

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

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
Board Room

**WEDNESDAY**  
**February 19, 2014**  
**7:30 A.M.**

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

**AGENDA**

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

**DISCUSSION ITEMS**

3. FISCAL YEAR 2014 SECOND QUARTER CAPITAL IMPROVEMENT PROGRAM REPORT (MARTIN) [5 minutes]
4. DISCUSSION OF DRAFT FISCAL YEAR 2015-2017 STRATEGIC PLAN FOR ENGINEERING AND WATER OPERATIONS DEPARTMENTS (STEVENS) [15 minutes]
5. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
6. ADJOURNMENT

BOARD MEMBERS ATTENDING:  
David Gonzalez, 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.

The Agenda, and any attachments containing written information, are available at the District's website at [www.otaywater.gov](http://www.otaywater.gov). Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability 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 February 14, 2014 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on February 14, 2014.

/s/ Susan Cruz, District Secretary



# AGENDA ITEM 3

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 11, 2014
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Informational Item - Second Quarter Fiscal Year 2014 Capital Improvement Program Report		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) accept the Second Quarter Fiscal Year 2014 Capital Improvement Program (CIP) Report for review and receives a summary via PowerPoint presentation (see Attachment C).

### **COMMITTEE ACTION:**

Please see Attachment A.

### **PURPOSE:**

To update the Board about the status of all CIP project expenditures and to highlight 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's infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, replacement/renewal projects, capital purchases, and developer's reimbursement projects.





**ATTACHMENT A**

<b>SUBJECT/PROJECT:</b> Various	Informational Item - Second Quarter Fiscal Year 2014 Capital Improvement Program Report
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**COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on February 18, 2014. 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.

**FISCAL YEAR 2014 2nd QUARTER REPORT**  
(Expenditures through 12/31/2013)  
(\$ In Thousands)

**ATTACHMENT B**

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/13				LIFE-TO-DATE, 12/31/13				Comments
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
<b>CAPITAL FACILITY PROJECTS</b>											
p2083	PS - 870-2 Pump Station Replacement (28,000 GPM)	Marchioro	\$ 540	\$ 78	\$ 462	14%	\$ 12,581	\$ 690	\$ 11,891	5%	On target. Carollo anticipated to provide the Draft Preliminary Design Report by the end of January 2014.
P2190	PL - 10-Inch, 1485 Zone, Jamul Highlands	Martin	-	-	-	0%	228	3	225	1%	No budget for FY 2014.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Vasquez	5	-	5	0%	435	234	201	54%	Project has been deferred to FY 2015.
p2403	PL - 12-Inch, 624 Zone, Heritage Road - Olympic/Otay Valley	Martin	-	-	-	0%	925	-	925	0%	No budget for FY 2014.
P2434	Rancho Del Rey Groundwater Well Development	Marchioro	100	8	92	8%	8,700	3,605	5,095	41%	Project progress has been slowed by design consultant budget/scope negotiations. Project will be placed on hold after the design has been completed.
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	1,500	471	1,029	31%	30,000	2,100	27,900	7%	Spending adjusted based on limited notice to proceed.
P2466	Regional Training Facility	Coburn-Boyd	14	4	10	29%	300	285	15	95%	Should use all of this budget by end of Fiscal Year.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	34	41	45%	1,090	828	262	76%	On target with spending for the first 2 quarters of Fiscal Year 2014.
P2511	Otay Interconnect Pipeline	Marchioro	600	159	441	27%	37,300	1,834	35,466	5%	Project progress has been slowed by design consultant budget/scope negotiations.
P2514	PL - 30-Inch, 980 Zone, Hunte Parkway - Proctor Valley/Use Area	Martin	130	60	70	46%	1,815	1,728	87	95%	Waterline in service. Current work consists of claims resolution.
P2528	30-Inch Potable Water Pipeline Manifold at 624 Reservoirs	Marchioro	-	-	-	0%	7,000	18	6,982	0%	No budget for Fiscal Year 2014.
P2537	Operations Yard Property Acquisition Improvements	Cameron	50	3	47	6%	300	24	276	8%	Project is under budget.
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	80	7	73	9%	320	7	313	2%	SANDAG driven project. Design is at 75%.
P2541	624 Pressure Zone PRSs	Marchioro	300	67	233	22%	600	67	533	11%	Project should be advertised for construction bid Spring 2014. Basis of design report and 90% design completed January 2014.
P2542	850-3 Reservoir Interior Coating	Cameron	10	-	10	0%	440	-	440	0%	Expenses expected in the 4th quarter of Fiscal Year 2014.
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	475	-	475	0%	No budget for Fiscal Year 2014.
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	-	-	-	0%	1,075	-	1,075	0%	No budget for Fiscal Year 2014.
R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	Martin	-	-	-	0%	600	-	600	0%	No budget for Fiscal Year 2014.
R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	Martin	-	-	-	0%	140	-	140	0%	No budget for Fiscal Year 2014.
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Martin	-	-	-	0%	450	-	450	0%	No budget for Fiscal Year 2014.
R2048	RecPL - Otay Mesa Distribution Pipelines and Conversions	Martin	100	-	100	0%	2,200	471	1,729	21%	Developer driven project.
R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	Martin	100	-	100	0%	3,500	1,339	2,161	38%	Developer driven project.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	135	4	131	3%	4,500	2,747	1,753	61%	Anticipate spending full budget by the end of Fiscal Year 2014.
R2087	RecPL - 24-Inch, 927 Zone, Wueste Road - Olympic/Otay WTP	Cameron	5	-	5	0%	7,000	1,030	5,970	15%	Project is on hold.
R2091	RecPS - 927-1 Pump Station Upgrade (10,000 GPM) and System Enhancements	Martin	250	137	113	55%	2,130	2,032	98	95%	Project nearing completion. Current work includes claims resolution.
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Stalker	60	-	60	0%	130	72	58	55%	Partial installation has been completed. Remaining installation will be complete this fiscal year, with anticipated spending budget.
R2108	Res - 927-1 Reservoir Cover Replacement	Martin	100	76	24	76%	1,400	76	1,324	5%	Project has been accelerated. Construction will be completed this fiscal year rather than next fiscal year. Anticipated Fiscal Year 2014 expenditures are \$1.1M rather than \$0.1M.
R2110	RecPS - 927-1 Optimization and Pressure Zone modifications	Marchioro	150	-	150	0%	150	-	150	0%	Pending Operation completion of distribution system improvements including replacement of five (5) service saddles.
S2039	Hidden Mountain Lift Station Enclosure	Stalker	8	-	8	0%	37	30	7	81%	This work is scheduled for March 2014. All money should be spent.
S2043	RWCWRF Sludge Handling System	Beppler	50	15	35	30%	1,500	15	1,485	1%	Anticipate spending \$25K in Fiscal Year 2014.
<b>Total Capital Facility Projects</b>			<b>Total:</b>	<b>4,362</b>	<b>1,123</b>	<b>3,239</b>	<b>26%</b>	<b>127,321</b>	<b>19,235</b>	<b>108,086</b>	<b>15%</b>
<b>REPLACEMENT/RENEWAL PROJECTS</b>											
p2366	APCD Engine Replacements and Retrofits	Rahders	5	31	(26)	620%	3,488	2,513	975	72%	Retrofitted Unit #144 and anticipate spending an additional \$16.5K by end of Fiscal Year 2014. (\$45K brought forward from FY 2015 after the Board had approved the FY 2014 budget adjusting the FY 2014 budget to \$50K instead of \$5K.)

**FISCAL YEAR 2014 2nd QUARTER REPORT**  
 (Expenditures through 12/31/2013)  
 (\$ In Thousands)

**ATTACHMENT B**

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/13				LIFE-TO-DATE, 12/31/13				Comments
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
P2382	Safety and Security Improvements	Ramirez	500	30	470	6%	3,397	1,933	1,464	57%	\$170K in system upgrades have been identified for completion by the end of Fiscal Year 2014. It is expected that the remaining balance will be expensed in Fiscal Year 2015.
P2440	I-905 Utility Relocations	Marchioro	10	2	8	20%	1,600	1,582	18	99%	\$159,576 credit to Otay received December 2013. Staff anticipates that Caltrans will issue an additional \$33,493 credit to Otay; however, the \$33K credit on hold pending Caltrans' receipt of final accounting numbers from the City of San Diego's sewer contractor.
p2453	SR-11 Utility Relocations	Martin	125	32	93	26%	2,250	191	2,059	8%	On target. Construction contract awarded January 2014.
P2477	Res - 624-1 Reservoir Cover Replacement	Martin	50	24	26	48%	1,000	920	80	92%	Complete.
P2485	SCADA Communication System and Software Replacement	Stalker	540	81	459	15%	1,846	850	996	46%	Only about \$340K will be spent this year due to delays in getting the SCADA replacement, South District Radio, and 3 day Battery Back-up projects.
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	1,550	39	1,511	3%	1,950	55	1,895	3%	Construction to begin in 3rd quarter of Fiscal Year 2014.
P2494	Multiple Species Conservation Plan	Coburn-Boyd	60	2	58	3%	887	800	87	90%	Plan to use the remainder of this budget during the last two quarters.
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	140	56	84	40%	2,040	950	1,090	47%	On target.
P2496	Otay Lakes Road Utility Relocations	Martin	70	15	55	21%	325	291	34	90%	On target. Project to complete in Fiscal Year 2014.
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	325	7	318	2%	900	322	578	36%	On hold.
P2507	East Palomar Street Utility Relocation	Cameron	230	68	162	30%	900	351	549	39%	Caltrans driving project. Utility agreements are in place for reimbursement.
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	60	1	59	2%	300	4	296	1%	New corrosion engineering services consultant (HDR) working on task order proposal to begin design of improvements.
P2513	East Orange Avenue Bridge Crossing	Cameron	300	127	173	42%	1,350	1,292	58	96%	Complete. As-built drawings and closeout with Caltrans are being processed.
P2515	870-1 Reservoir Paving	Cameron	490	20	470	4%	550	77	473	14%	Project is under budget. Additional environmental surveys delayed construction expenditures.
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	125	62	63	50%	750	572	178	76%	Finalizing punch list items for project closeout. Project is under budget.
p2519	832-2 Reservoir Interior/Exterior Coating	Cameron	335	287	48	86%	775	556	219	72%	Finalizing punch list items for project closeout. Project is under budget.
P2520	Motorola Mobile Radio Upgrade	Martinez	30	7	23	23%	100	72	28	72%	Expect to be 100% expensed Fiscal Year 2014.
P2521	Large Meter Vault Upgrade Program	Holly	105	9	96	9%	600	205	395	34%	Retrofit of vaults will continue as sites are identified.
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	600	-	600	0%	No budget for Fiscal Year 2014.
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	725	-	725	0%	No budget for Fiscal Year 2014.
P2531	944-1 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	175	-	175	0%	Expenses expected in the 4th quarter.
P2532	944-2 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	725	-	725	0%	Expenses expected in the 4th quarter.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	325	-	325	0%	No budget for Fiscal Year 2014.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	225	-	225	0%	No budget for Fiscal Year 2014.
P2535	458-2 Reservoir Interior Coating	Cameron	345	5	340	1%	425	12	413	3%	No budget for Fiscal Year 2014.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	100	9	91	9%	400	9	391	2%	The project's scope was modified from a full replacement to repair and treatment. This will significantly reduce the cost.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Coburn-Boyd	100	-	100	0%	350	-	350	0%	50% of the budget will be spent in the last half of Fiscal Year 2014.
R2111	RWCWRF - RAS Pump Replacement	Marchioro	100	1	99	1%	100	1	99	1%	Engineering hydraulic and alternatives analysis completed in-house to facilitate potential purchase of replacement pumps before the end of Fiscal Year 2014.
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Kennedy	450	-	450	0%	3,550	817	2,733	23%	The County will invoice the District at the end of the Fiscal Year 2014.
S2024	Campo Road Sewer Main Replacement	Beppler	275	24	251	9%	5,500	69	5,431	1%	Anticipate only spending approx. \$138K of Fiscal 2014 budget.
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	500	8	492	2%	2,900	47	2,853	2%	The County is expected to invoice the District after the Board approves the agreement with the County at the January Board Meeting.
S2033	Sewer System Rehabilitation	Cameron	800	169	631	21%	6,000	401	5,599	7%	Project is currently at 90% design.

**FISCAL YEAR 2014 2nd QUARTER REPORT**  
 (Expenditures through 12/31/2013)  
 (\$ In Thousands)

**ATTACHMENT B**

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/13				LIFE-TO-DATE, 12/31/13				Comments
			FY 2014 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
	<b>Total Replacement/Renewal Projects</b>	<b>Total:</b>	7,730	1,116	6,614	14%	47,008	14,892	32,116	32%	
	<b>CAPITAL PURCHASE PROJECTS</b>										
P2282	Vehicle Capital Purchases	Rahders	266	-	266	0%	5,021	2,876	2,145	57%	On schedule and anticipate spending total budget for Fiscal Year 2014.
P2285	Office Equipment and Furniture Capital Purchases	Dobrawa	55	12	43	22%	589	516	73	88%	No additional purchases anticipated for Fiscal Year 2014.
p2286	Field Equipment Capital Purchases	Rahders	149	94	55	63%	1,758	1,257	501	72%	On-schedule.
P2469	Information Technology Network and Hardware	Segura	350	56	294	16%	2,509	1,441	1,068	57%	Contracts being finalized.
P2470	Financial System Enhancements	Stevens	130	45	85	35%	2,322	1,665	657	72%	Work is in planning phase - may not reach target.
P2540	Work Order Management System Replacement	Stevens	300	-	300	0%	700	-	700	0%	Contracts being finalized.
S2042	Sewer Vehicle Capital Purchases	Rahders	367	367	-	100%	367	367	-	100%	Complete.
	<b>Total Capital Purchase Projects</b>	<b>Total:</b>	1,617	574	1,043	35%	13,266	8,122	5,144	61%	
	<b>DEVELOPER REIMBURSEMENT PROJECTS</b>										
P2104	PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain	Martin	-	-	-	0%	833	-	833	0%	No budget for Fiscal Year 2014.
P2107	PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125	Martin	-	-	-	0%	722	-	722	0%	No budget for Fiscal Year 2014.
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Martin	1	-	1	0%	1,747	-	1,747	0%	Developer driven project. No major activity anticipated for Fiscal Year 2014.
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Martin	1	-	1	0%	400	-	400	0%	Developer driven project. No major activity anticipated for Fiscal Year 2014.
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Martin	1	-	1	0%	971	1	970	0%	Developer driven project. No major activity anticipated for Fiscal Year 2014.
R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	Martin	1	-	1	0%	600	-	600	0%	Developer driven project. No major activity anticipated for Fiscal Year 2014.
R2094	Potable Irrigation Meters to Recycled Water Conversions	Martin	150	3	147	2%	1,700	1,568	132	92%	Project under construction.
	<b>Total Developer Reimbursement Projects</b>	<b>Total:</b>	154	3	151	2%	6,973	1,569	5,404	23%	
	<b>GRAND TOTAL</b>		<b>\$ 13,863</b>	<b>\$ 2,816</b>	<b>\$ 11,047</b>	<b>20%</b>	<b>\$ 194,568</b>	<b>\$ 43,818</b>	<b>\$ 150,750</b>	<b>23%</b>	

# Otay Water District Capital Improvement Program

Fiscal Year 2014  
Second Quarter  
(through December 31, 2013)



832-2 Potable Reservoir

# Background

The approved CIP Budget for Fiscal Year 2014 consists of 63 projects that total \$13.9 million. These projects are broken down into four categories.

- |                            |                |
|----------------------------|----------------|
| 1. Capital Facilities      | \$ 4.4 million |
| 2. Replacement/Renewal     | \$ 7.7 million |
| 3. Capital Purchases       | \$ 1.6 million |
| 4. Developer Reimbursement | \$ 0.2 million |

Overall expenditures through the Second Quarter of Fiscal Year 2014 totaled \$2.8 million, which is 20% of the Fiscal Year budget.

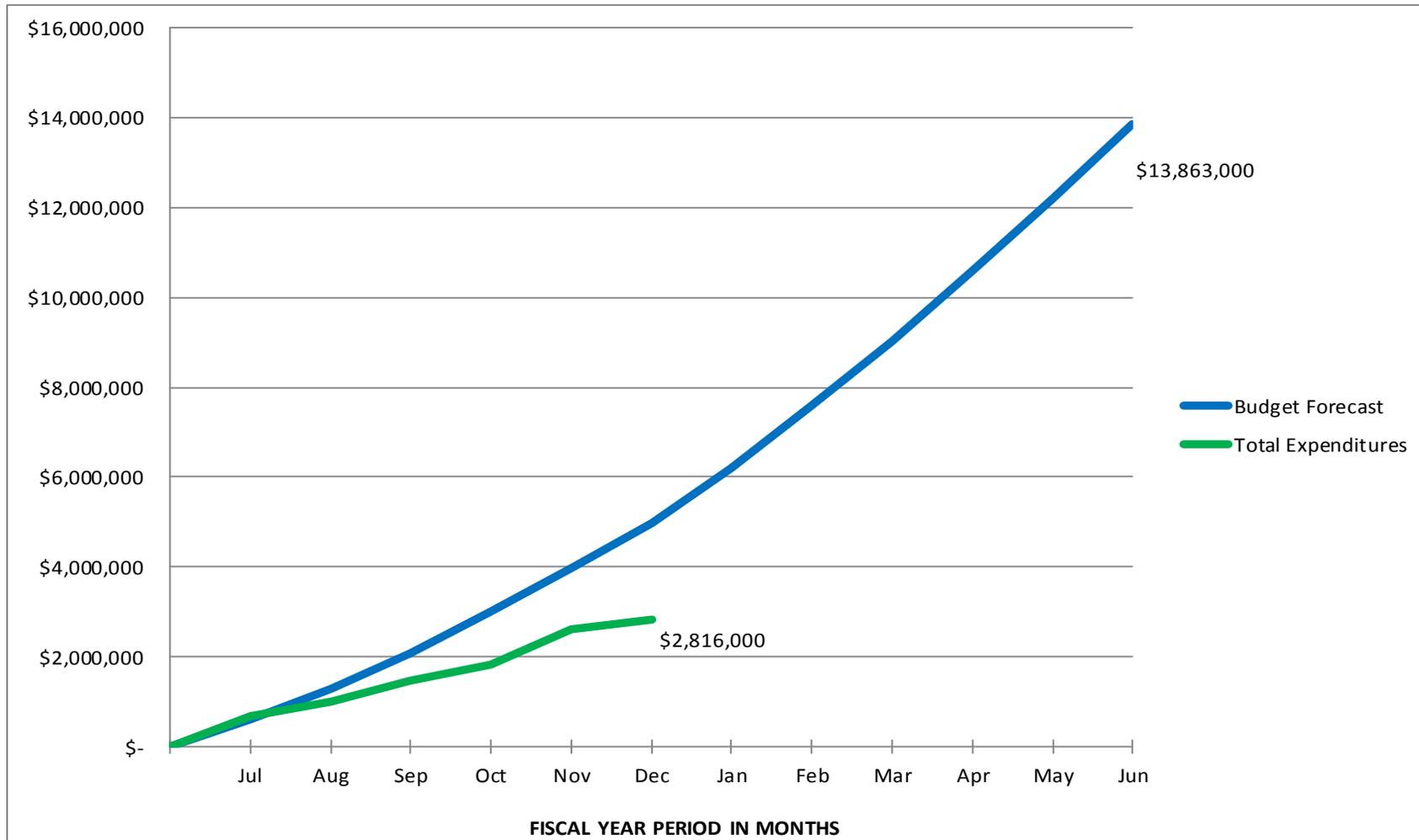
# Fiscal Year 2014

## Second Quarter Update

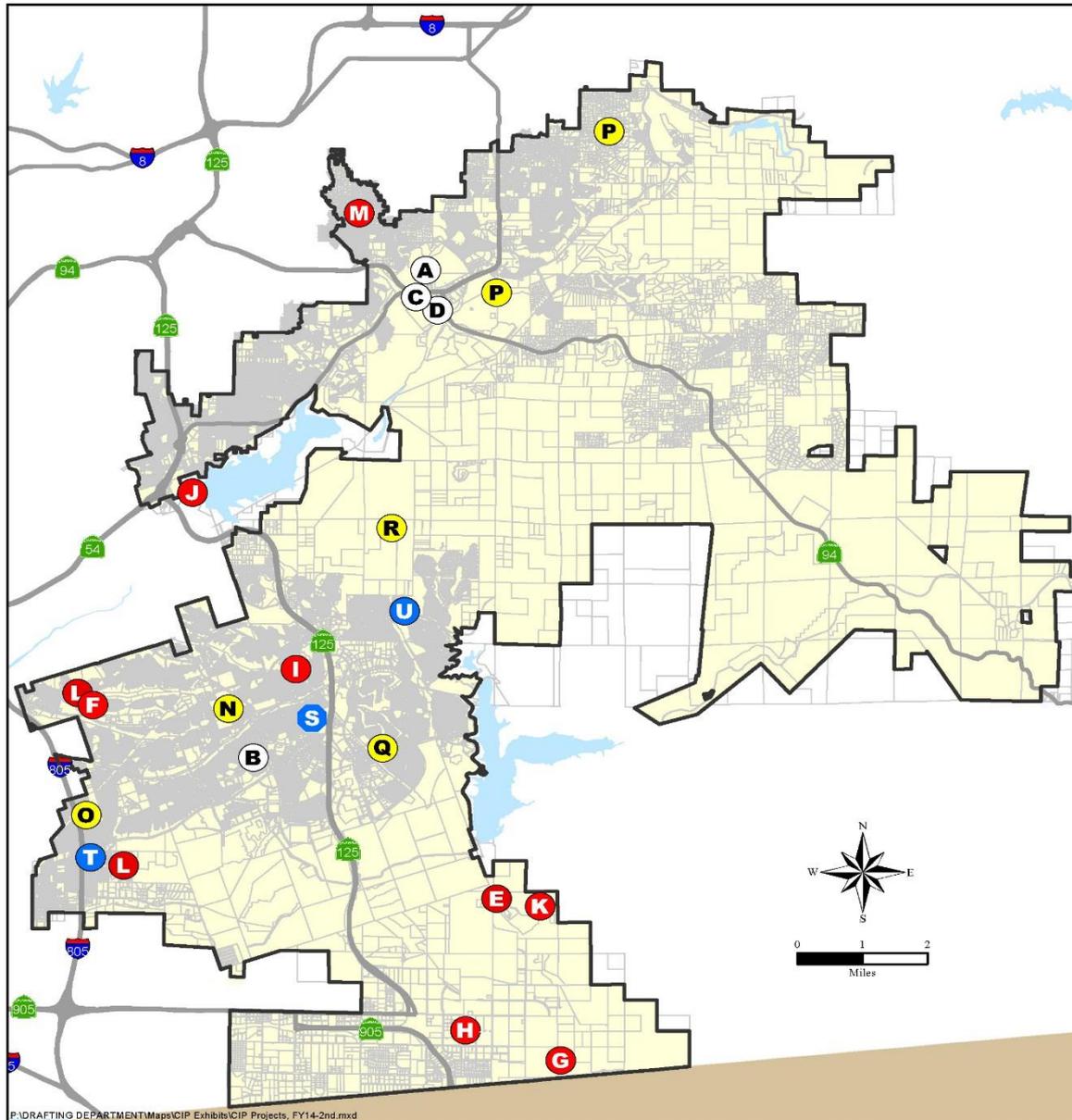
(\$1,000)

CIP CAT	Description	FY 2014 Budget	FY 2014 Expenditures	% FY 2014 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	<b>Capital Facilities</b>	\$4,362	\$1,123	26%	\$127,321	\$19,235	15%
2	<b>Replacement/ Renewal</b>	\$7,730	\$1,116	14%	\$47,008	\$14,892	32%
3	<b>Capital Purchases</b>	\$1,617	\$574	35%	\$13,266	\$8,122	61%
4	<b>Developer Reimbursement</b>	\$154	\$3	2%	\$6,973	\$1,569	23%
	<b>Total:</b>	\$13,863	\$2,816	20%	\$194,568	\$43,818	23%

# Fiscal Year 2014 Second Quarter CIP Budget Forecast vs. Expenditures



# District Map of Major CIP Projects



## MAJOR CIP PROJECTS

### PLANNING - 4

- (A)** P2504 - Regulatory Site Access Road & Pipeline Relocation
- (B)** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
- (C)** S2024 - Campo Road Sewer Main Replacement
- (D)** S2033 - Singer Basin Sewer System Rehabilitation

### DESIGN - 9

- (E)** P2083 - 870-2 Pump Station Replacement
- (F)** P2434 - Rancho Del Rey Groundwater Well Development
- (G)** P2451 - Otay Mesa Conveyance and Disinfection System
- (H)** P2453 - SR-11 Utility Relocations
- (I)** P2493 - 624-2 Reservoir Interior Coating & Upgrades
- (J)** P2511 - Otay Interconnect Pipeline
- (K)** P2515 - 870-1 Reservoir Paving
- (L)** P2541 - 624PZ Pressure Reducing Stations
- (M)** S2033 - Calavo Basin Sewer System Rehabilitation

### CONSTRUCTION - 5

- (N)** P2496 - Otay Lakes Road Utility Relocations Phase II
- (O)** P2507 - East Palomar Street Utility Relocation
- (P)** P2518/P2519 - 803-3 & 832-2 Reservoir Interior/Exterior Coating
- (Q)** R2091 - 944-1R Recycled Water Pump Station Upgrade
- (R)** R2108 - 927-1 Reservoir Cover and Liner Replacement

### COMPLETED - 3

- (S)** P2477 - 624-1 Reservoir Cover and Liner Replacement
- (T)** P2513 - East Orange Avenue Bridge Crossing
- (U)** P2514 - 30-Inch Potable Water Pipeline in Hunte Parkway



Fiscal Year 2014 - 2nd Quarter

P:\DRAFTING DEPARTMENT\Maps\CIP Exhibits\CIP Projects, FY14-2nd.mxd



# CIP Projects in Construction

- 803-3 & 832-2 Reservoir Interior/Exterior Coating & Upgrades (P2518/P2519)
- Remove and Replace Deteriorating Reservoir Coatings
- Structural Modifications Including Level Indicator Replacement and Anode Replacement
- \$1.53M Budget
- Start: March 2013
- Substantial Completion: December 2013



Above: 803-3 Reservoir

Below: 832-2 Exterior Blast Containment



# CIP Projects in Construction

- 927-1 Recycled Water Reservoir Cover and Liner Replacement (R2108)
- Removal and Replacement of the reservoir liner and cover
- \$1.40M Budget
- Start: November 2013
- Estimated Completion: June 2014



927-1 Recycled Water Reservoir

# Construction Contract Status

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
R2091	944-1R Recycled Pump Station Upgrade & System Enhancements	Sepulveda	\$1,099,423	\$1,162,423	\$90,505	8.2%	\$1,252,928	\$1,247,928	7.8%	99.6%	February 2014
R2108	927-1 Recycled Water Reservoir Cover and Liner Replacement	Layfield	\$833,400	\$873,400	\$0	0.0%	\$833,400	\$0	-4.6%	0.0%	June 2014
P2514	Hunte Parkway 30" Potable Water Installation	Sepulveda	\$1,172,257	\$1,212,257	\$126,233	10.8%	\$1,312,508	\$1,312,508	8.3%	100.0%	Complete June 2013
P2513	Orange Avenue/-805 12" Potable Water Installation	Basile	\$767,000	\$872,000	\$19,290	2.5%	\$891,290	\$891,290	2.2%	100.0%	Complete August 2013
P2518/ P2519	803-3 & 832-2 Reservoir Coating	Advanced Industrial Services	\$876,900	\$946,900	\$0	0.0%	\$876,900	\$823,250	-7.4%	93.9%	Complete December 2013
		<b>TOTALS:</b>	<b>\$4,748,980</b>	<b>\$5,066,980</b>	<b>\$236,028</b>	<b>5.0%</b>	<b>\$5,167,026</b>	<b>\$4,274,976</b>	<b>2.0%</b>		

\*NET CHANGE ORDERS DO NOT INCLUDE ALLOWANCE ITEM CREDITS. IT'S A TRUE CHANGE ORDER PERCENTAGE FOR THE PROJECT

\*\*THIS CHANGE ORDER RATE INCLUDES THE CREDIT FOR UNUSED ALLOWANCES



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>PLANNING</b>										
ARCADIS U.S., INC.	Varies	WASTEWATER MANAGEMENT PLAN FY12-13	\$ 349,979.36	\$ -	\$ 349,979.36	\$ 349,971.86	0.0%	100.0%	8/3/2011	COMPLETE 12/31/2013
BROWN AND CALDWELL	P1210	IWRP 2013 UPDATE	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 3,001.00	0.0%	60.0%	9/17/2013	COMPLETE 12/31/2013
NARASIMHAN CONSULTING	Varies	HYDRAULIC MODELING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 85,633.50	0.0%	48.9%	5/2/2011	6/30/2014
<b>DESIGN</b>										
AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$ -	\$ 3,910,297.00	\$ 636,248.89	0.0%	16.3%	1/3/2011	6/30/2016
AEGIS ENGINEERING MGMT INC	VARIABLES	AS-NEEDED DESIGN SERVICES FY13-14	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 147,385.50	0.0%	49.1%	11/1/2012	6/30/2014
ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 65,308.73	0.0%	42.5%	1/18/2012	6/30/2014
ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 149,283.56	0.0%	85.3%	10/25/2011	6/30/2015
BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -	0.0%	0.0%	6/1/2012	6/30/2014
BUSTAMANTE & ASSOCIATES	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 39,500.00	\$ -	\$ 39,500.00	\$ 7,000.00	0.0%	17.7%	1/1/2013	COMPLETE 10/31/2013
CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ -	\$ 624,910.00	\$ 28,365.00	0.0%	4.5%	10/11/2013	12/31/2017
DARNELL & ASSOCIATES	Varies	AS-NEEDED TRAFFIC ENGINEERING SERVICES	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	0.0%	0.0%	6/12/2012	6/30/2014
HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ -	\$ 684,750.00	\$ -	0.0%	0.0%	11/22/2013	12/31/2015
HECTOR MARES-COSSIO	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 120,000.00	\$ -	\$ 120,000.00	\$ 64,800.00		54.0%	4/1/2013	3/31/2015
LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$1,032,551.96	0.0%	37.3%	11/4/2010	12/31/2015
MICHAEL D.KEAGY REAL ESTATE	VARIABLES	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ -	0.0%	0.0%	9/5/2012	6/30/2014
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 104,000.00	\$ -	\$ 104,000.00	\$ 84,279.05	0.0%	81.0%	5/1/2012	6/30/2014
SOUTHERN CALIFORNIA SOIL	VARIABLES	GEOTECHNICAL SERVICES FY13-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 35,545.21	0.0%	20.3%	12/10/2012	6/30/2015
TETRA TECH, INC	P2434	RANCHO DEL REY WELL - PHASE 2	\$ 724,493.50	\$ 23,749.00	\$ 748,242.50	\$ 404,445.17	3.3%	54.1%	4/21/2011	12/31/2014
V & A CONSULTING	Varies	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 392,729.00	\$ -	\$ 392,729.00	\$ 298,601.09	0.0%	76.0%	6/23/2011	COMPLETE 9/30/2013



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>CONSTRUCTION SERVICES</b>										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 24,551.00	0.0%	14.0%	9/18/2013	6/30/2015
ALTA LAND SURVEYING, INC.	Varies	AS-NEEDED SURVEYING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 171,198.75	0.0%	97.8%	8/15/2011	6/30/2014
ALY SON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 143,110.00	0.0%	40.9%	10/24/2012	6/30/2015
CLARKSON LAB & SUPPLY	Varies	AS-NEEDED BACTERIOLOGICAL TESTING FY 14	\$ 15,000.00		\$ 15,000.00	\$ 13,791.00	0.0%	91.9%	7/1/2013	6/30/2014
HARPER & ASSOCIATES	P2493	COATING INSPECTION SERVICES ON THE 624-2 & 458-2 RESERVOIR	\$ 75,160.00		\$ 75,160.00	\$ 1,080.00	0.0%	1.4%	8/27/2013	7/3/2014
<b>ENVIRONMENTAL</b>										
ICF INTERNATIONAL (aka JONES & STOKES ASSOCIATES)	Varies	AS-NEEDED ENVIRONMENTAL CONSULTING SERVICES	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 300,113.70	0.0%	80.0%	9/9/2010	6/30/2014
MERKEL & ASSOCIATES	Varies	SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP-ASSOCIATED MITIGATION PROJECTS	\$ 359,079.00	\$ -	\$ 359,079.00	\$ 267,756.16	0.0%	74.6%	12/14/2011	12/31/2014
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 190,221.86	0.0%	70.2%	3/28/2008	6/30/2015
<b>WATER RESOURCES</b>										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 33,615.00	0.0%	84.0%	3/25/2009	6/30/2015
<b>PUBLIC SERVICES</b>										
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 296,020.96	0.0%	98.7%	1/20/2010	COMPLETE 12/30/2013
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ 35,000.00	\$ 335,000.00	\$ 309,105.24	11.7%	92.3%	11/24/2010	COMPLETE 12/30/2013
AEGIS ENGINEERING MANAGEMENT	Varies	AS-NEEDED DEVELOPER PROJECTS FY 14-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 6,164.50	0.0%	1.8%	8/20/2013	6/30/2015
<b>TOTALS:</b>			<b>\$13,758,497.86</b>	<b>\$ 58,749.00</b>	<b>\$13,467,246.86</b>	<b>\$5,149,148.69</b>	<b>0.4%</b>			



# QUESTIONS?

# AGENDA ITEM 4



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 11, 2014
		PROJECT:	Various DIV.NO. ALL
SUBMITTED BY:	Geoff Stevens, Chief Information Officer		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	STATUS UPDATE ON 2015 - 2017 DISTRICT STRATEGIC PLAN		

### **GENERAL MANAGER'S RECOMMENDATION:**

This is an informational item. No Board action is required.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To brief the Board on the progress in the development of the 2015 to 2017 District Strategic Plan.

### **Background**

Each year, the District updates the Strategic Plan and it is reviewed every three years to take an in-depth look at what will be required to meet coming challenges. This year requires the in-depth analysis as the Strategic Plan is at the end of the 2012-2014 plan and actively drafting the 2015 to 2017 plan.

### Activities to Date:

The Senior Team began discussing the plan in October 2013. The following activities have taken place over the last four months:

- Review of other Districts' Strategic Plan;
- Review of industry trends;
- Review of Strategic Planning methodology;
- Engagement of consulting assistance to validate process;
- Development of a Strategy Map for the District;
- Senior Team discussion of Mission, Vision and Values;
- Reaffirmation of Balanced Scorecard as methodology of choice;
- Development of Primary Goals for Balanced Scorecard;
- Development of a more targeted **key challenge**;
- Engagement meetings with all departments including the General Manager and Assistant General Manager;
- Development of individual department objectives and measures (ongoing);
- Employee communications meeting both at the section and the group level.

### Current Status

The Senior Team is pleased with the Strategic Plan progress to date. This is a critical review point in the process where the General Manager has asked staff to present and seek the Board's affirmation of the District's stated Mission, Vision, and Values. Staff would like to present the **key challenge**, which is more targeted, than in the last plan, to highlight efficiency, effectiveness, and measurement. Finally, staff has drafted the high level strategies and goals that are in alignment with the balanced scorecard.

## **MISSION**

*To provide quality water and wastewater services to the customers of the Otay Water District, in a professional, effective and efficient manner.*

## **VISION**

*A District that is innovative in providing water services at competitive rates, with a reputation for outstanding customer service.*

## STATEMENT OF VALUES

As Otay Water District employees, we dedicate ourselves to:

### **CUSTOMERS:**

We take pride that our commitment to customer-centered service is our highest priority.

### **EXCELLENCE:**

We strive to provide the highest quality and value in all that we do.

### **INTEGRITY:**

We commit ourselves to doing the right thing. Ethical behavior, trustworthiness and accountability are the District's foundation.

### **TEAMWORK:**

We promote mutual trust by sharing information, knowledge and ideas to reach our common goals.

### **EMPLOYEES:**

We see each individual as unique and important. We value diversity and open communication to promote fairness, dignity and respect.

### **PROPOSED KEY CHALLENGE**

Our key challenge, as the staff of this District, responsible for delivering our stated mission, vision, and values, is to quantify and demonstrate our commitment and ability to execute how we will utilize the optimum mix of resources, business processes, and technology to achieve our goals. As a team and at all levels we accept the requirement to regularly assess and document how our decisions and work practices are adapting to meet this strategic challenge.

## Balanced Scorecard Strategies and Goals

### **Customer:**

*Deliver high quality services that meet regulatory standards and delivers best business processes which increase confidence of the customer in the value the District provides.*

- A. Goal: "Maintain high customer satisfaction by expanding and improving communications and providing water services."**

### **Financial:**

*Provide enhanced value by directing and managing the financial issues that are critical to the District.*

- A. Goal: "Improve financial information and systems."**
- B. Goal: "Maintain District financial strength."**

### **Business Processes:**

*Improve business functionality by constantly reviewing and maximize efficiency and effectiveness of all business processes.*

- A. Goal: "Actively manage water supply as well as demand and sewer services."**
- B. Goal: "Identify and evaluate improvements to enterprise and departmental business processes."**

### **Learning and Growth:**

*Provide the leadership, tools, and management commitment to improve all business practices.*

- A. Goal: "Results-oriented workforce."**
- B. Goal: "Flexible, lean and highly-skilled workforce."**

## Next Steps

Individual meetings with the Management Team of each department are underway. The General Manager and Assistant General Manager are very involved in this process. Each team is meeting a minimum of four times to develop customized objectives and measures that are in alignment with the proposed key challenge and mission.

The entire Management Team is very active in making suggestions that are in alignment with our strategy. Below are some examples of the ideas that are being considered for inclusion:

### Examples from Finance, Administration and IT

- INVESTIGATION OF WEB BASED OR PORTAL BASED PURCHASING METHODOLOGIES
- FURTHER LEVERAGE CLOUD BASED ARCHITECTURES FOR SECURITY, AND DISASTER RECOVERY
- CHANGING PROCESS FOR DEVELOPERS TO INSTALL METERS
- ANALYSIS OF REVENUES AND IMPACTS OF THE SEWER SYSTEM REALIGNMENT OR CONSOLIDATION
- SECURITY SYSTEM UPGRADES AND CONSOLIDATION
- STREAMLINING COMMUNICATIONS TO CUSTOMERS - WEB BASED, SOCIAL MEDIA, MOBILE
- EVALUATE CITIZEN SERVICES THROUGH EDEN - ONLINE SUBMITTALS
- CALL CENTER INTEGRATION AMONG DEPARTMENTS
- EXPLORING ADDITIONAL USES OF THE AUTOMATED DIALER FOR CUSTOMER CONTACT
- EXPANDING EMAIL OR RELATED COMMUNICATIONS SERVICES
- REDUCING HEADCOUNT BY REVIEW OF ATTRITION RELATED VACANCIES
- MODIFICATION OF RESERVE ACCOUNTING
- EXPLORATION OF NEW BILLING SYSTEMS
- HAVE DEVELOPERS DO NEW METER SETS
- ENSURE FULL COST RECOVERY OF SERVICES PROVIDED

## Examples from Engineering and Operations

- DEVELOPMENT OF PLAN VERSUS ACTUAL TIME ALLOCATION PER TASK
- MEASUREMENT OF UNIT COSTING FOR ROUTINE PROCESSES
- LEVERAGE SCADA AND WORK ORDER SYSTEM - PROCESS IMPROVEMENTS
- SUPPORT OF THE DESALINATION PROJECT
- NEGOTIATIONS WITH PARTNER CITIES FOR BETTER AGREEMENTS
- ADDITIONAL USE OF ASSET MANAGEMENT
- RECAPTURE COSTS WHEN SURVEY IS REQUIRED TO CHANGE EASEMENTS
- RECOVER COST OF DIG ALERTS FROM ROUTINE TRAFFIC ACCIDENTS
- EVALUATION OF COST BENEFIT OF LEAK REDUCTION HARDWARE
- ANALYSIS OF SEWER BUSINESS
- NORTH - SOUTH INTERCONNECT
- STREAMLINE RFP PROCESS (COMBINE PLAN, DESIGN, BUILD BIDS)
- EVALUATE BIM (BUILDING INFORMATION MANAGEMENT) FOR PIPELINES
- EVALUATE COST RECOVERY FOR CERTAIN TYPES OF MARK OUT
- EVALUATE COST RECOVERY FOR ENCROACHMENT PERMITS

The above, along with many other ideas, are on the table and being evaluated. The emphasis, where possible, will be to develop specific objectives and performance measures that can provide a quantifiable proof of improvement. Measurements always require a subtle approach, and it will take time to finalize and test the proposed new measures. The intent of the plan, however, is clear in that staff desires to find ways to achieve and demonstrate how this District is being run efficiently and effectively for our customers and in alignment with the General Manager's and the Board's direction.

### **STRATEGIC GOAL:**

These items are in support of the updating the District's Strategic Plan.

### **LEGAL IMPACT:**

None.

Attachments: Attachment A - Committee Action



**ATTACHMENT A**

<b>SUBJECT/PROJECT:</b>	STATUS UPDATE ON 2015 - 2017 DISTRICT STRATEGIC PLAN
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**COMMITTEE ACTION:**

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 19, 2014. The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on February 18, 2014.

**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.