

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

**Monday**  
**August 20, 2007**  
**4:00 P.M.**

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

**AGENDA**

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

**INFORMATION / ACTION ITEMS**

3. ADOPT RESOLUTION NO. 4105 APPROVING THE THIRD AMENDMENT TO THE METRO WASTEWATER JOINT POWERS AUTHORITY AGREEMENT REGARDING THE ADDITION OF THE CITY OF CHULA VISTA AS A PARTICIPATING AGENCY (MAGANA/POSADA) [5 minutes]
4. APPROVE THE MITIGATED NEGATIVE DECLARATION FOR THE 1485-1 PUMP STATION REPLACEMENT PROJECT (POSADA/RIPPERGER/COBURN-BOYD) [5 minutes]
5. APPROVE CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH PACIFIC HYDROTECH CORPORATION FOR CONSTRUCTION OF THE 640-1 AND 640-2 RESERVOIRS PROJECT IN THE AMOUNT OF \$116,562 (POSADA/RIPPERGER/SIMMONS) [5 minutes]
6. FISCAL YEAR 2007 STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT (STEVENS) [15 minutes]

7. CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR-END 2007 UPDATE (POSADA) [15 minutes]
8. ADOPT ORDINANCE NO. 512 AMENDING SECTION 2.01, "AUTHORITY OF THE GENERAL MANAGER" OF THE OTAY WATER DISTRICT CODE OF ORDINANCES TO DELEGATE TO THE GENERAL MANAGER POWER TO TAKE CERTAIN ACTIONS IN CONNECTION WITH A DECLARED EMERGENCY INCLUDING EXECUTING AND AWARDED, WITHOUT BIDDING, CERTAIN CONTRACTS NECESSARY TO RESTORE THE NORMAL DISTRICT SERVICES (MAGANA/PORRAS) [10 minutes]
9. 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 August 16, 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 August 16, 2007.



Connie Rathbone, Assistant District Secretary

# AGENDA ITEM 3



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 5, 2007
SUBMITTED BY:	Rod Posada <i>[Signature]</i> Chief, Engineering	PROJECT/ SUBPROJECTS	DIV. NO.
APPROVED BY:	Manny Magaña <i>[Signature]</i> Assistant General Manager of (Asst. GM) Engineering and Operations		
SUBJECT:	Adopting Resolution No. 4105 Approving the Third Amendment to The Metro Wastewater Joint Powers Authority Agreement Regarding Addition of the City of Chula Vista as a Participating Agency		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board Adopt Resolution No. 4105 approving the Third Amendment to Joint Exercise of Powers Agreement for the Metro Wastewater Joint Powers Authority to add the City of Chula Vista as a participating agency, and incorporating minor modifications to the Joint Exercise of Powers Agreement and, that the Board authorize the General Manager to execute Third Amendment to Joint Exercise of Power Agreement. (See Attachment B).

### COMMITTEE ACTION: \_\_\_\_\_

Please see Attachment A.

### PURPOSE:

To amend the existing Metro Wastewater Joint Powers Authority Agreement to add the City of Chula Vista as a Participating Agency and incorporate additional minor modifications to the Agreement.

### ANALYSIS:

On October 25, 2000, the City of Coronado, City of Del Mar, City of El Cajon, City of Imperial Beach, City of La Mesa, Lemon Grove Sanitation District, City of Poway, Padre Dam Municipal Water District, County of San Diego, entered into a Joint Exercise of Powers Agreement creating the JPA for the purpose of

taking responsibility, actions and decisions pertaining to the Regional Waste Water Disposal Agreement. On February 12, 2003, the Otay Water District became a JPA member and on June 4, 2003, the City of National City also became a JPA member. Article VIII of the Agreement provides that the Agreement may be amended by one or more supplemental agreements in order to add new parties.

On July 17, 2007, the City Council of the City of Chula Vista approved joining the JPA as a participating agency, and has approved additional modifications to the agreement, as set forth in the Third Amendment (See Attachment B).

The addition of the City of Chula Vista to the Metro Wastewater Joint Powers Authority will serve to strengthen the organization and provide an additional voice in how the region develops its reclaimed water resources, pays for new wastewater facilities, and monitors the environmental effects of wastewater activities. Additional modifications to the existing agreement have been made to further define terms and to add provisions to address an eventual withdrawal of a participating agency.

**FISCAL IMPACT:** \_\_\_\_\_

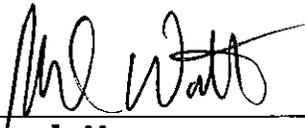
None.

**STRATEGIC GOAL:**

Adding the City of Chula Vista as a participating agency would maintain effective communication with the City of Chula Vista, as well as support the District's Strategic Goal in community outreach to "Expand a partnership with City of Chula Vista officials, developers and community leaders."

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

None.



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

Y:\Board\CurBd\Engineering\BD 09-05-07, Staff Report, Third Amendment Joint Exercise of Powers Agmt for Metro Wastewater Joint Powers Authority adding City of Chula Vista.doc

KS/MG/RR/RP:jf

Attachments: Attachment A  
Attachment B



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adopt Resolution No. 4105 of the Board of Directors of Otay Water District Authorizing the Execution of the Third Amendment to The Metro Wastewater Joint Powers Authority Agreement Regarding Addition of the City of Chula Vista as a Participating Agency
-------------------------	--

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on August 20, 2007. The Committee supported Staff's recommendation.

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. 4105**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT AUTHORIZING EXECUTION OF THE THIRD AMENDMENT TO THE METRO WASTEWATER JOINT POWERS AUTHORITY AGREEMENT REGARDING ADDITION OF THE CITY OF CHULA VISTA AS A PARTICIPATING AGENCY**

WHEREAS, on October 25, 2000, the City of Coronado, a municipal corporation; the City of Del Mar, a municipal corporation; the City of El Cajon, a municipal corporation; the City of Imperial Beach, a municipal corporation; the City of La Mesa, a municipal corporation; the Lemon Grove Sanitation District, a political subdivision of the State of California, the City of Poway, a municipal corporation; Padre Dam Municipal Water District, a political subdivision of the State of California; and the County of San Diego (on behalf of: the Winter Gardens Sewer Maintenance District, a maintenance district established pursuant to California Streets & Hwys. Code section 5820 et seq.; the Lakeside/Alpine Sanitation District, a political subdivision of the State of California; and the Spring Valley Sanitation District, a political subdivision of the State of California) (the "Participating Agencies") entered into a Joint Exercise of Powers Agreement ("Agreement"), creating the JPA for the purpose of taking responsibility, actions, and decisions pertaining to the Regional Wastewater Disposal Agreement; and

WHEREAS, Article VIII of the Agreement provides that the Agreement may be amended by one or more supplemental agreements in order to add new parties in pursuance of the purposes of the Agreement; and

WHEREAS, on February 12, 2003, the Otay Water District was added as a Participating Agency of the JPA; and

WHEREAS, on June 4, 2003, the City of National City was added as a Participating Agency of the JPA; and

WHEREAS, on July 17, 2007, the City Council of Chula Vista approved joining the JPA as a Participating Agency, and has approved additional modifications to the Agreement, as set forth in the Third Amendment attached hereto as Exhibit "A;" and

WHEREAS, it is the desire of the Board of Directors of Otay Water District to approve execution of the Third Amendment to the Agreement to add the City of Chula Vista as a Participating Agency of the JPA, and to make additional modifications to the Agreement as set forth in the Third Amendment attached hereto as Exhibit "A."

**NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED,** by the Board of Directors of Otay Water District as follows:

Section 1. The Third Amendment, a copy of which has been presented to this Board and is attached hereto as Exhibit "A," adding the City of Chula Vista as a Participating Agency of the Metro Wastewater Joint Powers Authority and approving the additional modifications to the Agreement as set forth therein, is hereby approved and adopted.

Section 2. The General Manager, the General Counsel and District staff are hereby authorized and directed to take such steps as are necessary to finalize and deliver the Third Amendment. The General Manager is hereby authorized to finalize and execute the Third Amendment, in substantially the form attached hereto and subject only to such non-substantive revisions as are deemed necessary by the General Manager and are approved by the General Counsel.

Section 3. This Resolution shall become effective immediately.

**PASSED, ADOPTED AND APPROVED** this 5th day of September, 2007, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

---

**President**

ATTEST:

---

District Secretary

## **EXHIBIT A**

### **THIRD AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT FOR THE METRO WASTEWATER JOINT POWERS AUTHORITY TO ADD THE CITY OF CHULA VISTA AS A PARTICIPATING AGENCY**

This Third Amendment to the Joint Exercise of Powers Agreement for the Metro Wastewater Joint Powers Authority, is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2007, in the County of San Diego, State of California by each of the participating agencies of the Metro Wastewater JPA, a Joint Powers Agency ("JPA") existing and organized pursuant to the provisions of Government Code section 6500 et seq., and the City of Chula Vista ("Chula Vista").

#### **RECITALS**

WHEREAS, on October 25, 2000, the City of Coronado, a municipal corporation; the City of Del Mar, a municipal corporation; the City of El Cajon, a municipal corporation; the City of Imperial Beach, a municipal corporation; the City of La Mesa, a municipal corporation; the Lemon Grove Sanitation District, a political subdivision of the State of California, the City of Poway, a municipal corporation; Padre Dam Municipal Water District, a political subdivision of the State of California; and the County of San Diego (on behalf of: the Winter Gardens Sewer Maintenance District, a maintenance district established pursuant to California Streets & Hwys. Code section 5820 et seq.; the Lakeside/Alpine Sanitation District, a political subdivision of the State of California; and the Spring Valley Sanitation District, a political subdivision of the State of California) (the "Participating Agencies") entered into a Joint Exercise of Powers Agreement ("Agreement"), creating the JPA for the purpose of taking responsibility, actions, and decisions pertaining to the Regional Waste Water Disposal Agreement; and

WHEREAS, Article VIII of the Agreement provides that the Agreement may be amended by one or more supplemental agreements in order to add new parties in pursuance of the purposes of the Agreement; and

WHEREAS, on February 12, 2003, the Otay Water District was added as a Participating Agency of the JPA; and

WHEREAS, on June 4, 2003, the City of National City was added as a Participating Agency of the JPA; and

WHEREAS, the JPA and each of the Participating Agencies desire that Chula Vista join the JPA as a Participating Agency; and

WHEREAS, the City Council of Chula Vista has approved joining the JPA as a

Participating Agency of the JPA, and has approved additional modifications to the Agreement as set forth herein; and

WHEREAS, each of the Participating Agencies have approved the addition of Chula Vista as a Participating Agency of the JPA, and have approved additional modifications to the Agreement as set forth herein.

## AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

- A. Pursuant to Article VIII, Section 8.05 of the Agreement, the Joint Exercise of Powers Agreement for the Metro Wastewater JPA is hereby amended to add Chula Vista as a JPA Participating Agency.
- B. Pursuant to Article VIII, Section 8.05 of the Agreement, each of the Participating Agencies and City of Chula Vista hereby amend the Joint Exercise of Powers Agreement for the Metro Wastewater JPA, as follows:
  1. The Seventh Recital is amended to read as follows:

WHEREAS, in enacting the Bond Law, the Legislature of the State of California declared in Section 6584.5 of the Government Code of the State of California, that (a) there is a critical need within the State of California to expand, upgrade and otherwise improve the public capital facilities of local government necessary to support the rehabilitation and construction of residential and economic development; and (b) that it is (was) the intent of the Legislature to assist in the reduction of local borrowing costs, help accelerate the construction, repair, and maintenance of public capital improvements, and promote greater use of existing and new financial instruments and mechanisms, such as bond pooling by local agencies.

2. Article I, Section 1.01, definition of "Board" is revised as follows:

"Board" means the Board of Directors referred to in Section 2.03, which shall be the governing body of the JPA.

3. Article I, Section 1.01, definition of "'Members' and 'Participating Agencies'" is revised as follows:

"Members" and "Participating Agencies" means the City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of Poway, the Padre Dam Municipal Water

District, the County of San Diego on behalf of the Winter Gardens Sewer Maintenance District, the Alpine Sanitation District, the Lakeside Sanitation District and the Spring Valley Sanitation District, the Otay Water District, the City of National City and the City of Chula Vista.

4. Article II, Section 2.03 is amended to read as follows:

**Section 2.03. Board.** The JPA shall be administered by a Board of Directors. The Board shall be composed of one appointee from each of the Participating Agencies. In addition to appointing its member to the Board, each Participating Agency shall appoint one alternate. The alternate appointed by a Participating Agency shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member is absent. The Board shall be called the "Board of Directors of the Metro Wastewater JPA." All voting power of the JPA shall reside in the Board.

5. Article VII is amended to add Section 7.03 as follows:

**Section 7.03. Withdrawal of a Participating Agency from the JPA.**

- (a) Notice of Withdrawal. Notwithstanding anything to the contrary set forth in this Agreement, and subject to the terms and conditions set forth in this Section and any other terms and conditions required by law or contract, a Participating Agency may withdraw from the JPA at any time by providing the Board with written notice of its intent to withdraw in accordance with the notice provisions set forth in Section 8.01. The withdrawal shall become effective ninety (90) days after such notice is given. The withdrawal of any Participating Agency from the JPA shall not terminate this Agreement.
- (b) Surviving Liability.
- (1) The withdrawing Participating Agency shall remain liable for its share of the budgeted and administrative expenses of the JPA pursuant to Section 6.05, Annual Budget and Administrative Expenses, for the fiscal year in which the withdrawal is effective.
- (2) If the JPA has issued Bonds or incurred any other form of indebtedness at the election of the withdrawing Participating Agency to finance all or some portion of such agency's share of Public Capital Improvements acquired or constructed pursuant to the Regional Wastewater Disposal Agreement and all or some portion of such Bonds or other indebtedness of the JPA remains outstanding at the time of such agency's withdrawal from the JPA, such

withdrawing Participating Agency shall remain liable for and obligated to make (i) the scheduled payments of its proportionate share of the revenues pledged to repay such Bonds or other indebtedness of the JPA pursuant to any lease, installment sale or purchase agreement, loan agreement or other agreement or contract entered into by such agency to evidence, provide for and/or secure such payment and (ii) pursuant to Section 6.06, its proportionate share of Financing Expenses, if any, related to the administration of such Bonds or other evidence of indebtedness of the JPA.

- (c) **Credit to Withdrawing Participating Agency.** A withdrawing Participating Agency is entitled to any sum due that Participating Agency pursuant to Section 5.02, Credit to the Participating Agencies, at the end of the fiscal year in which the Participating Agency's withdrawal is effective; provided, however, nothing herein shall be construed to entitle a withdrawing Participating Agency to any interest accrued by any investments of JPA surplus funds if the maturity date of said investment occurs later than the fiscal year in which the Participating Agency's withdrawal is effective.
- (d) **Acknowledgement of Surviving Liabilities and Obligations.** A Participating Agency wishing to withdraw from the JPA shall provide the JPA with a written acknowledgement, acceptable in a form and content to the JPA, of the liabilities and obligations of the withdrawing Participating Agency, as specified in this Section, which shall survive the withdrawal of the Participating Agency from the JPA. The withdrawing Participating Agency shall also provide the JPA with a written opinion from its counsel that any such surviving liabilities and obligations of the withdrawing Participating Agency described in Section 7.03(b)(2) of this Agreement, will (assuming that the JPA is not in breach or default of any material term of the lease, installment sale or purchase agreement, loan agreement or other agreement or contract entered into by such agency, described in Section 7.03(b)(2)) remain legal, valid and binding obligations of the withdrawing Participating Agency, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles, if equitable remedies are sought, and to the limitations on legal remedies against local public entities, such as the withdrawing Participating Agency, in the State of California.

6. Article VIII, Section 8.05 is amended to read as follows:

**Article 8, Section 8.05. Amendments.** This Agreement may be amended at any

time, or from time to time, except as limited by contract with the owners of Bonds issued by the JPA or certificates of participating in payments to be made by the JPA or the Participating Agencies or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement or for any other purpose, including, without limitation, addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuant of the purposes of this Agreement.

- C. All other terms and conditions of the Joint Exercise of Powers Agreement for the Metro Wastewater JPA shall remain in full force and effect and shall be binding upon each of the Participating Agencies and upon Chula Vista.

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date first written above.

1. CITY OF CORONADO

ATTEST

By: \_\_\_\_\_

2. CITY OF DEL MAR

ATTEST

By: \_\_\_\_\_

3. CITY OF EL CAJON

ATTEST

By: \_\_\_\_\_

4. CITY OF IMPERIAL BEACH

ATTEST

By: \_\_\_\_\_

5. CITY OF LA MESA

ATTEST

By: \_\_\_\_\_

6. LEMON GROVE SANITATION  
DISTRICT

ATTEST

By: \_\_\_\_\_

7. CITY OF POWAY

ATTEST

By: \_\_\_\_\_

8. PADRE DAM MUNICIPAL WATER DISTRICT ATTEST

By: \_\_\_\_\_

9. COUNTY OF SAN DIEGO on behalf of WINTER GARDENS SEWER MAINTENANCE DISTRICT, LAKESIDE SANITATION DISTRICT, ALPINE SANITATION DISTRICT, AND SPRING VALLEY SANITATION DISTRICT ATTEST

By: \_\_\_\_\_

10. OTAY WATER DISTRICT ATTEST

By: \_\_\_\_\_

11. NATIONAL CITY ATTEST

By: \_\_\_\_\_

12. CHULA VISTA ATTEST

By: \_\_\_\_\_

# AGENDA ITEM 4



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 5, 2007
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	P2172 DIV. NO. 5
	Ron Ripperger <i>u</i> Engineering Manager		
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:	Adoption of a Mitigated Negative Declaration for the 1485-1 Pump Station Replacement Project.		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve the adoption of a Mitigated Negative Declaration for the 1485-1 Pump Station Replacement Project (See Exhibit A for project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

To obtain Board authorization for approval of a Mitigated Negative Declaration for the 1485-1 Pump Station Replacement Project.

### ANALYSIS:

The project is the demolition and replacement of the 1485-1 Pump Station. It is intended to improve the transmission of potable water in the 1485 pressure zone and to convey flow to the new 1485-2 Reservoir. The new station will be constructed on the southern portion of the existing 1485-1 Pump Station property owned by the District. The station will include three electrical driven pumps, a diesel emergency generator, a perimeter fence, and landscaping. The Station will be enclosed to protect the pumps and electrical equipment from the environment.

On September 18, 2006, the District's General Manager signed a contract with PBS&J, to perform environmental services for the 1485-1 Pump Station Replacement Project. These environmental services include the preparation of a Mitigated Negative Declaration (MND) to satisfy the conditions of the California Environmental Quality Act (CEQA). PBS&J has completed an Initial Study and draft MND. Based on the findings of these documents, and with proper mitigation measures taken, as outlined in the final MND (See Attachment B), the project will not have a significant effect on the environment.

The draft MND was submitted for 30-day public review on July 19, 2007. One comment letter was received from the Native American Heritage Commission. PBS&J has incorporated their comments into the final MND. PBS&J finalized the MND on August 3, 2007.

**FISCAL IMPACT:**



None.

**STRATEGIC GOAL:**

This project supports the District Strategic Goal of designing and constructing new infrastructure and to satisfy current and future water needs for Potable, Recycled, and Wastewater Services.

**LEGAL IMPACT:**

\_\_\_\_\_

No legal impact is anticipated. However, in compliance with the California Environmental Quality Act process, the Final MND will have the normal 30-day legal challenge period once the Notice of Determination (NOD) is recorded with the County of San Diego. The NOD will be recorded within five (5) working days after Board adoption of the MND.



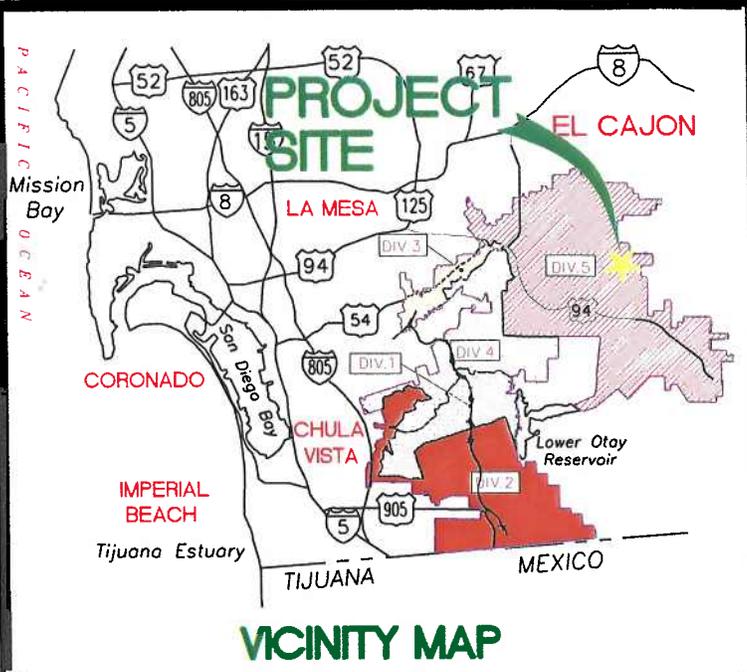
\_\_\_\_\_  
**General Manager**

P:\WORKING\CIP P2172\Staff Reports\BD 09-05-07, 1485-1 Pump Stn. Replacement MND Adoption.doc

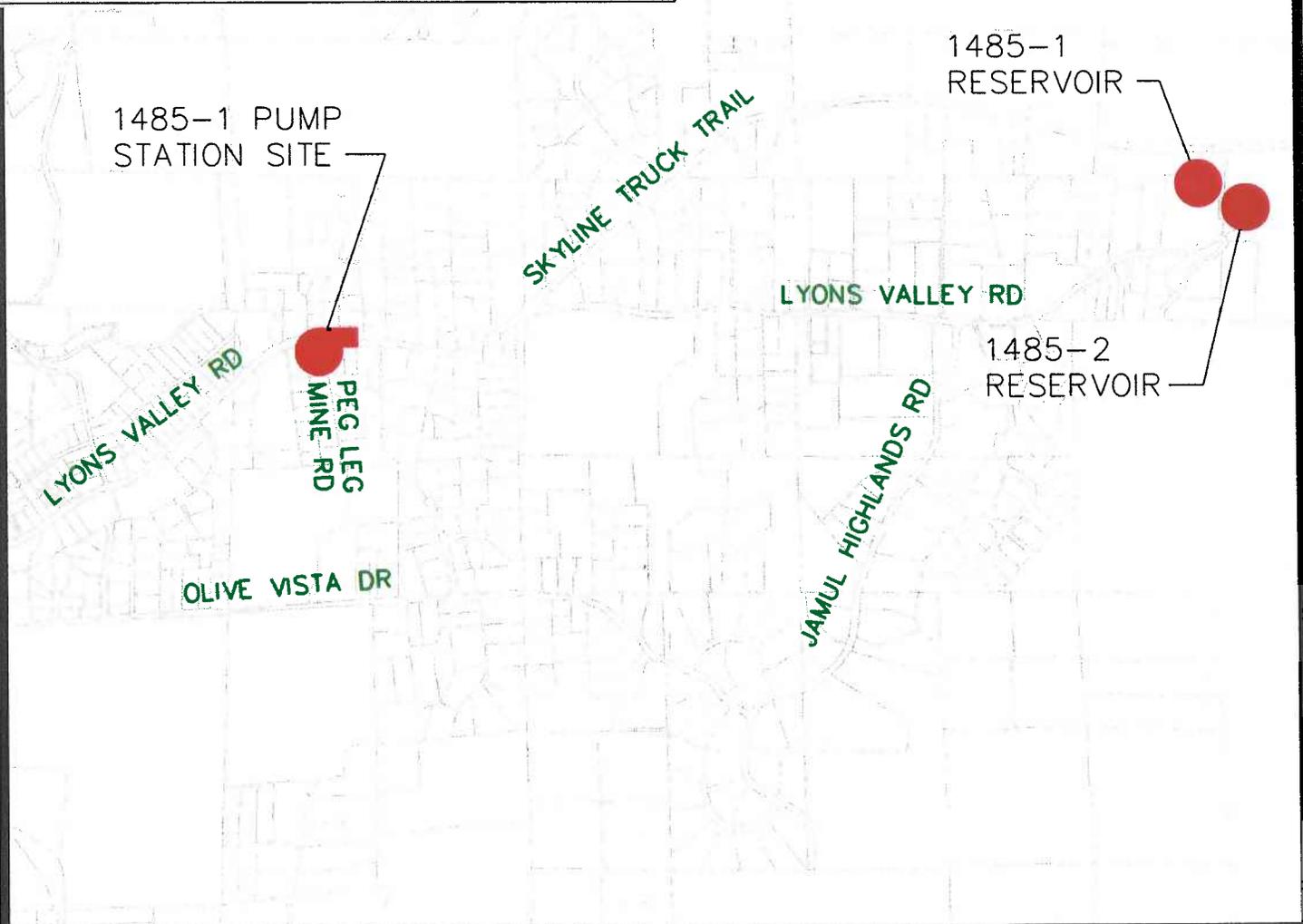
LC-B/RR/RP:jf

Attachments: Attachment A  
Attachment B  
Exhibit A

P:\WORKING\CIP P2172\Environmental\Exhibit A v2.dwg 8/10/2007 3:00:53 PM PDT



SCALE: NTS



**OTAY WATER DISTRICT**  
1485-1 PUMP STATION REPLACEMENT

P2172

LOCATION MAP

EXHIBIT A



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adoption of a Mitigated Negative Declaration for the 1485-1 Pump Station Replacement Project (P2172)
-------------------------	--

### **COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on August 20, 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.



is 33% complete. Construction completion is scheduled for November 2008.

Change Order No. 1 provides for additional excavation and modification of the backfill requirements under the 640-2 Reservoir resulting from discovery of a differing site condition requiring significant additional excavation. The solution to create a strong bearing capacity for the 640-2 Reservoir pad included surcharging the reservoir influence zone for a period of thirty (30) days. Due to this surcharge requirement, the contractor will also be granted a sixty-three (63) day time extension.

Change Order No. 1 is a net increase to the contract with Pacific Hydrotech of \$116,562.26. Staff recommends approving Change Order No. 1 in the amount of \$116,562.

**FISCAL IMPACT:**



The approved total budget for CIP P2185 is \$29,500,000. Expenditures to date are \$9,539,693. Total commitments to date, including this Change Order, are approximately \$28,187,074. See Attachment B for budget detail.

The Project Manager anticipates that based on the attached financial analysis that the budget will be sufficient to support this project. The \$116,562.26 change order will be paid out of our original 3% contingency, balance is currently \$746,820.00.

Previously, Finance had determined that funding for this project was available from the Expansion Fund (53%) and the Betterment Fund (47%).

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.



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

P:\WORKING\CIP 00185 - 640 Reservoirs\WO 30018 640 Reservoirs\Staff Reports\CO #1\BD 09-05-07, 640-1,2 Pac.Hydrotech CO#1.doc

KS/RR/RP:jf

Attachments: Attachment A  
Attachment B  
Exhibit A  
Exhibit B



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> P2185-003103	Change Order No. 1 to the Contract with Pacific Hydrotech Corporation for Construction of the 640-1 and 640-2 Reservoirs Project
---	--

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on August 20, 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

<b>SUBJECT/PROJECT:</b> P2185-003103	Change Order No. 1 to the Contract with Pacific Hydrotech Corporation for Construction of the 640-1 and 640-2 Reservoirs Project - Budget Detail
---	--

Otay Water District

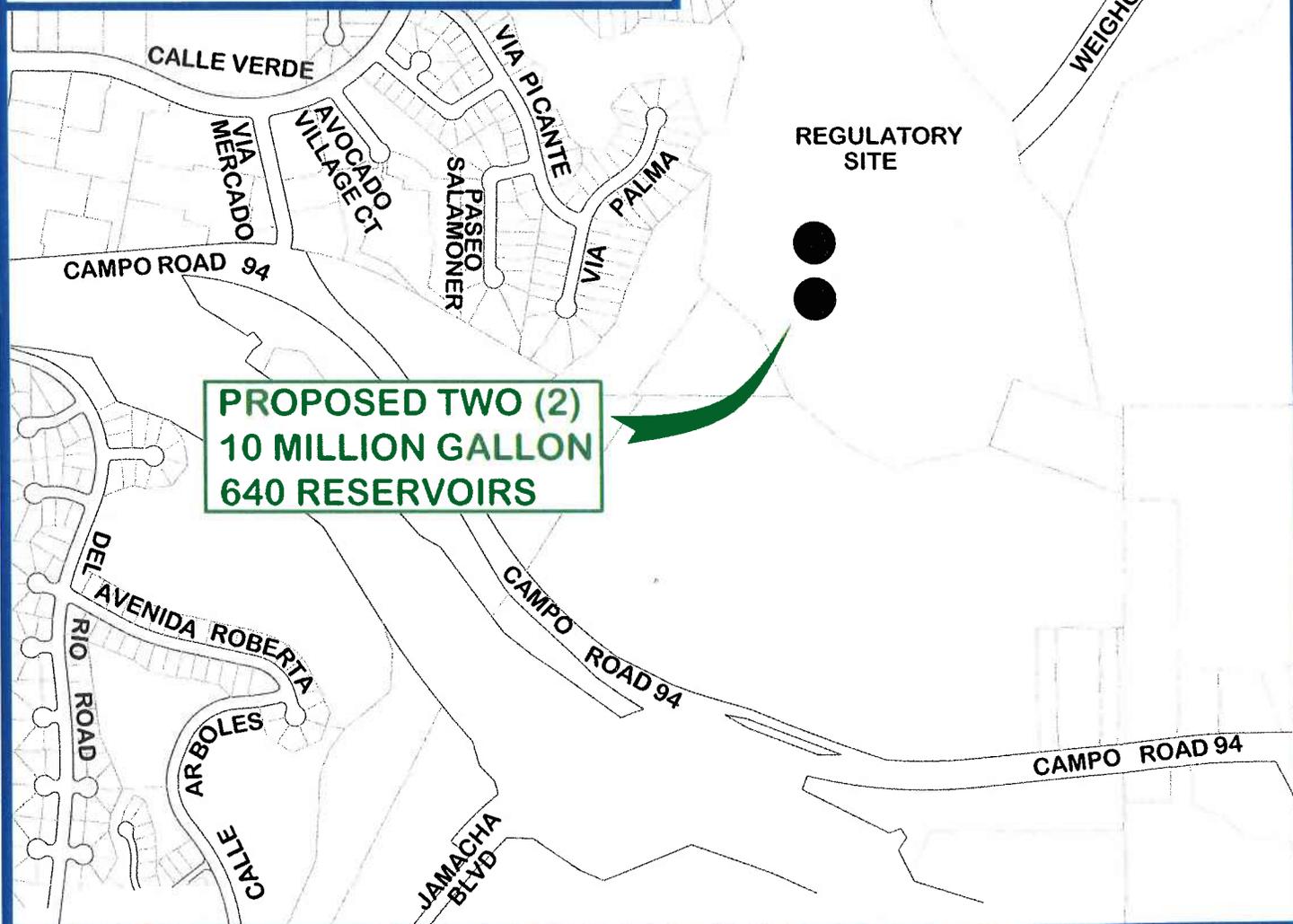
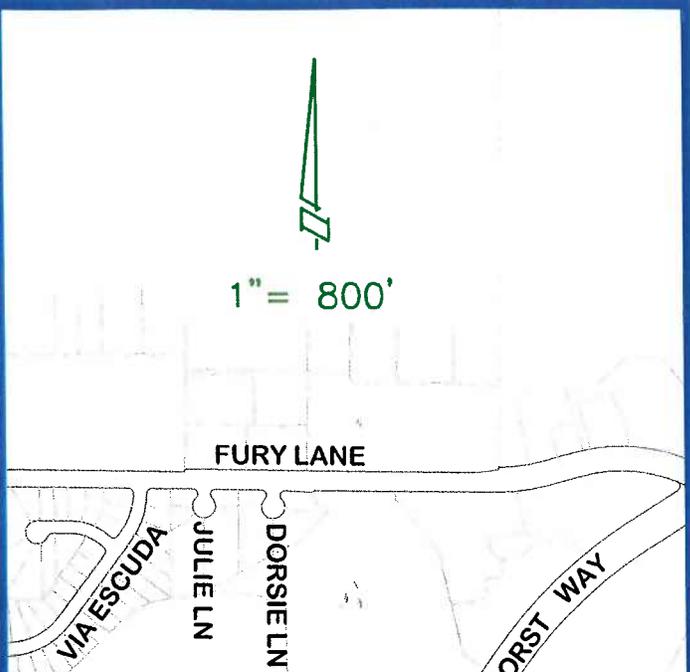
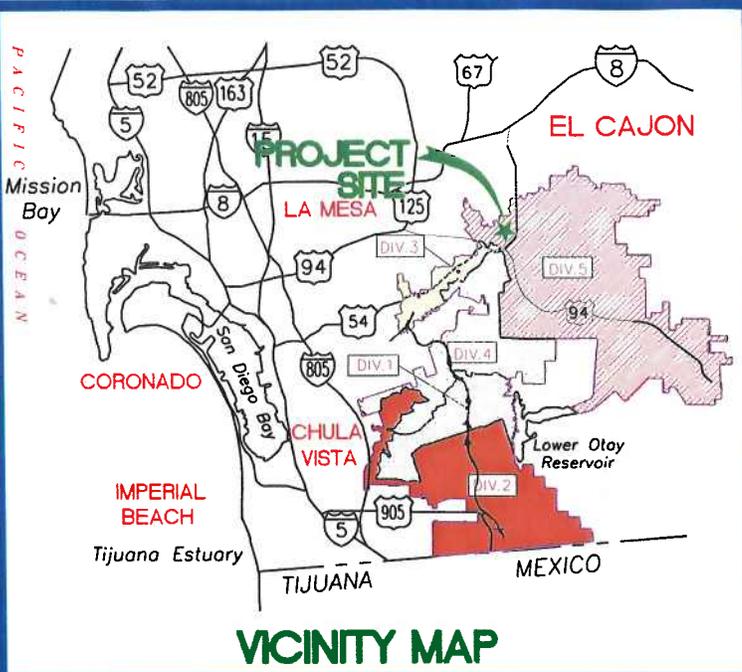
P2185 - Res - 640-1 Reservoir 20.0 MG

Date Updated: August 6, 2007

Budget	Committed (A)	Expenditures (B)	Outstanding Commitment & Forecast (C)	Projected Final Cost (B+C)	Vendor / Comments
<b>\$29,500,000</b>					
<b>Planning</b>					
Studies				-	
In-house/Labor	104,409.10	104,409.10		104,409.10	
Printing	223.58	223.58	-	223.58	Tiger Reprographics
Office Supplies	25.05	25.05	-	25.05	Petty Cash Custodian
Consultant Contract	842,000.00	810,733.91	31,266.09	842,000.00	Infrastrucure Engineering Corp
Construction Contracts- Elec/Permits	750.00	750.00	-	750.00	San Diego Gas & Electric
Professional & Legal Fees	466.90	466.90	-	466.90	Garcia,Calderon & Ruiz
Subcontract	175,783.84	175,783.84	-	175,783.84	
Subcontract	153,831.91	153,831.91	-	153,831.91	
Chemical Feed Systems	6,169.48	6,169.48	-	6,169.48	Core-rosion Products
Service Contract	362.25	362.25	-	362.25	Bob Turner's Crane Services Inc.
Service Contracts	63.80	63.80	-	63.80	Sedona Staffing
Postage	26.57	26.57	-	26.57	Fed-Ex
Land/Easement Acquisition	39,000.00	39,000.00	-	39,000.00	Wildlands Inc
<b>Total Planning</b>	<b>\$ 1,323,112.48</b>	<b>\$ 1,291,846.39</b>	<b>\$ 31,266.09</b>	<b>\$ 1,323,112.48</b>	
<b>Design</b>					
In-house/Labor	\$ 306,225.51	\$ 306,225.51		\$ 306,225.51	
Consultant	\$ 4,704.84	\$ 4,704.84	-	\$ 4,704.84	WRA & Associates
Subcontract	\$ 8,499.72	\$ 8,499.72	-	\$ 8,499.72	E & J Weed Abatement Co.
Subcontract	\$ 682.01	\$ 682.01	-	\$ 682.01	Environmine
Subcontract	\$ 7,800.00	\$ 7,800.00	-	\$ 7,800.00	Fire Prevention Services Inc.
Subcontract	\$ 600.00	\$ 600.00	-	\$ 600.00	Pacific Southwest Biological
Subcontract	\$ 9,711.41	\$ 9,711.41	-	\$ 9,711.41	John Powell & Associates
Regulatory Agency Fee	\$ 1,250.00	\$ 1,250.00	-	\$ 1,250.00	State of California
Office Supplies	\$ 15.09	\$ 15.09	-	\$ 15.09	Petty Cash Custodian
Materials	\$ 537.10	\$ 537.10	-	\$ 537.10	Traffic Control Services Inc
Materials	\$ 152.00	\$ 152.00	-	\$ 152.00	Allied Trench Shoring Services
Service Contract	\$ 15,168.39	\$ 15,168.39	-	\$ 15,168.39	OCB Reprographics
Service Contract	\$ 2,228.00	\$ 2,228.00	-	\$ 2,228.00	Mcgraw-Hill Construction
Advertisement	\$ 527.80	\$ 527.80	-	\$ 527.80	San Diego Daily Transcript
Advertisement	\$ 2,224.60	\$ 2,224.60	-	\$ 2,224.60	Union Tribune Publishing
Advertise and Award			\$ -	\$ -	Advertise and Award
<b>Total Design</b>	<b>\$ 360,326.47</b>	<b>\$ 360,326.47</b>	<b>\$ -</b>	<b>\$ 360,326.47</b>	
<b>Construction</b>					
In-house/Labor	146,643.85	146,643.85	662,668.45	809,312.30	
Subcontract	118,929.39	118,929.39	-	118,929.39	Boyle Engineering
Materials	122.40	122.40	-	122.40	Office Depot
Materials	5,466.34	5,466.34	-	5,466.34	National Waterworks Inc.
Temporary Labor	382.80	382.80	-	382.80	Sedona Staffing
Shipping	20.62	20.62	-	20.62	Fed-Ex
Construction Contracts- Elec/Permits	23,377.00	23,377.00	-	23,377.00	San Diego Gas & Electric
Construction Contract	24,894,000.00	7,309,600.00	17,584,400.00	24,894,000.00	Pacific Hydrotech Corporation
Construction Management	1,196,735.00	281,583.00	915,152.00	1,196,735.00	RBF Consulting
Contingency		(116,562.00)	746,820.00	630,258.00	Contingency at 3%
CO #1			116,562.00	116,562.00	CO #1- Pacific Hydrotech
Professional & Legal Fees	258.40	258.40	-	258.40	Burke Williams & Sorensen LLP
Professional & Legal Fees	487.20	487.20	-	487.20	Garcia,Calderon & Ruiz
Service Contracts	649.60	649.60	-	649.60	San Diego Daily Scripts
OWD to Pay CWA for FCF 14			-	-	CWA
Acct/close-out			20,000.00	20,000.00	In-house Staff
<b>Total Construction</b>	<b>26,387,072.60</b>	<b>7,770,958.60</b>	<b>20,045,602.45</b>	<b>27,816,561.05</b>	
<b>Grand Total</b>	<b>28,070,511.55</b>	<b>9,423,131.46</b>	<b>20,076,868.54</b>	<b>29,500,000.00</b>	

Note: Reduced Contingency by CO #1 amount of \$116,562.

P:\WORKING\CIP 00185 - 640 Reservoirs\WO 30018 640 Reservoirs\Graphics\Exhibits-Figures\640 Reservoirs.dwg 8/1/2007 12:48:04 PM PDT



**OTAY WATER DISTRICT**  
PROPOSED  
640-1 AND 640-2 RESERVOIRS

W.O. 30018

LOCATION MAP

CIP P2185

**EXHIBIT A**

# CONTRACT/P.O. CHANGE ORDER No. # 1

PROJECT/ITEM: 640-1 (10 MG) & 640-2 (10 MG) Reservoirs

CONTRACTOR/VENDOR: Pacific Hydrotech Corporation

REF. CIP No.: P2185

APPROVED BY: Board

REF. P.O. No: 705704

REF. W.O. No.: 30018

DATE: 9/5/2007

---

**DESCRIPTION:**

This change order provides for additional excavation and modification of the backfill requirements resulting from discovery of a differing site condition requiring significant additional excavation per RFP 001.

**REASON:**

Subsequent to beginning construction excavation for Reservoir 640-2 (tank 2) it was discovered that the depth of alluvium soils was significantly greater than indicated on the drawings. The existing alluvium soils required removal due to their poor load bearing capacity. This delta resulted in approximately 27,660 CY of additional excavation to obtain suitable native bearing material for the tank construction. Resultant from discovery of the differing site condition and subsequent meetings, a revised backfill procedure was developed between all parties to mitigate the cost impact while ensuring the reservoir tank quality was not impacted. The Contract initially required the excavation of alluvium to be backfilled with an incompressible on-site manufactured soil cement material. As part of the cost mitigation, the design was modified to backfill the excavation with native decomposed granite materials with a gradation of less than 4-inches compacted to 95% relative compaction. As an additional requirement the excavation would be surcharged with 10 feet of native material for 30 days to ensure the decomposed granite materials would not settle additionally during or after tank construction began. Both the Construction Manager and Contractor agreed that due to the additional work scope and inability to prosecute work on tank 2 during the surcharge period that a sixty-three (63) calendar day time extension is warranted for this work.

**CHANGE P.O. TO READ:**

Revise contract to add \$116,562.26 for a total contract amount of \$25,010,562.26.

---

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	24,894,000.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	24,894,000.00
TOTAL COST OF THIS CHANGE ORDER:	\$	116,562.26
NEW CONTRACT/P.O. AMOUNT IS:	\$	25,010,562.26
ORIGINAL CONTRACT COMPLETION DATE:		Sep 6, 2008
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		63 Days
REVISED CONTRACT COMPLETION DATE:		Nov 8, 2008

IT IS UNDERSTOOD WITH THE FOLLOWING APPROVALS, THAT THE CONTRACTOR/VENDOR IS AUTHORIZED AND DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES. IT IS ALSO AGREED THAT THE TOTAL COST FOR THIS CHANGE ORDER CONSTITUTES FULL AND COMPLETE COMPENSATION FOR OBLIGATIONS REQUIRED BY THE CONTRACT/P.O. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

**CONTRACTOR/VENDOR:**

SIGNATURE: \_\_\_\_\_

NAME : \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE : \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

**STAFF APPROVALS:**

PROJ. MGR : \_\_\_\_\_ DATE: \_\_\_\_\_

DIV. MGR : \_\_\_\_\_ DATE: \_\_\_\_\_

CHIEF: \_\_\_\_\_ DATE: \_\_\_\_\_

ASST. GM : \_\_\_\_\_ DATE: \_\_\_\_\_

**DISTRICT APPROVAL:**

GEN. MANAGER: \_\_\_\_\_ DATE: \_\_\_\_\_

COPIES:  FILE (Orig.),  CONTRACTOR/VENDOR,  ASST. CHIEF-ENGINEERING,  ASST. CHIEF-FINANCE,  ENGR. MGR.  
 ACCTS PAYABLE,  INSPECTION,  PROJ. MGR.,  ENGR. SECRETARY,  PURCHASING

# CHANGE ORDER LOG

**CIP Title - 640-1 and 640-2 Reservoirs**

Project: P2185

Consultant/Contractor: Pacific Hydrotech Corporation

Subproject: 002000/003000/004000

W.O. No. 30018

APPROVED				DESCRIPTION	TYPE C.O.
C.O.	AMOUNT	BY	DATE		
1	\$116,562.26	Board	9/5/2007	1. Differing site condition beneath Tank 2 and modified soil backfill requirements	Contractor Initiated
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

Total C.O.'s To Date:	\$116,562.26	0.5%
Original Contract Amount:	\$24,894,000.00	
Current Contract Amount:	\$25,010,562.26	

**Change Order Breakdown for the Month:**

Month	Net C.O.\$	Limit	Authorization	C.O. %
8/07	\$0.00	\$2,000	Secretary	0.0%
		\$5,000	PM/Sup	0.0%
		\$10,000	DivM	0.0%
		\$15,000	Chief	0.0%
		\$25,000	AGM	0.0%
		\$50,000	GM	0.0%
		>\$50000	Board	0.0%



# AGENDA ITEM 6

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 5, 2007
SUBMITTED BY:	Geoffrey Stevens, Chief Information Technology and Strategic Planning	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration and Finance		
SUBJECT:	FY 2007 Strategic Plan and Performance Measures Report		

**GENERAL MANAGER'S RECOMMENDATION:**

No recommendation. This is an informational item only.

**COMMITTEE ACTION:** \_\_\_\_\_

See Attachment A.

**PURPOSE:**

To provide a fiscal year-end report on the District's Strategic Performance Plan.

**ANALYSIS:**

The District is two thirds of the way through the Strategic Plan for FY 2006 to FY 2008. Overall, results are generally positive with the District achieving its high level targets for both strategic plan objectives (90% complete or on track) and performance measures (75% on target). These objectives and measures can be broken down from various perspectives. This information is also available electronically on the Board Extranet. Looking at these results in more detail:

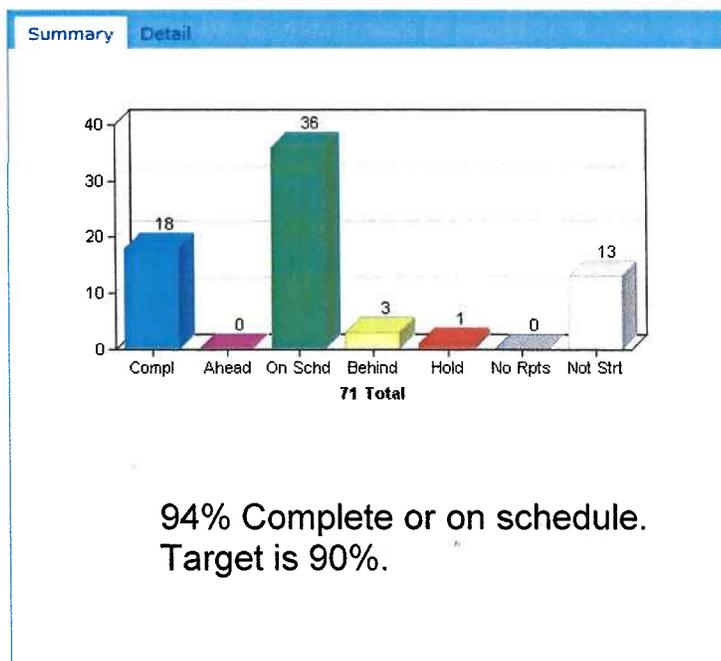
## Strategic Plan Objectives- Changing to Meet Future Needs

Strategic plan objectives are designed to ensure we are making the appropriate high-level changes necessary to move the agency in the planned direction to meet new challenges and opportunities.

Overall performance of strategic plan objectives is positive with 54 of 57 objectives (94%) on track. Thirteen new items will commence in FY08 and one item is on hold and are thus excluded from the calculation.

# FY07 Strategic Plan Objectives

## Objectives: All Scorecard Areas

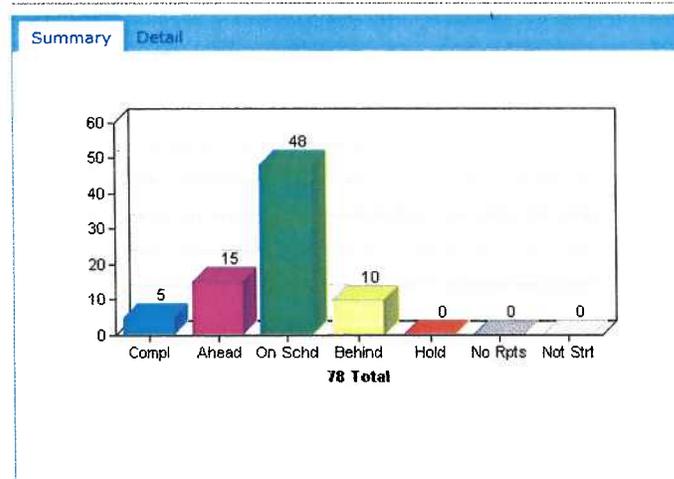


## Performance Measures - Monitoring Day-To-Day Performance

Performance measures are designed to track the day-to-day performance of the District. Sometimes referred to as a "dash board", these items attempt to measure the effectiveness and efficiency of daily operations. The overall goal is that 75% of these measures be rated "on target". District results in this area are also positive with 87% of items achieving the desired level or better.

# FY 07 Performance Measures

### Measures: All Scorecard Areas



*68/78 Measures on or ahead of schedule (87%).  
Target is 75%.*

---

Balanced Scorecard - External View

The Balanced Scorecard methodology is designed to ensure that a company is performing consistently on a wide range of measures necessary to ensure both short-term and long-term improvements. From this perspective the results are also positive. In seven of the eight categories the District is on or ahead of schedule or target. In the one area where we are behind (Financial Perspective - Objectives) is due to detailed financial analysis of overhead and financial controls that is taking slightly longer than expected. These items are projected to be completed in early FY08.

# Balanced Scorecard Perspective

## Balanced Scorecard

FY 2007 Qtr 4 All Departments

FY 2007 • Qtr 4 • All Departments

**Customer**  
■ Objectives ■ Measures

**Finance**  
■ Objectives ■ Measures

**Learning and Growth**  
■ Objectives ■ Measures

**Business Processes**  
■ Objectives ■ Measures

*Green = meets or exceeds/ Red = does not meet*

---

## Departmental Perspective - Internal View of Performance

The departmental perspective, that is breaking down performance objectives and measures by the responsible internal departments, is also positive. The only items not on target are the detailed financial analysis mentioned above and as noted these will be completed in FY08.

# Departmental Perspective

## Department View

FY 2007 Qtr 4 All Scorecard Areas Go

FY 2007 • Qtr 4 • All Scorecard Areas

Departments	
1-Administrative Services	■ Objectives ■ Measures
2-Engineering & Planning	■ Objectives ■ Measures
3-Finance	■ Objectives ■ Measures
4-Information Technology	■ Objectives ■ Measures
5-Operations	■ Objectives ■ Measures

*Green = meets or exceeds/ Red = does not meet*

## Next Steps

The District will be completing the FY06-FY08 plan at the end of this fiscal year. Beginning in the fall the District's entire management team will be involved in writing the FY09-FY11 Strategic Plan that will build on current efforts but expand to identify changes necessary to meet future challenges.

**FISCAL IMPACT:** \_\_\_\_\_

None at this time.

**STRATEGIC GOAL:**

Strategic Plan and Performance Measure reporting is a critical element in providing performance reporting to the Board and staff.

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

None



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

Attachments:

- Strategic Plan Objectives Report
- Performance Measures Report
- Strat Plan PowerPoint Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	FY 2007 Strategic Plan and Performance Measures Report
-------------------------	--

### COMMITTEE ACTION:

The Administration and Finance Committees and the Engineering and Operations Committee met in August and reviewed this item. Based upon this discussion the Committees recommend that the Board receive that attached information.

### 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.

**See CD for Strategic Plan Attachments:**

- **Strategic Plan Measures**
- **Strategic Plan Objectives**

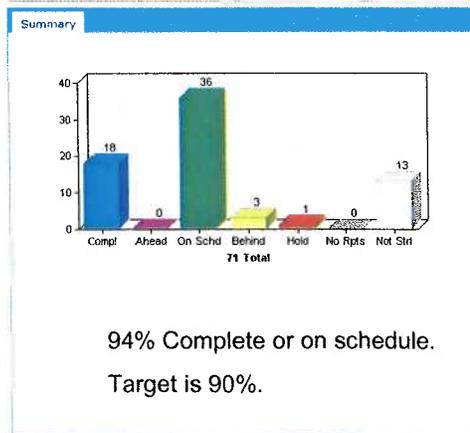
# Year End Report Strategic Performance Plan

September 2007

Geoff Stevens

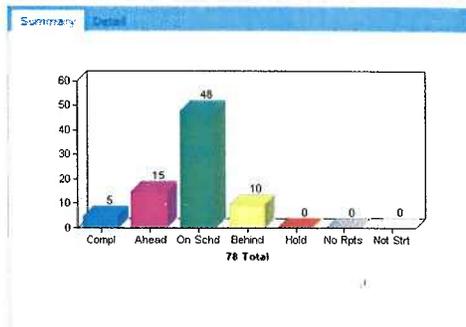
## FY07 Strategic Plan Objectives

Objectives: All Scorecard Areas



# FY 07 Performance Measures

## Measures: All Scorecard Areas



68/78 Measures on or ahead of schedule (87%).

Target is 75%.

# Balanced Scorecard Perspective

## Balanced Scorecard

FY 2007 Qtr 4 All Departments

FY 2007 • Qtr 4 • All Departments

Customer Finance Learning and Growth Business Processes  
Objectives Measures Objectives Measures Objectives Measures Objectives Measures

Green = meets or exceeds/ Red = does not meet

# Departmental Perspective



## Next Steps

- Addition of Process Improvement and Innovation Goals For FY08
- Strategic Planning Workshop to Draft FY09-FY11 Plan
  - Participatory Workshop Involving Entire Management Team
  - Target to Produce New Plan by January 2008
  - Plan will be presented to Board March 2008



# AGENDA ITEM 7

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 5, 2007
SUBMITTED BY:	Ken Simmons <i>KS</i> Sr. Civil Engineer	PROJECT:	P2210 DIV. NO. ALL
	Ron Ripperger <i>R Ripperger</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst GM)	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item - FY 2007 End of Year Capital Improvement Program (CIP) Report		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board accept the FY 2007 End of Year CIP Report for review and receive a summary via PowerPoint presentation.

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

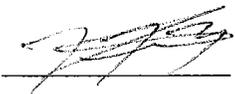
To update the Board about the status of all CIP project expenditure highlights, significant issues, progress, and milestones on major projects.

### ANALYSIS:

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year the District Staff prepares a six-year CIP Plan that identifies the District infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, maintenance projects, developer's reimbursement projects, and capital purchases.

The end of year update is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget. Expenditures for FY 2007 totaled approximately \$32.4 Million. Approximately 87% of the FY 2007 expenditure budget was spent.

**FISCAL IMPACT:**



None.

**STRATEGIC GOAL:**

The CIP supports the mission of providing the best quality of water, recycled, and wastewater service to the customers of the District in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment, and quality of life are enhanced.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



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

P:\CIP\CIP Quarterly Report\2007\Board Meeting 2007\Staff Report\BD 09-05-07, FY 2007 End of Year CIP Report (KS-RP).doc

KS/RR/RP:jf

Attachments: Attachment A  
Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Informational Item - FY 2007 End of Year Report (Project P2210)
-------------------------	--

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on August 20, 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.

# CAPITAL IMPROVEMENT PROGRAM



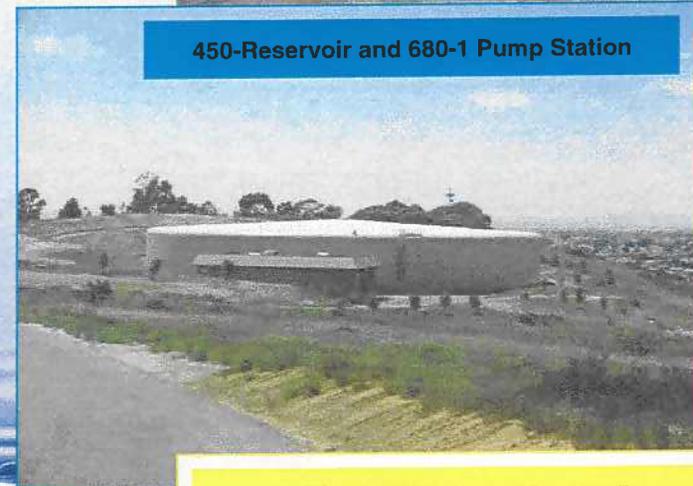
**Fiscal Year 2007**

**End of Year**

**(through June 30, 2007)**



640-1 Reservoir



450-Reservoir and 680-1 Pump Station



42-Inch Pipe Installation at the 640 Reservoirs Site

# Background

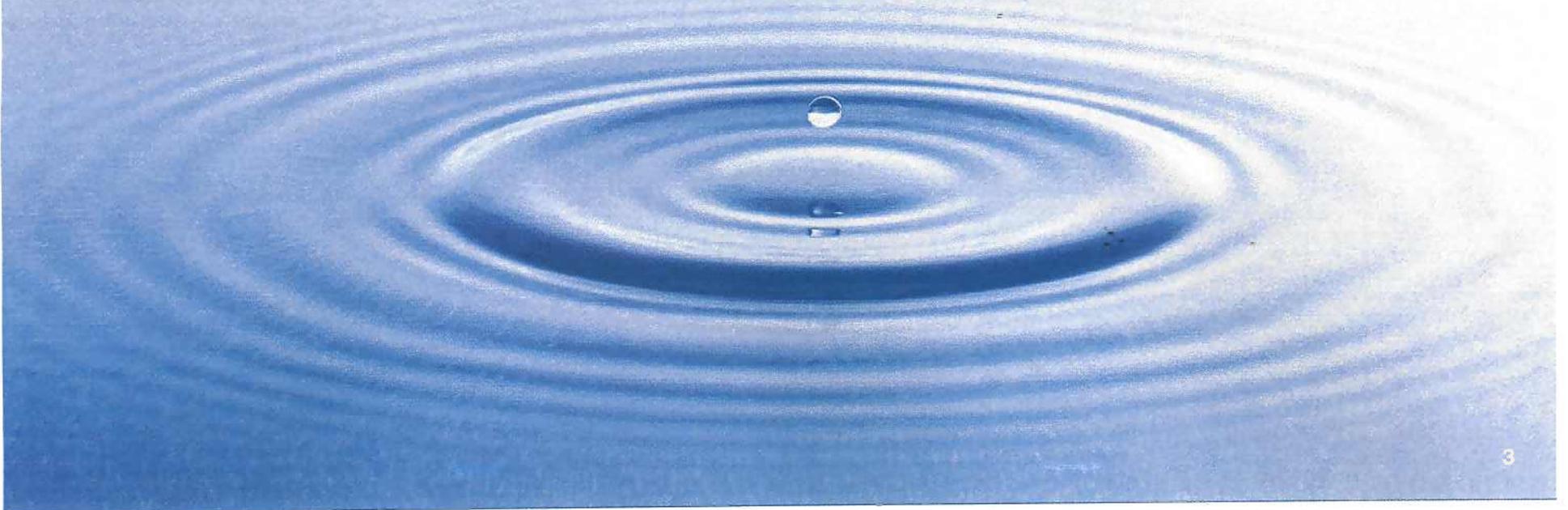
- To keep up with growth and to meet our customers' expectations, District Staff prepared a six-year rolling CIP Report. The CIP report contains information about budget, allocations of funds, project costs, locations, descriptions, justifications and schedules.
- The approved CIP budget for FY07 consists of **91** projects that total **\$37.1 million**. These projects are broken down into four categories:
  1. **Capital Facilities:** **\$ 28.1 million**
  2. **Replacement/Renewal:** **\$ 3.9 million**
  3. **Capital Purchases:** **\$ 1.7 million**
  4. **Developer Reimbursement:** **\$ 3.4 million**

---

(continued)

**Highlights**

- Overall expenditures through the end of Fiscal Year 2007 totaled approximately **\$32.4 million**, which is **87%** of our target expenditures through for fiscal year.
- Construction change orders are at **-0.31%**.

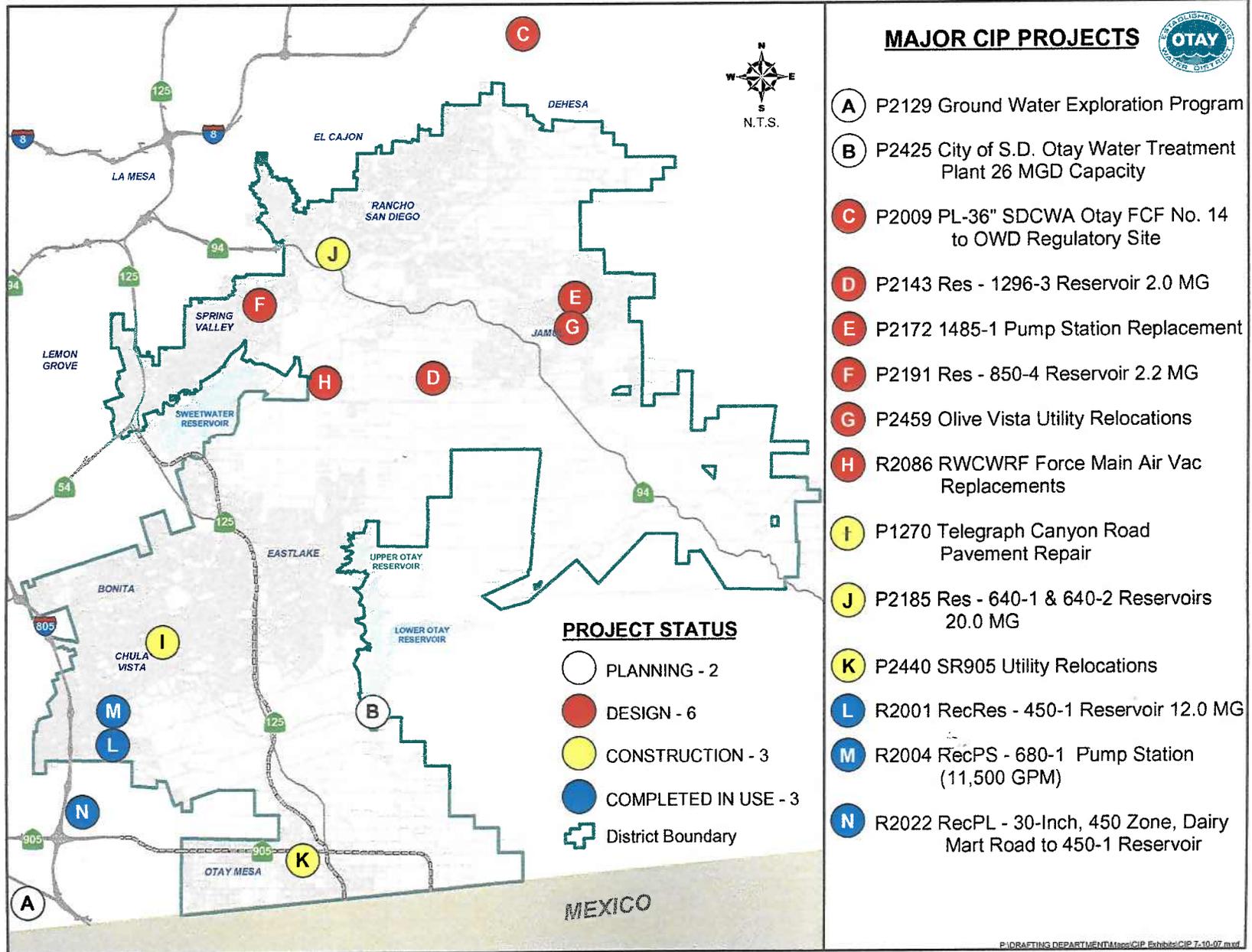


# FY07 End of Year Report

## (through June 30, 2007)

CIP Cat	Description	FY07 Budget	FY07 Expenditures	% FY07 Budget Spent	Total LTD Budget	Total LTD Expenditures	% Budget Spent
1	Capital Facilities	\$28,058,000	\$27,632,000	98%	\$197,063,000	\$86,113,000	44%
2	Replacement/Renewal	\$3,930,000	\$1,724,000	44%	\$15,911,000	\$5,190,000	33%
3	Capital Purchases	\$1,725,000	\$1,456,000	84%	\$15,911,000	\$12,495,000	79%
4	Developer Reimbursement	\$3,409,000	\$1,549,000	45%	\$19,882,000	\$5,185,000	26%
	<b>Total:</b>	<b>\$37,122,000</b>	<b>\$32,361,000</b>	<b>87%</b>	<b>\$248,767,000</b>	<b>\$139,784,000</b>	<b>44%</b>

# Major CIP Projects



# Completed Flagship CIP Projects in Use



**450-1 RESERVOIR AND 680-1 PUMP STATION**



**680-1 RECYCLED WATER PUMP STATION  
(INTERIOR)**

**Reservoir and Pump Station were accepted late  
June 2007.**

# Completed Flagship CIP Project

## □ 450-1 Recycled Reservoir and 680-1 Recycled Pump Station:

**Key Component:** 12,000 GPM (17.3 MGD) pump station delivering recycled water from 450-1 Reservoir to the 680 and 944 recycled water pressure zones.

**Schedule:** Construction started in late November 2005. Original contract completion was April 1, 2007.

**Cost:** 450 Recycled Reservoir

Total Project Budget:	\$9,967,000
Total Budget Spent:	\$9,555,000
Total Remaining Balance returned to General Fund:	\$412,000

680-1 Recycled Water Pump Station

Total Project Budget:	\$8,333,000
Total Budget Spent:	\$8,135,000
Total Remaining Balance returned to General Fund:	\$198,000

**Significant Issues:** Construction was accepted in June 2007 and the pump station is in use.

# Completed Flagship CIP Project

## □ 30-Inch Recycled Water Pipeline Project:

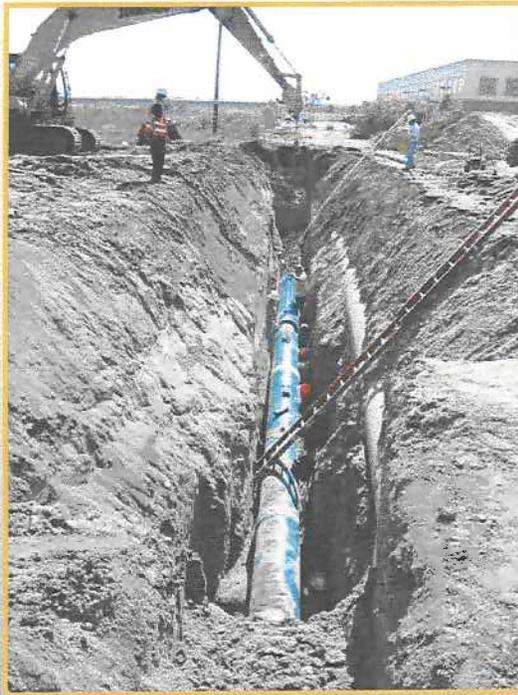
**Key Component:** Approximately 6 miles of 30-inch pipeline for recycled water from City of San Diego's South Bay Water Reclamation Plant (SBWRP) to Otay's 450-1 Reservoir and 680-1 Pump Station.

**Schedule:** Full Notice to Proceed given on September 28, 2005. Contract completion date was December 23, 2006.

<b>Cost:</b>	Total Project Budget:	\$23,600,000
	Total Budget Spent:	\$22,898,000
	Total Remaining Balance returned to General Fund:	\$702,000

**Significant Issues:** Construction was accepted in May 2007 and the pipeline is in use.

# Flagship CIP Projects in Construction



**SR-905 UTILITY RELOCATIONS**



**TELEGRAPH CANYON ROAD PAVING PROJECT**

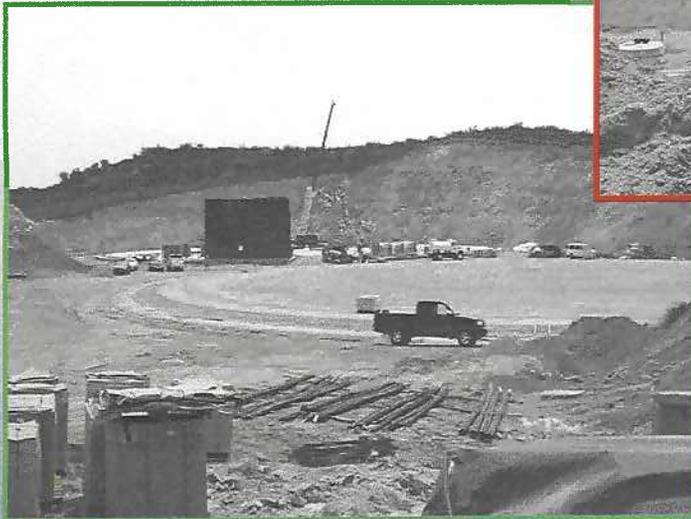
**Project started on September 7, 2006 and is expected to be completed in the Winter of 2007. This project includes the relocation of three pipelines crossing under SR-905 and the reconditioning of two seismic valve vaults.**

**Project started on June 6, 2007 and is expected to be completed in early August 2007. The project includes numerous trenchline pavement rehabilitation along Telegraph Canyon Road and repaving excavations at the 980-2 Pump Station site.**

# Flagship CIP Project in Construction



**640-1 & 640-2 RESERVOIRS  
INSTALLATION OF  
42-INCH STEEL PIPE  
IN ACCESS ROAD "D"**



**640-1 & 640-2 RESERVOIRS  
PROJECT SITE GRADING**



**640-1 & 640-2 RESERVOIRS  
PROJECT INLET/OUTLET  
VALVE VAULT**

**This project was awarded to Pacific Hydrotech and was started in January 2007. Expected completion is late 2008. Project consists of two 10 million gallon circular pre-stressed concrete reservoirs, 11,000 feet of large diameter pipe, several valve and control vaults and demolition of the 520-1 Concrete Reservoir.**

# Flagship CIP Project in Construction

## □ 640-1 and 640-2 Reservoirs Project (20.0 MG):

**Key Component:** Construction of two (2) 10-MG prestressed circular reservoirs and associated piping.

**Schedule:** Notice to Proceed was issued in January 2007. Project completion expected November 2008.

**Cost:** The construction project budget is 29% spent - \$7.3 million out of a total budget of \$24.9 million.

The total project budget is \$29.5 million, of which \$9.4 million, or 32%, has been spent.

**Significant Issues:** 640-1: Installed the 42" outlet piping and poured concrete encasement under the first reservoir.

640-2: Placed 10' surcharge over the engineering fill of the second reservoir. Began laying the 42" inlet and outlet piping from the inlet/outlet vault towards the reservoirs.

# Flagship CIP Project in Design

## □ 36-Inch Pipeline From FCF No. 14 to Regulatory Site Project:

**Key Component:** Approximately 5 miles of 36-inch pipeline for potable water from Otay's FCF No. 14 to the Regulatory Site.

**Schedule:** Preparing preliminary design report and reviewing alternative alignments.

**Cost:** The project budget is \$18.5 million.

**Significant Issues:** District received final draft of the preliminary design report and design is on schedule.

# Progress on Major Project

## □ City of San Diego's Water Treatment Plant, Capacity:

**Key Component:** Acquire at least 30 MGD and up to 50 MGD of local treatment capacity from City of San Diego (City).

**Schedule:** Otay Board approved the SD17 POU with the City, SDCWA and Otay. Draft SD17 Agreement under negotiation.

**Cost:** Only staff time has been budgeted; project cost is dependent upon negotiations outcome.

**Significant Issues:** The City will supply "Surplus Water" from Otay WTP to Otay per the current 1999 Agreement.

The City has an opportunity to obtain a \$6,500,000 Matching Proposition 50 Grant for SD17 consisting of a pump station at the Alvarado WTP to pump up to 60 MGD into SDCWA Pipeline No. 4. SD17 is estimated to cost \$20,000,000. The District desires to acquire 50 MGD capacity. This project will provide an opportunity to the City to generate revenue from surplus capacity. For the District, this is an opportunity to save cost on water treatment while providing an additional source of water supply.

# Consultant Contract Status

(through June 30, 2007)

CIP NO.	PROJECT TITLE	CONSULTANT	OPENED DATE	ORIGINAL CONTRACT AMOUNT	TOTAL CHANGE ORDERS	REVISED CONTRACT AMOUNT	APPROVED PAYMENT TO DATE	% CHANGE ORDERS	% CONTRACT COMPLETE	EST. COMP. DATE
<b>PLANNING</b>										
P1000	OWD SCADA Documentation	Westin	1/26/2005	\$420,000	\$0	\$420,000	\$419,958	0%	100%	Complete
P1210	Integrated Resources Plan	CDM	2/16/2006	\$225,000	\$12,546	\$237,546	\$237,533	6%	100%	Complete
<b>PLANNING TOTALS</b>				<b>\$645,000</b>	<b>\$12,546</b>	<b>\$657,546</b>	<b>\$657,491</b>	<b>2%</b>	<b>100%</b>	
<b>DESIGN</b>										
P1043	Cathodic Protection	DeC	12/20/2005	\$162,418	\$7,500	\$169,918	\$154,819	5%	100%	Complete
P1043	La Presa 36" Pipeline Inspection	Schiff Assoc	10/15/2005	\$110,000	\$0	\$110,000	\$31,745	0%	29%	04/01/08
P2009	36-inch Pipeline, SDCWA Otay FCF No. 14 to Reg Site	Infrastructure Engineering Corp	1/19/2006	\$1,333,808	\$0	\$1,333,808	\$290,676	0%	22%	12/09/09
P2022	30" Recycled Water Pipeline	Lee & Ro	9/22/2003	\$1,585,000	\$245,136	\$1,830,136	\$1,784,655	15%	100%	Complete
P2037	980-3 Reservoir - Structural	Simon Wong	10/31/2005	\$49,700	\$0	\$49,700	\$33,713	0%	68%	03/31/08
P2037	980-3 Reservoir - Construction Review	Infrastructure Engineering Corp	2/16/2006	\$5,000	\$0	\$5,000	\$5,000	0%	100%	Complete
P2037	980-3 Reservoir - Electrical Services	Engineering Partners Inc	3/13/2006	\$13,220	\$0	\$13,220	\$12,120	0%	92%	03/31/08
P2053	RWCWRF- R.O. Building Remodel	Awbrey, Cook, McGill Architects	1/4/2006	\$12,250	\$0	\$12,250	\$7,158	0%	58%	06/30/08
P2185	640-1 and 2 Reservoirs	Infrastructure Engineering Corp	11/1/2005	\$722,000	\$120,000	\$842,000	\$810,734	17%	96%	12/30/08
P2191	850-4 Reservoir - Structural	Nolte	12/7/2005	\$15,695	\$0	\$15,695	\$5,470	0%	80%	09/30/07
P2191	850-4 Reservoir - Appraisals	Bowen & Assoc	6/9/2006	\$8,500	\$0	\$8,500	\$6,500	0%	100%	Complete
P2416	Sweetwater Authority - SR-125 Utility Relocation	Sweetwater Authority	2/23/2006	\$9,800	\$1,800	\$11,600	\$11,267	18%	97%	09/01/07
P2440	SR-905 Utility Relocations	HDR	7/9/2004	\$200,000	\$26,900	\$226,900	\$226,900	13%	100%	Complete

# (Consultant Contract Status continued)

CIP NO.	PROJECT TITLE	CONSULTANT	OPENED DATE	ORIGINAL CONTRACT AMOUNT	TOTAL CHANGE ORDERS	REVISED CONTRACT AMOUNT	APPROVED PAYMENT TO DATE	% CHANGE ORDERS	% CONTRACT COMPLETE	EST. COMP. DATE
R2001/ R2004	450-1 Rec Reservoir / 680-1 Pump Station	MWH	3/1/2002	\$1,030,000	\$106,000	\$1,136,000	\$1,104,794	10%	100%	Complete
N/A	As-Needed Drafting Services	RBF	12/6/2006	\$45,000	\$0	\$45,000	\$32,595	0%	72%	09/30/07
N/A	As-Needed Drafting Services	J.C. Heden & Assoc	12/6/2006	\$45,000	\$0	\$45,000	\$36,600	0%	81%	09/30/07
<b>DESIGN TOTALS</b>				<b>\$5,347,391</b>	<b>\$499,884</b>	<b>\$5,847,275</b>	<b>\$4,547,294</b>	<b>9%</b>	<b>86%</b>	
<b>PUBLIC SERVICES</b>										
P2258	Recycled Water Irrigation Plancheck & Inspection (Ph. 1)	Berryman / Hennigar	3/30/2003	\$250,000	\$30,000	\$280,000	\$265,050	12%	95%	09/30/07
P2258	Recycled Water Irrigation Plancheck & Inspection (Ph. 2)	Boyle Eng	12/20/2004	\$230,000	\$40,000	\$270,000	\$212,232	17%	90%	09/30/07
P2258	Recycled Water Irrigation Plancheck and Inspection, Ph. 1	Boyle Eng	10/11/2005	\$250,000	\$20,000	\$270,000	\$142,002	8%	53%	12/30/07
<b>PUBLIC SERVICES TOTALS</b>				<b>\$730,000</b>	<b>\$90,000</b>	<b>\$820,000</b>	<b>\$619,284</b>	<b>12%</b>	<b>79%</b>	
<b>CONSTRUCTION / INSPECTION</b>										
R2022	30" Recycled Pipeline CM Services	RBF / Hirsch	6/28/2005	\$1,244,201	\$0	\$1,244,201	\$978,880	0%	100%	Complete
R2001/ R2004	450-1 Rec Reservoir / 680-1 Pump Station CM Services	Jacobs	12/15/2005	\$825,000	\$0	\$825,000	\$768,208	0%	100%	Complete
<b>CONSTRUCTION/INSP. TOTALS</b>				<b>\$2,069,201</b>	<b>\$0</b>	<b>\$2,069,201</b>	<b>\$1,747,088</b>	<b>0%</b>	<b>100%</b>	
<b>ENVIRONMENTAL</b>										
Various	On-Call Environmental Services	Jones & Stokes	8/22/2006	\$100,000	\$0	\$100,000	\$62,685	0%	63%	08/22/09
P1253	HMA & Associated Mitigation Projects	Jones & Stokes	4/20/2006	\$566,444	\$0	\$566,444	\$309,452	0%	55%	03/01/08
P1253	Waste Discharge Permit	PBS&J	8/10/2006	\$119,580	\$0	\$119,580	\$99,640	0%	60%	09/30/07
P2037	980-3 Reservoir	BRG	9/30/2006	\$51,000	\$7,319	\$58,319	\$56,908	14%	93%	Complete
P2143	1296-3 Reservoir	BRG	5/8/2006	\$125,000	\$0	\$125,000	\$44,481	0%	36%	09/30/07
P2172	1485-1 Pump Station - Environmental	PBS&J	10/4/2006	\$41,255	\$0	\$41,255	\$34,398	0%	83%	09/30/07
S2015	Calavo Sewer Lift Station - Geotech	Ninyo & Moore	9/7/2006	\$8,770	\$0	\$8,770	\$8,770	0%	100%	Complete
<b>ENVIRONMENTAL TOTALS</b>				<b>\$1,015,049</b>	<b>\$7,319</b>	<b>\$1,022,368</b>	<b>\$616,334</b>	<b>1%</b>	<b>60%</b>	
<b>GRAND TOTAL</b>				<b>\$9,806,641</b>	<b>\$609,749</b>	<b>\$10,416,390</b>	<b>\$8,187,491</b>	<b>6%</b>	<b>79%</b>	

# Construction Contract Status

(through June 30, 2007)

CIP NO.	PROJECT TITLE	CONSTRUCTION CONTRACTOR	ORIGINAL CONTRACT AMOUNT	TOTAL CHANGE ORDERS	REVISED CONTRACT AMOUNT	TOTAL EARNED TO DATE	% OF CHANGE ORDERS *	% CONTRACT COMPLETE	EST. COMP. DATE
P1270	Telegraph Canyon Road Pavement Repair	M&M General Engineering Contractor, Inc.	\$128,650	\$0	\$128,650	\$0	0.00%	0%	August 2007
P2440	SR905 Utility Relocations	Zondiros	\$930,316	\$14,032	\$944,348	\$708,764	1.51%	75%	December 2007
P2359	Meter Shop Remodel	Blair Rasmussen	\$60,747	\$1,823	\$62,570	\$62,570	3.00%	100%	Complete
P2022	30" Recycled Water	Ortiz Corp	\$14,747,600	\$95,110	\$14,842,710	\$14,842,710	0.64%	100%	Complete
P2185	640-1 & 640-2 Reservoirs	Pacific Hydrotech Corp	\$24,894,000	\$0	\$24,894,000	\$7,309,600	0.00%	29%	November 2008
P2258	LOPS Access Road Paving	Koch-Armstrong	\$76,800	(\$840)	\$75,960	\$75,960	-1.09%	100%	Complete
R2001/ R2004	450-1 Recycled Reservoir / 680-1 Recycled Pump Station	TC Construction	\$14,740,000	(\$282,542)	\$14,457,458	\$14,457,458	-1.92%	100%	Complete
<b>TOTALS:</b>			<b>\$55,578,113</b>	<b>(\$172,417)</b>	<b>\$55,405,696</b>	<b>\$37,457,062</b>	<b>-0.31%</b>	<b>68%</b>	

\* Change orders for projects this fiscal year were below the industry average of 5-12%.

# Expenditures

(through June 30, 2007)

(\$000)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
<b>CAPITAL FACILITY PROJECTS</b>							
P2008	PS - 980-2 Pump Station (25,000 GPM)	Ripperger	5	8,055	4	100%	Complete and accepted. Working on warranty issues.
P2009	PL - 36-Inch, SDCWA Otay FCF No. 14 to Regulatory Site	Juybari	675	18,490	17,757	4%	Pre-design final draft is complete. Environmental 30% completed.
P2028	Res - 1485-2 Reservoir 1.6 MG	Ripperger	50	3,250	56	98%	Complete and accepted.
P2033	PL - 16-Inch, 1296 Zone, Melody Rd. - Campo/Presilla	Ripperger	6	1,826	1,822	0%	Project deferred to future years.
P2037	Res - 980-3 Reservoir 15.0 MG	Ripperger	50	13,204	12,662	4%	Project deferred to future years.
P2038	PL - 12-Inch, 978 Zone, Jamacha and Hidden Mesa Road Upsize and Replace.	Kay	80	1,575	1,474	6%	30% design completed.
p2040	Res - 1655-1 Reservoir 0.5 MG	Ripperger	45	2,055	1,580	23%	Developer driven.
P2129	Groundwater Exploration Program	Peasley	25	2,530	1,975	22%	Groundwater development planning efforts focused on the Otay River Demin Feasibility Study (P2450) and the SWA/Otay San Diego Formation LISA Grant application (P2129).
P2143	Res - 1296-3 Reservoir 2.0 MG	Kay	345	3,379	3,118	8%	60% design in process.
P2168	Res - 803-4 Reservoir 6.0 MG	Ripperger	265	4,465	342	92%	Complete and accepted.
P2172	PS - 1485-1 Pump Station Replacement	Kay	237	1,997	1,747	13%	60% design in process.
P2185	Res - 640-1 Reservoir 20.0 MG	Simmons	3,500	29,500	19,967	32%	Concrete is being placed for 640-1 & 640-2. Piping is being installed.
P2190	PL - 10-Inch, 1485 Zone, Jamul Highlands Road to Presilla Drive	Ripperger	2	120	117	2%	Developer driven.
P2191	Res - 850-4 Reservoir 2.2 MG	Kay	1,258	2,988	2,363	21%	90% design is completed.
P2258	PS - Lower Otay Pump Station	Ripperger	105	7,805	5,728	27%	Access road paving was completed.
P2295	624-1 Reservoir Disinfection Facility, Inlet/Outlet/Bypass and 613-1 Reservoir Demo.	Simmons	500	4,500	269	94%	Litigation is underway.
P2318	PL - 20-Inch, 657 Zone, Summit Cross-Tie and 36 Inch Main Connections	Juybari	75	600	544	9%	On hold. Lower priority
P2356	PL - 12-Inch, 803 Zone, Jamul Drive Permastran Pipeline Replacement	Kay	55	660	593	10%	Lee & Ro is working on 30% submittal.
P2357	PS - 657-1/850-1 Pump Station Demolition	Juybari	5	300	300	0%	On hold pending resources. Lower priority.
P2370	Res - Dorchester Reservoir and Pump Station Demolition	Juybari	23	100	87	13%	On hold pending resources. Lower priority.
P2387	PL - 12-Inch, 832 Zone, Steele Canyon Road - Via Caliente/Campo	Kay	25	400	350	13%	Lee & Ro working towards 30% submittal.

## (Expenditures continued)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
P2399	PL - 30-Inch, 980 Zone, 980 Reservoirs to Hunte Parkway	Ripperger	1	2,740	4	100%	Complete.
P2422	Agency Interconnections	Gonzalez	160	308	175	43%	Staff is prioritizing all remaining interconnections.
P2425	Otay WTP Capacity Purchase Agreement Negotiations	Peasley	20	100	35	65%	SD17 Pump Station Agreement negotiations have been temporarily suspended by the City.
P2441	NG/RAMAR Meter Replacements	Henderson	1,250	1,519	-483	132%	Additional budget allocation in FY2008.
P2447	Information Technology Meter Routing	Stevens	80	80	58	28%	High density meter routing solution delayed.
P2449	Information Technology Business Continuity	Stevens	225	300	45	85%	Project completed.
P2450	Otay River Groundwater Well Demineralization/Development	Peasley	5	5,000	5,000	0%	Joint SWA/Otay Prop 50 grant awarded and scope of work is being developed by SWA for consultant RFP in summer of 2007.
P2451	Rosarito Desalination Facility Conveyance System	Peasley	2	1,000	1,000	0%	Proposition 50 grant proposal prepared for feasibility study effort and Otay was not awarded a grant hence no expenditures for FY 2007 was contemplated.
P2453	SR-11 Utility Relocations	Gonzalez	5	2,300	2,300	0%	This project has not yet started.
P2454	Vaults and Meter, Alta Road and Use Area	Ripperger	253	465	271	42%	Project is complete.
P2457	Groundwater Development Otay Mountain	Peasley	50	6,500	6,500	0%	The current outcome of Otay Mountain Well exploration effort per terms of an existing agreement resulted in no required expenditures for FY 2007.
P2458	AMR/Manual Meter Replacement	Henderson	361	7,513	7,263	3%	Eight years remaining on CIP to completion.
R2001	RecRes - 450-1 Reservoir 12.0 MG	Ripperger	4,300	9,967	412	96%	Accepted by District.
R2003	RecRes - 680-1 Reservoir 3.4 MG	Ripperger	250	4,350	77	98%	Accepted by District.
R2004	RecPS - 680-1 Pump Station (11,500 GPM)	Ripperger	4,300	8,333	198	98%	Accepted by District.
R2022	RecPL - 30-Inch, 450 Zone, Otay Valley - Dairy Mart/450-1 Reservoir	Ripperger	7,500	23,600	702	97%	Accepted by District.
R2034	RecRes - 860-1 Reservoir 4.0 MG	Gonzalez	120	3,800	3,799	95%	Delayed due to higher priorities. The pre-design report effort will begin in FY 2008.
R2053	RWCWRF - R.O. Building Remodel and Office Furniture	Juybari	289	422	307	27%	Staff is working to waive the zoning requirements.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Gonzalez	50	3,000	2,979	1%	Delayed due to high priorities. The pre-design report effort will begin in FY 2008.
R2081	RecPL - 16-Inch, 944 Zone, Lane Avenue - Proctor Valley/Pond No. 1	Kay	150	350	199	43%	60% design has been completed.
R2086	RWCWRF Force Main AirVac Replacements and Road Improvements	Kay	793	874	692	21%	Consultant is working on 90% design.

## (Expenditures continued)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
R2087	RecPL - 16-Inch, 944 Zone, Wueste Road - Olympic Parkway/Otay Treatment Plant	Gonzalez	100	3,598	3,586	0%	The pre-design report effort will begin in FY 2008.
R2088	RecPL - 24-Inch, 860 Zone, County Property - Roll Reservoir/860-1 Recycled Reservoir	Gonzalez	50	1,500	1,500	0%	The pre-design report effort will begin in FY 2008.
R2089	North District Recycled Water (Regulatory Compliance)	Peasley	100	415	415	0%	Scope of work development began in the 4th quarter of FY 2007 following the May 2007 approval of new waste discharge permit by the RWQCB. Prepared a project application for the SDIRWMP effort for potential future grant opportunities.
R2090	Water Recycling Facility Feasibility Study	Juybari	80	80	44	44%	Approved by the Board separately in July 05,06. The Feasibility Study is 90% complete.
S2015	Calavo Lift Station Replacement	Kay	133	675	559	17%	On track, moving to 60% design.
S2016	Pilot Study / Solar Panel Installation	Juybari	100	475	460	3%	Staff is preparing Feasibility Study.
	<b>Total Capital Facilities Projects</b>	<b>Total:</b>	<b>28,058</b>	<b>197,063</b>	<b>110,950</b>	<b>44%</b>	
	<b>RENEWAL &amp; REPLACEMENTS</b>						
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Henderson	150	195	3	98%	CIP to be completed FY08.
P2359	Operations EOC and Meter Shop Remodels and EOC Maps	Juybari	71	190	3	98%	This project is complete.
P2366	APCD Engine Replacements and Retrofits	Coburn-Boyd	150	2,438	1,026	58%	Operations and Engineering waiting for approval from APCD to go ahead with specific retrofits. Will be revising compliance schedule.
P2382	Safety and Security Improvements	Sarno	392	1,317	359	73%	Scope of work is under review and anticipated to be complete by FY08.
P2416	SR-125 Utility Relocations	Kay	210	700	90	87%	In construction.
P2440	I-905 Utility Relocations	Gonzalez	1,191	2,260	1,177	48%	In construction; delays due to utility conflicts with City of San Diego Wastewater Division.
P2456	District-Wide Air Vac Upgrades	Henderson	500	3,510	3,144	10.4%	Six years remaining on CIP.
P2459	General Utility Relocation - Olive Vista Rd.	Kay	350	420	268	36%	In construction.
S2012	SVSD Outfall and RSD Replacement and OM Reimbursement	Peasley	916	4,881	4,651	5%	On 3/28/07 a payment of \$267,030 was requested to be paid to County of San Diego.
	<b>Total Renewal &amp; Replacments</b>	<b>Total:</b>	<b>3,930</b>	<b>15,911</b>	<b>10,721</b>	<b>33%</b>	

## (Expenditures continued)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
<b>CAPITAL PURCHASE PROJECTS</b>							
P2282	Vehicle Capital Purchases	Porras	266	2,172	801	63%	All vehicle purchases for FY07 completed.
P2286	Field Equipment Capital Purchases	Porras	59	1,170	619	47%	2000 gallon stainless steel tank cost not yet shown (\$31,336).
P2353	Information Technology System Enhancements and Replacements	Stevens	385	3,762	794	79%	Major data center renovation incurred expenses at year end. Project is completed now.
P2361	Information Technology GIS Enhancements	Stevens	315	1,795	412	77%	Staff turnover delayed system integration spending.
P2363	Information Technology Utility Billing, Data Management, and Financial System	Stevens	300	6,300	658	90%	Staff turnover and focus on special assessments and data cleaning project delayed planned spending on intergration and upgrades.
P2443	Information Technology Moblie Services	Stevens	100	412	21	95%	Multi-year project.
P2455	Data Cleansing Project	Stevens	300	300	111	63%	Changing methodology allowed savings in planned budget.
<b>Total Capital Purchase Projects</b>		<b>Total:</b>	<b>1,725</b>	<b>15,911</b>	<b>3,416</b>	<b>79%</b>	
<b>DEVELOPER REIMBURSEMENT PROJECTS</b>							
P2026	PL - 20-Inch, 850 Zone, Jamacha Boulevard - Regulatory Site/Trace Road	Simmons	50	1,100	56	95%	Complete, accepted and reimbursed.
P2070	PL - 16-Inch, 980 Zone, Pacific Bay Homes Road-Proctor Valley/1296 Hydro PS	Simmons	500	500	500	0%	This project is operationally complete, but not yet accepted.
P2081	PL - 36-Inch, 980 Zone, Proctor Valley Road - PB Road/PB Bndy	Simmons	1	546	241	56%	Complete, accepted and reimbursed.
P2104	PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain	Simmons	110	833	833	0%	This project has not yet been started.
P2107	PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125	Simmons	195	722	722	0%	This project has not yet started.
P2121	PL - 16-Inch, 711 Zone, Hunte Parkway - Olympic/EastLake	Simmons	600	1,174	629	46%	Complete, accepted and waiting to process reimbursement.

## (Expenditures continued)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
P2133	PL - 16-Inch, 711 Zone, EastLake Parkway - Olympic/Birch	Simmons	190	750	604	20%	Complete, accepted and waiting to process reimbursement.
P2134	PL - 16-Inch, 711 Zone, Birch Road - SR 125/EastLake	Simmons	65	412	412	0%	This project is operationally complete, but not yet accepted.
P2164	PL - 20-Inch, 980 Zone, EastLake Parkway - Olympic/Birch	Simmons	200	500	294	41%	Complete, accepted and waiting to process reimbursement.
P2205	PS - Rolling Hills Hydro Pump Station (1,400 GPM)	Simmons	300	1,900	283	85%	Complete, accepted and reimbursed.
P2325	PL - 10" to 12" Oversize, 1296 Zone, PB Road - Rolling Hills Hydro PS/PB Bndy	Simmons	45	46	46	0%	This project is operationally complete, but not yet accepted.
P2367	PL - 16-Inch, 980 Zone, Olympic Parkway - East Palomar/EastLake	Simmons	1	1,500	1,265	16%	Three projects with this CIP. All complete and accepted, waiting for reimbursement request.
P2402	PL - 12-Inch, 624 Zone, La Media Road - Village 7/Otay Valley	Simmons	50	444	444	0%	This project has not yet started.
P2414	PL - 12" to 16" Oversize, 803 Zone, Dehesa Road - Dehesa Meadow/OWD Bndy	Simmons	25	275	133	52%	Project accepted. Potential litigation of claims.
P2435	PL - 16-Inch, 711 Zone, Birch Road - La Media/SR 125	Simmons	250	531	531	0%	Multiple projects within this CIP. One complete and accepted, two projects 75% complete.
R2031	RecPL - 12-Inch, 944 Zone, EastLake Parkway - Olympic/Birch	Simmons	160	229	120	48%	Complete, accepted and waiting to process reimbursement.
R2033	RecPL - 12-Inch, 944 Zone, Birch Road - La Media/EastLake	Simmons	230	788	788	0.0%	Multiple projects within this CIP. One complete and accepted, two projects 75% complete.
R2040	RecPL - 12-Inch, 680 Zone, Hunte Parkway - Olympic/EastLake	Simmons	200	1,059	648	39%	Complete, accepted and waiting to process reimbursement.
R2041	RecPL - 8-Inch, 944 Zone, EastLake Parkway - Birch/Rock Mountain	Simmons	130	282	177	37%	Complete, accepted and waiting to process reimbursement.
R2042	RecPL - 8-Inch, 944 Zone, Rock Mountain Road - SR 125/EastLake	Simmons	1	141	141	0%	This project has not yet started.
R2043	RecPL - 8-Inch, 944 Zone, Rock Mountain Road - La Media/SR 125	Simmons	1	235	235	0%	Multiple projects within this CIP. One complete and accepted, the others have not yet started.
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Simmons	100	435	435	0%	This project has not yet started.
R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	Simmons	1	2,000	1,681	16%	Multiple projects within this CIP. Two of many are complete, accepted and reimbursed.

## (Expenditures continued)

Current CIP No.	Description	Project Manager	FY 07 Budget	Total Project Budget	Total Remaining Balance	Total Percent Budget Spent	Comments
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Simmons	1	1,747	1,747	0%	This project has not yet started.
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Simmons	1	340	340	0%	This project has not yet started.
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Simmons	1	971	970	0%	This project has not yet started.
R2085	RecPL - 20-Inch, 680 Zone, Village 2 - High School/Olympic	Simmons	1	422	422	0%	This project has not yet started.
	<b>Total Developer Reimbursement Projects</b>	<b>Total:</b>	3,409	19,882	14,697	26%	
	<b>GRAND TOTAL</b>		<b>\$37,122</b>	<b>\$248,767</b>	<b>\$139,784</b>	<b>44%</b>	



# AGENDA ITEM 8

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 5, 2007
SUBMITTED BY:	Pedro J. Porras,  Chief of Water Operations	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Asst. GM):	Manny Magaña, Assistant General Manager of Engineering and Operations 		
SUBJECT:	Adopt Ordinance No. 512 Amending Section 2.01, "Authority of the General Manager" of the District's Code of Ordinance		

### GENERAL MANAGER'S RECOMMENDATION:

For the board to adopt Ordinance No. 512 (Attachment B) amending Section 2.01, "Authority of the General Manager," of the District's Code of Ordinance to delegate to the General Manager power to take certain actions in connection with a declared emergency, including executing and awarding, without bidding, certain contracts necessary to restore the normal District services.

### COMMITTEE ACTION: \_\_\_\_\_

See Attachment A.

### PURPOSE:

To amend Section 2.01 to enable the General Manager to take certain actions in connection with a declared emergency, including executing and awarding, without bidding, certain contracts necessary to restore the normal District services.

### ANALYSIS:

An emergency as used in this proposed amendment to Section 2.01 of the District's Code of Ordinances means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Occasionally, the District experiences a significant disruption of service that requires immediate attention in order to restore essential public service. The most recent disruption of service occurred on Thursday, August 2, 2007 when staff was notified by a customer of water pouring into the headwall of an 11-foot diameter

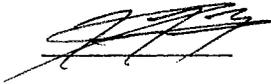
storm drain that belongs to the City of Chula Vista, located southeast of the intersection of Olympic Parkway and Brandywine Avenue.

During the response staff was able to identify the access port of an existing four-inch blow off from the 16-inch transmission main that serves the 458-1 and 2 Reservoirs. The plans showed that the 16-inch main was built in 1978 at an approximate depth of 3.5 feet below ground, following the contour line of that time. The blow off was located below what once was a creek. The current site, however, shows an 11-foot stormdrain where the creek once was with a fill of what staff could estimate to be approximately 21 feet. Staff concluded that they did not have the proper equipment to proceed with this critical emergency repair and decided to contact a local contractor with the specialized equipment. The contractor was Cass Construction.

Water system operators were able to isolate the main to contain the leak and were also able to increase the pressure to the affected area by by-passing the 458 Reservoirs and having the Palomar Pressure Reducing Valve feed the area directly. The repair work, however, was much more involved than originally thought with a resultant cost of repair that is also higher than originally estimated. As the contractor progressed through the work, staff noted that the emergency repair authorization for the General Manager lacks provisions specifying the actions that may be taken by the General Manager in response to an emergency. To provide provisions for future emergencies, staff is presenting an amendment to Section 2.01 (Attachment C) for the Board's consideration which would authorize the General Manager, pursuant to Section 22050 of the California Contract Code, to take certain actions and exercise certain powers in the event of an emergency. The proposed amendment follows the San Diego County Water Authority's policy for emergency response. Currently, the District funds emergency work from the Operation's budget. With this approved amendment, staff will open an "emergency account" to keep track of all emergency expenditures to be ratified by the Board accordingly.

In summary, the repair was complicated and had it not been addressed immediately, there would have been potential impacts to property and a number of facilities in the area could have been severely undermined. The system is back in normal operation with no customer outages during the repair. The total estimated cost from Cass Construction is approximately \$170,000. Staff also will need to restore the vegetation and irrigation system at the site as well as rebuild a portion of the retaining wall that was removed during the repair. This future restoration work will follow our customary bid and contract procedure.

**FISCAL IMPACT:**



To be determined for each emergency.

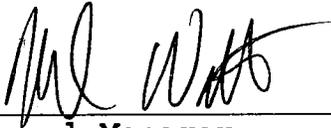
**STRATEGIC GOAL:**

Provide service to the public with minimal disruption.

**LEGAL IMPACT:**

\_\_\_\_\_

None



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

"Attachment A," Committee Action

"Attachment B" Ordinance No. 512

"Attachment C" Proposed Section 2.01 of the District's Code

## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	ADOPT ORDINANCE NO. 512 AMENDING SECTION 2.01, "AUTHORITY OF THE GENERAL MANAGER" OF THE DISTRICT'S CODE OF ORDINANCE
-------------------------	---

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee met on August 20, 2007 and supports staff's recommendation to Amend Section 2.01, "Authority of the General Manager" of the District's Code of Ordinance.

### NOTE:

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

## ORDINANCE NO. 512

### AN ORDINANCE OF THE OTAY WATER DISTRICT ADOPTING LANGUAGE TO AMEND SECTION 2 OF THE CODE OF ORDINANCE AND SPECIFY CERTAIN POWERS OF THE GENERAL MANAGER TO RESPOND TO AN EMERGENCY

WHEREAS, from time to time, a sudden, unexpected occurrence that poses a clear and imminent danger, may require immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services;

WHEREAS, Section 22050 of the California Contract Code, authorizes the Board to take certain actions in response to an emergency and also authorizes the Board to delegate the authority to take those actions to the General Manager;

WHEREAS, the District's Code of Ordinance currently lacks provisions specifying the actions that may be taken by the General Manager, pursuant to Section 22050 of the California Contract Code, in response to an emergency;

WHEREAS, it would be in the District's best interest to amend Section 2.01 of the Code of Ordinance, entitled "Authority of the General Manager" to add Subparagraph H authorizing the General Manager to take certain actions and exercise certain powers in the event of an emergency; and

WHEREAS, a copy of Section 2 of the Code of Ordinance, which is marked to reflect the proposed revisions to be adopted, has been attached hereto and identified as **Attachment A**; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District as follows:

1. The Board of Directors hereby delegates to the General Manager, pursuant to Section 22050 of the Public Contract Code, the authority to take the actions described in Section 2.01, paragraph H, of the Code of Ordinance, as set forth on **Exhibit A**, attached hereto;

2. The language proposed in Attachment A to be added as paragraph H of Section 2.01 of the Code of Ordinance is hereby adopted, passed and approved; and

3. The General Manager and the District Secretary are hereby ordered to take any and all actions and steps necessary to carry out the provisions of this ordinance, including, to the extent practicable, recalling and replacing any and all hard-copies of the Code of Ordinance previously provided to District staff, other public agencies or any other persons.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 5<sup>th</sup> day of September 2007 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

SECTION 2 MANAGEMENT OF THE DISTRICT

2.01 AUTHORITY OF THE GENERAL MANAGER

Pursuant to Sections 71362 and 71363 of the California Water Code, and other applicable laws of the State of California, the General Manager shall, subject to the approval and direction of the Board of Directors, operate and manage the affairs of the District. The General Manager shall have the following specifically enumerated powers and authority:

A. To control the administration, maintenance, operation and construction of the waterworks and sewer system of the District in an efficient manner.

B. To employ and discharge all employees and assistants, other than those referred to in Section 71340 of the California Water Code, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

C. To execute agreements, contracts, other documents, or commitment on behalf of the District with a single vendor/contractor where the amount involved in such documents or commitments does not exceed \$50,000.

D. To award negotiated construction contracts of \$35,000 or less.

E. To approve change orders on behalf of the District where:

1. For contracts under \$35,000, no single change order on the project exceeds \$10,000 and the cumulative amount of change orders on a single project does not exceed \$10,000 since a report on change orders was last made to the Board.

2. For contracts over \$35,000, where no single change order on a project exceeds \$50,000 or 30% of the original contract amount, whichever is less, and the cumulative amount of change orders on a single project does not exceed \$50,000 or 30% of the original contract, whichever is less, since a report on change orders was last made to the Board.

F. To approve plans, specifications, maps and agreements, and any other documents involving land development projects in the District.

G. To negotiate agreements on seasonal rates for reclaimed water when economically beneficial to the District. This may include waiving penalties, offering incentives or giving seasonal rates. Any agreements would be brought to the Board for appropriate action.

H. To declare an emergency and, in such event, to have the additional powers specified in the District's emergency management plan, referred to as the National Incident Management System (NIMS), and below, pursuant to California Contract Code Section 22050. An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services.

1. In a declared emergency, the General Manager may direct employees, take action to continue or restore service capability, and execute any contracts for necessary equipment, services, or supplies directly related and required by the emergency. Notwithstanding the limits imposed in Section 2.01, Paragraphs C, D or E or by any other policy or guideline of the District, in an emergency, the General Manager may award and execute contracts for goods, services, work, facility or improvement, without bidding and without regard to said limits, provided that the goods, services, work, facilities or improvements acquired or contracted for are of an urgent nature, directly and immediately required by the emergency. Any contract for goods or services with a value of more than \$250,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates. Any contract for work, facilities or improvements with a value of more than \$500,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates.

2. The General Manager shall report to the Board not later than seven days after the emergency action or at the next regularly scheduled meeting, whichever is earlier. The report shall include the details of the emergency and reasons justifying the actions taken, and provide an accounting of the funds expended or yet to be expended in connection with the emergency.

3. If the emergency action continues for seven days and a regularly scheduled meeting will not occur within 14 days from the day the emergency action was taken, the General Manager shall request that the Board review the emergency action and determine by formal action if the need to take emergency action continues.

4. At each regularly scheduled meeting following the declaration of an emergency the Board may, by formal action and pursuant to a vote as required by Section 22050 of the Public Contract Code, determine if there is a need to continue the emergency action. If the Board does not determine that the emergency continues, the power to operate under emergency conditions will terminate and any new work, goods or services not yet procured shall be contracted or acquired in accordance with applicable provisions of this Code.

2.02

ORDER OF SUCCESSION

When the General Manager is going to be absent from the District, the General Manager is authorized to designate an Asst. General Manager to act on his behalf and said person shall have the same authority as the General Manager. Any long-term vacancies (over 30 days) shall be filled by vote of the majority of the Board.

SECTION 2            MANAGEMENT OF THE DISTRICT

2.01            AUTHORITY OF THE GENERAL MANAGER

Pursuant to Sections 71362 and 71363 of the California Water Code, and other applicable laws of the State of California, the General Manager shall, subject to the approval and direction of the Board of Directors, operate and manage the affairs of the District. The General Manager shall have the following specifically enumerated powers and authority:

A. To control the administration, maintenance, operation and construction of the waterworks and sewer system of the District in an efficient manner.

B. To employ and discharge all employees and assistants, other than those referred to in Section 71340 of the California Water Code, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

C. To execute agreements, contracts, other documents, or commitment on behalf of the District with a single vendor/contractor where the amount involved in such documents or commitments does not exceed \$50,000.

D. To award negotiated construction contracts of \$35,000 or less.

E. To approve change orders on behalf of the District where:

1. For contracts under \$35,000, no single change order on the project exceeds \$10,000 and the cumulative amount of change orders on a single project does not exceed \$10,000 since a report on change orders was last made to the Board.

2. For contracts over \$35,000, where no single change order on a project exceeds \$50,000 or 30% of the original contract amount, whichever is less, and the cumulative amount of change orders on a single project does not exceed \$50,000 or 30% of the original contract, whichever is less, since a report on change orders was last made to the Board.

F. To approve plans, specifications, maps and agreements, and any other documents involving land development projects in the District.

G. To negotiate agreements on seasonal rates for reclaimed water when economically beneficial to the District. This may include waiving penalties, offering incentives or giving seasonal rates. Any agreements would be brought to the Board for appropriate action.

H. To declare an emergency and, in such event, to have the additional powers specified in the District's emergency management plan, referred to as the National Incident Management System (NIMS), and below, pursuant to California Contract Code Section 22050. An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services.

1. In a declared emergency, the General Manager may direct employees, take action to continue or restore service capability, and execute any contracts for necessary equipment, services, or supplies directly related and required by the emergency. Notwithstanding the limits imposed in Section 2.01, Paragraphs C, D or E or by any other policy or guideline of the District, in an emergency, the General Manager may award and execute contracts for goods, services, work, facility or improvement, without bidding and without regard to said limits, provided that the goods, services, work, facilities or improvements acquired or contracted for are of an urgent nature, directly and immediately required by the emergency. Any contract for goods or services with a value of more than \$250,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates. Any contract for work, facilities or improvements with a value of more than \$500,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates.

2. The General Manager shall report to the Board not later than seven days after the emergency action or at the next regularly scheduled meeting, whichever is earlier. The report shall include the details of the emergency and reasons justifying the actions taken, and provide an accounting of the funds expended or yet to be expended in connection with the emergency.

3. If the emergency action continues for seven days and a regularly scheduled meeting will not occur within 14 days from the day the emergency action was taken, the General Manager shall request that the Board review the emergency action and determine by formal action if the need to take emergency action continues.

4. At each regularly scheduled meeting following the declaration of an emergency the Board may, by formal action and pursuant to a vote as required by Section 22050 of the Public Contract Code, determine if there is a need to continue the emergency action. If the Board does not determine that the emergency continues, the power to operate under emergency conditions will terminate and any new work, goods or services not yet procured shall be contracted or acquired in accordance with applicable provisions of this Code.

2.02

ORDER OF SUCCESSION

When the General Manager is going to be absent from the District, the General Manager is authorized to designate an Asst. General Manager to act on his behalf and said person shall have the same authority as the General Manager. Any long-term vacancies (over 30 days) shall be filled by vote of the majority of the Board.