).

ANALYSIS:

A written request and Petition signed by property owners of the above-reference parcels, has been received for annexation of APNs 519-283-04, 519-283-05 and 519-283-06 into Improvement District No. 18 for sewer service. The total acreage to be annexed is 3.00 acres. The property is within the sphere of Otay Water District and will be part of Improvement District 18 after the Board of Directors approves this request. The property is located at 3109 Indian Mills Lane (APN 519-283-04), 3123 Indian Mills Lane (APN 519-283-05) and 3131 Indian Mills Lane (APN 519-283-06), in Jamul and County of San Diego.

FISCAL IMPACT: 

The property owners will be charged \$90 per year for availability fees.

STRATEGIC GOAL:

Provide sewer service to meet increasing customer needs.

LEGAL IMPACT: _____

No legal impact.



General Manager

G:\UserData\DistSec\WINWORD\STAFRPTS\Annexation Taylor Sewer 7-10-07.doc

DC/RP:CR

Attachment A	Committee Action
Attachment B	Resolution No. 4102

**ROBERT TAYLOR &
MICHAEL SOLOWAY
ANNEXATION REQUEST
TO ID. 18**

DEVELOPER: ROBERT TAYLOR &
MICHAEL SOLOWAY

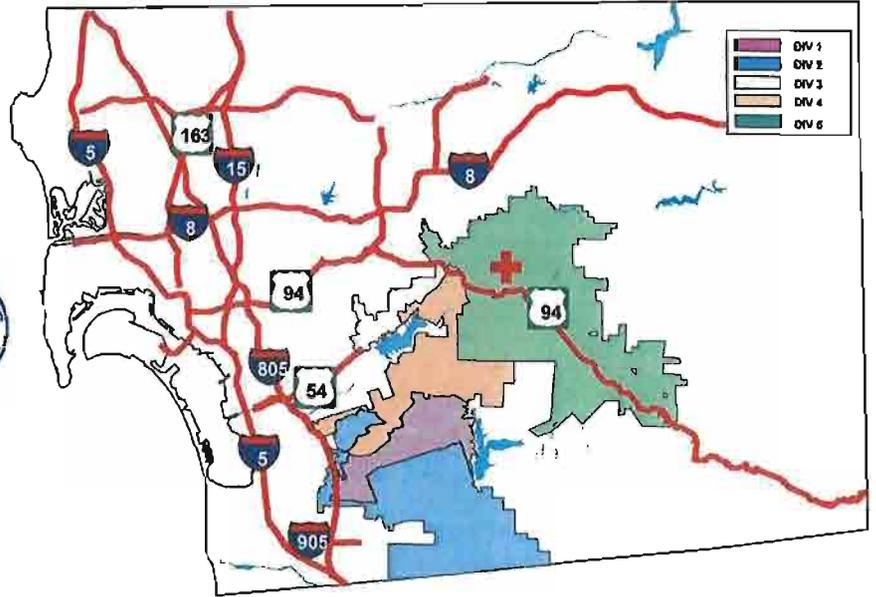
WO: 0210-20.288

I.D.: 18

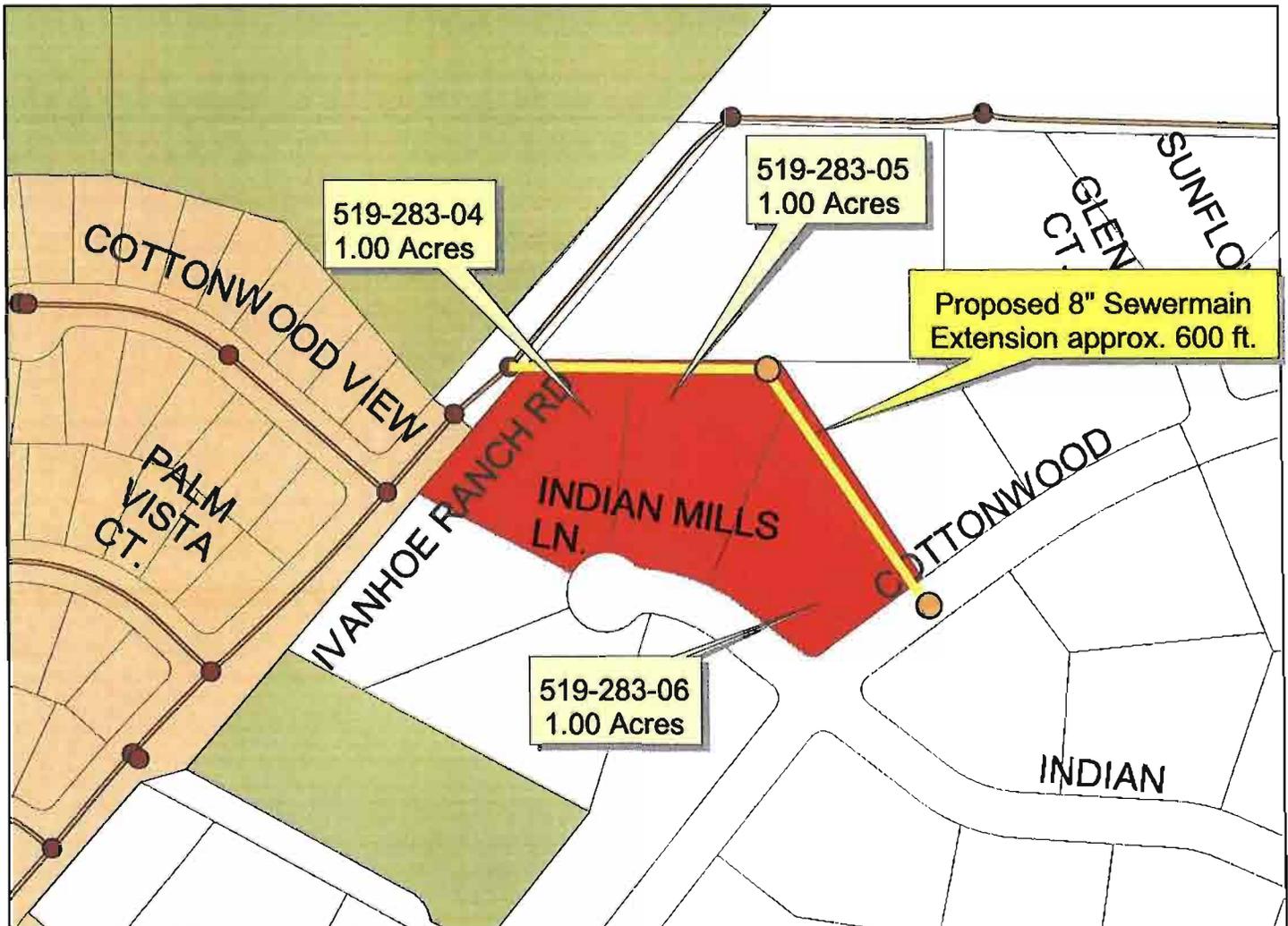
DIR.DIV.: Division 5



LOCATION MAP



VICINITY MAP



WO 0210-20.288



ID. 18 BOUNDARY



ATTACHMENT A

SUBJECT/PROJECT:	Robert Taylor and Michael Soloway Sewer Annexation to ID 18
-------------------------	---

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee recommends that the Board adopt Resolution No. 4102 in order to annex the property of Robert and Cynthia Taylor and Michael and Marion Soloway into ID 18.

NOTE:

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

ATTACHMENT B

RESOLUTION NO. 4102

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS "ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION" (WO 0210-20.288/DIV. 5)

WHEREAS, a petition has been filed by Robert and Cynthia Taylor and Michael and Marion Soloway, the owners and parties that have an interest in the lands described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District No. 18 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, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of ID 18 following the annexation, 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 make sewer service available to the area to be annexed, which availability constitutes a benefit to said area.
3. The Board finds and determines that the area proposed to be annexed to ID 18 will be benefited by such annexation and that the property currently within ID 18 will also be benefited and not injured by such annexation because after the annexation a larger tax base will be available to finance the sewer facilities and improvements of ID 18.
4. The Board of Directors hereby declares that the annexation of said property is subject to the owners complying with the following terms and conditions:
 - (a) The petitioners for said annexation shall pay to Otay Water District the following:

- (1) Standard processing fee in the amount of \$682.00;
 - (2) State Board of Equalization filing fees in the amount of \$350;
 - (3) A sewer annexation fee of \$4,946 per EDU to be collected at the time of connection to the Otay Water District sewer system;
 - (4) Yearly assessment fees will be collected through the County Tax Assessor's office in the amount of \$90 for APNs 519-283-04, 519-283-05 and 519-283-06;
 - (5) In the event that water service is to be provided, Petitioners shall pay the then applicable annexation fees per EDU at the time the meter is purchased; and
 - (6) Payment by the owners of APNs 519-283-04, 519-283-05 and 519-283-06 of all other applicable local or state agency fees or charges.
- (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 hereby declares the property described in Exhibit "A" shall be considered annexed to ID 18 upon passage of this resolution.

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.

7. The annexation of APNs 519-283-04, 519-283-05 and 519-283-06 to the District is hereby designated as the "ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION."

8. Pursuant to Section 572029(c) of the Government Code, the effective date of the ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION shall be the date this Resolution is adopted by the Board of Directors of the Otay Water District.

9. The General Manager of the District and the Secretary of the District, or their respective designees, are hereby ordered to take all actions required to complete this annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

President

ATTEST:

District Secretary

FILE NO. 0210-20.288

ANNEXATION TO OTAY WATER IMPROVEMENT DISTRICT NO. 18

GEOGRAPHIC DESCRIPTION

ALL THAT CERTAIN PROPERTY LOCATED WITHIN A PORTION OF SECTION 29 AND A PORTION OF THE NORTH HALF OF FRACTIONAL SECTION 32 IN TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND AS SHOWN ON THAT CERTAIN MAP NO. 9644 ENTITLED 'COUNTY OF SAN DIEGO TRACT 3817-1' FILED FOR RECORD ON MAY 28, 1980 AT THE SAN DIEGO COUNTY RECORDER'S OFFICE IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF COTTONWOOD SPRINGS LANE 56 FEET WIDE AND INDIAN MILLS LANE 52 FEET WIDE AS SHOWN ON SAID MAP NO. 9644;

THENCE, [1] NORTH 51° 54' 02" WEST 43.70 FEET ALONG THE CENTERLINE OF INDIAN MILLS LANE;

THENCE, [2] NORTH 38° 05' 58" EAST 26.00 FEET TO THE NORTHERLY RIGHT OF WAY OF INDIAN MILLS LANE 52 FEET WIDE TO THE **TRUE POINT OF BEGINNING**;

THENCE, [3] NORTH 51° 54' 02" WEST 86.30 FEET ALONG SAID NORTHERLY RIGHT OF WAY;

THENCE, [4] CONTINUING NORTHWESTERLY ALONG SAID RIGHT OF WAY ONTO THE ARC OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIOUS POINT WHICH BEARS SOUTH 38° 05' 58" WEST AND HAVING A RADIOUS OF 226.00 FEET THROUGH A CENTRAL ANGLE OF 34° 19' 57", 135.42 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [5] CONTINUING NORTHWESTERLY ALONG SAID RIGHT OF WAY ALONG THE ARC OF SAID REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIOUS POINT WHICH BEARS NORTH 03° 46' 01" EAST AND HAVING A RADIOUS OF 22.00 FEET THROUGH A CENTRAL ANGLE OF 40° 29' 37", 15.55 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [6] CONTINUING NORTHWESTERLY AND SOUTHWESTERLY ALONG SAID RIGHT OF WAY ALONG THE ARC OF SAID REVERSE CURVE CONCAVE SOUTHEASTERLY HAVING A RADIOUS POINT WHICH BEARS SOUTH 44° 15' 37" WEST AND HAVING A RADIOUS OF 48.00 FEET THROUGH A CENTRAL ANGLE OF 106° 48' 06", 89.47 FEET;

THENCE, [7] NORTH 62° 32' 30" WEST 212.08 FEET LEAVING SAID INDIAN MILLS LANE RIGHT OF WAY ONTO A RADIAL LINE BEING THE SOUTHERLY LINE OF LOT 4 PER SAID MAP NO. 9644 TO A POINT ALONG THE SOUTHEASTERLY RIGHT OF WAY OF IVANHOE RANCH ROAD 50 FEET WIDE AS SHOWN ON SAID MAP;

THENCE, [8] NORTH 40° 14' 47" EAST 215.17 FEET ALONG THE SOUTHEASTERLY RIGHT OF WAY OF IVANHOE RANCH ROAD;

THENCE, [9] NORTH 89° 58' 25" EAST 305.20 FEET LEAVING SAID IVANHOE RANCH ROAD RIGHT OF WAY ALONG THE NORTHERLY LINES OF LOTS 4 AND 5 PER SAID MAP NO. 9644;

THENCE, [10] SOUTH 33° 06' 11" EAST 317.40 FEET ALONG THE NORTHEASTERLY LINE OF LOTS 5 AND 6 PER SAID MAP TO THE NORTHWESTERLY RIGHT OF WAY OF COTTONWOOD SPRINGS LANE 56 FEET WIDE;

THENCE, [11] SOUTH 53° 36' 02" WEST 132.22 FEET ALONG THE NORTHWESTERLY RIGHT OF WAY OF COTTONWOOD SPRINGS LANE;

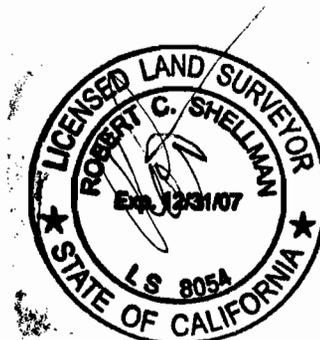
THENCE, [12] CONTINUING SOUTHWESTERLY ALONG SAID RIGHT OF WAY ONTO THE ARC OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS POINT WHICH BEARS SOUTH 36° 23' 58" EAST AND HAVING A RADIUS OF 228.00 FEET THROUGH A CENTRAL ANGLE OF 04° 48' 42", 19.15 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [13] CONTINUING SOUTHWESTERLY AND NORTHWESTERLY ALONG THE NORTHWESTERLY RIGHT OF WAY AT COTTONWOOD SPRINGS LANE AND INDIAN MILLS LANE ALONG THE ARC OF SAID REVERSE CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS POINT WHICH BEARS NORTH 41° 12' 40" WEST AND HAVING A RADIUS OF 20.00 FEET THROUGH A CENTRAL ANGLE OF 79° 18' 38", 27.68 FEET TO **THE POINT OF BEGINNING**;

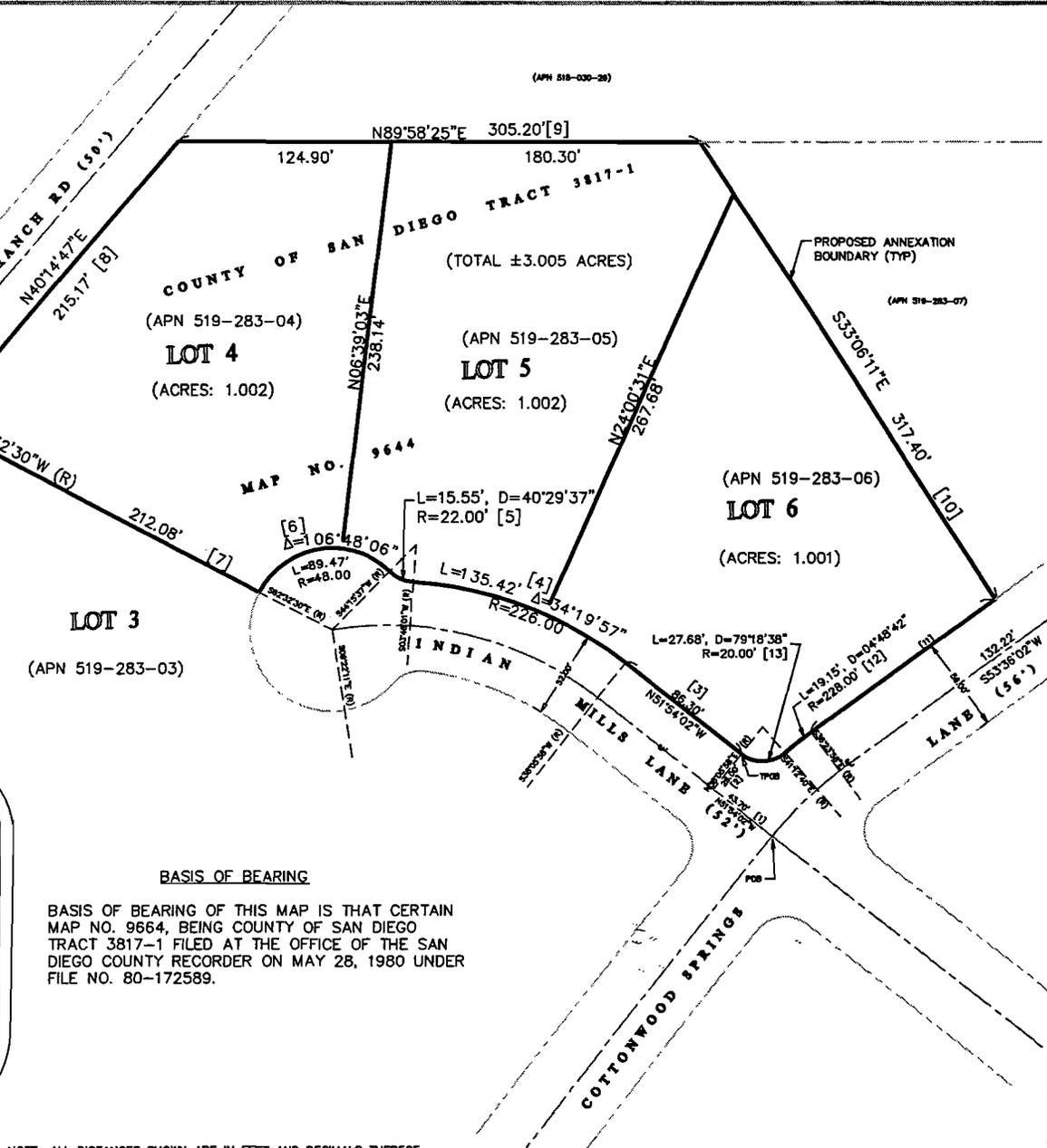
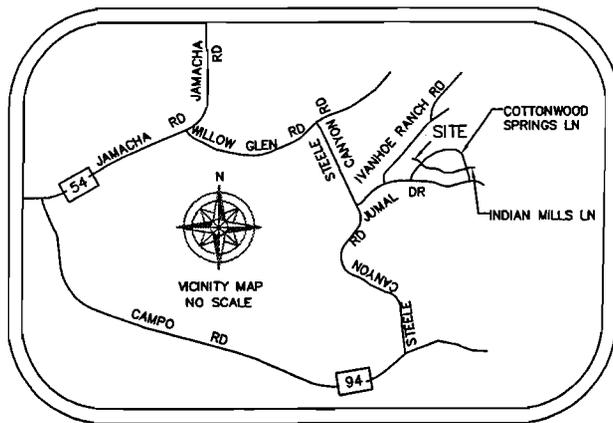
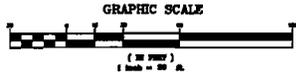
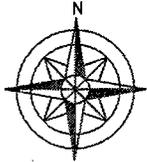
CONTAINING: ±3.005 ACRES

BASIS OF BEARING: THE BASIS OF BEARING FOR THIS DESCRIPTION IS THAT CERTAIN MAP NO. 9644 ENTITLED 'COUNTY OF SAN DIEGO TRACT 3817-1' FILED FOR RECORD ON MAY 28, 1980 AT THE SAN DIEGO COUNTY RECORDER'S OFFICE.

END OF DESCRIPTION



NOTE: THE DATA SHOWN HEREIN WAS COMPILED FROM RECORD DATA PER MAP NO. 9664



BASIS OF BEARING

BASIS OF BEARING OF THIS MAP IS THAT CERTAIN MAP NO. 9664, BEING COUNTY OF SAN DIEGO TRACT 3817-1 FILED AT THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ON MAY 28, 1980 UNDER FILE NO. 80-172589.

NOTE: ALL DISTANCES SHOWN ARE IN FEET AND DECIMALS THEREOF.



4591 POMONA AVE.
LA MESA, CA 91941
PH/FAX (619) 595-0058
landmarksurveying@gmail.com

3 ACRE ANNEXATION TO THE OTAY WATER IMPROVEMENT DISTRICT NO. 18, FILE NO. 080-20280 FOR APN'S: 519-283-06, 519-283-05, 519-283-04 BEING A PORTION OF SEC. 29 & A PORTION OF THE NORTH HALF OF FRACTIONAL SEC. 32 T.16S, R.1E, SAN BERNARDINO MERIDIAN UNINCORPORATED SAN DIEGO COUNTY CALIFORNIA SHEET 1 OF 1 SHEETS

NO.	REVISIONS	DATE

SHEET 1
OF 1
SCALE: 1" = 30'
DWG: RS
JOB NO. 07-024
DATE: 08/17/07

AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles <i>TMC</i> Public Services Manager	W.O./G.F. NO:	9544 DIV. NO. 4
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Reimbursement Request with McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043), for the amount of \$53,146.80		

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board authorize the General Manager to approve the request to reimburse McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043), for the amount of \$53,146.80

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse McMillin Otay Ranch, LLC, for work completed and associated with McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043). At the November 21, 2005 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement (Exhibit 1) with McMillin Otay Ranch, LLC, for the various pipeline capital improvements associated with McMillin Rolling Hills Ranch Development.

ANALYSIS:

On November 21, 2005, the Otay Water District (District) entered into a Reimbursement Agreement with McMillin Otay Ranch, LLC (the "Reimbursement Agreement") for regional water facilities within the McMillin Rolling Hills Ranch Development. CIP R2043 was included within the Sub-Area Master Plan (SAMP) dated April 1997, and subsequently included in the Reimbursement Agreement.

McMillin Otay Ranch, LLC submitted its reimbursement request on April 12, 2007, along with the necessary invoices from the lowest responsive bidder for a total amount of \$68,317.20. After Staff review, that amount was reduced to \$53,146.80. These projects were listed in the District's Five-Year CIP Plan, as well as on the approved SAMP.

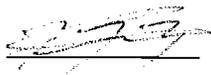
Staff used the following methodology to evaluate the reimbursement request submitted by McMillin Otay Ranch, LLC:

- (a) prepared a quantity take-off (see Attachment 1);
- (b) compared quantities and prices against the reimbursement requests (see Attachment 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3).

After reviewing the budget for the CIP projects included in the McMillin Otay Ranch, LLC request dated April 12, 2007, Staff compared with the budget for FY08 and found that this project had sufficient funds to be reimbursed.

FISCAL IMPACT:



The approved budget for FY08 is \$235,000 (CIP No. R2043). After Staff evaluation of the invoices and quantity take-off, the actual reimbursement to McMillin Otay Ranch, LLC will be \$53,146.80. Staff will be closing this CIP project after all reimbursements are made to the Developer after Board approval.

Finance has determined that 100% of the funding is currently available from the expansion fund.

STRATEGIC GOAL:

This project supports the District's strategic goal of satisfying current and future recycled water needs. The pipeline will transmit recycled water to central area system market areas.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP R2043\WO 9544\BD 07-10-07, McMillin Otay Ranch Village 7, LLC, Reimburse Request (DC).doc

DC/RP:jf

Attachments:

- Attachment A Committee Action
- Attachment 1 Quantity Take-Off for McMillin Reimbursement Agreement (CIP R2043)
- Attachment 2 Price Verification - McMillin Reimbursement Agreement (CIP R2043)
- Attachment 3 Reimbursement Summary Sheet - McMillin Rolling Hills Ranch (CIP R2043)
- Exhibit 1 Reimbursement Agreement



ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Request with McMillin Otay Ranch, LLC, for completed Capital Improvement Project - McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043) for the amount of \$53,146.80
-------------------------	--

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee 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.

QUANTITY TAKE-OFFS MCMILLIN REIMBURSEMENT AGREEMENT CIP R2043

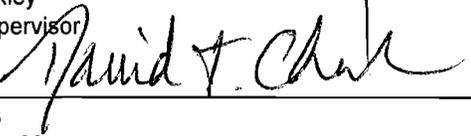
PROJECT: McMillin Otay Ranch Village 7, Rock Mountain Road

CONTRACTOR: HAZARD CONSTRUCTION

Description	McMillin Requests	Otay Quantity	Recommended
8" PVC CL 200-DR-14	1,048	1,048	1,048
2" Air Vac	1	1	1
2" B.O.	1	2	1
Water Blow Off Assembly Misc.	1	1	1
Water Final Adjust/Misc.	1	0	0

Reviewed By: 
Richard Shackley
Inspection Supervisor

Date: 6/13/07

Reviewed By: 
David Charles
Public Services Manager

Date: 6/13/07

PRICE VERIFICATION MCMILLIN REIMBURSEMENT AGREEMENT CIP (R2043)

PROJECT: McMillin Otay Ranch Village 7, Rock Mountain Road

CONTRACTOR: HAZARD CONSTRUCTION

Description	McMillin Requests	Eng Estimate/ Otay Verification	Recommended
8" PVC CL 200-DR-14	\$42	\$50	\$42
2" Air Vac	\$3,100	\$2,310	\$3,100
2" B.O.	\$2,000	\$750	\$2,000
Water Blow Off Assembly Misc.	\$1,500	\$750	\$1,500
Water Final Adjust/Misc.	\$0	\$1,000	0 *

* Not part of the agreement.

Reviewed By: R. Shackley
Richard Shackley
Inspection Supervisor

Date: 6/13/07

Reviewed By: David T. Clark
David Charles
Public Services Manager

Date: 6/11/07

ATTACHMENT 3

REIMBURSEMENT SUMMARY SHEET - McMILLIN Rolling Hills Ranch, CIP R2043 (8" Recycled) 944 Zone, Rock Mountain Road- La Media/ SR-125

	OWD QTY.	OWD Unit Price	OWD Cost	Soft Cost @ 5%	OWD Total	McMillin Unit Cost	McMillin Cost	Soft Cost 5%	McMillin Total	OWD Estimated Costs	Reimbursement Amount per CIP	Staff's Proposed Reimbursement
CIP R2043 (8" Recycled) 944 Zone, Rock Mountain Road- La Media/ SR-125												
8" PVC CL 200-DR-14	1048	\$42.00	44,016.00	2,200.80	46,216.80	\$42.00	\$44,016.00	\$2,200.80	\$46,216.80	\$46,216.80		
2" Air Vac	1	\$3,100.00	3,100.00	155.00	3,255.00	\$3,100.00	\$3,100.00	\$155.00	\$3,255.00	\$3,255.00		
2" B.O.	1	\$2,000.00	2,000.00	100.00	2,100.00	\$2,000.00	\$2,000.00	\$100.00	\$2,100.00	\$2,100.00		
Water Blow Off Assembly Misc.	1	\$1,500.00	1,500.00	75.00	1,575.00	\$1,500.00	\$1,500.00	\$75.00	\$1,575.00	\$1,575.00		
Water Final Adjust/Misc.	1	\$0.00	0.00	0.00	0.00	\$0.00	\$14,448.00	\$722.40	\$15,170.40	\$0.00	*	
				TOTAL	53,146.80				\$68,317.20	\$53,146.80	\$218,000.00	\$53,146.80

* Not a part of the agreement.

Total Agreement	\$235,000.00
Total Requested by McMillin	\$68,317.20
Recommended Reimbursement	\$53,146.80
McMillin is requesting Reimbursement In the amount of:	\$68,317.20
Difference Between Recommended and Requested:	\$15,170.40

EXHIBIT 1

REIMBURSEMENT AGREEMENT
Between
THE OTAY WATER DISTRICT AND MCMILLIN OTAY RANCH, LLC
For
CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES
Associated With
MCMILLIN VILLAGE 7 DEVELOPMENT
(CIP R043)

This reimbursement agreement ("Agreement") is entered into as of this 21 day of November, 2005, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter referred to as "the District") and McMillin Otay Ranch, LLC, a Delaware limited liability company (hereinafter referred to as "the Developer"), in view of the following facts and for the following purposes:

R E C I T A L S

A. WHEREAS, the District's Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (CIP) for all regional water facilities throughout the District. There are a number of regional water facilities within and adjacent to the McMillin Village 7 development within the City of Chula Vista; and

B. WHEREAS, the Developer intends to develop its property, which will include substantial public improvements, including certain regional water facility projects listed within the District's CIP (see Exhibit A); and

C. WHEREAS, the Developer recognizes that the District constructs regional facilities to support this development, typically in advance of the Developer paying all capacity fees; and

D. WHEREAS, the Developer shall conform to all of the conditions set forth in the District's current Policy 26 (see Exhibit C); and

E. WHEREAS, the Developer shall comply with all terms and conditions in the current District's Code of Ordinances and in the District's Standard Specifications; and

F. WHEREAS, the Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this agreement as indicated in Policy 31 (attached).

NOW THEREFORE, in consideration of the recitals and mutual obligations of the parties herein expressed, the District and the Developer agree as follows:

1. Project.

A. A Subarea Master Plan (SAMP) entitled "Subarea Water Master Plan of Potable and Recycled Water for McMillin Village 7," dated January 2005, requires certain CIP regional water facilities ("facilities") to be constructed to service the development and surrounding areas (see Exhibit A).

B. The Developer shall construct the 8-inch pipeline (R043), which is a CIP regional water facility.

2. Project Cost. The Developer shall design and construct the CIP facilities described herein, providing all funds needed for their design and construction.

3. Reimbursement. The Developer shall be entitled to reimbursement consistent with the District's Policy No. 26, Section A. This policy requires that enhancements and issues related to a specific Developer's benefit be at their costs. The costs for these items, as outlined in a Letter Agreement dated June 30, 2005, are the actual costs as bids or a predetermined percentage as agreed between the District and the Developer. When a project is operationally complete, the Developer may request reimbursement for up to 90% of the facility cost in cash by providing unconditional lien releases and other documentation supporting the work completed. The remaining 10% in cash may be reimbursed after the District accepts the facilities.

4. Plan Approval. In accordance with the District Code of Ordinances and District Policies, Developer shall be required to adhere to the District's process for submittal of improvement plans, including any and all District requirements related to bonding of all facilities to be constructed, construction agreements, deposits for District staff time, and project

acceptance. In accordance with the District Code of Ordinances, District Policies, and the practices of the District, the Developer shall either (1) be required to post bonds for labor and materials, performance, and a one-year warranty for the project; or (2) the Developer shall require that the contractor, as part of the bid specifications and as a condition of awarding the contract, post bonds for labor and materials, performance, and a one-year warranty for the project. In each instance, the bonds shall be for 100% of the value of the project; and each bond shall designate the District as the bond's beneficiary.

5. Record Keeping. The Developer shall keep an accurate record of the actual cost to construct the CIP facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. The Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation shall be kept by the Developer for three (3) years after the completion of the facilities and be provided to the District for its review upon its request.

6. Change Orders. No Change Order will be allowed unless the construction change is initiated by the District.

~~7. Operation and Maintenance Costs. Developer shall fund the first two (2) years of operation and maintenance costs upon project acceptance of the facilities, which shall be paid in four (4) semi-annual installments. The District's request for payment shall be supported by invoices and other documentation supporting the actual costs incurred.~~

FZ

8. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

9. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096
ATTN: General Manager

If to the Developer: McMillin Otay Ranch, LLC
P.O. Box 85104
San Diego, California 92186
Telephone: (619) 794-1253
Facsimile: (619) 336-3033
ATTN: Frank Zaidle

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

10. Indemnity. Each party agrees to defend, indemnify, protect, and hold harmless the other party and its agents, officers, and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers, which arise from or are connected with or are caused or claim to be caused by the negligent acts or omissions or willful misconduct of the party's agent, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The District and the Developer agree that in the event of any joint or concurrent

negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

11. Arbitration and Attorney's Fees. If there is a dispute concerning this Agreement or arising out of this Agreement, the parties agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three arbitrators.

In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

12. Successors in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

IN WITNESS WHEREOF, this Agreement is executed by the District and by the Developer as of the date first above written.

OTAY WATER DISTRICT
A California Municipal Water District

By: 
Mark Watton
General Manager

MCMILLIN OTAY RANCH, LLC
A Delaware limited liability company

By: McMillin Management Services, LP
A California limited partnership, its Manager

By: Corky McMillin Construction Services, Inc.
A California corporation, its General Partner

By: See Attached Signature Block

Its: _____

By: _____

Its: _____

**Signature Block for Reimbursement Agreement between The Otay Water District
and McMillin Otay Ranch, LLC for Capital Improvement Program Water Facilities
Associated With McMillin Village 7 Development (CIP R043)**

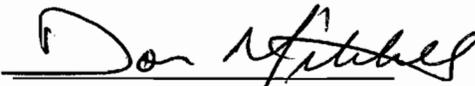
McMILLIN OTAY RANCH, LLC
a Delaware limited liability company

By: McMillin Companies, LLC
a Delaware limited liability company

Its: Manager

By: 

Its: K.P.

By: 

Its: VP

**MCMILLIN O.R. VILL7
ROCK MOUNTAIN ROAD**

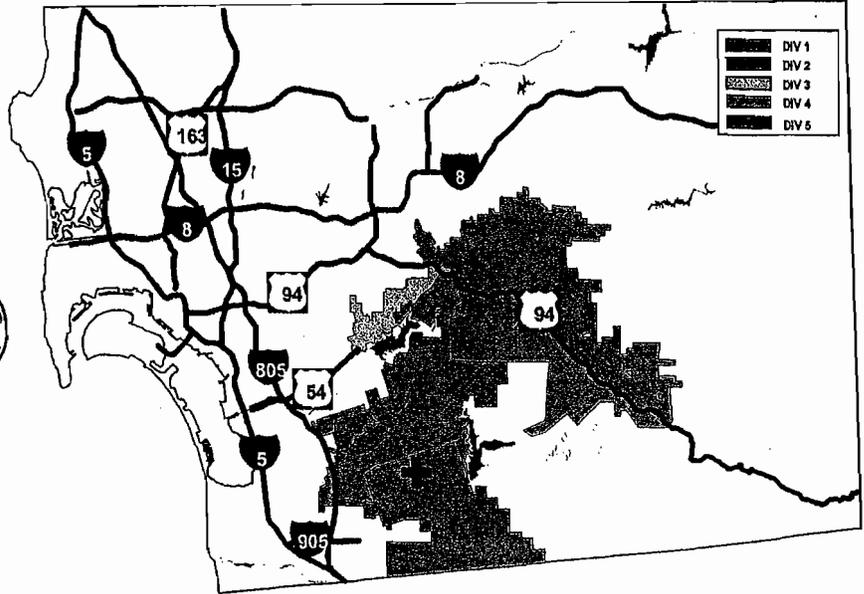
LOCATION MAP

DEVELOPER: MCMILLIN OTAY
RANCH, LLC

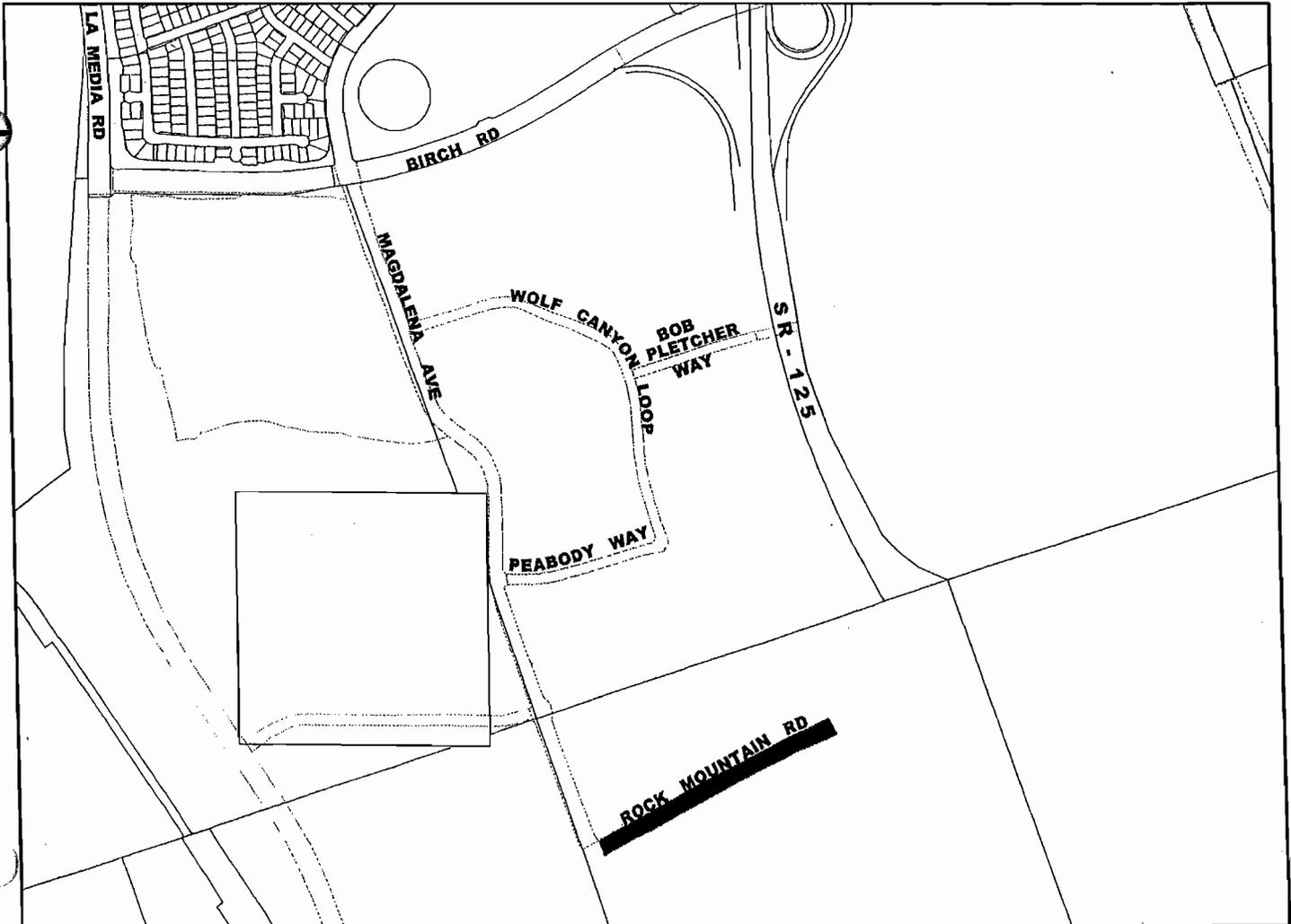
WO: D0171-010047

I.D.: 22/27

DIR.DIV.: 2



VICINITY MAP



 D0171-010047

REIMBURSEMENT AGREEMENT ENGINEER'S ESTIMATE

8" RECYCLED WATER MAIN - 944 PZ

OWNER: McMILLIN COMPANIES

DATE 7/8/2005

PROJECT MCMILLIN OTAY RANCH VILLAGE 7, ROCK MOUNTAIN RD.

ID No. 22/27

CIP No. R043

OWD PROJECT # D0717-010047

TO BE CONSTRUCTED PER SUBAREA MASTER PLAN - CIP R-043

ITEM	DESCRIPTION	QUANTITY	UNITS	OWD UNIT COST	TOTAL
1	8"PVC CL 200 -DR-14	1,048	L.F	\$50	\$52,400
2	2" B.O.	2	EA.	\$750	\$1,500
3	2" AIR VAC	1	EA.	\$2,310	\$2,310
4	CONNECT TO EXISTING	1	EA.	\$1,000	\$1,000
5	END CAP (1-8" & 2-12")	1	EA.	\$750	\$750

SUB-TOTAL	\$57,960
5% SOFT COST	\$2,898
TOTAL (Rounded)	\$60,900

PREPARED BY: 

 CARLOS PERDOMO

REVIEWED BY: 

AGENDA ITEM 6



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	David Charles <i>MC</i> Public Services Manager	W.O./G.F. NO:	9544	DIV. NO.	2
APPROVED BY: (Chief):	Rod Posada <i>Rod Posada</i> Chief, Engineering				
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations				
SUBJECT:	Reimbursement Agreement with McMillin Rolling Hills Ranch, LLC as the successor in interest to the Reimbursement Agreement between Otay Water District and Pacific Bay Homes dated January 20, 1998 (CIP P2070), 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station.				

GENERAL MANAGER'S RECOMMENDATIONS:

That the District's Board of Directors approve this request to reimburse McMillin Rolling Hills Ranch, LLC, as the successor in interest (Pacific Bay Homes), for CIP P2070, in the amount of \$392,637.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse the McMillin Rolling Hills Ranch, LLC for work completed and associated with CIP P2070. At the January 20, 1998 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement (Exhibit 1) with Pacific Bay Homes, for the 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station (CIP P2070). McMillin Rolling Hills Ranch, LLC succeeded to ownership of the development (Exhibit 2).

ANALYSIS:

On January 20, 1998, the District entered into a Reimbursement Agreement with Pacific Bay Homes (the "Reimbursement Agreement") for regional water facilities within the Rolling Hills Ranch Development (formerly known as Salt Creek Ranch). Sub-Area Master Plan (SAMP) was approved April 1997.

McMillin Rolling Hills Ranch, LLC has acquired all interest in property in the Rolling Hills Ranch Development from Pacific Bay Homes in 1998 via a Grant Deed. The Reimbursement Agreement provides that all rights and obligations of the parties thereunder are vested and binding on their successors in interest (Please see Exhibit 2).

McMillin Rolling Hills Ranch, LLC submitted its reimbursement request on April 12, 2007, along with the necessary invoices from the lowest responsive bidder for a total amount of \$437,358.02. After Staff review, that amount was reduced to \$392,637. This project was listed in the District's Five-Year CIP Plan, as well as on the approved SAMP dated April 1997.

Staff used the following methodology to evaluate the reimbursement request submitted by McMillin Rolling Hills Ranch, LLC.:

- (a) prepared a quantity take-off (see Attachment 1);
- (b) compared quantities and prices against the reimbursement requests (see Attachment 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3).

After reviewing the budget for the CIP project (included in McMillin Rolling Hills Ranch, LLC request dated March 15, 2006), Staff compared with the budget for FY08 and found that this project has sufficient funds to be reimbursed.

Staff recommends that the Board authorize the General Manager to reimburse McMillin Rolling Hills Ranch, LLC in accordance with Policy 26.

FISCAL IMPACT:



The approved FY08 budget is \$550,000 (CIP P2070). After Staff evaluation of the invoices and quantity take-off, the actual reimbursement to McMillin Otay Ranch, LLC will be \$392,637. Staff will be closing this CIP project after all reimbursements are made to the Developer after Board approval.

Finance has determined that 100% of the funding is currently available from the expansion fund.

STRATEGIC GOAL:

This project supports the District's Strategic Goal of satisfying current and future potable and recycled water needs. The pipelines will transmit potable and recycled water to Central Area System market areas.

LEGAL IMPACT:

None.



General Manager
DC/RP:jf

P:\WORKING\CIP P2070\WO 9544\BD 07-10-07,Staff Report\McMillin Reimburse Agmt (DC).doc

Attachments:

- Attachment A Committee Action
- Attachment 1 Quantity Take-offs for McMillin Reimbursement Agreement CIP W070/WO9544 (CIP P2070)
- Attachment 2 Quantity Price Verification for McMillin Reimbursement Agreement CIP W070/WO9544 (CIP P2070)
- Attachment 3 Reimbursement Summary Sheet - McMillin Rolling Hills Ranch (CIP P2070)
- Exhibit 1 Amendment to Second Reimbursement Agreement
- Exhibit 2 McMillin Rolling Hills Ranch, LLC succeeded to ownership of the development. Grant Deed dated March 28, 2002.



ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Agreement with McMillin Rolling Hills Ranch, LLC as the successor in interest to the Reimbursement Agreement between Otay Water District and Pacific Bay Homes dated January 20, 1998 (CIP P2070), 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station.
-------------------------	---

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee 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.

**QUANTITY TAKE-OFFS FOR
MCMILLIN REIMBURSEMENT AGREEMENT
CIP P2070 / WO 9544**

PROJECT: Rolling Hills Ranch, Backbone/Loop Road

CONTRACTORS: T.C. CONSTRUCTION

Description	McMillin Requests	Otay Quantity	Staff Recommendation
Main PVC CI 165 16"	4540	4,470	4,540
Main PVC CI 200 12"	440	0	0
Water Fire Hydrant	11	11	11
Water ARV 02"	1	0	0
Water ARV 04"	9	6	9
Water Blow Off 02"	1	0	0
Water Blow Off 04"	3	2	3
Water Gate Valve 08"	1	0	0
Water Gate Valve 12"	3	0	0
Water Butterfly Valve 16"	11	11	11
Water Connect to Existing	1	2	1
Water End Cap 12" Temp & 02" BO/TB	3	0	0

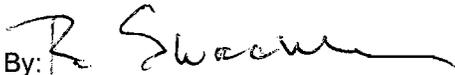
Reviewed By:



David Charles
Public Services Manager

Date: 06/11/07

Reviewed By:



Richard Shackley
Inspection Supervisor

**QUANTITY PRICE VERIFICATION FOR
MCMILLIN REIMBURSEMENT AGREEMENT
CIP P2070/ WO 9544**

PROJECT: Rolling Hills Ranch, Backbone/Loop Road

CONTRACTORS: T.C. CONSTRUCTION

Description	Quantity	McMillin Requests	Engineers Estimate/Otay Verification	Comments
Main PVC CI 165 16"	4540	\$238,350	\$238,350	
Main PVC CI 200 12"	440	\$18,942	\$0	*
Water Fire Hydrant	11	\$44,352	\$44,352	
Water ARV 02"	1	\$2,835	\$0	*
Water ARV 04"	9	\$53,865	\$53,865	
Water Blow Off 02"	1	\$1,680	\$0	*
Water Blow Off 04"	3	\$13,230	\$13,230	
Water Gate Valve 08"	1	\$924	\$0	*
Water Gate Valve 12"	3	\$4,568	\$0	*
Water Butterfly Valve 16"	11	\$40,425	\$40,425	
Water Connect to Existing	1	\$2,415	\$2,415	
Water End Cap 12" Temp & 02" BO/TB	3	\$1,229	\$0	*

* Not a part of the agreement.

Reviewed By: _____

David Charles
Public Services Manager

Date: 06/11/07

Reviewed By: _____

Richard Shackley
Inspection Supervisor

ATTACHMENT 3

REIMBURSEMENT SUMMARY SHEET - McMILLIN Rolling Hills Ranch CIP P2070 PL- 16 inch-980 Zone, Pacific Bay Homes Road- Proctor Valley/1296 Hydro PS

	QTY.	OWD Unit Price	OWD Cost	Soft Cost @ 5%	OWD Total	McMillin Unit Cost	McMillin Cost	Soft Cost 5%	McMillin Total	OWD Estimated Costs	Reimbursement Amount per CIP	Staff's Proposed Reimbursement
CIP P2070 PL- 16 inch-980 Zone, Pacific Bay Homes Road- Proctor Valley/1296 Hydro PS												
Main PVC C 165 16"	4540	\$50.00	227,000.00	11,350.00	238,350.00	\$50.00	\$227,000.00	\$11,350.00	\$238,350.00	\$238,350.00		
Main PVC C 200 12"	440	\$0.00	0.00	0.00	0.00	\$41.00	\$18,040.00	\$902.00	\$18,942.00	\$0.00	*	
Water Fire Hydrant	11	\$3,840.00	42,240.00	2,112.00	44,352.00	\$3,840.00	\$42,240.00	\$2,112.00	\$44,352.00	\$44,352.00		
Water ARV 02"	1	\$0.00	0.00	0.00	0.00	\$2,700.00	\$2,700.00	\$135.00	\$2,835.00	\$0.00	*	
Water ARV 04"	9	\$5,700.00	51,300.00	2,565.00	53,865.00	\$5,700.00	\$51,300.00	\$2,565.00	\$53,865.00	\$53,865.00		
Water Blow Off 02"	1	\$0.00	0.00	0.00	0.00	\$1,600.00	\$1,600.00	\$80.00	\$1,680.00	\$0.00	*	
Water Blow Off 04"	3	\$4,200.00	12,600.00	630.00	13,230.00	\$4,200.00	\$12,600.00	\$630.00	\$13,230.00	\$13,230.00		
Water Gate Valve 08"	1	\$0.00	0.00	0.00	0.00	\$880.00	\$880.00	\$44.00	\$924.00	\$0.00	*	
Water Gate Valve 12"	3	\$0.00	0.00	0.00	0.00	\$1,450.00	\$4,350.00	\$217.50	\$4,567.50	\$0.00	*	
Water Butterfly Valve 16"	11	\$3,500.00	38,500.00	1,925.00	40,425.00	\$3,500.00	\$38,500.00	\$1,925.00	\$40,425.00	\$40,425.00		
Water Final Adjust/Misc	1	\$0.00	0.00	0.00	0.00	\$5,851.45	\$5,851.45	\$292.57	\$6,144.02	\$0.00	*	
Water Connect To Exist	1	\$2,300.00	2,300.00	115.00	2,415.00	\$2,300.00	\$2,300.00	\$115.00	\$2,415.00	\$2,415.00		
Water End Cap 12" Temp 02" B	3	\$0.00	0.00	0.00	0.00	\$390.00	\$1,170.00	\$58.50	\$1,228.50	\$0.00	*	
Water Gate Valve Adjust	40	\$0.00	0.00	0.00	0.00	\$200.00	\$8,000.00	\$400.00	\$8,400.00	\$0.00	*	
					TOTAL				\$437,358.02	\$392,637.00	\$550,000.00	\$392,637.00

* Not a part of the agreement.

Total Agreement	\$550,000.00
Total Requested by McMillin	\$437,358.02
Recommended Reimbursement	\$392,637.00
McMillin is requesting Reimbursement In the amount of:	\$437,358.02
Difference Between Recommended and Requested:	\$44,721.02

EXHIBIT 1

AMENDMENT TO SECOND REIMBURSEMENT AGREEMENT BETWEEN OTAY WATER DISTRICT AND PACIFIC BAY HOMES

This Amendment to a Reimbursement Agreement ("Amendment") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

WHEREAS, Otay and Developer have previously entered into an agreement on January 20, 1998, whereby Developer agreed to construct additional water facilities, 950 and 980 facilities, and Otay agreed to reimburse Developer; and

WHEREAS, a portion of the 980 Facilities (Exhibit A) was inadvertently omitted from said Agreement, i.e., a 3,600 L.F. (Station 13+90.49 to Station 49+88.82) of 16" potable water 980 PVC pipeline in Hunte Parkway from the southerly Salt Creek Ranch boundary to Otay Lakes Road; and

WHEREAS, Otay and Developer now wish to include the omitted portion of the 980 Facilities in their agreement.

NOW THEREFORE, in consideration of the Recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The description of the Project in Section 1 of the prior agreement is hereby amended to add a 16" potable water PVC pipeline in Hunte Parkway from the southerly Salt Creek Ranch boundary to Otay Lakes Road (Otay's CIP No. 154).

2. Agreement. In all other respects, the underlying reimbursement agreement between Otay and Developer shall remain the same.

IN WITNESS WHEREOF, this Amendment is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

PACIFIC BAY HOMES

By Keith Lewinger
Title GM
Date 5/18/98

By Tim Jackson
Title SVP
Date 4-8-98

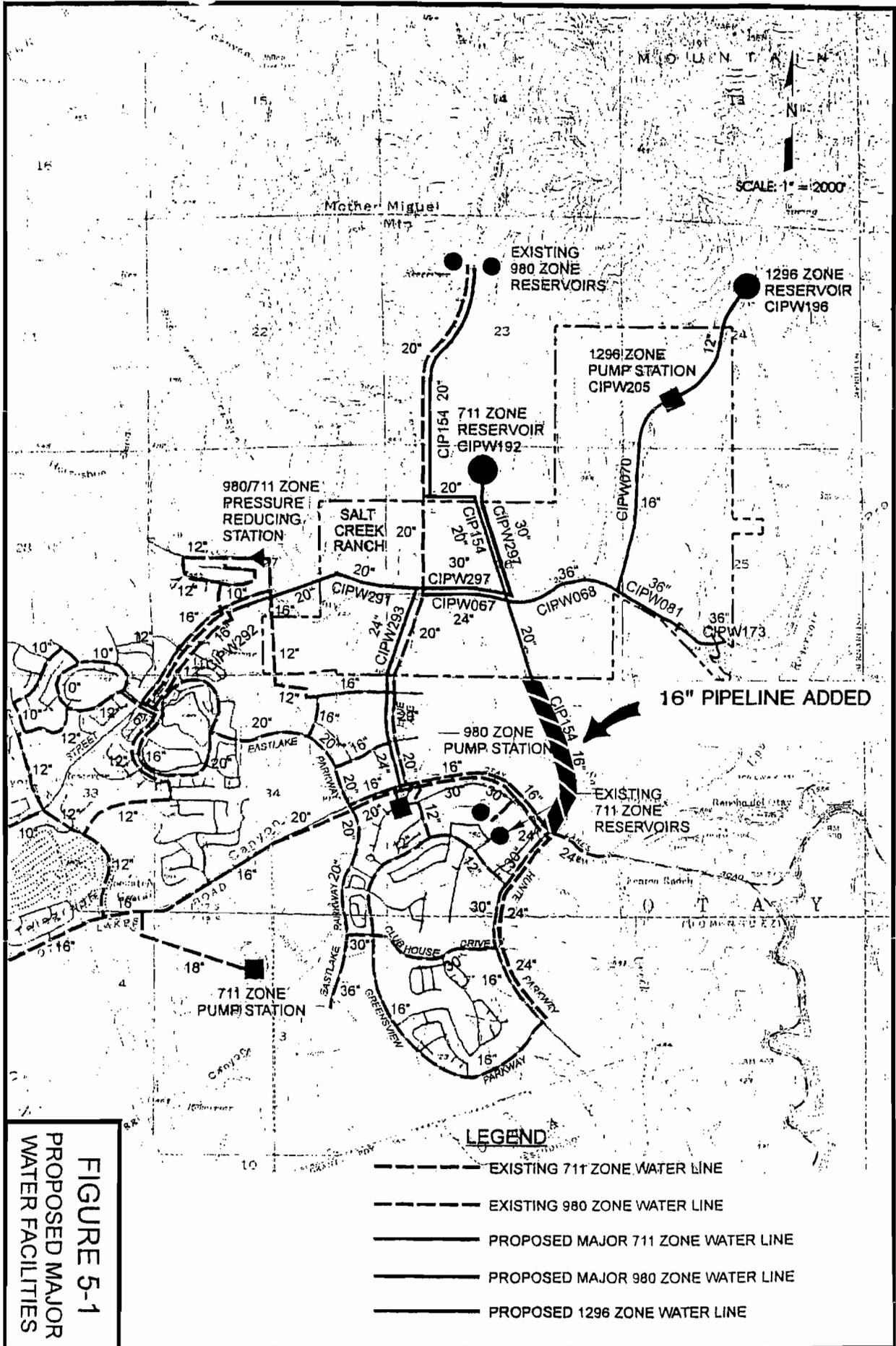


FIGURE 5-1
PROPOSED MAJOR
WATER FACILITIES

- LEGEND**
- EXISTING 711 ZONE WATER LINE
 - EXISTING 980 ZONE WATER LINE
 - PROPOSED MAJOR 711 ZONE WATER LINE
 - PROPOSED MAJOR 980 ZONE WATER LINE
 - PROPOSED 1296 ZONE WATER LINE

EXHIBIT "A"

AMENDMENT TO A REIMBURSEMENT AGREEMENT
BETWEEN OTAY WATER DISTRICT AND
PACIFIC BAY HOMES

This Amendment to a Reimbursement Agreement ("Amendment") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

WHEREAS, Otay and Developer have previously entered into an agreement on 1/20/98, ~~1997~~, whereby Developer agreed to construct certain water facilities (the "711 Facilities") and Otay agreed to reimburse Developer and

WHEREAS, one small portion of the 711 Facilities was inadvertently omitted from said Agreement, i.e., a 30" potable water, 711 steel pipeline in Hunte Parkway from Street "S" (STA. 78+53.29) to the Salt Creek Ranch's northerly boundary and the District's Use Area southerly boundary; and

WHEREAS, Otay and Developer now wish to include the omitted portion of the 711 Facilities in their agreement.

NOW THEREFORE, in consideration of the Recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The description of the Project in Section 1 of the prior agreement is hereby amended to add a 30" potable water steel CML&C pipeline in Hunte Parkway from Street "S" (STA. 78+53.29) to the Salt Creek Ranch's northerly boundary and the District's Use Area southerly boundary (Otay's CIP No. W297).

2. Construction Materials. Section 7 of the underlying reimbursement agreement is hereby amended to reflect that Otay will not provide construction materials for the project which is the subject of this Amendment. Otay will reimburse developer for the cost of all construction materials in accordance with Section 5 of the original Reimbursement Agreement of April 5, 1997.

3. Agreement. In all other respects, the underlying reimbursement agreement between Otay and Developer shall remain the same.

IN WITNESS WHEREOF, this Amendment is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

PACIFIC BAY HOMES

By Keith Lewing

By Yiz Jackson

Title C.M.

Title Senior Vice President/Division Mgr.

Date 1-20-98

Date 11-19-97

THE SECOND AGREEMENT REGARDING
REIMBURSEMENT BETWEEN
OTAY WATER DISTRICT AND
PACIFIC BAY HOMES

This Reimbursement Agreement ("Agreement") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

A. WHEREAS, Pacific Bay Homes and Otay Water District have previously entered into a reimbursement agreement on April 15, 1997, dealing with certain water pipelines and an amendment to that Agreement and the parties now wish to enter into a second agreement dealing with additional water facilities; and

B. WHEREAS, the Developer intends to develop its property in the Salt Creek Ranch area in phases (Phase 1A, 1B, 2 and 3), each of which phase will include substantial public improvements including the construction of pipelines and roads (See Exhibit A); and

C. WHEREAS, the Board of Directors of the Otay Water District has adopted a Master Plan for all water facilities throughout the District including a number of water facilities in the Salt Creek Ranch area (see Exhibits B and C) in the City of Chula Vista; and

D. WHEREAS, the General Manager of the Otay Water District has accepted the revised Sub-Area Master Plan ("SAMP") dated April, 1997; and

E. WHEREAS, the City of Chula Vista has a policy prohibiting the opening of streets for construction of utilities for three years after the roads are originally constructed; and

F. WHEREAS, Otay and Developer desire the completion of certain water facilities (the "facilities"), more particularly described in Exhibit D attached hereto, in conjunction with other utility improvements and the completion of road improvements along Proctor Valley Road, Hunte Parkway, Otay Lakes Road and Lane Avenue; and

G. WHEREAS, it would create an adverse impact on the community to complete the roadway improvements without the installation of the facilities; and

H. WHEREAS, Developer and Otay agree that it is a reasonable requirement for Developer to install the facilities in conjunction with construction of the road improvements in accordance with this agreement; and

I. WHEREAS, Developer is willing to design and construct the facilities in consideration for Otay reimbursing Developer the design and construction cost; and

J. WHEREAS, Developer is actively engaged in the development of its property in the Salt Creek Ranch area and is in a position to construct the pipelines at a reasonable cost and at the earliest possible date in conjunction with the construction of other utilities and the improvement of Proctor Valley Road, Hunte Parkway, Otay Lakes Road and Lane Avenue; and

K. WHEREAS, Developer is willing to complete the facilities concurrently with its construction of said road improvements

according to plans approved by Otay through the use of competitive bids and the award of the contract to the lowest responsible bidder.

NOW THEREFORE, in consideration of the recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The project consists of the land acquisition, design, permitting (including environmental review) and construction of those specific improvements listed in Exhibit D.

2. Future Project. Otay and Developer agree that they will enter into a similar agreement for reimbursement of the costs of the proposed 1296 facilities contingent upon prior CEQA approval, acquisition of appropriate reservoir fee title land and pipeline easements.

3. Project Cost. Developer shall design and construct the facilities providing all funds needed for its design and construction subject to Otay's obligation to reimburse Developer for all such costs.

4. Master Plan. Otay agrees to update its five-year Capital Improvement Program (CIP) to include all facilities and costs listed in Exhibit D.

5. Plans and Specifications. Subject to Otay's reimbursement obligation, Developer will provide complete plans, specifications and bid documents for design and construction of the facilities. Said plans will be subject to Otay approval, which shall not be unreasonably withheld or delayed and will include Otay's standard specifications. Otay acknowledges that Developer

is agreeing to install the facilities if they can be installed concurrently with the installation of the road improvements. Otay will not unreasonably delay the processing or approval of the plans, bid documents, contracts or similar matters such that the construction of Developer's road improvements will be delayed.

6. Solicitation of Bids. At such time as Otay approves the plans, Developer shall by direct contact solicit and receive sealed bids for the construction of the pipelines. Developer shall attempt to obtain bids from at least three contractors. Developer supports encouraging Emerging Business Enterprises.

7. Reimbursement. Developer shall be entitled to reimbursement consistent with Otay's Policy No. 26, which is attached hereto as Exhibit E and is incorporated herein by reference. If Developer is eligible for reimbursement under Otay's Policy No. 26, and if reimbursement hasn't occurred at the time Developer seeks meters, Developer shall be entitled to a credit toward capacity fees for all costs incurred in the construction of the facilities identified in Exhibit D.

8. Record Keeping. Developer shall keep an accurate record of the actual cost of the construction of the facilities in accordance with generally-accepted accounting procedures. Developer shall allow Otay's authorized representative, during regular business hours at Developer's office upon reasonable notice, to examine and duplicate any records relevant to the verification of the actual cost of constructing the facilities including, without limitation, all contract bids and invoices. Any changes that

occurred during the course of construction shall be properly documented. Back-up documentation shall be kept by developer for three years after the completion of the pipeline and be provided to Otay for its review.

9. Turnover of Documents. Developer shall provide to Otay copies of "as-built drawings" and related plans and specifications, operating manuals and warranty materials such as would ordinarily be applicable to Otay's operation and maintenance of the facilities upon acceptance of the facilities by Otay.

10. Right of Inspection. Otay shall have the right to enter the project area at any reasonable time prior to its acceptance of the facilities. Otay, upon reasonable notice, shall have the right to inspect at Developer's offices during normal business hours all books and records of Developer relating to the facilities and may perform any audit it cares to during the construction period and for a period of three (3) years following Otay's acceptance of the facilities. Developer shall retain all such records for three (3) years.

11. Bonding. Developer shall not be required to post a bond assuring the project but will require the contractor, as part of the bid specifications, to carry performance and material bonds for 100% of the value of the project. Developer shall require the contractor to post a one-year warranty bond for 100% of the value of the project in favor of Otay upon acceptance of the project.

12. Indemnity. Each party agrees to defend, indemnify, protect and hold harmless the other party and its agents, officers

and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers which arise from or are connected with or are caused or claimed to be caused by the negligent acts or omissions or willful misconduct of the party's agents, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligence, acts or omissions or willful misconduct of the other party, its agents, officers or employees. Otay and Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault. This provision shall remain in full force and effect until twelve (12) months after Otay accepts the project pursuant to this Agreement.

13. Insurance. Developer shall cause the contractor constructing the facilities at the contractor's sole cost and expense, at all times during the period of construction, to maintain in full force and effect for the joint benefit of Developer and Otay as coinsureds, a broad form comprehensive coverage policy of public liability insurance by the terms of which Developer and Otay are named as insureds and are indemnified against liability for damage or injury to the property or person (including death) of any agent, employee, licensee or invitee of contractor or any other person entering upon or using the project or any part

thereof, and arising from the use thereof. Such insurance policy or policies shall be maintained on the minimum basis of \$1,000,000 for damage to property or bodily injury and shall be in addition to the indemnification provisions of Paragraph 15 above, and shall also be stated to be primary with any insurance which may be carried by Otay or Developer to be noncontributing. Developer shall cause the contractor to deliver to Otay the certificate of each insurance carrier as to each such insurance policy seven (7) days prior to commencement of any work of construction on the project pursuant to the terms of this Agreement.

14. Attorneys' Fees. In the event either party commences litigation for specific performance of this Agreement or damages for the breach thereof, the prevailing party shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court costs incurred.

15. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

16. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States Mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after

deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

General Manager
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91977

Liz Jackson
Pacific Bay Homes
2300 Boswell Road, Suite 209
Chula Vista, CA 91914

Notice of change of address shall be given by written notice in the manner set forth in this Paragraph.

17. Successor in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

18. Further Assurances. Otay and Developer each agree to execute and deliver such additional documents and issue such governmental permits as may be required to effectuate the purposes of this Agreement.

19. Warranties. Developer shall cause the contractor to warrant in the construction contract that the work, materials and construction related to the facilities shall conform to the standards established by Otay for the period of one year following Otay's acceptance of the project. The provisions contained herein shall not be deemed to limit any such rights Otay shall have or may have, according to law, to seek damages or other

relief for any acts or omissions of the contractor associated with this Agreement or the construction or design of the project.

IN WITNESS WHEREOF, this Agreement is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

PACIFIC BAY HOMES

By *Keith Leung*
Title G.M.
Date 1-20-98

Jim Jackson
Title Senior Vice President/Division Manager
Date 12-12-97

**The ond Reimbursement A_g ement
between
Otay Water District and Pacific Bay Homes**

Reference: Subarea Master Plan of Potable and Recycled Water for Salt Creek Ranch (April 1997)

1. Projects

a) 950 Facilities:

- CIP No. R013 - A 16-inch recycled water pipeline in Proctor Valley Road from Mount Miguel Road (STA. 10+53.15) to Lane Avenue (STA. 46+08.98);
- OVERSIZE – 8 to 10-inch recycled water pipeline in Hunte Parkway from existing recycled water line in Otay Lakes Road to the northerly Salt Creek Ranch Boundary;

b) 980 Facilities:

- CIP No. W067 - A 24-inch potable water PVC pipeline in Proctor Valley Road from Lane Avenue (STA. 45+96.98) to Hunte Parkway (STA. 60+91.68);
- CIP No. W068 - A 36-inch potable water Steel CML&C pipeline in Proctor Valley Road from Hunte Parkway (STA. 60+91.68) easterly 3000 feet;
- CIP No. W070 – A 16-inch potable water PVC pipeline from Proctor Valley Road northerly 5,000 to the 1296 pump station;
- CIP No. W081 – A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 3,000 feet east of Hunte Parkway easterly 1,600 feet;
- CIP No. W173 – A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 4,600 feet east of Hunte Parkway 1,300 feet to the easterly Salt Creek boundary;
- CIP No. 154 - A 20-inch potable water PVC pipeline in Hunte Parkway from the northerly subdivision boundary of Salt Creek Ranch 4,000 feet to the southerly boundary;
- OVERSIZE – 12 to 16-inch potable water pipeline in Proctor Valley Road from Lane Avenue (onsite) to San Miguel Road (offsite);

EXHIBIT D

2. Project Cost (1997 Estimated Dollars)

a) 950 Facilities:

- CIP No. R013 - \$ 190,000
- OVERSIZE 8-10 Inch - \$150,000 12063?

b) 980 Facilities:

- CIP No. W067 - \$87,000
- CIP No. W068 - \$804,000
- CIP No. W070 - \$297,000
- CIP No. W081 - \$429,000
- CIP No. W173 - \$456,000
- CIP No. 154 - \$1,050,000
- OVERSIZE 12-16 Inch - \$65,000 W 32A

3. Project Phasing

a) 950 Facilities:

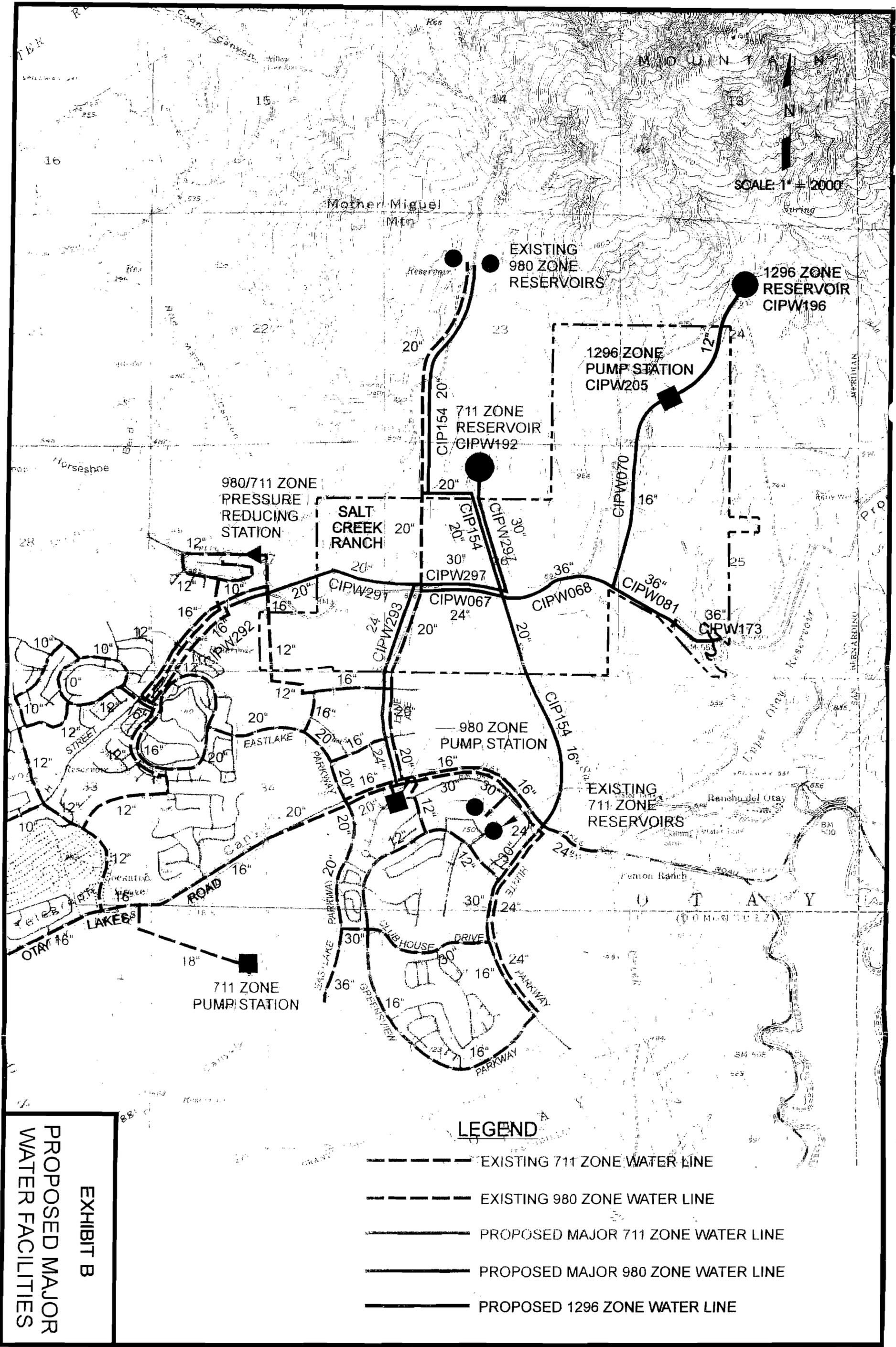
- CIP No. R013 – Phase 1A; A 16-inch recycled water pipeline in Proctor Valley Road from Mount Miguel Road (STA. 10+53.15 to Lane Avenue (STA. 46+08.98));
- OVERSIZE 8-10 Inch – Phase 1A & 1B; From the existing main in Otay Lakes Road to the northerly boundary of Salt Creek Ranch;

b) 980 Facilities:

- CIP No. W067 – Phase 1A; A 24-inch potable water PVC pipeline in Proctor Valley Road from Lane Avenue (STA. 45+96.98) to Hunte Parkway (STA. 60+91.67);
- CIP No. W068 – Phase 1B, 2; A 36-inch potable water Steel CML&C pipeline in Proctor Valley Road from Hunte Parkway (STA. 60+91.68) easterly 3000 feet;;
- CIP No. W070 – Phase 2, 3; A 16-inch potable water PVC pipeline from Proctor Valley Road northerly to the 1296 pump station;
- CIP No. W081 – Phase 2; A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 3,000 feet east of Hunte Parkway easterly 1,600 feet;
- CIP No. W173 – Phase 3; A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 4,600 feet east of Hunte Parkway to the easterly Salt Creek boundary;

- CIP No. 154 – Phase 1A, 1B; A 20-inch potable water PVC pipeline in the Hunte Parkway from the northerly, subdivision boundary of Salt Creek Ranch to the southerly boundary;
- OVERSIZE – Phase 1A; 12 to 16-inch potable water pipeline in Proctor Valley Road from Lane Avenue (onsite) to San Miguel Road (offsite);

P:\Working\wo8687\reimbursement agreement2a.doc



SCALE: 1" = 2000'

LEGEND

- EXISTING 711 ZONE WATER LINE
- EXISTING 980 ZONE WATER LINE
- PROPOSED MAJOR 711 ZONE WATER LINE
- PROPOSED MAJOR 980 ZONE WATER LINE
- PROPOSED 1296 ZONE WATER LINE

EXHIBIT B
PROPOSED MAJOR WATER FACILITIES

RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT.



2002-0263133

DOC # 2002-0263133

MAR 28, 2002 3:50 PM

RECORDING REQUESTED BY
FIRST AMERICAN TITLE INS. CO.
AND WHEN RECORDED MAIL TO:
McMILLIN ROLLING HILLS RANCH, LLC

25143

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 48.00
OC: AFNF

c/o 2727 Hoover Avenue National City, CA 91950
Attn: Tom Tomlinson

TAX: N.D.
Space Above This Line for Recorder's Use Only

A.P.N.: *See attached list*

Order No.: 1291429-6

Escrow No.: 02-1220AS

GRANT DEED

*66
88
DC NO
77*

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS:
 computed on full value of property conveyed, or
 computed on full value less value of liens or encumbrances remaining at time of sale,
 unincorporated area; City of Chula Vista, and

FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,

PACIFIC BAY PROPERTIES, a California corporation

hereby GRANT(S) to
McMILLIN ROLLING HILLS RANCH, LLC, a Delaware limited liability company

the following described property in the City of Chula Vista, County of San Diego State of California;

AS MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART
HEREOF.

March 22, 2002

PACIFIC BAY PROPERTIES, a California
corporation

By: *Richard Lewnau*
Print Name: Richard Lewnau
Title: Treasurer

By: *Maldolm Macdonald*
Print Name: Maldolm Macdonald
Title: Chairman and President

Mail Tax Statements to: SAME AS ABOVE or Address Noted Below

STATE OF MICHIGAN
COUNTY OF WAYNE)
)SS

On March 25, 2002 before me, FLORA J. McRAE
personally appeared RICHARD LEWNAK AND MALCOLM Macdonald

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand, and official seal.

Signature Flora J. McRae

Flora J. McRae
Notary Public, Wayne County, Michigan
My Commission Expires March 7, 2003

This area for official notarial seal.

EXHIBIT **A**
LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 49 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 66 AND LOTS A THROUGH E OF CHULA VISTA TRACT NO. 92-02 SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 57 AND LOTS A AND B OF SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 3 CHULA VISTA TRACT NO. 92-02, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14166, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1, A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14192, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

LOTS 1 THROUGH 139 AND LOTS A THROUGH V OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14193, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

LOTS 1 THROUGH 68 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14158, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 41 AND LOTS A THROUGH C OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14159, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 35 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 3, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. MAP NO. 14160, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 45 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 4, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14161, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 48 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 5, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14162, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 74 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 6, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14163, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 17, INCLUSIVE, OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 6 UNIT NO. 7, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13695, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 3, 1998.

LOTS 1 THROUGH 20, INCLUSIVE, OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 7, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13740, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

PARCEL 1:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO HENRY G. FENTON, RECORDED AUGUST 31, 1938 IN BOOK 810, PAGE 380 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCEL 2:

THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED APRIL 17, 1883.

EXCEPTING THEREFROM THOSE PORTIONS OF PARCEL A AND B DESCRIBED IN INSTRUMENT RECORDED JULY 9, 1997 AS FILE NO. 1997-0322397 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 6 UNIT NO. 6, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13694, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 3, 1998.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14192, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14193, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

PARCEL 3:

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 23 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 24, ALL IN TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 4:

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCEL 5:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 6:

THE WEST THREE QUARTERS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, THE WEST THREE QUARTERS OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 7

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE EAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 25, ALL BEING IN TOWNSHIP 17 SOUTH RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED APRIL 17, 1883.

PARCEL 8

THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED APRIL 17, 1883, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 25, DISTANT THEREON SOUTH 88°53'30" EAST 1136.70 FEET FROM THE NORTHWEST CORNER THEREOF; THENCE SOUTH 41°48'30" EAST 1817 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF SAID SECTION 25, SAID SOUTH LINE BEING ALSO THE NORTH BOUNDARY LINE OF RANCHO JANAL; THENCE ALONG SAID BOUNDARY LINE SOUTH 88°49' EAST TO THE EAST LINE OF SAID SOUTH HALF OF SOUTHWEST QUARTER OF SAID SECTION 25; THENCE ALONG SAID EAST LINE NORTH 0°12' EAST 1332.13 FEET TO A FOUR - INCH CONCRETE FILLED PIPE SET IN STONE MUND FOR NORTHEAST CORNER OF SAID SOUTH HALF OF SOUTHWEST QUARTER, AND AS SHOWN ON RECORD OF SURVEY MAP NO. 663 ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY; THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF OF SOUTHWEST QUARTER NORTH 88°53'30" WEST 1578.87 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, RECORDED MAY 4, 1905 IN BOOK 363, PAGE 154 OF DEEDS.

PARCEL 9:

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 3, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14166, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCELS 1 AND 3 OF
PARCEL MAP NO. 18595, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 7, 2000.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 3 IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13502, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 4, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13503, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 5, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13504, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 9, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13742, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 10, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13743, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

LOT 1 OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 3A, SCHOOL, PARK, AND FIRE STATION, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13440 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JULY 9, 1997.

EXHIBIT "A"
LIST OF ASSESSOR PARCEL NUMBERS

595-030-36
595-030-47
595-030-39
595-040-06
595-040-14
595-050-01
585-140-04
585-150-05
595-670-01 THROUGH 595-670-17
595-700-01 THROUGH 595-700-20
595-590-44
595-600-26
595-600-48
595-700-83
595-700-79
595-570-01

AGENDA ITEM 7



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	David Charles <i>DK</i> Public Services Manager	W.O./G.F. NO:	9540	DIV. NO.	4
APPROVED BY: (Chief):	Rod Posada <i>Rod Posada</i> Chief, Engineering				
APPROVED BY: (Asst. GM):	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations				
SUBJECT:	Reimbursement Request with Brookfield Shea Otay, LLC, for completed Capital Improvement Projects (CIP Nos. P2169, P2397) in the amount of \$436,525.95				

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board authorize the General Manager to approve the request to reimburse Brookfield Shea Otay, LLC, for completed CIP projects (CIP Nos. P2169, P2397) in the amount of \$436,525.95.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse the Brookfield Shea Otay, LLC, for work completed and associated with CIP Nos. P2169 and P2397. At the May 1, 2004 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement with Brookfield Shea Otay, LLC, for the various pipeline capital improvements associated with Otay Ranch Village II Development (CIP Nos. P2169, P2397).

ANALYSIS:

On May 3, 2004, the Otay Water District (District) entered into a Reimbursement Agreement with Brookfield Shea Otay, LLC (the "Reimbursement Agreement") for regional water facilities within the Otay Ranch Village II Development. CIP Nos. P2169 and P2397 were included within the Sub-Area Master Plan (SAMP) dated January 2002, and subsequently included in the Reimbursement Agreement.

Brookfield Shea Otay, LLC submitted its reimbursement request on November 1, 2006, along with the necessary invoices from the lowest responsive bidder for a total amount of \$511,347.90. After staff review, that amount was reduced to \$436,525.95. These projects were listed in the District's five-year CIP plans, as well as on the approved SAMP dated January 2002.

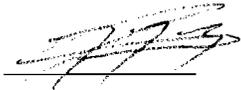
Staff used the following methodology to evaluate the reimbursement request submitted by Brookfield Shea Otay, LLC:

- (a) prepared a quantity take-off (see Attachment 1, pages 1 & 2);
- (b) compared quantities and prices against the reimbursement requests (see Attachment 2, pages 1 & 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3, pages 1 & 2).

After reviewing the budget for the CIP projects included in the Brookfield Shea Otay, LLC request dated November 1, 2006, Staff compared with the budget for FY08 and found that these projects had sufficient funds to be reimbursed.

FISCAL IMPACT:



The approved budget for FY08 (CIP Nos. P2169, P2397) is \$500,000. After staff evaluation of the invoices and quantity take-off, the actual reimbursement to Brookfield Shea Otay, LLC will be \$436,525.95. Staff will be closing these CIP projects after all reimbursements are made to the Developer after Board approval.

STRATEGIC GOAL:

This project supports the District's strategic goal of satisfying current and future potable and recycled water needs. The pipelines will transmit potable and recycled water to central area system market areas.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP W196\WO 8687\Staff Report\Brookfield Shea Otay, LLC, Reimburse Request, July 07 (DC).doc

DC/RP:jf

Attachments:

- Attachment A Committee Action
- Attachment 1 Quantity Take-Offs for Eastlake Parkway Reimbursement Agreement - Potable, Phase 1-3; CIP P2169 (W169) and CIP P2397 (W397)
- Attachment 2 Price Verification for Eastlake Parkway Reimbursement Agreement - Potable, Phase 1-3; CIP P2169 (W169) and CIP P2397 (W397)
- Attachment 3 Reimbursement Summary Sheet - Brookfield Shea Otay LLC; CIP P2169 and CIP P2397
- Exhibit A Reimbursement Agreement (W.O No. 9468)



ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Request with Brookfield Shea Otay, LLC, for completed Capital Improvement Projects (CIP Nos. P2169, P2397 in the amount of \$436,525.95)
-------------------------	--

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee 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 1

QUANTITY TAKE-OFFS FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2169 (W169) (WO# 9540, D0017-000005)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Actual Quantity	Otay Quantity	BSO LLC Requests	Staff Recommendation
12" WATER MAIN 980'Zone	104	104	\$39.00	104
20" WATER MAIN 980'Zone	761	761	\$54.00	761
6" BLOW-OFF	1	1	\$4,500.00	1
2" BLOW-OFF Temp.	1	1	\$1,000.00	1
6" BLOW-OFF Temp.	1	1	\$2,800.00	1
4" AIR VAC.RELEASE VALVE	1	1	\$5,500.00	1
12" RESILIENT SEAT G.V.	1	1	\$1,350.00	1
20" BUTTERFLY VALVE	1	1	\$5,900.00	1
20"x 12" REDUCER	1	1	\$3,500.00	1
CONNECT TO EXISTING	0	1	\$3,000.00	0
20" WATER MAIN 980'Zone	2724	2284	\$57.00	2284
4" BLOW-OFF	2	2	\$5,700.00	2
2" BLOW-OFF	0	1	\$2,600.00	0
4" AIR VAC.RELEASE VALVE	3	2	\$8,200.00	2
TEST STATION	0	1	\$0.00	0
FIRE HYDRANT/B.O.	3	3	\$7,800.00	3
20" BUTTERFLY VALVE	3	3	\$7,500.00	3
END CAP	4	2	\$1,400.00	2

Approved By: David Charles Date: 1/2/2007
David Charles
Public Services Manager

**PRICE VERIFICATION FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3**

CIP P2169 (W169) (WO# 9540, D0017-000005)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Requests	Otay Verification	BSO LLC Actual Quantity	Comments
12" WATER MAIN 980'Zone	\$39.00	\$0.00	104	
20" WATER MAIN 980'Zone	\$54.00	\$54.00	761	
6" BLOW-OFF	\$4,500.00	\$4,500.00	1	
2" BLOW-OFF Temp.	\$1,000.00	\$0.00	1	
6" BLOW-OFF Temp.	\$2,800.00	\$2,800.00	1	
4" AIR VAC.RELEASE VALVE	\$5,500.00	\$5,500.00	1	
12" RESILIENT SEAT G.V.	\$1,350.00	\$0.00	1	
20" BUTTERFLY VALVE	\$5,900.00	\$5,900.00	1	
20"x 12" REDUCER	\$3,500.00	\$0.00	1	
CONNECT TO EXISTING	\$3,000.00	\$0.00	0	
20" WATER MAIN 980'Zone	\$57.00	\$57.00	2724	
4" BLOW-OFF	\$5,700.00	\$5,700.00	2	
2" BLOW-OFF	\$2,600.00	\$0.00	0	
4" AIR VAC.RELEASE VALVE	\$8,200.00	\$8,200.00	3	
TEST STATION	\$0.00	\$0.00	0	
FIRE HYDRANT/B.O.	\$7,800.00	\$7,800.00	3	
20" BUTTERFLY VALVE	\$7,500.00	\$7,500.00	3	
END CAP	\$1,400.00	\$1,400.00	4	

Reviewed By

Richard Shackley
Richard Shackley
Inspection Supervisor

Date: 12/28/06

QUANTITY TAKE-OFFS FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2397 (W397) (WO# 9540)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Actual Quantity	Otay Quantity	BSO LLC Requests	Staff Recommendation
12" WATER MAIN 711'Zone	825	821	\$39.00	821
2" BLOW-OFF	1	1	\$1,700.00	1
2" BLOW-OFF Temp.	1	1	\$1,000.00	1
2" AIR VAC.RELEASE VALVE	1	1	\$1,800.00	1
16"x 12" REDUCER	1	1	\$1,000.00	1
CONNECT TO EXISTING	0	1	\$0.00	0
12" WATER MAIN 711'Zone	2566	2300	\$48.00	2300
16" WATER MAIN 711'Zone	179	100	\$53.00	100
2" BLOW-OFF	0	1	\$3,500.00	0
8" RESILIENT SEAT G.V.	0	1	\$0.00	0
12" RESILIENT SEAT G.V.	0	3	\$1,700.00	0
TEST STATION	0	1	\$0.00	0
2" AIR VAC.RELEASE VALVE	0	1	\$0.00	0
FIRE HYDRANT/B.O.	0	3	\$0.00	0
END CAP	3	1	\$1,400.00	1

Approved By:  Date: 1/2/2007
David Charles
Public Services Manager

PRICE VERIFICATION FOR
 EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
 POTABLE; PHASE 1 - 3

CIP P2397 (W397) (WO# 9540)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Requests	Otay Verification	BSO LLC Actual Quantity	Comments
12" WATER MAIN 711'Zone	\$39.00	\$39.00	825	
2" BLOW-OFF	\$1,700.00	\$1,700.00	1	
2" BLOW-OFF Temp.	\$1,000.00	\$1,000.00	1	
2" AIR VAC.RELEASE VALVE	\$1,800.00	\$1,800.00	1	
16"x 12" REDUCER	\$1,000.00	\$1,000.00	1	
CONNECT TO EXISTING	\$0.00	\$0.00	0	
12" WATER MAIN 711'Zone	\$48.00	\$43.00	2566	
16" WATER MAIN 711'Zone	\$53.00	\$0.00	179	
2" BLOW-OFF	\$3,500.00	\$0.00	0	
8" RESILIENT SEAT G.V.	\$0.00	\$0.00	0	
12" RESILIENT SEAT G.V.	\$1,700.00	\$0.00	0	
TEST STATION	\$0.00	\$0.00	0	
2" AIR VAC.RELEASE VALVE	\$0.00	\$0.00	0	
FIRE HYDRANT/B.O.	\$0.00	\$0.00	0	
END CAP	\$1,400.00	\$1,400.00	3	

Reviewed By


 Richard Shackley
 Inspection Supervisor

Date: 12/28/06

EXHIBIT A

REIMBURSEMENT AGREEMENT

Between

THE OTAY WATER DISTRICT AND BROOKFIELD SHEA OTAY, LLC,
For

CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES

Associated With

Otay Ranch Village 11 Development
(Work Order No. 9468)

This reimbursement agreement ("Agreement") is entered into as of this 3rd day of May, 2004, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter referred to as "the District") and Brookfield Shea Otay, LLC, a California Limited Liability Company (hereinafter referred to as "the Developer"), in view of the following facts and for the following purposes:

R E C I T A L S

A. WHEREAS, the District's Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (CIP) for all regional water facilities throughout the District. There are a number of regional water facilities within and adjacent to Otay Ranch Village 11 development within the City of Chula Vista; and

B. WHEREAS, the Developer completed a Subarea Master Plan (SAMP) entitled "Subarea Water Master Plan of Potable and Recycled Water for Otay Ranch Village 11," dated January 2002, that requires certain CIP regional water facilities ("facilities") to be constructed to service the development and surrounding areas (see Exhibits A-1 and A-2); and

C. WHEREAS, the Developer intends to develop its property, which will include substantial public improvements, including certain regional water facility projects listed within the District's CIP (see Exhibit B); and

D. WHEREAS, the Developer recognizes that the District constructs regional facilities to support this development, typically in advance of the Developer paying all capacity fees; and

E. WHEREAS, the Developer shall conform to all of the conditions set forth in the District's current Policy 26 (see Exhibit C); and

F. WHEREAS, the Developer shall comply with all terms and conditions in the current District's Code of Ordinances and in the District's Standard Specifications; and

G. WHEREAS, the Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this agreement.

NOW THEREFORE, the District and the Developer agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated by reference.

2. Project Cost. The Developer shall design and construct the CIP facilities described in Exhibit B, providing all funds needed for their design and construction.

3. Reimbursement. The Developer shall be entitled to reimbursement consistent with the District's Policy No. 26. When a project is operationally complete, the Developer may request reimbursement for up to 90% of the facility cost by providing invoices, unconditional lien releases, and other documentation supporting the work completed and actual costs incurred. The remaining 10% may be reimbursed after the District accepts the facilities.

4. Plan Approval. Developer shall be required to adhere to the District's process for submittal of improvement plans, which includes bonding for all facilities to be constructed, construction agreements, deposits for District staff time and project acceptance.

5. Record Keeping. The Developer shall keep an accurate record of the actual cost to construct the CIP facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. The Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation shall be kept by the Developer for three

(3) years after the completion of the facilities and be provided to the District for its review upon its request.

6. Change Orders. No change orders will be allowed unless the construction change is initiated by the District.

7. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

8. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096
Attn: General Manager

If to the Developer: Mr. John Norman
Brookfield Shea Otay, LLC
12865 Pointe Del Mar Way, Suite 200

Del Mar, California 92014-3860
Telephone: (858) 481-8500
Facsimile: (858) 793-2395

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

9. Indemnity. Each party agrees to defend, indemnify, protect, and hold harmless the other party and its agents, officers, and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers, which arise from or are connected with or are caused or claim to be caused by the negligent acts or omissions or willful misconduct of the party's agent, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The District and the Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

10. Arbitration and Attorney's Fees. If there is a dispute concerning this Agreement or arising out of this Agreement, the parties agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by

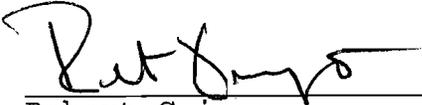
non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three arbitrators.

In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

11. Successors in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

IN WITNESS WHEREOF, this Agreement is executed by the District and by the Developer as of the date first above written.

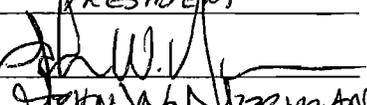
OTAY WATER DISTRICT
A California Municipal Water District

By: 
Robert Griego
General Manager

BROOKFIELD SHEA OTAY LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Brookfield Otay LLC, a Delaware limited liability company,
Member

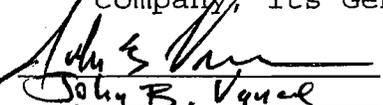
By:  Date: 4-28-04
Name: STEPHEN P DOYLE
Its: PRESIDENT

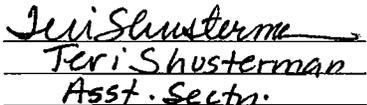
By:  Date: 4/28/04
Name: John W. [unclear]
Its: [unclear]

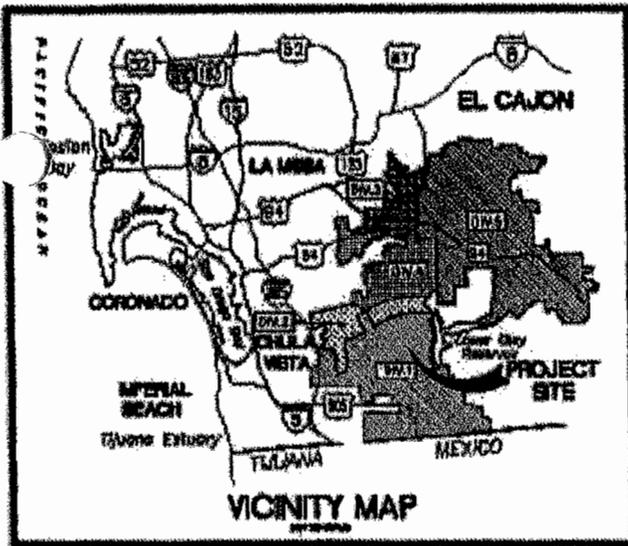
By: Shea Otay Village 11, LLC, a California limited liability
company, Member

By: Shea Homes Limited Partnership, a California limited
partnership, its Sole Member

By: J.F. Shea LLC, a Delaware limited liability
company, its General Partner

By:  Date: 4/28/04
Name: John B. Vancil
Its: Asst. Sect.

By:  Date: 4/28/04
Name: Teri Shusterman
Its: Asst. Secty.

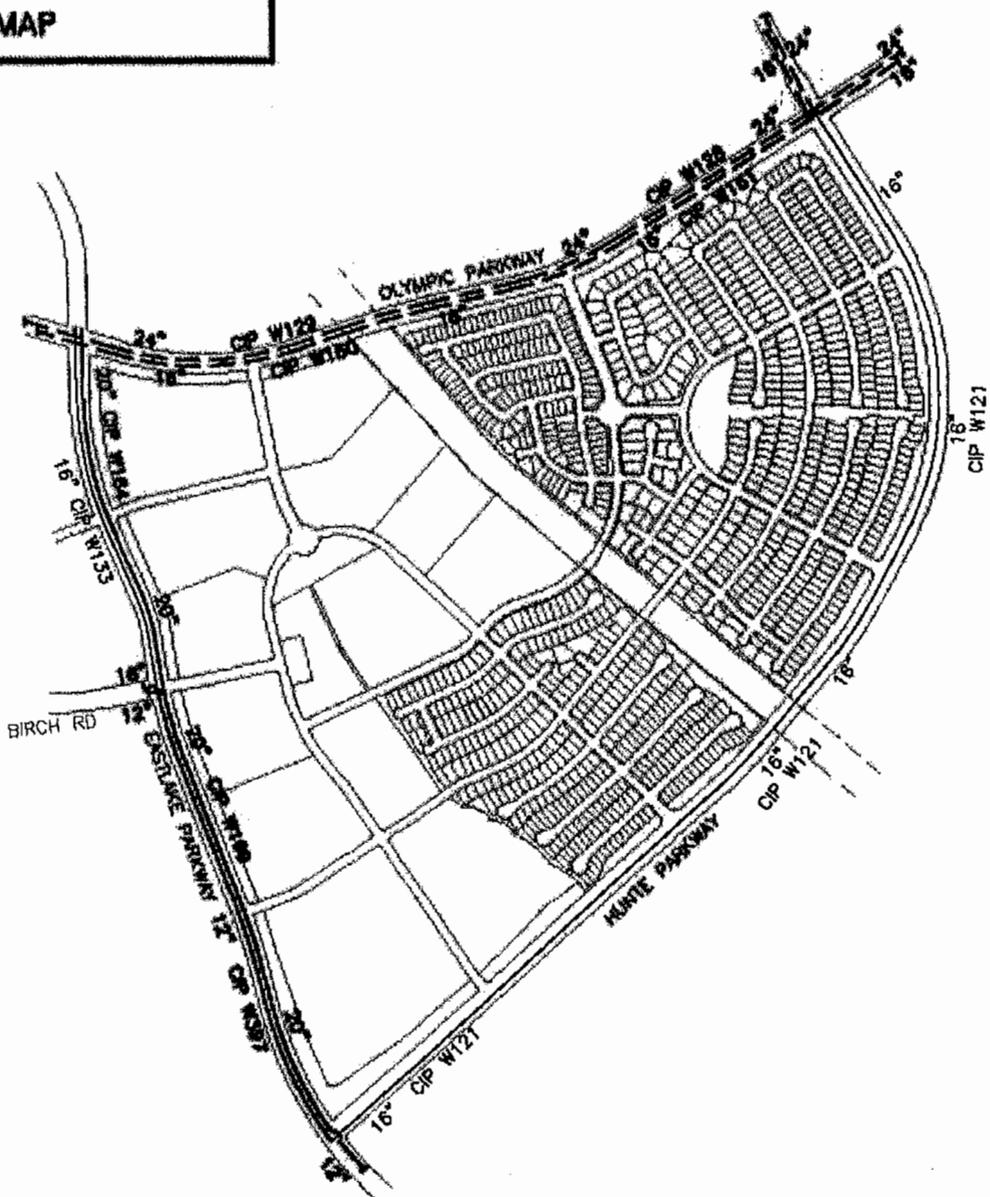
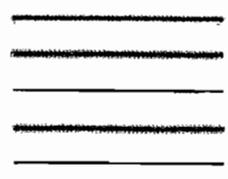


POTABLE WATER

LEGEND

- PROPOSED 980 ZONE W164
- PROPOSED 980 ZONE W169
- PROPOSED 711 ZONE W133
- PROPOSED 711 ZONE W397
- PROPOSED 711 ZONE W121

W169 CIP NUMBER



OTAY WATER DISTRICT

AGREEMENT WITH BROOKFIELD SHEA OTAY, LLC.
FOR POTABLE WATER CIP FACILITIES
OTAY RANCH, VILLAGE 11



W.O. VARIES

LOCATION MAP

CIP# VARIES

EXHIBIT A-1

RECYCLED WATER

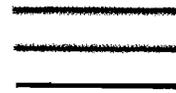
LEGEND

PROPOSED 880 ZONE R040

PROPOSED 944 ZONE R031

PROPOSED 944 ZONE R041

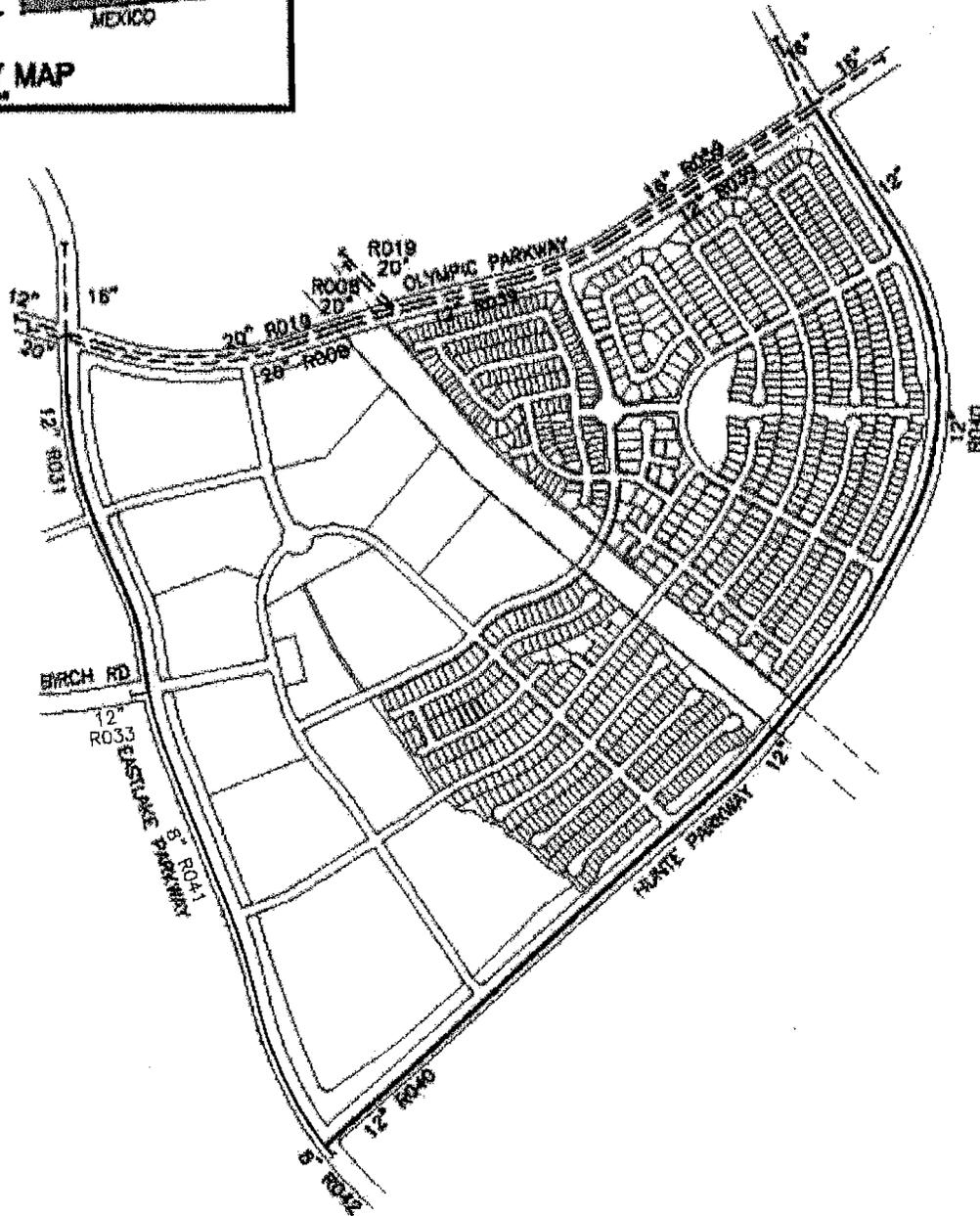
R008 CIP NUMBER



NOT TO SCALE



VICINITY MAP



OTAY WATER DISTRICT

AGREEMENT WITH BROOKFIELD SHEA OTAY, LLC.
FOR RECYCLED WATER CIP FACILITIES
OTAY RANCH, VILLAGE 11

W.O. VARIES

LOCATION MAP

CIP# VARIES

EXHIBIT A-2

**SUMMARY OF VILLAGE 11 CIP PROJECTS FOR REIMBURSEMENT
(per Sub-Area Master Plan, Table 8.1)**

CAPITAL IMPROVEMENT PROGRAM POTABLE WATER FACILITIES								
CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length, LF	Unit Cost \$/LF	Total Cost \$ (rounded)
W121	Village 11	1,2,3	Hunte Parkway	20"	711	8,700	119	1,250,000
W133	Village 11	1,2	Eastlake Parkway	16"	711	2,300	99	230,000
W397	Village 11	2,3	Eastlake Parkway	12"	711	3,300	53	174,000
W164	Village 11	1,2	Eastlake Parkway	20"	980	2,350	119	279,650
W169	Village 11	2,3	Eastlake Parkway	16"	980	3,100	99	306,000
Subtotal Potable Water Facilities								2,240,550

CAPITAL IMPROVEMENT PROGRAM RECYCLED WATER FACILITIES								
CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length LF	Unit Cost \$/LF	Total Cost \$ (rounded)
R031	Village 11	1,2	Eastlake Parkway	12"	944	2,400	90	216,000
R040	Village 11	1,2,3	Hunte Parkway	12"	680	8,600	90	774,000
R041	Village 11	2,3	Eastlake Parkway	8"	944	3,100	40	124,000
Subtotal Potable Water Facilities								1,114,000

TOTAL POTABLE AND RECYCLED WATER FACILITIES

\$3,354,550

EXHIBIT B

ATTACHMENT 2

**HUNSAKER & ASSOCIATES
ENGINEER'S ESTIMATE FOR
VILLAGE 11 CIP PROJECTS FOR REIMBURSEMENT**

CAPITAL IMPROVEMENT PROGRAM FACILITIES								
POTABLE WATER FACILITIES								
CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length, LF	Unit Cost \$/LF	Total Cost \$ (rounded)
W121	Village 11	1,2,3	Hunte Parkway	16"	711	8,700	66.86	\$ 581,711
W133	Village 11	1,2	Eastlake Parkway	16"	711	2,322	68.53	\$ 159,117
W164	Village 11	1,2	Eastlake Parkway	20"	980	2,284	98.18	\$ 224,239
W169	Village 11	2,3	Eastlake Parkway	20"	980	3,061	83.10	\$ 254,384
W397	Village 11	2,3	Eastlake Parkway	12"	711	3,122	57.10	\$ 178,269
Subtotal Potable Water Facilities								\$ 1,397,720

CAPITAL IMPROVEMENT PROGRAM FACILITIES								
RECYCLED WATER FACILITIES								
CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length LF	Unit Cost \$/LF	Total Cost \$ (rounded)
R031	Village 11	1,2	Eastlake Parkway	12"	944	2,310	63.10	\$ 145,751
R040	Village 11	1,2,3	Hunte Parkway	12"	680	8,768	52.01	\$ 456,026
R041	Village 11	2,3	Eastlake Parkway	8"	944	3,182	46.08	\$ 146,638
Subtotal Potable Water Facilities								\$ 748,415

TOTAL POTABLE AND RECYCLED WATER FACILITIES	\$2,146,135
--	--------------------

REIMBURSEMENT SUMMARY SHEET - BROOKFIELD SHEA OTAY LLC
BROOKFIELD SHEA OTAY, LLC REQUESTS

DEVELOPMENT SERVICES STAFF'S RECOMMENDATION

BSO Qty	BSO Unit Price	BSO Cost	Soft Costs @ 5%	BSO Total Expense	Otay Qty	Otay Verification	Otay Cost	Soft Costs @ 5%	Otay Total Expense	Staff's Total CIP Budget	DBO Staff's Recommended Reimbursement	Staff's Recommended Amount Over Budget	
CIP P2397 PL - 12-Inch, 711 Zone, EastLake Parkway Contractors: Burtch Pipeline, Inc. WO# 9540 Budgeted Amount: P2397 \$175,000													
12" WATER MAIN 711'Zone	825	\$39.00	\$32,175.00	\$1,608.75	\$33,783.75	821	\$39.00	\$32,019.00	\$1,600.95	\$33,619.95			
2" BLOW-OFF	1	\$1,700.00	\$1,700.00	\$85.00	\$1,785.00	1	\$1,700.00	\$1,700.00	\$85.00	\$1,785.00			
2" BLOW-OFF Temp.	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00			
2" AIR VAC.RELEASE VALVE	1	\$1,800.00	\$1,800.00	\$90.00	\$1,890.00	1	\$1,800.00	\$1,800.00	\$90.00	\$1,890.00			
16"x 12" REDUCER	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00			
CONNECT TO EXISTING	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
Phase 2 Total				\$38,558.75		Phase 2 Total				\$38,394.95			
12" WATER MAIN 711'Zone	2566	\$48.00	\$123,168.00	\$6,158.40	\$129,326.40	2566	\$48.00	\$110,338.00	\$5,516.90	\$115,854.90			
16" WATER MAIN 711'Zone	179	\$53.00	\$9,487.00	\$474.35	\$9,961.35	100	\$0.00	\$0.00	\$0.00	\$0.00			
2" BLOW-OFF	0	\$3,500.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
8" RESILIENT SEAT G.V.	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
12" RESILIENT SEAT G.V.	0	\$1,700.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
TEST STATION	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
2" AIR VAC.RELEASE VALVE	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
FIRE HYDRANT/B.O.	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
END CAP	3	\$1,400.00	\$4,200.00	\$210.00	\$4,410.00	1	\$1,400.00	\$1,400.00	\$70.00	\$1,470.00			
Phase 3 Total				\$143,697.25		Phase 3 Total				\$117,324.90			
Total:				\$183,256.00		Total:				\$156,719.85	\$125,000.00	\$156,719.85	\$31,719.85
CIP P2169 PL - 20-Inch, 880 Zone, EastLake Parkway Contractors: Burtch Pipeline, Inc. WO# 9540, D0017-000005 Budgeted Amount: P2169 \$ 325,000													
12" WATER MAIN 980'Zone	104	\$37.00	\$3,848.00	\$192.40	\$4,040.40	104	\$0.00	\$0.00	\$0.00	\$0.00			
20" WATER MAIN 980'Zone	761	\$54.00	\$41,094.00	\$2,054.70	\$43,148.70	761	\$54.00	\$41,094.00	\$2,054.70	\$43,148.70			
6" BLOW-OFF	1	\$4,500.00	\$4,500.00	\$225.00	\$4,725.00	1	\$4,500.00	\$4,500.00	\$225.00	\$4,725.00			
2" BLOW-OFF Temp.	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00	1	\$0.00	\$0.00	\$0.00	\$0.00			
6" BLOW-OFF Temp.	1	\$2,800.00	\$2,800.00	\$140.00	\$2,940.00	1	\$2,800.00	\$2,800.00	\$140.00	\$2,940.00			
4" AIR VAC.RELEASE VALVE	1	\$5,500.00	\$5,500.00	\$275.00	\$5,775.00	1	\$5,500.00	\$5,500.00	\$275.00	\$5,775.00			
12" RESILIENT SEAT G.V.	1	\$1,350.00	\$1,350.00	\$67.50	\$1,417.50	1	\$0.00	\$0.00	\$0.00	\$0.00			
20" BUTTERFLY VALVE	1	\$5,900.00	\$5,900.00	\$295.00	\$6,195.00	1	\$5,900.00	\$5,900.00	\$295.00	\$6,195.00			
20"x 12" REDUCER	1	\$3,500.00	\$3,500.00	\$175.00	\$3,675.00	1	\$0.00	\$0.00	\$0.00	\$0.00			
CONNECT TO EXISTING	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
Phase 2 Total				\$73,185.00		Phase 2 Total				\$62,783.70			
20" WATER MAIN 980'Zone	2724	\$57.00	\$155,268.00	\$7,763.40	\$163,031.40	2284	\$57.00	\$130,188.00	\$6,509.40	\$136,697.40			
4" BLOW-OFF	2	\$5,700.00	\$11,400.00	\$570.00	\$11,970.00	2	\$5,700.00	\$11,400.00	\$570.00	\$11,970.00			
2" BLOW-OFF	0	\$2,800.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
4" AIR VAC.RELEASE VALVE	3	\$8,200.00	\$24,600.00	\$1,230.00	\$26,830.00	2	\$8,200.00	\$16,400.00	\$820.00	\$17,220.00			
TEST STATION	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00			
FIRE HYDRANT/B.O	3	\$7,800.00	\$23,400.00	\$1,170.00	\$24,570.00	3	\$7,800.00	\$23,400.00	\$1,170.00	\$24,570.00			
20" BUTTERFLY VALVE	3	\$7,500.00	\$22,500.00	\$1,125.00	\$23,625.00	3	\$7,500.00	\$22,500.00	\$1,125.00	\$23,625.00			
END CAP	4	\$1,400.00	\$5,600.00	\$280.00	\$5,880.00	2	\$1,400.00	\$2,800.00	\$140.00	\$2,940.00			
Phase 3 Total				\$264,906.40		Phase 3 Total				\$217,022.40			
Total:				\$328,091.40		Total:				\$279,806.10	\$125,000.00	\$279,806.10	\$54,806.10
System Total CIP Budget:										\$100,000.00			
Staff's Recommended Amount Per Agreement:										\$40,000.00			
DBO Staff's Recommended Reimbursement:										\$430,825.95			
Brookfield Shea Otay LLC is requesting Reimbursement in the amount of:										\$311,347.00			
Difference Between Recommended and Requested:										\$74,021.95			



AGENDA ITEM 8

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Don Henderson, <i>DH</i> Construction Maintenance Manager	W.O./G.F. NO:	DIV. NO. All
	Steve Dobrawa, <i>SD</i> Purchasing and Facilities Manager		
APPROVED BY: (Chief)	Pedro Porras, <i>PP</i> Chief of Water Operations		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>Manny Magaña</i> Asst. General Manager, Engineering & Operations		
SUBJECT:	AWARD OF CONTRACT TO UNDERGROUND UTILITIES, INC. FOR MANUAL WATER-METER RETROFIT TO RADIO-READ METERS		

GENERAL MANAGER'S RECOMMENDATION:

That the Board awards a contract to Underground Utilities, Inc. (UUI), in the amount of \$208,500.00 for retrofitting up to 3,500 existing manual-read meters with new automated-meter-read (AMR) meters.

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To provide bid results and obtain authorization to award a contract to retrofit up to 3,500 manual-read meters with new AMR meters.

ANALYSIS:

As identified within the District's Strategic Plan, manual-read water meters are being retrofitted with radio-read water meters. To date, the District has retrofitted 8,464 meters of which 1,208 were included in CIP 2458 and completed in FY07. The remaining 5,087 meters were funded by the Operating Budget prior to FY07. In 2007, because these expenditures met the criteria for capitalization, this program was moved from the operating to the CIP budget.

Included in the proposed FY08 Capital Improvement Budget (CIP P2548) is \$1,250,000 to retrofit approximately 3,500 meters of various sizes, including parts and labor.

On April 5, 2007 the District, in accordance with purchasing requirements, advertised and solicited bids for labor services for retrofitting approximately 3,500 manual-read meters with radio-read meters. On April 16, 2007 ten interested firms attended a mandatory pre-bid meeting and on May 3, 2007 eight bids were received and publicly opened with the following results:

Bidder	Amount
Underground Utilities, Inc.	\$208,500.00
Ortiz Corporation	\$246,000.00
Empire Pipeline	\$273,000.00
Triton Water Technologies	\$276,200.00
Erreca's, Inc.	\$279,525.00
Zondiros Corporation	\$318,000.00
CCL Contracting, Inc.	\$346,500.00
Alpha Mechanical Heating and Air	\$428,700.00

UUI, the low bidder, has been performing meter replacement work for the District since the AMR program's inception in October, 2003. Their bid is responsive and, based on recent past experience, they are a responsible contractor.

Staff has had a good working relationship with UUI and feels confident that they will continue to perform the work as required under the invitation to bid. It is recommended that the Board award a contract to UUI in the bid amount of \$208,500.00 to cover the cost for retrofitting approximately 3,500 meters from manual to radio-read meters.

FISCAL IMPACT: _____

The 2008 budget for CIP P2458 is \$1,250,000. The value of this contract is \$208,000 which staff feels is sufficient to cover the costs of contract labor for replacing approximately 3,500 meters within FY08. The remaining \$1,042,000 will be used primarily for the purchase of meters, other materials, and in-house staff time.

STRATEGIC GOAL:

Strategy: Implement Field Technology Solutions.
Objective: Convert all District Meters to AMR Meters.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

"Attachment A," Committee Action

ATTACHMENT A

SUBJECT/PROJECT:	AWARD OF CONTRACT TO UNDERGROUND UTILITIES, INC. FOR MANUAL WATER METER RETROFIT TO RADIO READ METERS
-------------------------	---

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee met on June 27, 2007 and supports staff's recommendation to award a contract to Underground Utilities, Inc. for manual water meter retrofit to radio-read meters.

NOTE:

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

AGENDA ITEM 9



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT/	P2459/ DIV. 5
		SUBPROJECT	001103 NO.
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (CIP P2459)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board award a construction contract to Ortiz Corporation (Ortiz) in the amount of \$831,000 for the installation of a 12-inch PVC water line and removal of a 10-inch ACP water line along Olive Vista Drive. See Exhibit A for project location.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization to award a construction contract to Ortiz for Olive Vista Drive Utility Relocations.

ANALYSIS:

The County of San Diego (County) has plans to make improvements to Olive Vista Drive in Jamul. The improvements of this road require that the existing utilities be relocated to accommodate the County's design. The District does not have prior rights for the existing 10-inch ACP water line currently located in Olive Vista Drive.

The pipeline alignment extends from Jefferson Street to Ma Lou Drive along Olive Vista Drive. The existing 10-inch ACP water

line will need to be removed on the portions of the road that will be lowered, estimated to be 2,350 linear feet. A temporary highline will be constructed for continuous uninterrupted service to all the affected customers. Approximately 4,100 linear feet of new 12-inch PVC pipe will be installed to replace the old 10-inch ACP line. J.C. Heden and Associates, the District's consultant designed the pipeline and developed the bid documents. The project was advertised for bid on the District's website and several other publications shown below:

Date of Advertisement	Publication
4/18/07 to 5/24/07	Bid America
4/19/07	San Diego Tribune
4/18/07 to 5/24/07	San Diego Daily Transcript
4/18/07 to 5/24/07	F.W. Dodge
4/18/07 to 5/24/07	Reed Construction Data
4/18/07 to 5/24/07	Construction Update
4/18/07 to 5/24/07	Contracting Opportunities Center
4/18/07 to 5/24/07	Associated General Contractors of America
4/18/07 to 5/24/07	Black Contractor's Association of San Diego

Subsequently four addenda were sent out to all bidders and planhouses to address contractors' questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on May 24, 2007 with the following results:

<u>ENGINEER'S ESTIMATE</u>	<u>\$1,103,200</u>
<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>
1 ORTIZ CORPORATION	\$831,000
2 BONITA PIPELINE INC.	\$912,588
3 CCL CONTRACTING INC.	\$926,665
4 TC CONSTRUCTION INC.	\$1,077,245
5 ZONDIROS CORPORATION	\$1,097,850
6 ORION CONSTRUCTION COMPANY	\$1,187,000
7 S.C. VALLEY ENGINEERING	\$1,130,420
8 ERRECA'S INC.	\$1,391,140
9 ARB INC.	\$1,469,323

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, Ortiz, submitted a responsible bid and holds a Class A Contractor's license which expires on September 30, 2008.

Ortiz has recently completed the 30-inch Recycled Water Pipeline from Dairy Mart Road to the 450-1 Reservoir (R2022). Staff had a good experience working with Ortiz, as they completed the project on schedule and on budget. References were checked and

Ortiz was found to be a highly rated company. Staff also verified that it can comply with the bonding requirements for this project. Per the public competitive bidding process, staff is recommending the award of a construction contract to Ortiz in the amount of \$831,000.

FISCAL IMPACT: _____

The total budget for CIP P2459, as approved in the FY 2008 budget, is \$1,242,000. Total expenditures plus outstanding commitments and forecast to date are \$1,105,080. See Attachment B for budget detail.

Staff anticipates that, based on the attached financial analysis, the budget will be sufficient to support this project. Finance has determined that 50% of the funding is available from the Betterment Fund and 50% of the funding from the Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water and wastewater services to our community in an innovative, cost efficient water wise and environmentally responsible manner", as well as the General Manager's vision, "...prepared for the future..." by guaranteeing the District will always be able to meet future water supply obligations and plan, design and construct new facilities.

LEGAL IMPACT: _____

None.



General Manager

DK/HJ/RP:jf

P:\WORKING\CIP P2459\Staff Reports\Staff Report-Construction-Ortiz Corporation.doc

Attachment A Committee Action
Attachment B Budget Detail
Exhibit A Location Map



ATTACHMENT A

SUBJECT/PROJECT:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (CIP P2459)
-------------------------	--

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee 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:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (P2459)
-------------------------	--

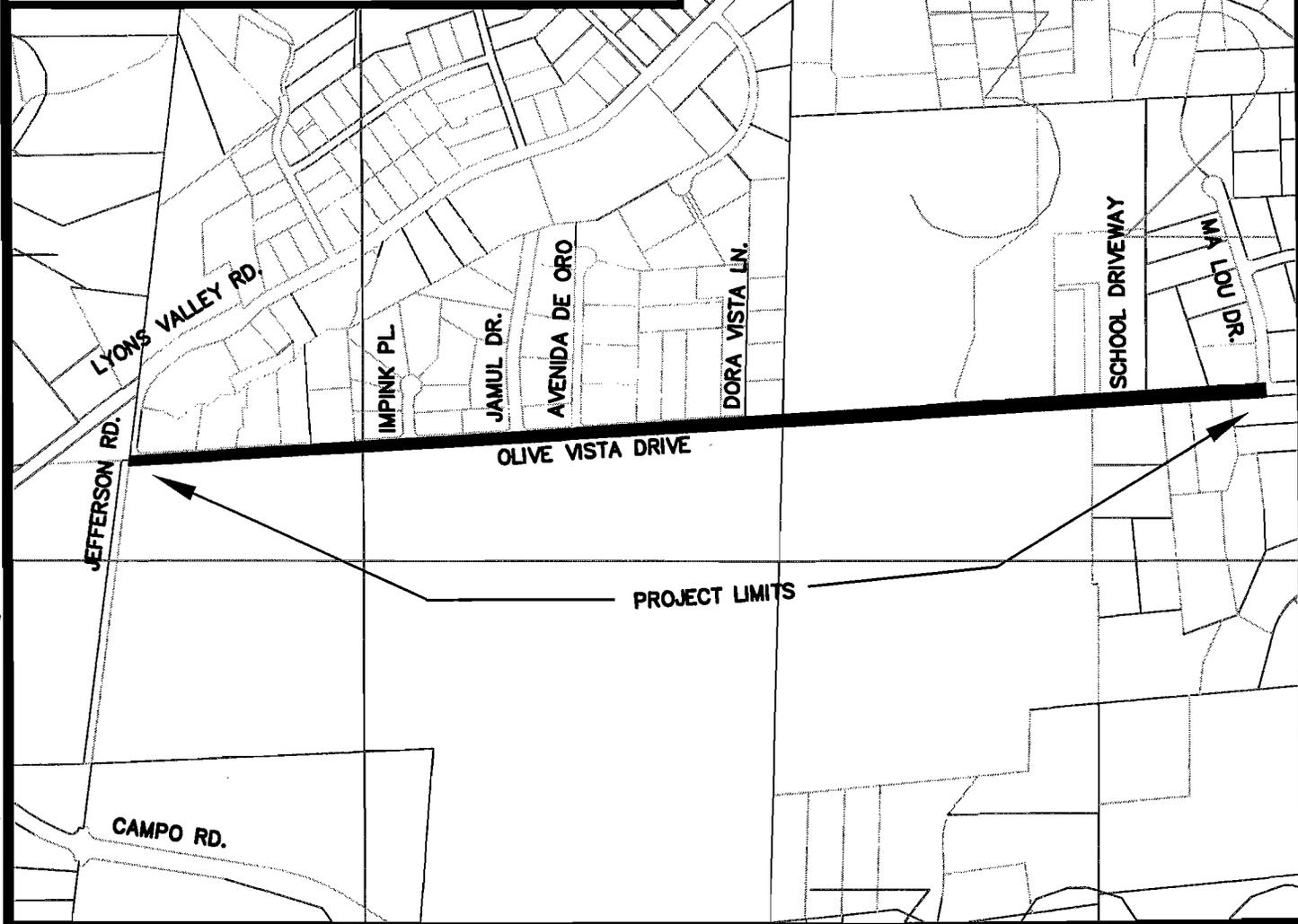
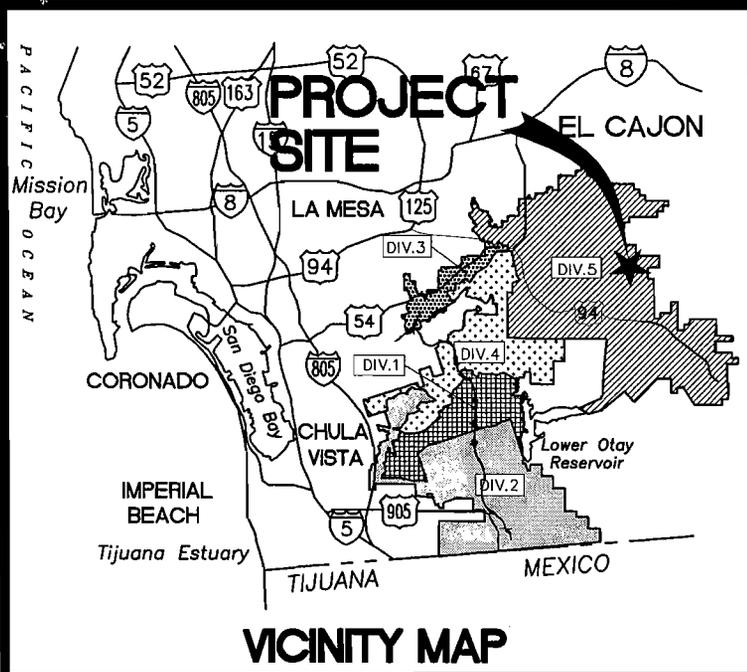
Otay Water District

Date Updated: June 11, 2007

P2459 - General Utility Relocation-Olive Vista R

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$1,242,000					
Planning					
Studies				-	
Labor		-		-	
Printing		-		-	
Professional Legal Fees		-		-	
Service Contracts		-		-	
Subcontract		-		-	
Temporary Labor		-		-	
Total Planning	\$ -	\$ -	\$ -	\$ -	
Design					
In House/Labor	102,870	102,870	-	102,870	
In House/Labor (future)		-	-	-	
Consultant Contracts	24,750	17,908	6,842	24,750	JC Heden & Assoc. Inc.
Contracted Services	1,445	1,445	-	1,445	Frank & Son Paving Inc
Materials	320	320	-	320	C.W. Mcgrath Inc
	480	480	-	480	Penhall Company
	138	138	-	138	United Rentals Northwest
	760	760	-	760	Rick Post Welding
Inventory		23		23	Sewer Fittings & Green Bell
		2,073		2,073	Fire Hydrant & Extension items
		158		158	Pipe C900
		291		291	Adaptor RTxGLG
Rents & Leases	195	195	-	195	Allied Trench Shoring Service
			-	-	
			-	-	
			-	-	
			-	-	
			-	-	
Total Design	\$ 130,958	\$ 126,660	\$ 6,842	\$ 133,502	
Construction					
In House/Labor	110,000	-	110,000	110,000	
Consultant Contracts	10,000	8,842	1,158	10,000	JC Heden & Assoc. Inc.
Service Contracts	3,771	569	3,202	3,771	OCB Reprographics
Contracted Services	312	312	-	312	Frank & Son Paving Inc
	831,000		831,000	831,000	Oritz Corporation
Contingency	124,650		124,650	124,650	
Acceptance/Closeout	28,228		28,228	28,228	
Advertising	468	468	-	468	Union Tribune
	69	69	-	69	San Diego Daily Transcript
			-	-	
			-	-	
			-	-	
			-	-	
Total Construction	\$ 1,108,498	\$ 10,260	\$ 1,098,239	\$ 1,108,498	
Grand Total	\$ 1,239,456	\$ 136,920	\$ 1,105,080	\$ 1,242,000	

P:\WORKING\CIP P2172\Graphics\Exhibits-Figures-Exhibit A.dwg 2/3/2005 9:07:31 AM PST



OTAY WATER DISTRICT
 OLIVE VISTA DRIVE UTILITY RELOCATION

CIP# P2459

LOCATION MAP

EXHIBIT A

AGENDA ITEM 10



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Lisa Coburn-Boyd <i>Lisa Coburn-Boyd</i> Environmental Compliance Specialist	PROJECT:	P1253-001000 DIV. NO. ALL
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of Professional On-Call Environmental Services Contract (P1253)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into an agreement for professional as-needed environmental services with Jones & Stokes for \$300,000 over a period of three fiscal years, beginning in Fiscal Year 2008. The contract will have a not to exceed amount per fiscal year of \$100,000 over the three year period.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the award of a professional as-needed environmental services contract to Jones & Stokes for an amount of \$300,000 over a period of three fiscal years with a not to exceed amount per year of \$100,000, beginning in Fiscal Year 2008.

ANALYSIS:

The District often requires the expertise of environmental consultants for small tasks on its Capital Improvement Projects and Operations Projects. These tasks typically are valued between \$1,000

and \$20,000 and, as such, they are small enough that formal proposals from consultants are not cost-effective to process. Because of this, the District began using an as-needed environmental consultant during Fiscal Year 2006 to perform such tasks. During each of the past two fiscal years, 2006 and 2007, the District's as-needed consultant has been authorized to complete 6-8 different tasks. This has proven to be a very effective and time-efficient way to address the environmental issues that come up as projects develop. A list of the projects undertaken or ongoing in Fiscal Year 2007 is presented in Attachment C.

The District issued formal Requests for Proposal (RFP) to nineteen (19) consulting firms on April 23, 2007, for professional as-needed environmental services. On May 15, 2007, twelve (12) proposals were received from the following firms:

- BRG Consulting
- David Evans & Assoc., Inc.
- EDAW
- Environmental Science Associates
- Helix Environmental Planning
- HDR
- Jones & Stokes
- Kleinfelder
- LSA Associates
- PBS&J
- RBF Consulting
- TRC

Seven (7) firms (Aspen Environmental, BioResource Consultants, Business & Ecology Consulting, DelTech Engineering, Dudek, Ecorp, and PCR) chose not to propose.

In accordance with District Policy 21, Staff evaluated and scored all written proposals and interviewed the three top-rated firms (EDAW; Jones & Stokes; and PBS&J). The interview selection panel was composed of four Staff members from the Engineering Department and one Staff member from the Operations Department. The references for the consultants were also checked and found to be in conformance. After holding the interviews, the panel completed the consultant ranking process and concluded that Jones & Stokes was the most qualified consultant. A summary of the complete evaluation is shown in Attachment B attached.

This as-needed services contract will be a three-year contract with a not to exceed \$100,000 amount per fiscal year for all task orders. The District will evaluate the performance of the as-needed consultant at the end of each fiscal year and has the option to

terminate the agreement if it concludes that the as-needed consultant has not performed effectively. If the District is satisfied with the performance of the as-needed consultant, the contract will continue through to the next fiscal year. This as-needed services contract does not commit the District to any expenditures until a task order is approved to perform work on a Capital Improvement Project or an Operations Project. The District does not guarantee work to the as-needed consultant, nor does the District guarantee that it will utilize the entire \$100,000 annually budgeted for this contract.

Staff recommends the award of an on-call services contract to Jones & Stokes for a total of \$300,000 for three years beginning in Fiscal Year 2008 and with a not-to-exceed amount of \$100,000 during each Fiscal Year.

FISCAL IMPACT:

The funds for this contract will be expended during FY 2008 through FY 2010 from various Capital Improvement and Operations Projects and have been budgeted within these projects. This contract is for on-call services only and does not commit the District to any expenditures until a task order is approved for the on-call consultant to perform work on a project.

STRATEGIC GOAL:

This project supports the District's strategic goal of creating a comprehensive environmental program that is proactive in response to environmental compliance.

LEGAL IMPACT:

None.



General Manager

LC-B/RR/RP:jf

P:\WORKING\As Needed Svcs Design\On-Call Environmental\BD 7-11-07, Staff Report.doc

Attachment A Committee Action
Attachment B Summary of Consultant Evaluation
Attachment C Projects Authorized through the As-Needed
Environmental Services Contract - Fiscal Year 2007



ATTACHMENT A

SUBJECT/PROJECT:	Award of Professional On-Call Environmental Services Contract (P1253)
-------------------------	---

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. The Committee 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
PROPOSAL RANKING
AS-NEEDED ENVIRONMENTAL SERVICES**

	Reviewer:	WRITTEN								TOTAL SCORE	AVERAGE SCORE	REFERENCES
		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE, SBE			
		15	15	10	10	20	15	10	5	100		✓
BRG Consulting	Lisa Coburn-Boyd	12	11	8	8	10	12	10	2	73	74.8	
	Meryll Gonzalez	13	13	10	10	10	12	10	2	80		
	Daniel Kay	14	14	9	9	10	15	9	2	82		
	Jerry Munoz	13	13	9	8	10	12	8	2	75		
	Ken Simmons	9	9	8	8	10	8	10	2	64		
David Evans and Associates, Inc.	Lisa Coburn-Boyd	10	10	8	8	10	12	10	3	71	70	
	Meryll Gonzalez	14	12	7	10	10	12	10	3	78		
	Daniel Kay	10	13	8	5	10	13	7	3	69		
	Jerry Munoz	10	10	7	7	10	11	7	3	65		
	Ken Simmons	10	9	8	8	10	9	10	3	67		
EDAW	Lisa Coburn-Boyd	14	14	9	9	10	14	10	3	83	80.4	Ref #1: 10 Ref #2: 9 Ref #3: 9 Avg.: 9.3 (#2)
	Meryll Gonzalez	14	15	10	10	10	15	10	3	87		
	Daniel Kay	14	14	9	5	10	14	10	3	79		
	Jerry Munoz	12	12	7	9	10	12	8	3	73		
	Ken Simmons	13	14	9	9	10	12	10	3	80		
Environmental Science Associates	Lisa Coburn-Boyd	10	7	8	7	10	8	10	2	62	69.8	
	Meryll Gonzalez	13	12	10	10	10	15	10	2	82		
	Daniel Kay	13	14	8	6	10	15	8	2	76		
	Jerry Munoz	11	13	7	7	10	10	7	2	67		
	Ken Simmons	9	9	6	8	10	8	10	2	62		
Helix Environmental Planning	Lisa Coburn-Boyd	12	12	8	8	10	10	10	2	72	76.2	
	Meryll Gonzalez	13	15	9	10	10	12	10	2	81		
	Daniel Kay	14	14	9	8	10	15	9	2	81		
	Jerry Munoz	12	10	7	8	10	13	8	2	70		
	Ken Simmons	12	13	9	9	10	12	10	2	77		
HDR	Lisa Coburn-Boyd	13	14	8	9	8	12	10	2	76	76.6	
	Meryll Gonzalez	15	14	10	10	8	14	10	2	83		
	Daniel Kay	14	14	9	9	8	15	9	2	80		
	Jerry Munoz	13	13	7	7	8	10	8	2	68		
	Ken Simmons	13	13	9	9	8	12	10	2	76		
Jones & Stokes	Lisa Coburn-Boyd	15	15	10	10	10	14	10	2	86	82	Ref #1: 10 Ref #2: 10 Ref #3: 9 Avg.: 9.7 (#1)
	Meryll Gonzalez	15	14	7	10	10	14	9	2	81		
	Daniel Kay	14	14	10	9	10	14	8	2	81		
	Jerry Munoz	15	15	9	10	10	12	9	2	82		
	Ken Simmons	13	14	9	9	10	13	10	2	80		
Kleinfelder	Lisa Coburn-Boyd	11	11	7	8	8	13	8	2	68	74.4	
	Meryll Gonzalez	13	15	7	10	8	13	10	2	78		
	Daniel Kay	14	14	8	6	8	14	8	2	74		
	Jerry Munoz	15	15	9	10	8	13	9	2	81		
	Ken Simmons	10	15	8	9	8	9	10	2	71		
LSA Associates	Lisa Coburn-Boyd	13	11	7	7	10	10	8	2	68	74	
	Meryll Gonzalez	14	14	7	10	10	13	9	2	79		
	Daniel Kay	13	12	8	5	10	14	7	2	71		
	Jerry Munoz	14	14	7	8	10	12	9	2	76		
	Ken Simmons	11	15	8	9	10	11	10	2	76		
PBS&J	Lisa Coburn-Boyd	13	13	9	9	10	11	9	2	76	78.8	Ref #1: 10 Ref #2: 9 Ref #3: 9 Avg.: 9.3 (#3)
	Meryll Gonzalez	15	15	10	10	10	14	10	2	86		
	Daniel Kay	13	13	9	9	10	13	9	2	78		
	Jerry Munoz	12	15	8	8	10	12	9	2	76		
	Ken Simmons	11	15	9	9	10	12	10	2	78		
RBF Consulting	Lisa Coburn-Boyd	11	12	8	8	10	9	9	2	69	76.2	
	Meryll Gonzalez	14	15	10	10	10	14	10	2	85		
	Daniel Kay	13	12	9	8	10	15	8	2	77		
	Jerry Munoz	13	14	8	9	10	12	7	2	75		
	Ken Simmons	10	14	9	9	10	11	10	2	75		
TRC	Lisa Coburn-Boyd	10	10	8	10	10	10	8	2	68	71.4	
	Meryll Gonzalez	9	14	6	6	10	10	9	2	66		
	Daniel Kay	14	12	8	8	10	12	8	2	74		
	Jerry Munoz	15	15	8	9	10	11	8	2	78		
	Ken Simmons	11	14	9	9	10	11	5	2	71		

ATTACHMENT C

Projects Authorized through the As-Needed Environmental Services Contract Fiscal Year 2007

Task Order #	Title	Cost	Status
1	Revegetation Monitoring & Maintenance Services for the 1004-2 Reservoir	\$9,111.00	Continued from 2005, ongoing.
8	Environmental Studies & Permitting for the La Presa Pipeline Maintenance Project	\$16,995.00	Completed, January 2007.
9	CEQA Review for the RWCWRF Force Main Improvement Project	\$14,730.00	Stopped, new task order issued due to scope change. (See #12 below)
10	Calavo Sewer Lift Station CEQA Review	\$4,215.00	Complete, December 2006.
11	Restoration Plan & Permit Coordination for the 450-1 Reservoir & 680-1 Pump Station.	\$24,350.00	Ongoing.
12	Environmental Services for the RWCWRF Force Main Air-Vac Valves and Road Improvement Project	\$50,000.00	Ongoing.



AGENDA ITEM 11

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	William Granger, Water Conservation Manager <i>WG</i>	W.O./G.F. NO:	n/a	DIV. NO.	all
APPROVED BY:	Rom Sarno, Chief of Administrative Services (Chief)	<i>[Signature]</i>			
APPROVED BY:	German Alvarez, Assistant General Manager, Finance & Administration <i>[Signature]</i>				
SUBJECT:	Open a Public Hearing to Receive the Public's Comments and Board Adoption of Resolution No. 4098, Updating the District's 2005 Urban Water Management Plan (UWMP)				

GENERAL MANAGER'S RECOMMENDATION:

That the Board open a Public Hearing to receive the public's comments on the Updated 2005 Urban Water Management Plan and adopt Resolution No. 4098, updating the 2005 Urban Water Management Plan.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To hold a Public Hearing to receive the public's comments on the 2005 Updated Urban Water Management Plan and approve Resolution No. 4098, adopting changes to the District's Updated 2005 Urban Water Management Plan.

ANALYSIS:

Through the Urban Water Management Planning Act, the District is required to update its UWMP every five years. On December 7, 2005, the District approved the 2005 UWMP. The UWMP was later sent to the Department of Water Resources (DWR) for their review.

In early 2007, the District received word from staff at DWR that three revisions were needed to its 2005 UWMP. The required changes include:

- Statement on wholesaler reliability of anticipated demand through 2030. The District was asked to include a statement from its wholesaler regarding the reliability of its anticipated demand through 2030. In late April, the Water Authority revised their 2005 UWMP to restate the reliability of water to its member agencies. Page 39 now directs the reader

to Appendix H, which now includes the Water Authority's Table 2-9 outlining the member agency demand through 2030.

- Method and amount of recycled water discharged into the ocean. DWR requires the District to list the treatment level and the amount of wastewater that is generated in Rancho San Diego, but not treated by the Ralph Chapman Recycled Water Facility. Pages 31 and 32 of the revised 2005 UWMP state that the treatment level of the wastewater not diverted to the District and instead routed to the City of San Diego's Point Loma Wastewater Treatment Plant is treated at the advanced primary level.
- Water demand in normal, single dry and multiple dry years. Page 39 and 40 of the revised 2005 UWMP now lists water demand in our normal year (2004) as 38,198 acre-feet, demand in our single dry year (1989) as 20,469.70 acre-feet, and water demand in our multiple dry years (1989-1991) as 20,469.70, 22,809.50, and 20,652.30 acre-feet respectively.

FISCAL IMPACT: _____

Grant funding is restricted to agencies that submit an approved Urban Water Management Plan.

STRATEGIC GOAL:

Relates to the District's goal of "Aggressively pursue all relevant grants" under the Financial Planning Strategy and "Business Efficiency" Strategy in the District's 2006-2008 Strategic Plan

LEGAL IMPACT: _____

The District will meet its legal requirement if its revised 2005 UWMP is approved by its Board and copies of the UWMP are submitted to DWR by October 31, 2007.



General Manager

Attachment A: Committee Action Report

Attachment B: Resolution No. 4098

Attachment C: Strike-out versions of Sections 1, 5 and 7 of the updated 2005 UWMP and the Water Authority's Table 2-9, included in Appendix H

Attachment D: Draft Otay Water District Updated 2005 Urban Water Management Plan



ATTACHMENT A

SUBJECT/PROJECT:	Adoption of Resolution No. 4098, updating the 2005 Urban Water Management Plan.
-------------------------	---

COMMITTEE ACTION:

This item was presented to the Finance/Administration Committee on June 27, 2007 and the committee supported presentation to the full board.

NOTE:

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

RESOLUTION NO. 4098

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT
APPROVING THE UPDATED 2005
URBAN WATER MANAGEMENT PLAN

WHEREAS, California Water Code Sections 10610 through 10657, known as the Urban Water Management Planning Act (Act), requires urban water suppliers to prepare and adopt an Urban Water Management Plan every five years on or before December 31, in years ending in five and zero; and

WHEREAS, the Act specifies the requirements and procedures for adopting such Urban Water Management Plans; and

WHEREAS, the Otay Water District Board of Directors on December 7, 2005, adopted Resolution No. 4066, approving and adopting the District's 2005 Urban Water Management Plan (2005 Plan) in accordance with the Act; and

WHEREAS, since adoption of the 2005 Plan, the California Department of Water Resources (DWR) reviewed the 2005 Plan and requested clarifying edits to ensure compliance with the Act; and

WHEREAS, the draft Updated 2005 Plan reflects these recommended amendments; and

WHEREAS the notice of the availability of the draft Updated 2005 Plan and public hearing to receive comments on the draft Updated 2005 Plans were published in accordance with applicable law; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District approves and adopts the Plan entitled "Updated 2005 Urban Water Management Plan" for the Otay Water District; and

BE IT FURTHER RESOLVED that the General Manager of the District is authorized and directed to implement the water conservation measures included in the Updated 2005 Plan as the District's part in the local and regional water conservation effort.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

President

ATTEST:

District Secretary

1. Introduction

Since 1984, California's Urban Water Management Planning Act (Act) has required each urban water supplier in the state to prepare an urban water management plan (UWMP). The requirement applies to each urban water supplier that provides water for municipal purposes either directly or indirectly to more than 3,000 customers or supplies more than 3,000 acre-feet (AF) of water annually. These agencies must update their urban water management plan at least once every five years on or before December 31, in years ending in five and zero. Sections 10610 through 10657 of the California Water Code detail the information that must be included in these plans. In accordance with the Act, the Otay Water District (District) is required to update and adopt its plan for submittal to the California Department of Water Resources (DWR) by December 31, 2005. **Appendix A** contains the text of the Act.

This report has been organized to follow the UWMP guidance manual prepared by DWR. It includes projections of the District's future demands and supplies, based on estimates of future growth in the District's service area. It also discusses the steps the District has taken to promote water conservation and ensure water is being used wisely. The strategies outlined in this report are intended to allow the District to continue to provide a safe and reliable water supply to its customers.

The District maintains its records of water use on a fiscal year (FY) that runs from July 1 through June 30. For example, FY 2005 runs from July 1, 2004 through June 30, 2005. In this document, projections of water demand over the course of a year are reported for fiscal years. For estimates that are based on an instantaneous value and not a year-long accumulation (for example, the service area population), values are assumed to be valid on January 1 of the corresponding year.

1.1 Agency Coordination

The District is a member public agency of the San Diego County Water Authority (Water Authority), and the Water Authority is a member public agency of the Metropolitan Water District of Southern California (Metropolitan). The statutory relationships between these agencies establish the District's entitlements to receive imported water.

The District joined the Water Authority as a member agency in 1956. The Water Authority is responsible for the supply of imported water into the San Diego County through its membership in Metropolitan. The District receives imported potable water from the aqueduct systems owned and operated by the Water Authority and Metropolitan. Together, these agencies work to ensure a diverse and reliable supply for the San Diego region.

Effective water planning for the Water Authority and its member agencies requires consistent projections of supply and demand. The Water Authority facilitated an Urban

Water Management Plan Working Group made up of staff from the Water Authority and its member agencies. This group provided a forum for exchanging demand and supply information. In addition, DWR and the California Urban Water Conservation Council (CUWCC) hosted a special workshop to review the requirements of the Act. At a separate workshop, the Working Group received a briefing from Metropolitan on its regional plan, and participants discussed strategies for coordination between the supply agencies. The District participated in several workshops and meetings, providing water supply and demand information as well as recycled water opportunities.

Also, in accordance with the Act, the District notified the land use jurisdictions (City of Chula Vista, City of San Diego and County of San Diego) within its service area that it was preparing the 2005 UWMP. Prior to adoption, the District mailed the 2005 UWMP to stakeholders including the Water Authority, the City of Chula Vista, the County of San Diego, and the City of San Diego. The notice and draft 2005 UWMP was also mailed to seven planning groups listed in Table 1, and to seven libraries either within or near the District's service area. The 2005 UWMP was first presented at a Water Resources Committee Meeting of the District's Board of Directors. A Public Hearing regarding the 2005 UWMP was held on November 7, 2005. Notices of the meeting were published in the San Diego Union-Tribune and The Star News on October 21 and October 28, 2005. Notices were also published in the East County Californian on October 20 and October 27, 2005. The District's Board of Directors adopted its final UWMP on December 7, 2005.

~~The adoption resolution is included in Appendix B.~~

These coordination efforts are summarized in Table 1.

In 2007, the District was asked to make a few clarifying edits to its 2005 UWMP. The edits include a mention of the level of wastewater treatment (Section 5), water demand during normal, single dry and multiple dry years (Section 7, pages 39 and 40), and reference to the Water Authority's member agency demand through 2030 (Appendix H). On July 10, 2007, the Otay Water District Board of Directors voted to approve the updates made to the 2005 Urban Water Management Plan. The adoption resolutions are included in Appendix B.

Table 1. Coordination with Appropriate Agencies

	Participated in UWMP development	Commented on the draft	Attended public meetings	Contacted for assistance	Received copy of draft	Sent notice of intention to adopt
San Diego County Water Authority	X			X	X	X
City of San Diego					X	X
City of Chula Vista					X	X
County of San Diego					X	X
Chula Vista Planning Commission					X	X
Crest/Dehesa Planning Group					X	X
Jamul/Dulzura Planning Group					X	X
Otay Mesa Planning Group					X	X
Spring Valley Community Planning Group					X	X
Sweetwater Planning Group					X	X
Valle de Oro Planning Group					X	X
Seven local libraries					X	

1.2 Resource Maximization

The District’s commitment to maximizing resources is reflected in its mission statement, which is,

to provide safe, reliable water and wastewater services to our community with innovation, in a cost-efficient, water-wise and environmentally responsible manner.

For many years, the District has worked to reduce its reliance on imported water, and in particular treated imported water. On August 3, 1994, the District’s Board of Directors established a goal of being able to meet 40% of annual demands from local water sources when water is unavailable from the Water Authority. The District and the Water Authority formed a policy in 1976 to provide the District with treated water from the Helix Water District when the District’s normal treated water supply is unavailable. A similar arrangement made with the City of San Diego in 1999 provides the District access to treated water from the City’s Otay Water Treatment Plant (WTP). The District has also aggressively developed its recycled water distribution system and has entered into an

agreement to purchase recycled water from the City of San Diego. These water sources are further discussed in Section 2.3.

Water conservation is also an important component of the District's commitment to reducing reliance on imported water. In partnership with the Water Authority, the City of Chula Vista, and developers, the District's water conservation efforts are expected to grow and expand. The District's water savings through conservation are expected to be approximately 5,400 acre-feet per year (AF/yr) by 2030, or approximately 7% of total demand. The District is also committed to continuing investigations of local groundwater, additional recycled water, desalination, and other potential water resources that could further reduce the District's reliance on imported water.

1.3 Senate Bills 610 and 221

Senate Bills (SB) 610 and 221 are the common names for Water Code Sections 10910 through 10914 and Government Code Sections 65867.5, 66455.3, and 66473.7. These bills amend state law to improve the link between water supply planning and land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the environmental documentation of certain large proposed projects. SB 221 requires a written verification from the water purveyor that sufficient water supplies are available for certain large residential subdivisions prior to approval of a tentative map. The District's UWMP provides information that will be used in future assessments and verifications prepared to meet the requirements of these bills.

5. Recycled Water Plan

5.1 Coordination

The District provides wastewater collection and treatment only in a relatively small portion of its service area. The District owns and operates the RWCWRF, which has the ability to produce approximately 1.1 mgd of recycled water meeting Title 22 requirements for landscape irrigation purposes. In the remainder of the District's water service area, wastewater is collected by the County of San Diego, the City of Chula Vista, or the City of San Diego. Wastewater from these agencies is conveyed to the City of San Diego's MWWD for treatment. Some of this wastewater is treated by MWWD at its South Bay Water Reclamation Plant (SBWRP), and the remainder is sent to the Point Loma Wastewater Treatment Plant for treatment at the advanced primary level and disposed through an ocean outfall.

The agencies that participate in recycled water planning for the District's service area are shown in Table 24.

Table 24. Participating Agencies

Participating agencies	Role in Plan Development
Otay Water District	Owens and operates Ralph W. Chapman Water Recycling Facility and the recycled water distribution network
City of San Diego MWWD	Owens and operates regional interceptors, South Bay Water Reclamation Plant, and Point Loma Wastewater Treatment Plant

5.2 Wastewater Quantity, Quality and Current Uses

5.2.1 Wastewater Collection & Treatment

Wastewater generated within the District's wastewater service area is collected via approximately 80 miles of sewer mains that flow by gravity to the County of San Diego's Steele Canyon Pump Station in Rancho San Diego. Approximately 2 mgd of wastewater flows to the pump station, from which approximately 1.1 mgd is diverted to the District's RWCWRF. The balance of wastewater is sent to MWWD for treatment at the SBWRP or at the Point Loma Wastewater Treatment Plant. Both Plants treat their wastewater at the advanced primary level. At RWCWRF, tertiary treatment of the 1.1 mgd has the ability to reliably produce approximately 1,230 AF/yr of recycled water. The estimated annual treated flow is shown in Table 25.

Table 25. Wastewater Collected and Treated in District's Wastewater Service Area – AF/yr

	FY 2000	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Wastewater collected & treated by District	1,120	1,155	1,230	1,230	1,230	1,230	1,230
Quantity that meets recycled water standard	1,120	1,155	1,230	1,230	1,230	1,230	1,230

A second source of recycled water will be the City of San Diego's SBWRP. In the fall of 2003, the District signed an agreement with San Diego to purchase an average of 6 mgd of recycled water from the SBWRP. The District also acquired the right to purchase supply from the SBWRP that exceeds 6 mgd if San Diego has the supply available. The agreement will increase the District's recycled water supply from 1.1 mgd to at least 7.1 mgd. A copy of the agreement is included as **Appendix D**.

The District agreed to build the necessary transmission and related facilities from the SBWRP to the existing recycled water transmission system. In the first quarter of 2007, the District is expected to complete construction of the transmission system facilities and take delivery of the recycled water produced at the SBWRP. The District continues to expand its recycled water system and has one of the largest distribution systems for recycled water in San Diego County.

All wastewater generated in the District's service area that is not recycled is sent to MWWD for treatment. This water (approximately .9 mgd) is treated at the advanced primary level and discharged into the Pacific Ocean. The amount of wastewater sent to MWWD is estimated to slowly increase to 1 mgd by 2030.

5.2.2 Recycled Water Uses

Currently, there are 491 reclaimed irrigation meters receiving recycled water produced at the RWCWRF. In 2005, approximately 1.1 mgd of recycled water was supplied to recycled water users. Current uses consist primarily of commercial landscape irrigation, golf course irrigation, and irrigation of public places like parks, streetscapes, schools, highway medians, and open space areas. The Olympic Training Center facility in Chula Vista also uses recycled water to irrigate practice fields and common areas around the campus. These users collectively demanded more water than the output of RWCWRF, and the District supplemented the recycled water system with potable water. The total demand on the District's recycled water system was 3,485 AF in 2005. Because this demand exceeded the District's available supply from RWCWRF, the District used potable water to supplement the recycled system. The District's 2005 recycled water use is summarized in Table 26.

Deleted: 12/12/2005

Table 26. Recycled Water Uses – Actual AF/yr

Type of Use	Treatment Level	FY 2005 AF/yr
Landscape	Tertiary – Title 22	1,155
Total		1,155

5.3 Potential and Projected Use, Optimization Plan with Incentives

5.3.1 Potential Uses of Recycled Water

The District’s service area is experiencing rapid growth and development in the geographic area where recycled water is approved for use. There are two distinct recycled water market areas within the southern part of the District’s service area, known as the Central Area and the Otay Mesa Area. The Central Area includes a number of major residential developments, and the Otay Mesa Area is expected to develop almost exclusively as industrial with very small commercial and residential land uses. Developers in both systems are anticipating that recycled water will be available, and dual distribution pipelines are planned or already in place.

The District’s 2002 Water Resources Master Plan included an assessment of current and future demand for recycled water. Most of the currently identified uses are for outdoor irrigation. Other opportunities for the expanded uses of recycled water are being examined, including but not limited to wetlands and other habitat restoration, groundwater recharge, brackish water intrusion barriers and industrial process water. The juvenile detention facility in Otay Mesa was constructed with a dual distribution system to allow the use of recycled water for toilet flushing. When the District’s recycled water system is expanded to serve this area, the juvenile detention facility will be served with recycled water. The District has also recently entered into an agreement with Otay Landfill, Inc., the operator of the Otay Landfill. The landfill operators currently plan to use 100,000 gallons per day (gpd) of recycled water for daily landfill operations such as dust suppression. This conversion will offset an equivalent demand for potable water, estimated as 110 AF/yr.

The identified potential uses for recycled water are shown in Table 27.

Table 27. Recycled Water Uses – Potential AF/yr

Type of Use	Treatment Level	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Landscape	Tertiary - Title 22	4,040	4,684	5,430	6,294	7,297
Total		4,040	4,684	5,430	6,294	7,297

5.3.2 Recycled Water Demand Projections

Demand for irrigation water varies significantly from month to month in San Diego County. The existing recycled water demand currently averages approximately 1 mgd during cold weather and exceeds 5.5 mgd during hot weather. At buildout, the average daily demand is expected to be 8.2 mgd, with a peak summer month demand of 17.8 mgd. The District’s recycled supply from RWCWRF and SBWRP will average 7 to 8 mgd over the course of a year. The District has determined that seasonal storage of recycled water is not available or cost-effective. Therefore, during peak demand periods the recycled water

system may have to be supplemented with potable water. The District will continue to review existing and future wastewater treatment facilities in the South County as potential sources to increase its supply of recycled water. The projected demand for recycled water is shown in Table 28.

Table 28. Projected Future Use of Recycled Water in Service Area – AF/yr

Type of Use	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Landscape	4,040	4,684	5,430	6,294	7,297
Total	4,040	4,684	5,430	6,294	7,297

The District’s projected recycled water demand is shown in Figure 4.

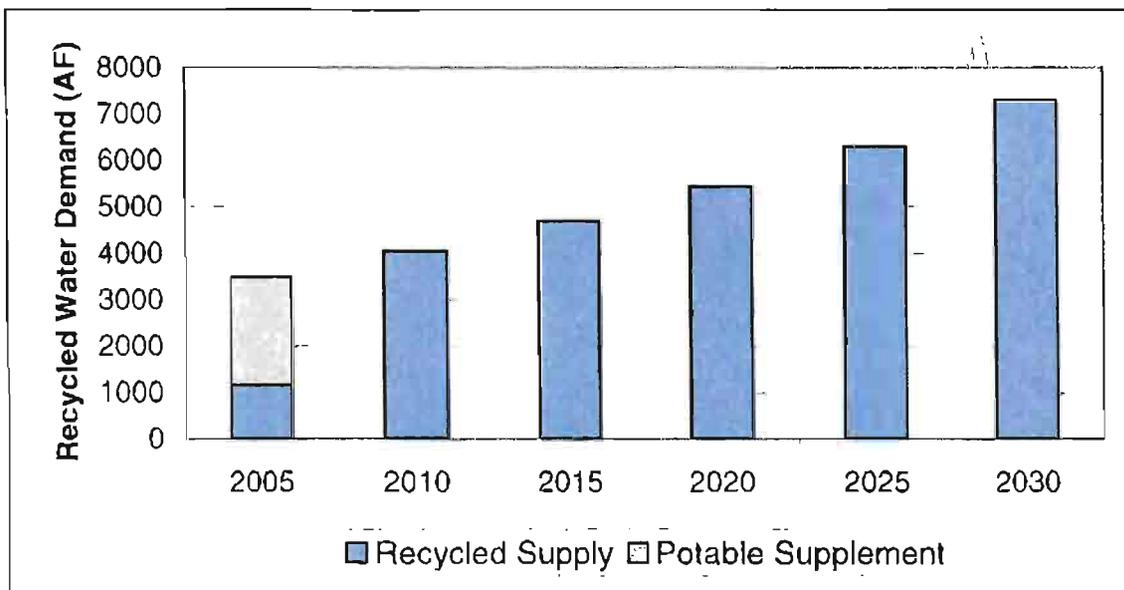


Figure 4. District’s Projected Recycled Water Demand

The District’s 2000 UWMP discussed the use of recycled water from RWCWRF to meet non-potable demands. The projected use from the 2000 UWMP is shown in Table 29.

Table 29. Recycled Water Uses – 2000 Projection Compared with 2005 Actual – AF/yr

Type of Use	2000 Projection for FY 2005	FY 2005 Actual Use
Landscape	1,120	1,155
Total	1,120	1,155

The actual 2005 use was slightly higher than the 2000 projection. The total demand on the District’s recycled water system was 3,485 AF in 2005. Because this demand exceeded the District’s available supply from RWCWRF, the District used potable water to supplement the recycled system.

5.3.3 Proposed Actions to Encourage Use of Recycled Water

The District made the commitment and commenced its wastewater recycling efforts over 15 years ago. A major component of the commitment to recycle was to enact an ordinance that requires recycled water be used for any and all appropriate and approved non-potable

uses. The requirement continues today, with all new applications for water service being reviewed for opportunities to use recycled water. The District has also established financial incentives for the use of recycled water within its service area. The District's Code of Ordinance Section 26 details the requirements for the use of recycled water whenever feasible. Section 26 of the Ordinance is attached as **Appendix G**.

7. Water Service Reliability

The District's water supplies and expected reliability have been discussed in Section 2. This section presents tables with expected future demands during normal and dry conditions and estimated supplies.

Throughout this section, projected supplies are shown to match projected demands. This level of reliability is based on the documentation in the UWMPs prepared by Metropolitan and the Water Authority, as listed in [Appendix H](#). These agencies have determined that they will be able to meet [the District's](#) potable demands through 2030, during normal and dry conditions. The District currently relies on these agencies for its potable supply, and the District has worked with Metropolitan and the Water Authority to prepare consistent demand projections for the District's service area. To maintain consistency in planning efforts, the District has shown future supplies meeting future demands.

7.1 Projected Normal Water Year Supply and Demand

The District's potable water supply is expected to continue to be supplied by the Water Authority. Recycled water will provide additional supply. For the purposes of estimating demand, 2004 is considered to be a normal year. [In 2004, the District's demand was 38,198 acre-feet.](#) The projected supply and demand under normal weather are shown in Table 30.

Table 30. Projected Normal Year Supply and Demand Comparison – AF/yr

	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority	37,618	45,772	52,349	59,799	66,560	75,108
Recycled	1,155	4,040	4,684	5,430	6,294	7,297
Total Supply	38,773	49,812	57,033	65,229	72,854	82,405
Supply as % of year 2005	100%	128%	147%	168%	188%	212%
Total Demand	38,773	49,812	57,033	65,229	72,854	82,405
Demand as % of year 2005	100%	128%	147%	168%	188%	212%
Difference (supply minus demand)		0	0	0	0	0

7.2 Projected Single-Dry-Year Supply and Demand Comparison

Changes in weather can lead to changes in water use. During dry years, water demands can be expected to increase. The Water Authority uses a computer model known as CWA-MAIN to estimate water demands. CWA-MAIN uses demographic and economic data, as well as weather data, to estimate water demands. Using CWA-MAIN, the Water Authority estimated dry-year demands for five-year increments from 2010 through 2030. On average, the dry-year demands were 7% higher than the normal demands. The District has elected to use the same 7% factor to estimate its dry-year demands. The weather that causes higher demands was considered to be a dry year such as 1989, [the District's single-](#)

dry year. In 1989, the District's demand was 20,469.70 acre-feet. The District's recycled water supply was assumed to be "drought-proof" and not subject to reduction during dry periods.

The projected dry-year supplies and demands are compared in Table 31.

Table 31. Projected Single Dry Year Supply and Demand Comparison – AF/yr

	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority	49,259	56,341	64,365	71,660	80,876
Recycled	4,040	4,684	5,430	6,294	7,297
Total Supply	53,299	61,025	69,795	77,954	88,173
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	53,299	61,025	69,795	77,954	88,173
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

7.3 Projected Multiple-Dry-Year Supply and Demand Comparison

The Act requires water agencies to project demands and supplies during multiple dry years. Projections were prepared for five time frames: five-year periods ending in 2010, 2015, 2020, 2025, and 2030. Normal-year demands for intermediate years were interpolated between the demand values in Table 30. Dry-year demands were assumed to be 7% higher than normal demands. The multiple dry-year period would be assumed to be similar to the 1989-1991 period. Water Demand for these three years was 20,469.70 acre-feet, 22,808.50 acre-feet and 20,652.30 acre-feet, respectively. The available recycled supply was assumed to increase to 4,040 AF/yr beginning in FY 2008, the first full fiscal year after completion of the infrastructure to bring recycled water from the SBWRP to the District. After 2010, the available recycled supply for intermediate years was interpolated between the supply values in Table 31.

The estimated supply and demand for five dry years ending in 2010 are summarized in Table 32.

Table 32. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2010 – AF/yr

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Water Authority	42,619	44,982	44,534	46,896	49,259
Recycled	1,230	1,230	4,040	4,040	4,040
Total Supply	43,849	46,212	48,574	50,936	53,299
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	43,849	46,212	48,574	50,936	53,299
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2015 are summarized in Table 33.

Table 33. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2015 – AF/yr

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Water Authority	50,675	52,091	53,509	54,925	56,341
Recycled	4,169	4,298	4,426	4,555	4,684
Total Supply	54,844	56,389	57,935	59,480	61,025
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	54,844	56,389	57,935	59,480	61,025
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2020 are shown in Table 34.

Table 34. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2020 – AF/yr

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Water Authority	57,946	59,551	61,156	62,760	64,365
Recycled	4,833	4,982	5,132	5,281	5,430
Total Supply	62,779	64,533	66,287	68,041	69,795
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	62,779	64,533	66,287	68,041	69,795
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2025 are shown in Table 35.

Table 35. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2025 – AF/yr

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Water Authority	65,824	67,283	68,742	70,201	71,660
Recycled	5,603	5,776	5,948	6,121	6,294
Total Supply	71,427	73,059	74,690	76,322	77,954
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	71,427	73,059	74,690	76,322	77,954
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2030 are shown in Table 36.

Table 36. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2030 – AF/yr

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Authority	73,503	75,346	77,190	79,033	80,876
Recycled	6,495	6,695	6,896	7,096	7,297
Total Supply	79,998	82,042	84,086	86,129	88,173
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	79,998	82,042	84,086	86,129	88,173
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

8. Adoption and Implementation of UWMP

This Urban Water Management Plan was adopted by the District Board of Directors on December 7, 2005. A copy of the adoption resolution is attached in **Appendix B**.

Member Agency Imported Demand on the Water Authority

Table 2-9 of the Water Authority's Updated 2005 Urban Water Management Plan outlines the historical, current, and projected imported water demands (sales) by member agency. The projected demands were calculated from the baseline demands for each member agency, as forecasted in **Section 2.4**, minus the projected local supplies and conservation savings. Therefore, the projected imported demands (sales) are directly tied to the success of local supply development (**Section 5**) and water conservation savings (**Section 2**). The forecasted sales figures in Table 2-9, should not be considered a member agency's allocation of supplies from the Water Authority.

TABLE 2-9
MEMBER AGENCY IMPORTED DEMAND (SALES) ON WATER AUTHORITY (AF) ^{1,2}
(2000 – 2030) NORMAL YEAR FORECAST

Member Agency	2000	2005	2010	2015	2020	2025	2030
Carlsbad M.W.D. ³	19,952	20,155	19,093	0	0	0	0
Del Mar, City of	1,556	1,324	1,370	1,317	1,312	1,321	1,342
Escondido, City of	26,977	25,103	26,122	25,063	25,456	25,942	26,669
Fallbrook P.U.D.	16,824	15,809	16,239	16,276	16,586	17,056	17,402
Helix W.D.	38,483	32,060	35,050	35,533	36,274	37,284	38,348
Oceanside, City of	32,073	31,181	30,088	31,310	31,501	33,039	35,473
Olivenhain M.W.D.	19,433	21,052	19,401	21,059	22,740	25,268	26,606
Otay W.D.	29,901	37,787	43,761	50,337	57,787	64,547	73,097
Padre Dam M.W.D.	21,824	19,246	21,266	22,542	23,690	25,656	27,491
Pendleton MCB	105	834	850	850	850	850	850
Poway, City of	15,625	13,975	16,372	16,890	17,448	17,986	18,317
Rainbow M.W.D.	29,929	25,252	27,146	26,427	26,352	22,878	22,822
Ramona M.W.D.	8,267	10,359	11,858	12,198	12,438	12,638	13,650
Rincon del Diablo M.W.D.	9,119	7,732	8,968	5,471	5,939	6,401	6,905
San Diego, City of	206,433	204,039	197,320	201,109	207,584	217,449	226,821
San Dieguito W.D.	5,112	5,605	4,703	4,730	4,910	5,063	5,118
Santa Fe I.D.	8,056	9,737	11,473	11,437	11,703	12,000	12,103
Sweetwater Authority	5,520	11,331	12,398	10,136	10,546	10,999	12,180
Vallecitos W.D.	16,409	18,150	19,409	19,741	20,365	21,317	22,903
Valley Center M.W.D.	48,550	38,105	43,850	35,751	35,019	30,417	28,212
Vista I.D.	17,123	21,229	17,417	18,389	19,617	21,412	23,197
Yuima M.W.D.	2,849	2,984	2,949	2,929	2,895	2,984	3,053
Sub-Total	580,120	573,049	587,103	569,493	591,012	612,508	642,559
Near-term annexation area demands ⁴	0	0	6,455	8,062	8,062	8,062	8,062
Total	580,120	573,049	574,465	577,555	599,074	620,570	650,621

¹ Based on SANDAG 2030 Cities/County Forecast.

² Includes water conservation.

³ For years 2015 – 2030, the Water Authority demand forecast assumes that Carlsbad MWD total demands will be met by local supplies (desalinated seawater and recycled water).

⁴ Near-term annexation area demands are listed for planning purposes and are not assigned to any specific member agency.



AGENDA ITEM 12

STAFF REPORT

TYPE MEETING:	Engineering/Operations/Water Resources Committee	MEETING DATE:	June 27, 2007
SUBMITTED BY:	David Burbeau <i>DB</i> Safety & Risk Administrator	W.O./G.F. NO:	
	Bill Jenkins <i>WJ</i> IT Operations Supervisor	DIV. NO.	All
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services		
	Geoff Stevens, Chief Information Officer		
APPROVED BY: (Asst. GM):	German Alvarez <i>GA</i> , Assistant General Manager, Finance and Administration		
SUBJECT:	Status of Security and Emergency Preparedness		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

Provide a report to the Committee on the status of physical security, data network security and emergency preparedness.

ANALYSIS:

This report includes the status of physical security, data network security and emergency preparedness programs.

After the September 11, 2001 incident and a Federal requirement to conduct a vulnerability assessment, a budget was approved and recommendations of the study were implemented.

Recent reviews of the state of the District's security program have also been conducted by District staff, Special District's Risk Management Authority (SDRMA), the District's property and liability carrier, local law enforcement, and the FBI. Most reviews have been conducted in 2006 and 2007.

The District's security model includes the hardening of facilities access control, high security locks, key control, intrusion detection, visitor control and other protective devices.

Recent incidents of intrusion include theft of recyclables, small tools and small equipment. Other District's have experienced similar intrusions and thefts. Other incidents include graffiti, fence cutting and minor property damage.

There has been no access to areas protected by a security system such as buildings or the water supply.

The District is adequately insured against loss by SDRMA. Coverage includes reasonable deductibles and insures for larger claims and disasters.

In compliance with the requirement of Federal Emergency Management Agency (FEMA), the District's emergency responders have completed the necessary National Incident Management System (NIMS) training. An Emergency Operations Center (EOC) is maintained and related emergency exercises and training are conducted on a periodic basis. Training is scheduled for responders in July.

With the completion of the upgrades for the District's data center, numerous security enhancements were achieved including a better test and production environment, enhanced primary and back up air conditioning, an upgraded PBX with more redundancy, better backup procedures and security for data, and deployment of field computers to Operations staff.

Upgrades are being evaluated to the District's wireless communications networks to allow enhancements for video surveillance and remote operations while reducing communications costs. A Prop 84 grant is being pursued in conjunction with CISCO Systems to implement remote site video surveillance.

FISCAL IMPACT:



None at this time.

STRATEGIC GOAL:

Protect the District employees, assets and community by continually improving sound risk management practices

LEGAL IMPACT: _____

None.

Mark Watton

General Manager

Attachment A, Committee Action

Attachment B, Security PowerPoint Presentation



ATTACHMENT A

SUBJECT/PROJECT:

Status of Security and Emergency Preparedness

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item in detail at a meeting held on June 27, 2007 and supported presentation to the full board.

NOTE:

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



SECURITY & EMERGENCY OPERATIONS STATUS

Engineering/Operations/Water
Resources Committee
June 27, 2007



SECURITY ASSESSMENTS AND REVIEWS

- ◆ The initial security assessment was completed as a federal requirement in 2002
- ◆ The recommendations were budgeted and addressed
- ◆ There have been a number of other reviews conducted by District staff, liability insurance provider, local law enforcement and FBI. Most recently in 2006 and 2007



DISTRICT'S SECURITY MODEL

- ◆ EPA Model – Detect- Delay - Respond
- ◆ Following completion of a federally mandated Vulnerability Assessment, the District hardened facilities to reduce risk, physical access – Locks, key control, protective devices, fencing, razor wire, etc
- ◆ Perimeter protection and intrusion detection and other electronic devices were installed where feasible
- ◆ Contracts with security firms and relationships with law enforcement to ensure prompt response



BUDGET

- ◆ 5-yr security CIP upgrade for facilities was completed in 2007.
- ◆ Future work
 - Electric gates for Admin driveways with access control
 - Communication with Engineering as to security design features for future projects – equipment, lighting & sounders, plants conducive to deterring access
 - Visual (Vegetation) barrier removal/replacement with thorny material
 - Addition of strobes and lighting at remotes sites to deter vandals
 - More hardening – razor wire at base of fencing
 - Graffiti control products



SITE SECURITY

- ◆ Facilities were chosen by a determination of their critical nature within the water system
- ◆ At present 28 sites have received security upgrades
- ◆ Alarm response contracts and relationships with law enforcement for response
- ◆ All sites receive a daily security check
- ◆ All other field sites have security monitoring – however – due to the inability to access phone lines at some locations these are monitored by SCADA



PRESENT SECURITY STATUS

<ul style="list-style-type: none"> ◆ Access Control ◆ Visitor Control ◆ Key Control ◆ Chlorine Security ◆ Chemical Security ◆ Perimeter Protection ◆ Security Systems Admin TP OPS Field Sites 	<ul style="list-style-type: none"> ◆ Cameras (Two locations) ◆ SCADA ◆ Safe Rooms – Threat procedures ◆ Improved Locks ◆ Daily Facility Checks ◆ Hardened Sites/Devices ◆ Law Enforcement Site Reviews (Sheriff and FBI) ◆ Alarm Response Contracts and patrols as necessary
---	--



CHALLENGES

- ◆ Recently like many public agencies intrusions have occurred through fencing – Items taken were generally recyclables, small tools and smaller equipment as well as one vehicle slated for surplus - stolen and recovered
- ◆ We are not alone – Padre, Helix, Vista and other districts are routinely hit



EXAMPLES OF INTRUSION EVENTS

- ◆ Tagging
- ◆ Vandalism
- ◆ Theft
- ◆ Fence cutting
- ◆ No access to water supply or buildings





THE GOOD NEWS

- ◆ No access to areas protected by security systems such as buildings and the water supply
- ◆ Recovered \$5,000 in stolen hydrant caps
- ◆ Communication with recyclers
- ◆ Continually working other agencies and law enforcement to help control losses
- ◆ Provided assistance to law enforcement and local water agencies to help with hydrant cap thefts
- ◆ Active in Security Working group – WUSMA
- ◆ Law enforcement has stated that we have done far more than most to protect facilities



EXAMPLES OF PHYSICAL PROTECTION

- ◆ In addition to security systems, physical “Hardening” of facilities continues by reinforcing fencing, adding razor wire and fabrication of steel access ladder guards
- ◆ High security locks are in place at all reservoirs, tanks and system access points





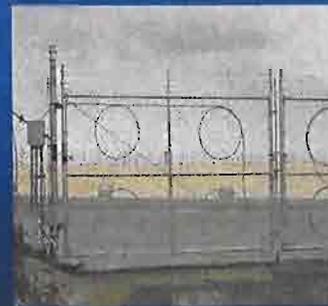
INTRUSION DETECTION

- ◆ Infrared dual-tech beams “watch” tank access ladders. Hatches are also equipped with hatch contacts – effectively providing redundant security
- ◆ Should an intruder try to access the tank via the ladder, the system will alarm – sending a signal to the contract security firm and SCADA prompting a professional response
- ◆ All doors to buildings are equipped with door contacts.
- ◆ In addition – interior motion sensors are located in key areas



PERIMETER PROTECTION

- ◆ Sites that can not be protected by dual-tech systems have perimeter protection systems that alarm should anyone attempt to climb or cut the fence
- ◆ These sites are generally surface reservoirs, OPS Admin and TP





ACCESS CONTROL

- ◆ The access control system is consistent with the system being used at Operations, Administration, Regulatory and the Recycling Facility
- ◆ Used by the Federal government and other high security agencies
- ◆ The system controls, manages and tracks access by employees, vendors, contractors, etc
- ◆ Access can be restricted or controlled at will



INSURANCE

- ◆ The District is adequately insured against loss. Most losses are covered by a \$1,000 - \$2,000 deductible depending upon the type of loss



EMERGENCY OPERATIONS

- ◆ District has periodic emergency exercises to test/practice the NIMS plan – Last done in 2006 – Raging Waters joint exercise
- ◆ All necessary staff has been trained in FEMA Emergency Management Courses
- ◆ There is adequate food and supplies to handle a minimum of 5 days emergency operations
- ◆ NIMS plan under annual review and update
- ◆ NIMS resolution approved by Board in 2007
- ◆ A review of responsibilities is planned for July



EMERGENCY PREPAREDNESS

- ◆ Updated emergency manual for compliance with federal requirements for NIMS
- ◆ Trained all necessary staff in NIMS emergency response training
- ◆ Table top exercises
- ◆ Enhanced emergency supplies



DATA CENTER AND UPS UPGRADE

- ◆ The Otay Water Data Center was completely upgraded in FY2007
- ◆ Backup redundant power (UPS) and air conditioning



DATA CENTER CO-LOCATION

- ◆ A minimized redundant co-located Data Center (COLO) is being created in the Operations Emergency Operations Center (EOC)
- ◆ COLO will have its own UPS power and air conditioning
- ◆ Will provide Otay Water network operations if Admin Data Center fails



DATA SECURITY IMPROVEMENTS

- ◆ New firewall being installed
- ◆ Remote access encrypted with Citrix
- ◆ Use of complex passwords / changed often
- ◆ Video surveillance of data center
- ◆ 7/24 monitoring by third party vendor
- ◆ Escalating alerts in the event of a problem



TELECOM PBX UPGRADE

- ◆ Major PBX (Telecom) Upgrade in FY2007
- ◆ Interactive Voice Recognition (IVR)
- ◆ Automated Call Center (ACD)
- ◆ Out-dialing
- ◆ Redundant dial-tone



MOBILE PLATFORM

- ◆ Deployed 50 Tablet PCs to Field Staff
- ◆ Connects to core applications via Air Cards and Citrix to minimize bandwidth
- ◆ Reinforces Disaster Recovery Plan by providing another route for remote access in the event of major disaster



BACKUP PROCEDURES

- ◆ Critical backup tapes taken off-site nightly and returned the following day
- ◆ Full weekly backups stored offsite weekly at EDP



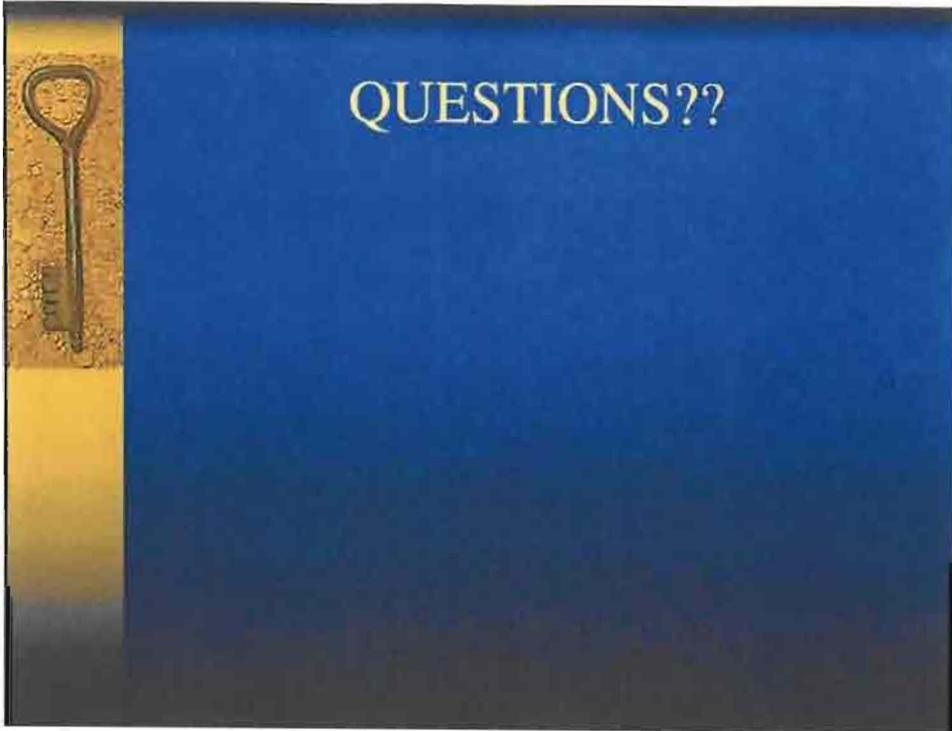
RECORDS MANAGEMENT

- ◆ FY2008 CIP to scan 1.3 million pages in our Records Center
- ◆ Every record will be indexed and available via Otay INET
- ◆ Scanned images will provide document backup in the event of fire or disaster



FUTURE PHYSICAL SECURITY ADVANCEMENTS

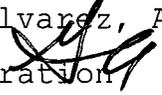
- ◆ Otay will be testing advanced remote video surveillance technology utilizing high bandwidth wireless communications at one test site in FY 2008.
- ◆ Submitting Grant Proposal along with seven other San Diego Water agencies for Cisco video surveillance equipment at remote critical sites





AGENDA ITEM 13

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	William Granger, Water Conservation Manager	W.O./G.F. NO:	n/a	DIV. NO.	all
APPROVED BY:	Rom Sarno, Chief of Administrative Services 				
(Chief)					
APPROVED BY:	German Alvarez, Assistant General Manager, Finance & Administration 				
(Asst. GM):					
SUBJECT:	Residential Water Conservation MOU with the San Diego County Water Authority				

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute the attached Memorandum of Understanding (MOU) with the San Diego County Water Authority (Authority) to continue participation in the residential water conservation programs.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To authorize the General Manager to execute the attached Memorandum of Understanding (MOU) with the San Diego County Water Authority.

ANALYSIS:

The Residential Voucher Incentive Program MOU is a two year agreement involving the reimbursement of up to \$37,200 a year or \$74,400 over two years, and exceeds the General Manager's signing authority. The District will have a total of three MOUs outlining the District and the Water Authority's costs. The other two MOUs involving Commercial Voucher Incentives and Smart Landscape funding are within the General Manager's signing threshold and will be signed by the General Manager.

By signing the MOUs and participating in regionally implemented programs, the District is able to meet its water conservation goals in a cost-effective manner. The District's participation to date resulted in water savings of 1,165 acre-feet in fiscal year 2006. Without these Water Conservation programs last year, the District

would have needed to spend \$846,955 to purchase this water, at a marginal cost of \$727 per acre-foot.

Co-funding the program costs also helps the District meet its BMP targets. There are currently fourteen Water Conservation Best Management Practices (BMPs), which the District voluntarily agreed to implement in 1992, as one of the original signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California.

A summary of the Residential Voucher Incentive Program MOU is listed below:

Residential Voucher Program MOU: the District agrees to reimburse the Water Authority at \$24 per residential High Efficiency Clothes Washer (HEW) and \$24 for each Ultra Low Flush Toilet (ULFT) or High Efficiency Toilet (HET) installed in apartment complexes. The District is obligated to provide up to \$18,000 in funding for its share of costs for the ULFT/HET program and up to \$19,200 for the HEW program. The MOU will involve up to 750 multi-family ULFTs/HETs and 800 HEWs each year. Both amounts are contained within the District's FY 08 budget. The District's customers will be eligible to receive \$165 per HET up until October 1st, when the incentive increases to \$200.

The Commercial and Smart Landscape Program MOUS involve reimbursement amounts for funding water efficient devices installed in commercial settings, landscape water efficiency measures or landscape audits. A brief summary of these two programs are outlined below:

Smart Landscape Programs: Incentives, co-funding or reimbursement is available for smart controllers, residential or large landscape audits, landscape area measurement, artificial turfgrass in commercial settings, smart landscape grants, and incentives for California Friendly homes. Two new programs will be introduced this year as pilots and will not be mentioned in the smart landscape program MOU: artificial turfgrass and smart controller incentives for single family residential customers. The District is planning to participate in both pilots and budgeted to do so this fiscal year.

Commercial Voucher Programs: This MOU involves the District's cost share for vouchers offered to its commercial, institutional and industrial customers to install water efficient fixtures. Incentives are available for high efficiency toilets, low water and zero water consumption urinals, single load and multi-load high efficiency clothes washers, cooling tower conductivity

FISCAL IMPACT:

ZZZ

There are sufficient funds in the FY-08 operating budget to cover the \$37,200 cost for Year 1 of the MOU.

STRATEGIC GOAL:

Signing the MOU will allow the District to cost effectively implement its water conservation strategic plan and continue to meet its BMP goals.

LEGAL IMPACT:

n/a

Mark Walton

General Manager

Attachment A - Committee Action Report

Attachment B - MOU Between the Otay Water District and San Diego County Water Authority for Fiscal Years 2008 and 2009, Residential Voucher Program



ATTACHMENT A

SUBJECT/PROJECT:	Residential Water Conservation MOU with the San Diego County Water Authority
-------------------------	--

COMMITTEE ACTION:

This item was presented to the Finance/Administration Committee on June 27, 2007 and the committee supported presentation to the full board.

NOTE:

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

**MEMORANDUM OF UNDERSTANDING
BETWEEN OTAY WATER DISTRICT AND
SAN DIEGO COUNTY WATER AUTHORITY FOR FISCAL YEARS 2008 and 2009
RESIDENTIAL VOUCHER INCENTIVE PROGRAM**

This Memorandum of Understanding (MOU) between the San Diego County Water Authority (Water Authority), and the Otay Water District (Agency) which sets forth the respective roles of the Water Authority and in regard to the Water Conservation Residential Voucher Incentive Program (Program) is entered into effective July 1, 2007.

RECITALS:

Whereas the Program offers Agency's residential customers financial incentives to replace existing high-volume-flush toilets with ultra-low-flush toilets and high-efficiency toilets (ULFT/HET) in apartment complexes and to encourage water customers to purchase high-efficiency clothes washers (HEW);

Whereas vouchers for 12,500 ULFTs/HETs and 20,000 HEWs will be made available to residential customers within Water Authority's member agencies' service areas during the two-year period of Fiscal Year (FY) 07-08 and FY 08-09.

Whereas the Water Authority has retained the consulting services of Honeywell (Consultant) to administer the Program and direct field operations;

Whereas the parties desire to set forth the respective roles of Water Authority and Agency and establish the terms of the agreement.

Now, therefore, in consideration of the recitals and mutual obligations of the parties herein expressed, water authority and agency agree as follows:

1. Water Authority's responsibilities
 - a. Water Authority will oversee all aspects of the Program. Water Authority staff will provide Program implementation and advisory support during the Program.
 - b. Water Authority shall provide to Agency, weekly status reports that document the number of vouchers distributed and redeemed, the corresponding number of devices, and the number of inspections performed.

- c. Water Authority shall provide Agency with all promotional or informational materials prepared for the Program.

2. Agency's responsibilities

- a. Agency's role is that of financial supporter. Agency is not expected to devote substantial staff time to program administration, but Agency staff will be asked to provide occasional staff support during the Program.
- b. Program will be jointly funded by the Metropolitan Water District of Southern California (Metropolitan), Water Authority and Agency. San Diego Gas & Electric Company (SDG&E) will jointly fund residential HEWs. Should additional outside funds become available, per unit reimbursement amounts will be adjusted accordingly.

The maximum amount Agency would be responsible for is \$24 per ULFT/HET and \$24 per HEW in FY 2008. The exact amount of each fixture/device cost may vary if the customer's actual purchase price is less than voucher amount. Allocations to Agency for FY 2009 shall be determined by Water Authority, subject to acceptance of such allocations by Agency, by amendment to this MOU or other written confirmation acceptable to the parties.

Agency shall provide a maximum of **\$18,000** for ULFT/HET vouchers and **\$19,200** for HEW vouchers in FY 2008 for this Program. Agency agrees to pay a maximum of \$24 for each ULFT/HET and \$24 for each clothes washer that will be installed within Agency's jurisdiction. If available, Agency may obtain additional reimbursement funds from the Water Authority during the term of this MOU. Water Authority will determine if funding for additional reimbursements beyond the amount stated will be available to Agency.

Agency approves adding a maximum 15 percent over allocation to Agency's voucher allocations. The over allocation will offset vouchers that are not used (drop-out rate).

- c. Agency shall receive recognition and credit for its participation in the Program that is equal to that received by the Water Authority's other participating member agencies.
- d. Consultant's fee includes area-wide marketing for residential ULFTs/HETs and HEWs. Should Agency request agency-specific marketing, upon Water Authority approval, Water Authority and Agency will share the cost on a 50:50 basis.

- e. Agency will provide Water Authority, or its authorized representative, with data as required by Water Authority to evaluate Program implementation, costs, and water savings.

3. CEQA

The Water Authority shall be responsible for assuring that the Program complies with the requirements of the California Environmental Quality Act (CEQA) and that all necessary documents have been filed.

4. HOLD HARMLESS AND LIABILITY

Agency and Water Authority each agree to mutually indemnify, defend at its own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, 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 or related to any negligent act, error or omission, or willful misconduct of that party, its officers or employees, or any other agent acting pursuant to its control and performing under this MOU.

5. DOCUMENT REVIEW

Water Authority and Agency will make available for inspection to the other party, upon reasonable advanced notice, all records, books, and other documents relating to PROGRAM.

6. TERM

The term of this MOU shall be from date of execution through June 30, 2009. However, the term is contingent upon funding and participation by Water Authority, Metropolitan, SDG&E, and Agency. In the event that future budget appropriations are not approved by the participants, this MOU shall terminate at the beginning of the fiscal year for which such appropriations are not made. Also, if appropriations are different than anticipated, program funding shall be adjusted based on available funding.

7. NOTICE

Any notice, payment, credit, or instrument required or permitted to be given hereunder will be deemed received upon personal delivery or 24 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the party for whom intended, as follows:

If to Water Authority: San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attn: Jeff Stephenson

If to AGENCY: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91977
Attn: William Granger

Either party may change such address by notice given to the other party as provided herein.

8. AMENDMENTS

The MOU may be amended as circumstances necessitate by written agreement executed by both parties.

9. ASSIGNMENT

Agency shall not assign, sublet or transfer this MOU or any rights under or interest in this MOU without written consent of Water Authority, which may be withheld for any reason.

10. SEVERABILITY

The partial or total invalidity of one or more parts of this MOU will not affect the intent or validity of this MOU.

11. GOVERNING LAW

This MOU will be deemed a contract under the laws of the State of California. Agency hereby agrees and consents to the exclusive jurisdiction of the courts of the State of California and that the venue of any action brought hereunder shall be in San Diego County, California.

12. TERMINATION OF MOU

This MOU may be terminated by either party hereto for any reason 30 days after notice in writing to the other party.

13. SIGNATURES

The individuals executing this MOU 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 this MOU as of the date above.

San Diego County
Water Authority

Otay Water District

By: _____
Ken Weinberg
Director of Water Resources

By: _____
Mark Watton
General Manager

Approved as to form:

By: _____
General Counsel

By: _____