

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

**THURSDAY**  
**March 21, 2013**  
**12:00 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

**DISCUSSION ITEMS**

3. ADOPT RESOLUTION NO. 4209 TO AUTHORIZE AN APPLICATION FOR ENVIRONMENTAL MITIGATION LAND MANAGEMENT GRANT FUNDS TO THE SAN DIEGO ASSOCIATION OF GOVERNMENT, COMMITTING THE OTAY WATER DISTRICT TO PROVIDE MATCHING FUNDS AND AUTHORIZING DISTRICT STAFF TO ACCEPT GRANT FUNDS AND EXECUTE THE GRANT AGREEMENT FOR THE CACTUS WREN HABITAT PROJECT AT THE DISTRICT'S HABITAT MANAGEMENT AREA (COBURN-BOYD) [5 minutes]
4. ADOPT RESOLUTION NO. 4208 FIXING TERMS AND CONDITIONS FOR THE ANNEXATION OF CERTAIN REAL PROPERTY OWNED BY SLF IV McMILLIN MILLENIA JV, LLC, APNs: 643-060-18, 23, 24, AND 25-00, TO THE OTAY WATER DISTRICT'S IMPROVEMENT DISTRICT NOS. 22 AND 27 (MARTIN) [5 minutes]
5. APPROVE A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND THE OTAY WATER DISTRICT FOR REIMBURSEMENT TO THE CITY FOR CONSTRUCTION COSTS ASSOCIATED WITH PHASE II OF THE OTAY LAKES ROAD 12-INCH RECYCLED WATER PIPELINE AND POTABLE UTILITY RELOCATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$97,350 (MARTIN) [5 minutes]

6. FISCAL YEAR 2013 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES UPDATE REPORT (STEVENS) [10 minutes]
7. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
8. 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 March 15, 2013 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 March 15, 2013.

/s/ Susan Cruz, District Secretary



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013	
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist	PROJECT NO./ SUBPROJECT:	P2495- 001101	DIV. NO. 5
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Asst. General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager			
SUBJECT:	Resolution Authorizing an Application for Environmental Mitigation Land Management Grant Funds to the San Diego Association of Governments, Committing to Providing Matching Funds, and Authorizing Staff to Accept Grant Funds and Execute Grant Agreement			

### GENERAL MANAGER'S RECOMMENDATION:

Approve Resolution No. 4209 (Attachment B), to authorize an application for Environmental Mitigation Land Management Grant Funds to the San Diego Association of Governments (SANDAG), committing the Otay Water District (District) to provide matching funds and authorizing District staff to accept grant funds and execute the grant agreement for the Cactus Wren Habitat Project at the District's Habitat Management Area (HMA) (see Exhibits A and B for Project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

The purpose of this resolution is to authorize an application that was submitted by District staff in February 2013 for grant funds through the SANDAG TransNet Environmental Mitigation Program for a Cactus Wren Habitat Project at the HMA. The resolution also commits

the District to provide matching funds and authorizes District staff to accept the grant funds and execute the grant agreement.

**ANALYSIS:**

In February 2013, District staff worked with the current HMA consultant to put together a grant proposal for a Cactus Wren Habitat Project at the District's HMA (see Attachment C for grant application). The proposal was submitted to SANDAG for Fiscal Year 2013 funding under their Environmental Mitigation Program (EMP) which provides funding for regional land management and biological monitoring.

The Cactus Wren Habitat Project (Project) consists of the planting of 4.2 acres of coast cholla dominated habitat at two sites located within the HMA in order to create habitat for the coastal cactus wren (see Exhibit B for the site locations). The two sites, representing the 4.2 acres, were chosen for the Project and are in close proximity to each other in order to attract a minimum of two (2) pairs of cactus wren to the HMA preserve. The Project also includes enhancement of the existing coastal sage scrub with seeding among the planted cholla cacti. The advantage of the sites at the HMA is that they are located between Sweetwater Reservoir and Otay Lakes and are part of a movement corridor linking established cactus wren populations. Past records for the HMA indicate that the cactus wren was historically located within the HMA and were found on site as late as 2005. Creating suitable habitat would allow for the repopulation of this area and aid in the reestablishment of cactus wren habitat within the corridor. It is expected that this Project will increase breeding habitat for coastal cactus wren, a species of special concern, as well as increase the likelihood that the species will utilize this growing corridor between Sweetwater Reservoir and Otay Lakes. The HMA was burnt in the 2007 Harris Fire leaving behind degraded Diegan coastal sage scrub. The Project proposes to increase the quality of the habitat that was originally Diegan coastal sage scrub. The duration of the Project is three years from the notice to proceed.

District staff was informed that the Cactus Wren Habitat Project had been recommended for funding by the EMP Working Group ad hoc committee on March 4, 2013. The EMP Working Group is recommending full funding of the Project in the amount of \$88,840. The District must provide matching funds in the amount of \$8,675.67. The matching funds are available in the HMA budget because one of the projects included in that budget, the Wueste Road mitigation site, has been postponed indefinitely. The total budget allocated within the HMA budget for the Wueste Road mitigation site is \$44,986.80.

The resolution to be adopted by the District's Board of Directors includes the requirements of SANDAG's Board Policy 035, Section 4.1. Adoption of this resolution is a requirement of SANDAG, once a grantee has been informed that their project was recommended to the EMP Working Group. It must be submitted to SANDAG by April 15, 2013.

**FISCAL IMPACT:**  Joseph Beachem, Chief Financial Officer

None.

**STRATEGIC GOAL:**

This Project supports the District's Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District in a professional, effective, and efficient manner," and the District's strategic goal, "To satisfy current and future water needs for potable, recycled, and wastewater services."

**LEGAL IMPACT:**

None.

LCB:jf

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Attachments: Attachment A - Committee Action  
Attachment B - Resolution  
Attachment C - Grant Application  
Exhibit A - Location Map  
Exhibit B - Cactus Wren Habitat Sites



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>  P2495-001101	Resolution Authorizing an Application for Environmental Mitigation Land Management Grant Funds to the San Diego Association of Governments, Committing to Providing Matching Funds and Authorizing Staff to Accept Grant Funds and Execute Grant Agreement
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### **COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on March 21, 2013. 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

RESOLUTION NO. 4209

AUTHORIZING AN APPLICATION FOR  
ENVIRONMENTAL MITIGATION LAND MANAGEMENT GRANT FUNDS TO  
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS  
FOR OWD CACTUS WREN PROJECT, COMMITTING TO PROVIDE MATCHING FUNDS, and  
AUTHORIZING STAFF TO ACCEPT GRANT  
FUNDS AND EXECUTE GRANT AGREEMENT

WHEREAS, in November 2004, the voters of San Diego County approved SANDAG Ordinance 04-01, which extended the *TransNet* ½ cent sales and use tax through 2048 (*TransNet* Ordinance); and

WHEREAS, the *TransNet* Extension Ordinance contains provisions for the creation of an Environmental Mitigation Program (EMP), which began being funded by the *TransNet* Ordinance on April 1, 2008; and

WHEREAS, in November 2012, SANDAG issued its sixth Call for Projects from entities wishing to apply for a portion of the EMP funds for use on environmental land management projects meeting certain criteria; and

WHEREAS, Otay Water District wishes to receive \$88,840.00 in EMP Grant funds for the following project: OWD Cactus Wren Project; and

WHEREAS, Otay Water District understands that the EMP Grant funding is fixed at the programmed amount, and therefore project cost increases which exceed the grant awarded will be the sole responsibility of the grantee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that the Otay Water District is authorized to submit an application to SANDAG for the Fiscal Year 2013 Land Management Grant funding in the amount of \$88,840.00 for the OWD Cactus Wren Project; and

BE IT FURTHER RESOLVED that, if a grant award is made by SANDAG to fund the Cactus Wren Project, the Board of Directors of the Otay Water District commits to providing \$8,657.67 of matching funds and/or in-kind contributions as set forth in its grant application and authorizes Otay Water District staff to accept the grant funds and execute the grant agreement included in the November 2012 Call for Projects with SANDAG.

PASSED AND ADOPTED by the Otay Water District Board of Directors this third day of April, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
District Secretary



## Grant Application Form

### For Consideration for *TransNet* Environmental Mitigation Program (EMP) Fiscal Year 2013 Funding for Land Management

(Applications cannot exceed twelve (12) pages, including all attachments.)

Applicant Name<sup>1</sup>: Otay Water District; Ms. Lisa Coburn-Boyd Environmental Compliance Specialist  
 Address: 2554 Sweetwater Springs Boulevard, Spring Valley, CA 91978-2004  
 Phone and Email Address: 619-670-2219; lisa.coburn-boyd@otaywater.gov  
 Name of Property: San Miguel Habitat Management Area  
 General Location: City of Chula Vista  
 Jurisdiction: Otay Water District  
 Total Acres: 240  
 Estimated Acres Requiring Management: 4.2  
 Owner(s) of Property<sup>2</sup>: Otay Water District  
 Land manager(s) of property (include name(s)): Merkel & Associates, Inc.

Application is proposed for consideration under the following eligible activity area:

- Habitat Restoration and Invasive Control*
- Species-Specific Management*
- Habitat Maintenance, Access Control/Management, and Volunteer Coordination*

#### Brief Project Summary that includes your primary goal and objectives (200-word maximum)

The Project proposes is to create suitable nesting habitat for the coastal cactus wren within the San Miguel Habitat Management Area (HMA). The HMA is located within a corridor that has the potential to connect existing cactus wren breeding pairs from the Sweetwater Reservoir to the area west of Otay Lakes (Figure 1). Work on this corridor in adjacent refuge lands has already begun by the United States Fish and Wildlife Service (USFWS) with the planting of 12,000 cacti between the Sweetwater population and the HMA. The proposed species specific restoration objectives include the removal of non-native plant species on the restoration site, thinning of coastal sage scrub if required, the collection of cactus cuttings for transplanting, planting coast cholla within the proposed project area, as well as maintaining, monitoring, and reporting on the site for the initial three years. After the third year, maintenance of the site would

<sup>1</sup> While collaboration is encouraged in the development of the grant proposal, the proposal must identify one organization as the lead entity which will enter into an Agreement with SANDAG.

<sup>2</sup> If the applicant is not the landowner, please submit a letter or right-of-entry permit from the land owner granting permission to perform the land management duties as outlined in the application. Failure to provide the letter or right-of-entry permit will lead to disqualification of the application.

**Attach letter or right-of-entry permit if applicable.**

continue through the management of the HMA by the Otay Water District. The ultimate success, which would be expected five to seven years after planting, would include cactus that has reached an average height of three feet and supports a viable population of two or more pairs of coastal cactus wren.

**Quantify Expected Results** (add bullets as necessary)

- Create nesting and wintering habitat for a minimum of 2 pairs of coastal cactus wren
- Enhance native habitat that has been degraded due to fire
- Aid in the overall recovery of the coastal cactus wren by creating a corridor of suitable habitat between two major populations

**Brief Description of dedicated staff and/or consultants that would work on Project (200-word maximum)**

Merkel & Associates, Inc. (M&A) currently provides professional environmental services for the Otay Water District's (District) HMA. M&A, a state certified woman business enterprise and small-business enterprise, is a San Diego-based environmental consulting firm specializing in biological resource and regulatory issues. M&A's staff members include personnel that have the experience to execute all aspects of this project including; invasive species removal, focused surveys for special status species, habitat restoration and monitoring, maintenance and reporting. The firm has extensive experience working for the District and within the San Miguel HMA. M&A developed the San Miguel HMA and District's Capital Improvements Project mitigation-banking program working with District staff and from 1995 to 2000. The company is also in the fourth year of a cactus wren habitat restoration project for the County of San Diego within the Salt Creek Preserve. This 1.4 acre restoration has been very successful and has met all requirements. M&A has completed all work components for the District and the County efficiently and in a timely manner, while maintaining excellent working relationships with staff and environmental agencies.

**Funding Needs Summary**

1. Please indicate how much funding is being requested from SANDAG and any matching funding proposed:

Budget Item	Requested Funding Amount	Proposed Matching Funds*	Description
Personnel Expenses Staff	\$	\$	Includes staff time for non-administrative work on the project
Personnel Administrative Expenses	\$	\$	Includes all staff time to administer the contract
Consultant Expenses**	<b>\$88,840.00</b>	<b>\$8,675.67</b>	Includes all costs for consultant services
Other Direct Expenses	\$	\$	Includes all equipment, supplies, millage, etc.
Indirect Costs <sup>3</sup>	\$	\$	All indirect charges (e.g., overhead) on the project, if any.
<b>Totals</b>	<b>\$88,840.00</b>	<b>\$8,675.67</b>	

\*if applicable; \*\* "other direct expenses" are included within the "consultant expenses"

2. Are there matching funds available? If yes, how are the matching funds assured (100-word maximum)?

Yes       No

Explain how matching funds are assured.

The HMA is a 240-acre biological reserve that was created and designated as a reserve and mitigation bank by the District in 1994. In accordance with the HMA Mitigation Bank Establishment and Operating Procedures (M&A 1996<sup>4</sup>), the District is responsible for

<sup>3</sup> Indirect Costs are only allowable with either: (1) an indirect cost allocation audit approved by a qualified independent auditor or (2) the applicant's proposed method for allocating indirect costs must be submitted in accordance with [OMB guidelines](#) and approved by SANDAG. Indirect costs will not be reimbursed until one of the two conditions above are satisfied and indirect cost allocation plans must be renewed annually.

management of the HMA in conformance with the establishment and operating procedures manual as well as funding for management and annual biological surveys. Funds for management of the HMA between January 1, 2012 and December 31, 2014 were committed by the District on November 2, 2011.

## PROJECT PROPOSAL

(Maps and/or graphics can be referenced and pasted at the end of this Word document or attached as a separate digital file.)

The proposal will include the purpose of the project, the scope of work by tasks, proposed budget, including matching funds, by task, and a schedule for each task. Applicants must clearly identify their proposed tasks in the scope of work, funding requested for each task (please identify staff hours and cost separately from consultant costs), start and end dates of the tasks, and deliverables. **Applicants are encouraged to identify phasing and prioritization of tasks in their proposal in case full funding for the project is not available.**

### A. Project Purpose

Address the following in the proposal.

1. Describe the proposed management activity(ies) and why needed. Is there current management occurring or has past management occurred (please describe)? How will this project benefit sensitive vegetation communities and/or sensitive species (i.e. focal, covered, threatened or endangered)?

The proposed Project is to plant 4.2 acres of coast cholla (*Cylindropuntia prolifera*) dominated habitat in order to create habitat for the coastal cactus wren (*Campylorhynchus brunneicapillus sandiegensis*) (Figure 1). Two sites representing the 4.2 acres were chosen for the Project and are in close proximity to each other in order to attract a minimum of 2 pairs of cactus wren to the HMA preserve. One site is approximately 1.7 acres and extends west off an area of recovering coastal sage scrub that already contains some coast cholla but currently is not large enough or dense enough to support cactus wren. The second site is adjacent to the first site and is approximately 2.5 acres also within coastal sage scrub recovering from fire. The Project also includes enhancement of the existing coastal sage scrub by broadcasting seed among the planted cholla cacti.

The Project is also located between Sweetwater Reservoir and Otay Lakes including the Salt Creek Preserve (Figure 2) and is part of a movement corridor linking these established cactus wren populations. Work on this corridor has already begun by the USFWS with the creation/restoration of cactus dominated Diegan coastal sage scrub between the Sweetwater population and the proposed Project site within the HMA, where 12,000 cacti have been planted. USFWS is also in the process of obtaining additional mitigation lands (Western Mitigation Parcels) located adjacent to the HMA that are slated for additional cactus wren habitat creation/restoration. The HMA is adjacent to USFWS preserve lands and to the east of their current restoration site. CNDDDB records indicate that the cactus wren was historically located within the HMA and were found on site as late as 2005. Creating suitable habitat would allow for the repopulation of this area and aid in the reestablishment of cactus wren habitat within the corridor. It is expected that this Project will increase breeding habitat for coastal cactus wren, a species of special concern, as well as increase the likelihood that the species will utilize this growing corridor between Sweetwater Reservoir and Otay Lakes. The HMA was burnt in the 2007 Harris Fire leaving behind degraded Diegan coastal sage scrub. The Project proposes to increase the quality of the habitat that was originally Diegan coastal sage scrub.

The Project area is currently managed as part of the District's overall obligation to maintain and monitor the HMA. The Project area is inspected concurrent with the entire HMA on a monthly basis; the purpose of the monthly visit is to assess the general condition of the entire HMA. To date, the Project area has not been targeted as a specific area for maintenance within the HMA.

<sup>4</sup> Merkel & Associates, Inc. 1996. Mitigation Bank Establishment and Operating Procedures for the Otay Water District San Miguel Habitat Management Area. Prepared for the Otay Water District. 15pp + Appendix 1 - Biological Inventory of the San Miguel Habitat Management Area, Revised May 1996.

2. Describe the geographic area of the project, including adjacent surrounding properties and landowners, and the current conditions of the vegetation communities and sensitive species of the project area. Is the project area already part of an approved regional conservation plan and if so, how does the proposed project contribute to the plan?

The HMA is located within the District's 509-acre Wastewater Reclamation Use Area (Use Area) on property that was annexed into the City of Chula Vista in 1999 [Assessors Parcel Number (APN) 595-040-01, -08, -03, -04, -05, 585-140-21, and -14]. It sits within Sections 23 and 26 of Township 17 South, Range 1 West of the San Bernardino Base and Meridian, U.S. Geological Survey (USGS) 7.5' Jamul Mountains, California Quadrangle. Locally, the HMA lies at the base of Mother Miguel and San Miguel Mountains just east of State-Route 125. It is situated approximately 1.5 miles southeast of Sweetwater Reservoir and 1.5 miles northwest of the Upper Otay Reservoir. Access to the site can be obtained from Hunte Parkway, off Proctor Valley Road.

The proposed Project site within the HMA is located on the northeast and northwest side of Rickey Pond (Figure 1). This area consists of disturbed Diegan coastal sage scrub. These habitat types continue off-site to the north, west, and east where the adjacent land use is native habitat protected and owned by the USFWS. In October 2007, much of the HMA and surrounding habitat was burned as a result of the Harris Wildfire. The habitat is recovering well but the fire has opened up much of the habitat making it much easier to convert the habitat type to cactus dominated Diegan coastal sage scrub. Special status fauna detected within and/or immediately adjacent to the Project area during the 2012 surveys include Cooper's hawk (*Accipiter cooperii*), northern loggerhead shrike (*Lanius ludovicianus*), northern harrier (*Circus cyaneus*) and one pair of southern California rufous-crowned sparrow (*Aimophila ruficeps canescens*). All of the species have primarily been observed to use the area as foraging grounds. Special status plant species California adolphia (*Adolphia californica*), Otay tarplant (*Deinandra conjugens*), variegated dudleya (*Dudleya variegata*), San Diego marsh elder (*Iva hayesiana*), southwestern spiny rush (*Juncus acutus* ssp. *leopoldii*), and San Diego goldenstar (*Muilla clevelandii*), coast barrel cactus (*Ferocactus viridescens*), western dichondra (*Dichondra occidentalis*), and California adder's-tongue fern (*Ophioglossum californicum*) occur within or adjacent to the Project.

The District is not a participant in the County of San Diego MSCP; however, the HMA itself has been designated as a reserve and mitigation bank. The proposed Project would contribute to the HMA and adjacent conserved lands by providing suitable nesting and wintering habitat for coastal cactus wren. In addition, the Project would enhance the potential connection between known breeding pair within a coastal cactus wren corridor and in turn provide a healthy genetic diversity for a sustainable population.

3. Describe the stressors and/or threats to the vegetation communities and/or sensitive species in the project area. Does the area suffer from natural, human, or domestic animal disturbance (e.g., urban development, invasive/exotic species, altered fire regime, altered hydrology, herbivory/predation, pesticides/rodenticides/herbicides, parasitism and disease, powerline and windpower facilities, roads, human use)?

The proposed project area is within native habitat and therefore there are very few stressors and/or threats to the cactus wren or the vegetation community. The nearest urban housing is a 0.4 miles to the south of the project site and there is a golf course immediately adjacent to the east. Natural predators such as coyotes would be present; however, the cactus wren's habitat preference of tall, thick cactus stands is natural protection from these predators. There are a few trails within the HMA used by local hikers and bicycles. The closest trail to the Project site occurs in the Preserve land to the west on the ridgeline.

4. Describe why action is needed to prevent the vegetation communities and/or sensitive species from degrading further.

The coastal cactus wren has lost much of its habitat due to fire and urban development. The remaining specialized habitat used by the wren has become highly fragmented. The coastal cactus wren is presently listed as a California State Species of Special Concern; however, its unofficial status is more conducive to that of a threatened or endangered species. In order to maintain a viable population new habitat must be created for the species as well as a corridor to allow movement between existing populations to maintain healthy genetic diversity. These actions are required in order to prevent further decline of the species.

5. Describe the management techniques proposed and whether or not they have been successfully used previously and where. Are there any negative effects to other sensitive species and/or vegetation communities that could result from the proposed management action?

The management practices proposed for this Project have been used in other projects including the Salt Creek Coastal Cactus Wren Project being executed by M&A through the County of San Diego, Parks and Recreation Department and a TransNet Grant. This project has been very successful and is meeting all requirements. The methods used for the proposed Project will be similar to those used in the Salt Creek Project with some small changes. Initially a source site will be located for coast cholla so that cuttings can be acquired from plants that are not in cactus wren occupied habitat. Cuttings would be harvested from outside lateral branches of live cactus in order to avoid reducing the height of the affected plants and reduce the potential for nesting by cactus wren. These cuttings would be harvested in the fall and allowed to callus for a period of at least two weeks prior to planting. An estimated seven hundred to one thousand cactus cuttings would be required per acre. Prior to planting the site will require some preparation. The onsite coastal sage scrub habitat is already sparse and there should be no need to thin the current vegetation. All non-native vegetation, however, will be treated with herbicide to eliminate competition for the newly planted cuttings. The second site may require minimal thinning of Diegan coastal sage scrub to lower competition with the cholla. Plantings will be installed in a patchy manner. There will be a patch of cactus planted on 2 to 3 foot centers within an area of approximately 0.2 acres and surrounded by areas of sparse cactus plantings. This would be done throughout the two sites so that each site would be equal parts of dense cactus and sparse cactus. Native coastal sage scrub seed would be collected from the nearby area or purchased from a reputable seed company (e.g., S&S Seed) that has procured all seed from local plant populations occurring in San Diego County within 25 miles of the Project area. The seed would be hand broadcasted or hydroseeded over the site, in areas of sparse vegetation, just prior to a significant rainstorm event. Seed mix would include primarily flat-top buckwheat (*Eriogonum fasciculatum*) and California sagebrush (*Artemisia californica*) as well as a mixture of other species found in the area. Site maintenance would occur at least quarterly and may include weeding, watering, and replacement of dead cholla. Qualitative monitoring would occur quarterly for the initial year and annually for each of the following years. This will include a list of species utilizing the habitat including any cactus wren observed. Quantitative monitoring will include the establishment of six permanent transects, each 25 meters in length, within the restoration area. Data would be collected using the line intercept method. The beginning and end of each transect will be staked. Photo documentation will be taken of each transect during the monitoring event. Photo documentation would also be established for the site prior to restoration, during the thinning and planting stage and periodically during monitoring and maintenance period.

There are no anticipated negative affects to other sensitive species or habitats at this time. The locations chosen for the Project were historically occupied by cactus wren. Historically, the federally threatened coastal California gnatcatcher (*Polioptila californica californica*) was found in the vicinity; however, at that time they were documented further up slope to the west and to the north of the chosen sites. In fall 2012 gnatcatchers were recorded in the northern portion of the HMA, opposite of the proposed Project site. Both species have occupied this site simultaneously in the past (M&A 1995<sup>5</sup>). Currently, the area is used by one pair of southern California rufous-crowned sparrow (species of special concern) which has also shared the Project habitat with both coastal California gnatcatcher and coastal cactus wren in the past. The sensitive coastal sage scrub habitat that supports the site will only be enhanced with the addition of native coastal sage scrub seed species and addition of the cacti. Prior to the Harris Fire in 2007 the proposed sites supported dense coastal sage scrub including cholla as a component.

6. What strategic approach will be used to ensure the successful, long-term outcome of the proposed project (e.g. upstream exotic removal prior to downstream, future on-going maintenance)? Which adjacent conserved lands will not be included and why?

Annual on-going maintenance occurs within the HMA to eliminate non-native species, promote the growth of native species, and enhance the environment for all species with emphasis on sensitive species. After the 3-year monitoring and maintenance period for this Project the long term maintenance would be continued by the District.

<sup>5</sup> Merkel & Associates, Inc. 1995. Draft Biological Inventory of the San Miguel Habitat Management Area, San Diego County, California. July 13, 1995.

7. What are the goals and objectives for the project? What criteria/metrics will be used to measure success? If applicable, what quantitative monitoring data will be collected to evaluate success? Who will be collecting the monitoring data and what are their qualifications?

The goal of this Project is to create a cactus dominated Diegan coastal sage scrub habitat suitable for nesting and wintering coastal cactus wren. Quantitative monitoring will be established to document the success of the vegetation growth for three years. Success for this Project includes well established cholla cactus and Diegan coastal sage scrub within the restoration site (i.e. annual increase in plant height of cholla cactus and coastal sage scrub shrub species, increase in native species coverage, and the replacement of all dead cacti within the project site). Monitoring tasks would consist of 1) a qualitative (i.e., visual) assessment of planted cholla cactus and native and non-native species establishment to define future maintenance needs, 2) a quantitative assessment from six transects using the line intercept method from which species coverage and species composition were obtained, and 3) photo-documentation at select locations best representing the current conditions of the site. All data will be collected by M&A qualified biologists. Specifically, M&A biologist, Bonnie Peterson has been a key member of the Salt Creek Cactus Wren Restoration Project and part of the sensitive species survey team at the HMA and is expected to collect the monitoring data. Ms. Peterson is a senior biologist at M&A with over 20 years of experience as a biologist in San Diego County. She has a strong avian and habitat restoration background and holds several permits to survey for threatened and endangered avian species.

After the 3-year monitoring and maintenance period for this Project the long term maintenance would be continued by the District's HMA qualified biological consultant. The ultimate success, which would be expected five to seven years after planting, would include cactus that has reached an average height of three feet and supports a viable population of two or more pairs of coastal cactus wren.

8. How would the project involve public outreach/public participation, volunteers and/or community events to highlight the land management activities being funded and promote awareness of grant-funded project? Please quantify your response as much as possible.

The HMA is not open to public use; however, hikers have been documented on the road adjacent to the Project, on the ridgeline to the east of the Project, and bikers utilize an old foot path east of the Project as access to fire roads in the preserve lands to the north and east. With this traffic and the golf course use, preserve signage stating the restoration efforts will be posted in locations at the Project site and adjacent to the Project site in locations where the public will be able to learn about the restoration efforts.

9. How will the project manage the data collected? What software will be used to house the data? Who will be responsible for compiling and transferring the data to SANDAG? Who will be preparing the required reports?

Data collected from the biological surveys (e.g., vegetation mapping and/or sensitive species locations) would be mapped on 1"=150' scale field maps (or similar as deemed appropriate) and/or mapped using a Trimble® geoexplorer unit with submeter accuracy. The data would then be digitized into current Geographical Information System (GIS) Environmental Systems Research Institute (ESRI) software platforms. Flora and fauna detections would be recorded in field notebooks. Plant identifications would either resolved in the field or later determined through verification of voucher specimens. Wildlife species would be determined through direct observation (aided by binoculars), identification of songs, call notes and alarm calls, or by detection of sign (e.g., burrows, tracks, scat, etc.). Quantitative data would be analyzed in Microsoft Excel and all reports would be generated in Microsoft Word. M&A staff would be responsible for compiling all data and submitting the required reports to the District and SANDAG. The data would be submitted in the annual report for 3 years electronically in PDF format via e-mail and/or placement onto M&A's FTP site for download by the District and SANDAG.

10. Has the project received *TransNet* EMP funds previously? If so, what was accomplished with the funds and why are additional funds being requested?

The project has never received *TransNet* EMP funds.

11. Is the proposed activity being done on land that was previously set aside as mitigation? If yes, please elaborate.

The entire HMA has been designated as a reserve and mitigation bank. It is managed in accordance with the HMA Mitigation Bank Establishment and Operating Procedures (M&A 1996) and is under the direct supervision of the Management Advisory Committee, which is composed of representatives from the District, USFWS, and CDFG.

**B. Scope of Work by Task**

Please break down the proposal into discrete tasks with a task name, description of each task, quantify expected results, and discrete deliverables for each task. Note: make sure to include tasks for both quarterly reporting on the status of the grant project and a final report on the outcome of the grant project. The applicant should choose one of the three eligible activities, described in the Call for Projects that best characterizes their project for consideration under this grant program. You may add or subtract rows as needed.

**Exhibit A – Scope of Work**

Task #	Task Name	Task Description	Deliverables
1	Procure Cuttings and Site Preparation	Non-natives will be removed from the project site. Thinning of Diegan coastal sage scrub in order to make room for planting of cactus would be conducted if required. Cuttings would be taken from outside lateral branches of existing cactus in order to avoid reducing the height of the affected plants and reduce the potential for nesting by cactus wren. These cuttings would be taken in the Fall and allowed to callus for a period of at least two weeks prior to planting. An estimated 1,000 to 1,200 cactus cuttings would be required per acre.	Results and photo documentation will be included in first quarterly report and in first annual report.
2	Planting Site	Plantings will be installed on 2 to 3-foot centers in small patches of approximately 0.2 acres and surrounded by areas of sparse cactus plantings. This would be done throughout the two sites so that each site would be equal parts of dense cactus and sparse cactus. Native coastal sage scrub seed would be collected from the nearby area or purchased from a reputable seed company (e.g., S&S Seed) that has procured all seed from local plant populations occurring in San Diego County within 25 miles of the Project area. The seed would be hand broadcasted or hydroseeded over the site, in areas of sparse vegetation, just prior to a significant rainstorm event.	Results and photo documentation will be included in first quarterly report and in first annual report
3	Site Maintenance	Maintenance would occur at least quarterly and may include weeding, watering, and replacement of dead cholla.	Results and photo documentation will be included in all quarterly report and annual reports.
4	Annual Monitoring	Qualitative monitoring would occur quarterly for the initial year and annually for each of the following years. This will include a list of species utilizing the habitat including any cactus wren utilizing the site. Quantitative monitoring will include the establishment of six permanent transects, each 25 meters in length, within the restoration area. The beginning and end of each transect will be staked. Photo documentation will be taken of each transect during the monitoring event.	Results and photo documentation will be included in annual reports.
5	Reports	Three quarterly reports and one annual report will be used to report the progress of the project. This will be done for all three years.	Three quarterly reports and one annual report for each of the three years.
6	Public Outreach	Signage	No deliverable associated with this specific task. Notable correspondence would be included within the quarterly reports.
7.	Administrative	This task includes coordination between M&A, the District, and SANDAG. It includes time for three field meetings (prior to the start of work, upon completion of container plant installation, and upon completion of the quantitative monitoring) as well as over the phone and e-mail correspondence.	No deliverable associated with this specific task. Notable correspondence would be included within the quarterly reports.

**C. Budget by Task**

Please include a specific budget for each task described in the Scope of Work (section B above). This should include both requested SANDAG funds and any matching funds proposed. If matching funds are proposed, please distribute the match commitment proportionately throughout the project budget to ensure that matching funds and grant funds are proportionately distributed throughout the life of the project. For projects requesting funding for more than one year, please indicate the requested funding and match for each year. Applicants are encouraged to identify phasing in their proposal in case full funding for the project is not available. You may add or subtract rows and columns as needed.

**Exhibit B - Project Budget**

Task #	Task Name	Year 1 Grant Request	Year 1 Matching Funds <sup>1</sup>	Year 2 Grant Request	Year 2 Matching Funds <sup>1</sup>	Year 3 Grant Request	Year 3 Matching Funds <sup>1</sup>	Total Project Cost	Total Grant Request	Total Matching Funds <sup>1</sup>
1	Procure Cuttings and Site Preparation	\$17,321.00	\$1,691.49	\$0.00	\$0.00	\$0.00	\$0.00	\$19,012.49	\$17,321.00	\$1,691.49
2	Planting Site	\$23,491.00	\$2,294.02	\$0.00	\$0.00	\$0.00	\$0.00	\$25,785.02	\$23,491.00	\$2,294.02
3	Site Maintenance	\$9,038.00	\$882.61	\$9,038.00	\$882.61	\$5,244.00	\$512.10	\$25,597.32	\$23,320.00	\$2,277.32
4	Annual Monitoring	\$1,671.00	\$163.18	\$1,671.00	\$163.18	\$1,671.00	\$163.18	\$5,502.54	\$5,013.00	\$489.54
5	Reports	\$5,292.00	\$516.79	\$5,292.00	\$516.79	\$5,292.00	\$516.79	\$17,426.37	\$15,876.00	\$1,550.37
6	Public Outreach	\$600.00	\$58.59	\$0.00	\$0.00	\$0.00	\$0.00	\$658.59	\$600.00	\$58.59
7	Administrative	\$1,073.00	\$104.78	\$1,073.00	\$104.78	\$1,073.00	\$104.78	\$3,533.34	\$3,219.00	\$314.34
<b>Sub Total</b>		\$58,486.00	\$5,711.46	\$17,074.00	\$1,667.36	\$13,280.00	\$1,296.85	\$97,515.67	\$88,840.00	\$8,675.67
<b>Indirect Cost ( % )</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>		\$58,486.00	\$5,711.46	\$17,074.00	\$1,667.36	\$13,280.00	\$1,296.85	\$97,515.67	\$88,840.00	\$8,675.67

<sup>1</sup> Throughout the Project, Matching Funds must be proportionate to TOTAL Project Costs (Grant Request and Matching Funds combined)

**D. Project Schedule**

Please include start date as Notice to Proceed and end date for each task described in the Scope of Work (section B above). Please include tasks for both quarterly reporting on the status of the grant project and a final report on the outcome of the grant project. You may add or subtract rows as needed.

**Exhibit C - Project Schedule**

Task #	Task Name	Proposed Start Date	Months Needed to Complete Task	Task End Date
1	Procure Cuttings and Site Preparation	"1" Months from NTP	"3" Months from NTP	12/31/2013
2	Planting Site	"3-6" Months from NTP	"3-6" Months from NTP	3/31/2014
3	Site Maintenance	"3" Months from NTP	"36" Months from NTP	9/30/2016
4	Annual Monitoring	"12" Months from NTP	"36" Months from NTP	9/30/2016
5	Reports	"3" Months from NTP	"36" Months from NTP	9/30/2016
6	Public Outreach	"1" Months from NTP	"12" Months from NTP	9/30/14
7	Administrative	"1" Months from NTP	"36" Months from NTP	9/30/16

## **NOTICE REGARDING PREVAILING WAGES**

SANDAG's EMP Land Management Grants are funded with TransNet revenues consistent with the Transnet Extension Ordinance adopted by the voters in November 2004 (SANDAG Ordinance 04-01). While SANDAG does not require grantees to pay prevailing wages, recent California appellate court opinions (*Reliable Tree Experts v. Baker*, 200 Cal. App. 4th 785 (2011); *Reclamation Dist. No. 684 v. Department of Industrial Relations*, 125 Cal. App. 4th 1000 (2005)) and Department of Industrial Relations advisory opinions strongly suggest that many EMP Land Management Grant-eligible projects, especially those involving habitat restoration and maintenance or environmental remediation, will be subject to prevailing wage law. Grant applicants are encouraged to review the provisions of Labor Code §§ 1720 and 1771, and California Code of Regulations, title 8, § 16000. These outline activities constituting public works for purposes of prevailing wage law. Grant applicants are further encouraged to seek advice from an attorney to determine the applicability of the aforementioned statutory provisions and regulation to their proposed grant-funded projects. If awarded an EMP Land Management Grant, the grant agreement between SANDAG and the grantee requires grantee's compliance with all federal, state and local laws and ordinances applicable to the agreement.

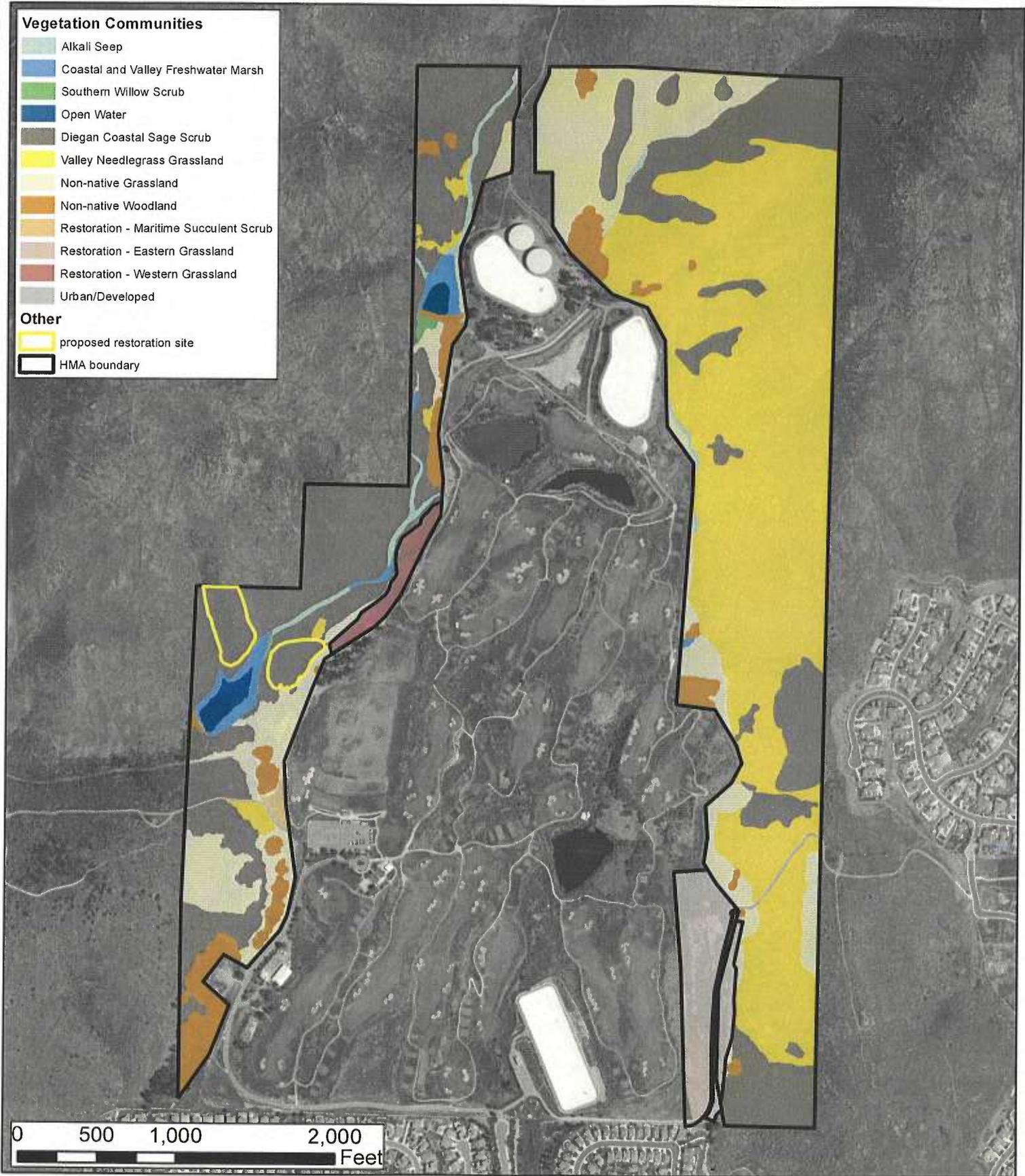
**REQUIRED STATEMENTS FROM GRANTEE**

- Yes  No The proposed grantee has read the standardized agreement.
- Yes  No If the SANDAG Board of Directors approves the grant, the proposed grantee agrees to sign and return the standardized agreement to SANDAG, without exceptions, within 45 days of receipt.
- Yes  No The proposed grantee agrees to comply with SANDAG's Board Policy 035 "Competitive Grant Program Procedures," which outlines "Use-it-or-lose-it" project milestone and completion deadlines. Board Policy 035 is included in the standardized agreement, and is also on SANDAG's website at the following link: [http://www.sandag.org/organization/about/pubs/policy\\_035.pdf](http://www.sandag.org/organization/about/pubs/policy_035.pdf)
- Yes  No The proposed grantee understands that that 10% of all invoices will be retained until the completion of the project.
- Yes  No The proposed grantee understands that that all invoices must be accompanied by written support of the charges for both requested reimbursement of grant funds and matching funds.
- Yes  No The proposed grantee understands that that all invoices must be submitted on a quarterly basis within three weeks after period covering January 1 to March 31; within three weeks after period covering April 1 to June 30; within three weeks after period covering July 1 to September 30; and within three weeks after period covering October 1 to December 31.
- Yes  No The proposed grantee understands that approval of funding by the SANDAG Board of Directors, the applicant will provide a copy of their approved indirect rate audit or their proposed methodology to SANDAG for review and approval which must occur prior to the execution of the grant agreement.
- Yes  No The proposed grantee understands that a resolution including the requirements of Board Policy 035, Section 4.1, must be submitted to SANDAG at least **two weeks** prior to the recommendation by the Regional Planning Committee of the list of grant projects to be considered eligible. SANDAG will provide applicants with advance notice of the Regional Planning Committee's anticipated meeting date.
- Yes  No The proposed grantee agrees to submit project data/information to SANDAG in a format compatible with the regional management database.

*I have the authorization to submit this grant on behalf of my organization.*

Lisa Coburn-Boyd / Environmental Compliance Specialist  
\_\_\_\_\_  
Grantee Name/Title (print or type)

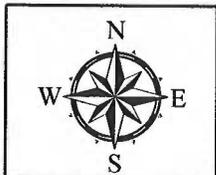
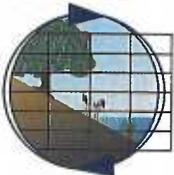
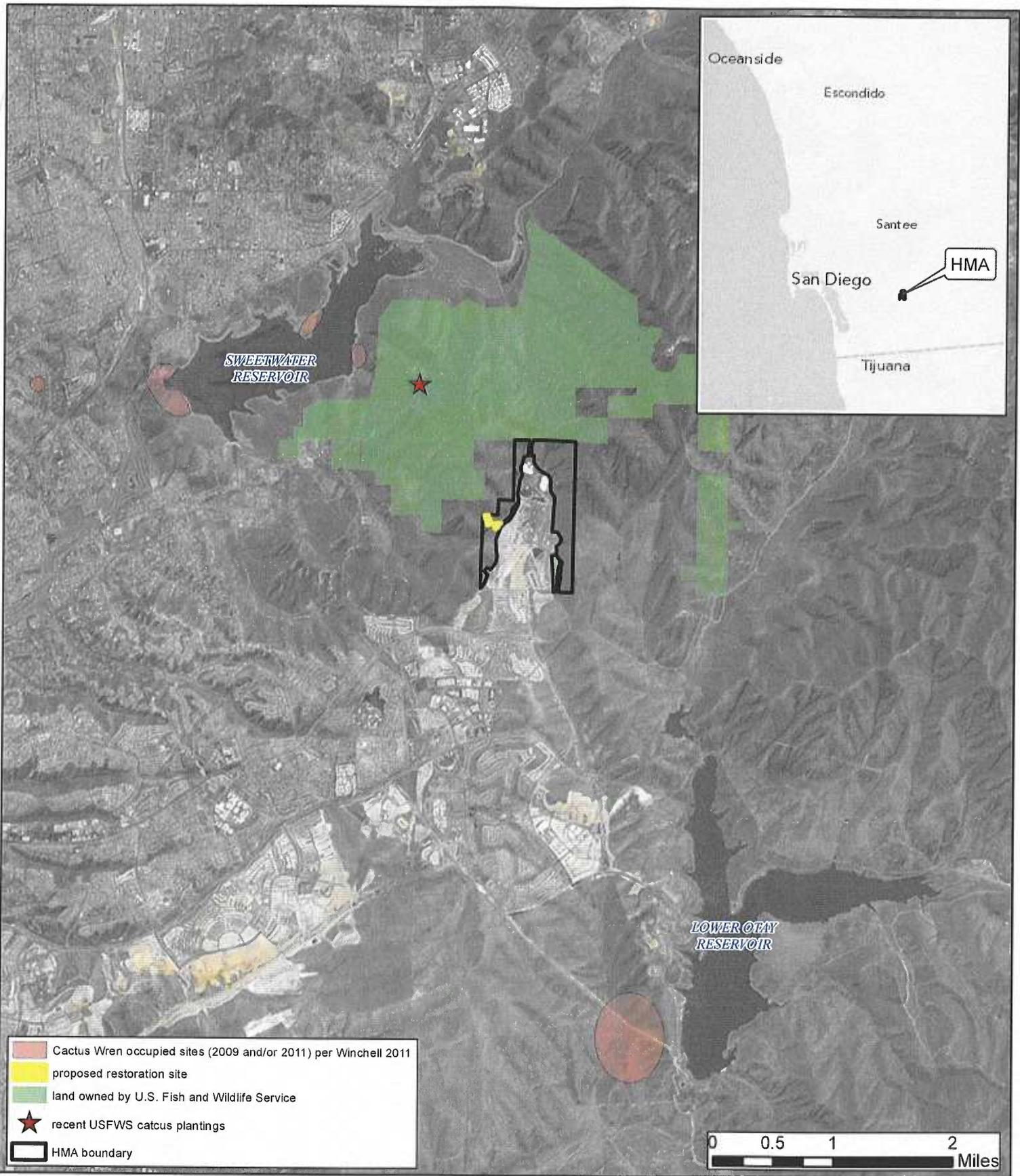
*Lisa Coburn-Boyd* \_\_\_\_\_ 01/28/2013  
Grantee Signature Date



**Proposed Habitat Restoration for Cactus Wren**  
Otay Water District San Miguel Habitat Management Area

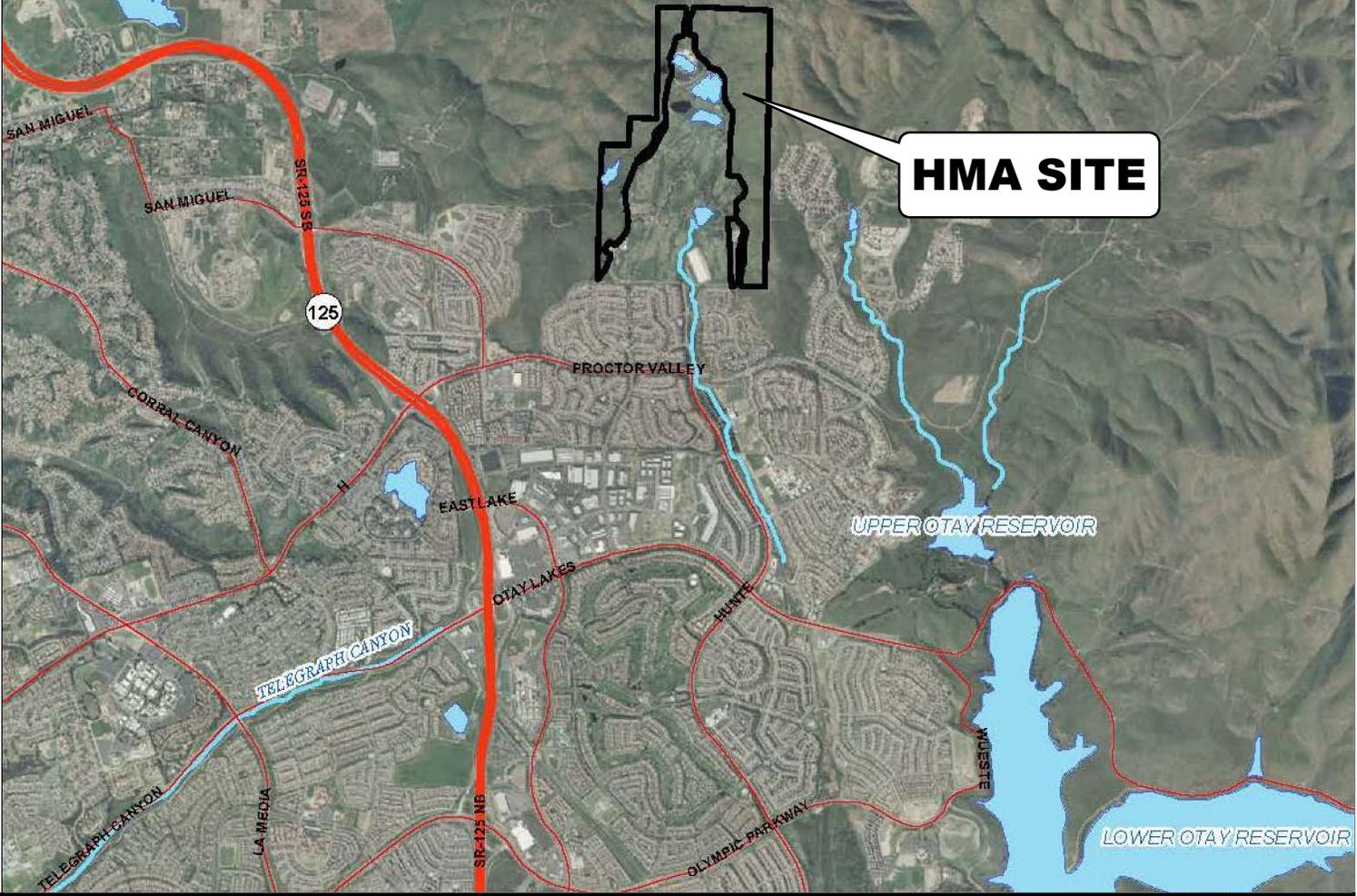
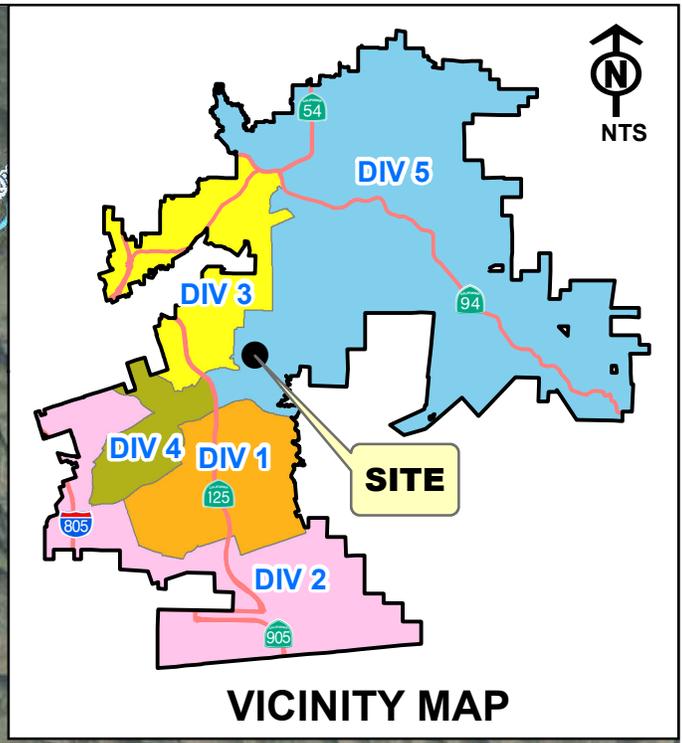
Image Source: Aerials Express 2010

**Figure 1**



**Proposed Project and Occupied Cactus Wren Habitat  
Within the Sweetwater Reservoir/Otay Lakes Complex**  
Otay Water District San Miguel Habitat Management Area

**Figure 2**



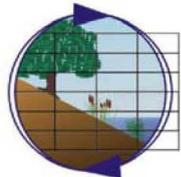
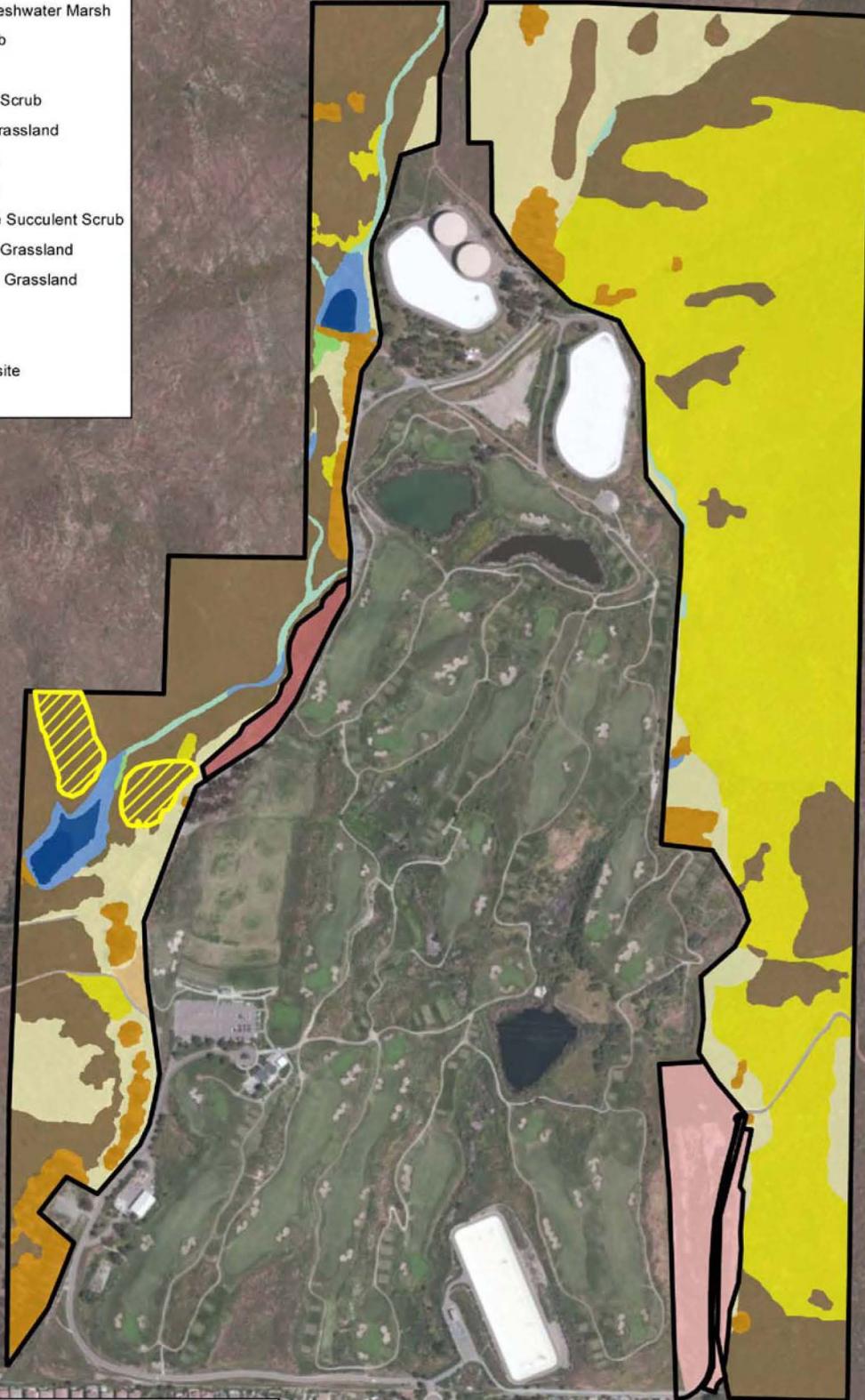
**OTAY WATER DISTRICT**  
**Environmental Setting Map**  
**San Miguel Habitat Management Area**



CIP P2495

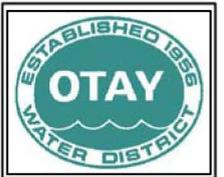
P:\Working\2495-San Miguel HMA and Assoc. Mitigation Projects\Staff Reports\Exhibit A

- Vegetation Communities**
- Alkali Seep
  - Coastal and Valley Freshwater Marsh
  - Southern Willow Scrub
  - Open Water
  - Diegan Coastal Sage Scrub
  - Valley Needlegrass Grassland
  - Non-native Grassland
  - Non-native Woodland
  - Restoration - Maritime Succulent Scrub
  - Restoration - Eastern Grassland
  - Restoration - Western Grassland
  - Urban/Developed
- Other**
- proposed restoration site
  - HMA boundary



**EXHIBIT B**  
 Proposed Habitat Restoration Site for Cactus Wren  
 Otay Water District San Miguel Habitat Management Area

Image Source: Aerials Express 2010



**Exhibit C**



Coastal Cactus Wren

(*Campylorhynchus brunneicapillus sandiegensis*)



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013
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, Asst. General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Millenia Water Annexation Request to Improvement Districts (IDs) 22 and 27 (APNs 643-060-18, 23, 24, and 25-00)		

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

Adopt Resolution No. 4208, fixing terms and conditions for the annexation of certain real property owned by SLF IV McMillin Millenia JV, LLC, APNs: 643-060-18, 23, 24, and 25-00, to the Otay Water District Improvement District Nos. 22 and 27.

### **COMMITTEE ACTION:**

Please see Attachment A.

### **PURPOSE:**

The purpose of the proposed annexation is to provide water service to parcels owned by SLF IV McMillin Millenia, JV, LLC, located within Chula Vista, California (APNs 643-060-18, 23, 24, and 25-00)

### **ANALYSIS:**

A written request and Petition signed by Mr. Don Mitchell, Senior Vice President of McMillin Land Development, has been received for the annexation of APNs 643-060-18, 23, 24, 25-00 into Improvement District Nos. 22 and 27 for water service. The total acreage to be annexed is 218.67 acres. The property is

within the sphere of Otay Water District and will be part of Improvement Districts 22 and 27 after the Board of Directors approve this request. The property is located at Birch Road and Eastlake Parkway in the City of Chula Vista in the County of San Diego.

**FISCAL IMPACT:**  Joseph Beachem, Chief Financial Officer

The property owners will pay the District's processing fee of \$744, water meter annexation fees in effect at the time the meters are purchased (current fee is \$1,553.29 per EDU), any additional meter costs and annexation fees as established in the attached Resolution, and \$6,560.10 in annual availability fees.

**STRATEGIC GOAL:**

Provide water service to meet increasing customer needs.

**LEGAL IMPACT:**

No legal impact.

DM:tc

Attachments: Attachment A - Committee Action  
Attachment B - Resolution  
Exhibit A - Legal Description  
Exhibit B - Legal Map



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> Various	Millenia Water Annexation Request to Improvement Districts (IDs) 22 and 27 (APNs 643-060-18, 23, 24, and 25-00)
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### **COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on March 21, 2013 and supported staff's recommendation.

### **Note:**

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

# Attachment B

## RESOLUTION NO. 4208

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NOS. 22 and 27 OF THOSE LANDS DESCRIBED AS "MILLENNIA WATER ANNEXATION" (FILE NO. ENG70-10-140/DIV. 1)

WHEREAS, a letter has been submitted by SLF IV MCMILLIN MILLENIA JV, LLC, C/O SENIOR VICE PRESIDENT DON MITCHELL, the owners and party that has an interest in the land described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District Nos. 22 and 27 pursuant to California Water Code Section 72670 et seq.; and

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

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of IDs 22 and 27 following the annexation, is set forth on a map in Exhibit "B" filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

2. The purpose of the proposed annexation is to make water service available to the area to be annexed, which availability constitutes a benefit to said area.

3. The Board finds and determines that the area proposed to be annexed to IDs 22 and 27 will be benefited by such annexation and that the property currently within IDs 22 and 27 will also be benefited and not injured by such annexation because

after the annexation a larger tax base will be available to finance the water facilities and improvements of IDs 22 and 27.

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

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

- (1) The annexation processing fee at the time of application;
- (2) State Board of Equalization filing fees in the amount of \$2,000;
- (3) The water annexation fee at the time of connection to the Otay Water District water system;
- (4) Yearly assessment fees will be collected through the County Tax Assessor's office in the amount of \$30 for APNs 643-060-18, 23, 24 and 25-00;
- (5) In the event that water service is to be provided, Petitioners shall pay all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased; and
- (6) Payment by the owners of APNs 643-060-18, 23, 24 and 25-00 of all other applicable local or state agency fees or charges.

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

5. The Board hereby declares the property described in Exhibit "A" shall be considered annexed to IDs 22 and 27 upon passage of this resolution.

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

7. The annexation of APNs 643-060-18, 23, 24 and 25-00 to the District's Improvement Districts 22 and 27 is hereby designated as the "MILLENIA WATER ANNEXATION."

8. Pursuant to Section 57202(a) of the Government Code, the effective date of the MILLENIA WATER ANNEXATION shall be the date this Resolution is adopted by the Board of Directors of the Otay Water District.

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

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 3<sup>rd</sup> day of April, 2013.

---

President

ATTEST:

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District Secretary

**EXHIBIT "A"**

**LEGAL DESCRIPTION  
OTAY RANCH MILLENIA  
(EASTERN URBAN CENTER)**

**ANNEXATION PARCEL  
OTAY WATER DISTRICT I.D. 22 & 27**

Parcel 3 of Parcel Map no. 18481, in the City of Chula Vista, County of San Diego, State of California, filed May 31, 2000 in the Office of the County Recorder of San Diego County, excepting therefrom the land described in that certain Irrevocable Offer of Dedication of fee interest recorded May 22, 2003 as Instrument no. 2003-0604602 and accepted by that certain acceptance of Irrevocable Offer of Dedication of fee interest recorded May 22, 2003 as Instrument no. 2003-0604603 and conveyed to the State of California by grant deed recorded May 22, 2003 as Instrument no. 2003-0604607, also excepting therefrom that portion of land granted to the State of California on August 12, 2011 as Document no. 2011-0415116, together with portions of land granted to McMillin Otay Ranch, LLC on August 6, 2010 as File no. 2010-0403982; all of Official Records of San Diego County, California.

  
GARY L. HUS  
LS 7019

1-24-2013  
DATE



0 600'  
SCALE: 1"=600'

**EXHIBIT "B"**



MAP 14432

LOT 2  
LOT 3  
LOT 1  
MAP 15037

MAP 14780

LOT 8

STATE RTE. 125

**BIRCH ROAD**

LOT 3

MAP 15479

APN 643-060-23  
PORTION GRANTED TO MCMILLIN  
OTAY RANCH, LLC ON AUG. 6, 2010  
AS DOCUMENT NO. 2010-0403982

**NOTE**

TOTAL AREA WITHIN HEAVY  
BOUNDARY: 218.667 ACRES

LOT 1

PORTION GRANTED TO THE STATE  
OF CALIFORNIA ON AUG. 12, 2011  
AS DOCUMENT NO. 2011-0415116,  
RIGHT OF WAY PARCEL 34750-1

EASTLAKE  
PARKWAY

CROSSROADS  
STREET

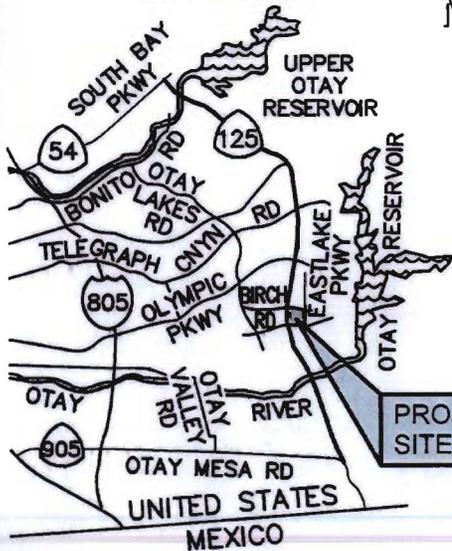
**VICINITY MAP**

NOT TO SCALE

LOT 2

MAP 15014

PORTION GRANTED TO THE STATE  
OF CALIFORNIA ON MAY 22, 2003  
AS DOCUMENT NO. 2003-0604607,  
RIGHT OF WAY PARCEL 32019-2



**BOB  
PLETCHER  
WAY**

APN 643-060-25

PARCEL 3

PM 18481

LOT 8

15771

APN 643-060-24  
PORTION GRANTED TO MCMILLIN  
OTAY RANCH, LLC ON AUG. 6, 2010  
AS DOCUMENT NO. 2010-0403982

ROS

LOT 9

PROJECT  
SITE

PARCEL 1  
PM 20411

HUNTE  
PARKWAY

LOT 18

OTAY RANCHO



GARY L. HUS  
L.S. NO. 7019

DATE

1-27-2013

**OTAY WATER DISTRICT  
ANNEXATION TO I.D. 22 & 27**

PREPARED BY: PROJECT DESIGN CONSULTANTS

701 B STREET SUITE 800

SAN DIEGO, CALIFORNIA 92101



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013	
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	R2094-006000 P2496-001103	DIV. NO. 4
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager			
SUBJECT:	Authorization to Execute a Reimbursement Agreement Between the City of Chula Vista and the Otay Water District for Phase II of the Otay Lakes Road 12-Inch Recycled Water Pipeline and Potable Utility Relocation Project			

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorize the General Manager to execute an Agreement between the City of Chula Vista (City) and the District for reimbursement to the City for construction costs associated with Phase II of the Otay Lakes Road 12-Inch Recycled Water Pipeline and Potable Utility Relocation Project in an amount not to exceed \$97,350 (see Exhibit A for Project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

To obtain Board authorization for the General Manager to execute an Agreement (Exhibit B) with the City of Chula Vista for costs associated with construction of the Recycled and Potable Utility Relocations. The Agreement provides that the District will reimburse the City for up to \$97,350.

**ANALYSIS:**

The City of Chula Vista plans to continue its work to complete roadway widening improvements on portions of Otay Lakes Road in Chula Vista as part of its goal to maintain and improve City streets. The work is being constructed in phases. Phase I work which constructed improvements on Otay Lakes Road from Ridgeback Road to approximately 750 feet south of East "H" Street was completed in March 2011. During Phase I, District staff and City staff coordinated their efforts and combined contract documents for the Recycled Pipeline, Potable Utility Relocations, and the Road Improvement work into the City's bid package in order to minimize impacts to the Chula Vista community. The District entered into a reimbursement agreement with the City to fund the water infrastructure improvements. These improvements included the construction of the recycled pipeline in Otay Lakes Road which brought a source of recycled water to customers including Southwestern College.

The City's construction for Phase II work which will construct roadway widening improvements from approximately 750 feet south of East "H" Street to Telegraph Canyon Road is scheduled to begin in April 2013. The water infrastructure work included in Phase II consists of relocating existing recycled and potable water facilities including meters and appurtenances to support the roadway widening work. The construction cost associated with the recycled and potable utility relocations is estimated at \$97,350. The attached agreement (Exhibit B) provides for reimbursement to the City to cover the actual "as-bid" construction cost plus a 10% contingency for the purpose of reimbursing the City for progress payments to the contractor.

**FISCAL IMPACT:**  Joseph Beachem, Chief Financial Officer

Funding for the overall Project comes from two CIP projects, P2496 - Otay Lakes Road Utility Relocations and R2094 - Potable Irrigation to Recycled.

The total budget for CIP P2496, as approved in the FY 2013 budget, is \$275,000. Expenditures to date are \$204,332. Total expenditures, plus outstanding commitments and forecast, is \$272,482 as shown in Attachment B1 - Budget Detail for P2496.

The total budget for CIP R2094, as approved in the FY 2013 budget, is \$3,100,000. Expenditures to date are \$1,522,228. Total expenditures, plus outstanding commitments and forecast, is \$1,679,428 as shown in Attachment B2 - Budget Detail for P2094.

Based on a review of the financial budgets, the Project Manager anticipates that each budget is sufficient to support the Project.

The Finance Department has determined that 100% of the funding is available from the Expansion Fund for CIP R2094 and that 100% of the funding is available from the Replacement Fund for CIP P2496.

**STRATEGIC GOAL:**

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

**LEGAL IMPACT:**

The District's General Council and the City's City Attorney have reviewed and accepted the Agreement as to form and legality.

DM:jf

P:\WORKING\CIP P2496 Otay Lakes Rd Utility Relocations\Phase II\Staff Reports\BD 04-03-13\BD 04-03-2013, Staff Report, Otay Lakes Road Phase II Reimbursement Agreement, (DM-RP).docx

Attachments: Attachment A - Committee Action  
Attachment B1 - P2496 Budget Detail  
Attachment B2 - R2094 Budget Detail  
Exhibit A - Location Map  
Exhibit B - Agreement



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> R2094-006000 P2496-001103	Authorization to Execute a Reimbursement Agreement Between the City of Chula Vista and the Otay Water District for Phase II of the Otay Lakes Road 12-Inch Recycled Water Pipeline and Potable Utility Relocation Project
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### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on March 21, 2013. 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 B1 – Budget Detail

<b>SUBJECT/PROJECT:</b>	Authorization to Execute a Reimbursement Agreement Between the City of Chula Vista and the Otay Water District for Phase II of the Otay Lakes Road 12-Inch Recycled Water Pipeline and Potable Utility Relocation Project
R2094-006000	
P2496-001103	

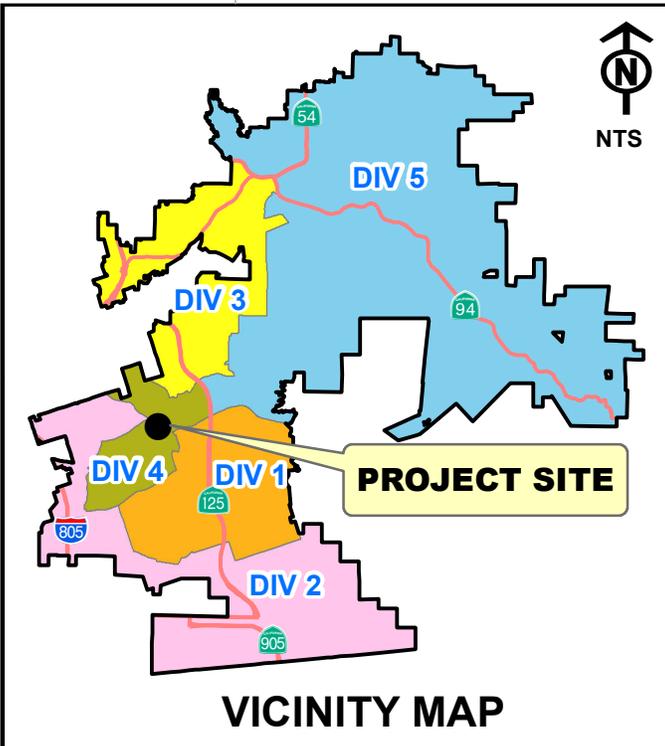
Otay Water District					Date Updated: - 3/1/2013
P2496-Otay Lakes Road Utility Relocations					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
<b>275,000</b>					
<b>Planning</b>					
Professional Legal Fees	229	229	-	229	GARCIA CALDERON & RUIZ LLP
Regulatory Agency Fees	50	50	-	50	PETTY CASH CUSTODIAN
Standard Salaries	2,198	2,198	-	2,198	
<b>Total Planning</b>	<b>2,476</b>	<b>2,476</b>	<b>-</b>	<b>2,476</b>	
<b>Design</b>					
Consultant Contracts	29,148	29,148	-	29,148	LEE & RO INC
Standard Salaries	33,058	33,058	-	33,058	
<b>Total Design</b>	<b>62,206</b>	<b>62,206</b>	<b>-</b>	<b>62,206</b>	
<b>Construction</b>					
Construction Contracts	125	125	-	125	CLARKSON LAB & SUPPLY INC
Consultant Contracts	890	890	-	890	CPM PARTNERS INC
	200	200	-	200	LEE & RO INC
OTHER AGENCY FEES	50,000	50,000	-	50,000	CITY OF CHULA VISTA
Standard Salaries	88,436	88,436	-	88,436	
<b>OTHER AGENCY FEES</b>	<b>68,150</b>	<b>-</b>	<b>68,150</b>	<b>68,150</b>	<b>CITY OF CHULA VISTA</b>
<b>Total Construction</b>	<b>207,801</b>	<b>139,651</b>	<b>68,150</b>	<b>207,801</b>	
<b>Grand Total</b>	<b>272,482</b>	<b>204,332</b>	<b>68,150</b>	<b>272,482</b>	



## ATTACHMENT B2 – Budget Detail

<b>SUBJECT/PROJECT:</b>	Authorization to Execute a Reimbursement Agreement Between the City of Chula Vista and the Otay Water District for Phase II of the Otay Lakes Road 12-Inch Recycled Water Pipeline and Potable Utility Relocation Project
R2094-006000 P2496-001103	

Otay Water District R2094-Potable Irrigation Meters to Recycled Water					Date Updated: - 3/1/2013
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
<b>3,100,000</b>					
<b>Planning</b>					
Meals and Incidentals	22	22	0	22	PETTY CASH CUSTODIAN
Professional Legal Fees	2,413	2,413	0	2,413	GARCIA CALDERON & RUIZ LLP
	545	545	0	545	STUTZ ARTIANO SHINOFF
Service Contracts	983	983	0	983	JONES & STOKES ASSOCIATES
Standard Salaries	78,771	78,771	0	78,771	
<b>Total Planning</b>	<b>82,733</b>	<b>82,733</b>	<b>0</b>	<b>82,733</b>	
<b>Design</b>					
Consultant Contracts	30,035	30,035	0	30,035	SOUTHERN CALIFORNIA SOIL
	72,204	72,204	0	72,204	LEE & RO INC
	3,850	3,850	0	3,850	MWH CONSTRUCTORS INC
Regulatory Agency Fees	1,042	1,042	0	1,042	DEPARTMENT OF PUBLIC HEALTH
Standard Salaries	27,379	27,379	0	27,379	
<b>Total Design</b>	<b>134,510</b>	<b>134,510</b>	<b>0</b>	<b>134,510</b>	
<b>Construction</b>					
Consultant Contracts	16,554	16,554	0	16,554	LEE & RO INC
Standard Salaries	62,606	54,606	8,000	62,606	
<b>Total Construction</b>	<b>79,160</b>	<b>71,159</b>	<b>8,000</b>	<b>79,159</b>	
<b>Tapestry &amp; Mosaic</b>					
Consultant Contracts	1,478	1,478	0	1,478	AEGIS ENGINEERING MANAGEMENT
	20,171	20,171	0	20,171	AEGIS ENGINEERING MGMT INC
For Ops Only - Contracted Services	1,763	1,763	0	1,763	KIRK PAVING INC
	200	200	0	200	PENHALL COMPANY
INFRASTRUCTURE EQUIPMENT & MATERIALS	102	102	0	102	C W MCGRATH INC
	300	300	0	300	CITY OF CHULA VISTA
OTHER AGENCY FEES	1,751	1,751	0	1,751	DEPARTMENT OF PUBLIC HEALTH
Professional Legal Fees	40	40	0	40	STUTZ ARTIANO SHINOFF
Agreements	21,000	0	21,000	21,000	TAPESTRY & MOSAIC HOA
Stop Meter	24,041	24,041	0	24,041	
<b>Total Tapestry &amp; Mosaic</b>	<b>70,847</b>	<b>49,847</b>	<b>21,000</b>	<b>70,847</b>	
<b>Aspire</b>					
Consultant Contracts	16,160	14,160	2,000	16,160	AEGIS ENGINEERING MGMT INC
	375	375	0	375	PENHALL COMPANY
For Ops Only - Contracted Services	3,340	3,340	0	3,340	KIRK PAVING INC
	116	116	0	116	C W MCGRATH INC
ASTRUCTURE EQUIPMENT & MATERIA	495	495	0	495	CITY OF CHULA VISTA
OTHER AGENCY FEES	265	265	0	265	DEPARTMENT OF PUBLIC HEALTH
Professional Legal Fees	81	81	0	81	STUTZ ARTIANO SHINOFF
Agreements	25,500	0	25,500	25,500	ASPIRE HOA
Union 3 Part	24,861	24,861	0	24,861	
<b>Total Aspire</b>	<b>71,192</b>	<b>43,692</b>	<b>27,500</b>	<b>71,192</b>	
<b>City of Chula Vista</b>					
Consultant Contracts	144	144	0	144	CLARKSON LAB & SUPPLY INC
Consultant Contracts	4,950	4,950	0	4,950	VALLEY CONSTRUCTION MANAGEMENT
	2,488	2,488	0	2,488	AEGIS ENGINEERING MGMT INC
OTHER AGENCY FEES	979,589	979,589	0	979,589	CITY OF CHULA VISTA
<b>OTHER AGENCY FEES</b>	<b>29,200</b>	<b>0</b>	<b>29,200</b>	<b>29,200</b>	<b>CITY OF CHULA VISTA</b>
Service Contracts	27	27	0	27	CARMEL BUSINESS SYSTEMS INC
Standard Salaries	94,025	91,025	3,000	94,025	
<b>Total City of Chula Vista</b>	<b>1,110,422</b>	<b>1,078,222</b>	<b>32,200</b>	<b>1,110,422</b>	
<b>Aristata</b>					
Consultant Contracts	473	473	0	473	AEGIS ENGINEERING MANAGEMENT
	18,104	13,604	4,500	18,104	AEGIS ENGINEERING MGMT INC
OTHER AGENCY FEES	2,268	2,268	0	2,268	DEPARTMENT OF PUBLIC HEALTH
Service Contracts	296	296	0	296	CARMEL BUSINESS SYSTEMS INC
Agreements	20,000	0	20,000	20,000	ARISTATA HOA
Standard Salaries	7,473	6,473	1,000	7,473	
<b>Total Aristata</b>	<b>48,614</b>	<b>23,113</b>	<b>25,500</b>	<b>48,613</b>	
<b>Agave &amp; Saguaro</b>					
Consultant Contracts	528	528	0	528	AEGIS ENGINEERING MANAGEMENT
Consultant Contracts	20,046	18,016	2,000	20,016	AEGIS ENGINEERING MGMT INC
OTHER AGENCY FEES	731	731	0	731	DEPARTMENT OF PUBLIC HEALTH
Service Contracts	296	296	0	296	CARMEL BUSINESS SYSTEMS INC
Agreements	40,000	0	40,000	40,000	AGAVE & SAGUARO HOA
Standard Salaries	13,593	12,593	1,000	13,593	
<b>Total Agave &amp; Saguaro</b>	<b>75,193</b>	<b>32,164</b>	<b>43,000</b>	<b>75,164</b>	
<b>Phase</b>					
Standard Salaries	3,353	3,353	0	3,353	
	3,342	3,342	0	3,342	AECOM USA INC
	92	92	0	92	
<b>Total Phase</b>	<b>6,787</b>	<b>6,787</b>	<b>0</b>	<b>6,787</b>	
<b>Grand Total</b>	<b>1,679,458</b>	<b>1,522,228</b>	<b>157,200</b>	<b>1,679,428</b>	



**OTAY WATER DISTRICT**  
**OTAY LAKES ROAD UTILITY RELOCATIONS - PHASE II**  
**LOCATION MAP**



CIP P2496

P:\WORKING\CIP P2496 Otay Lakes Road Utility Relocations\Phase II\Staff Reports\Exhibit A

## **EXHIBIT B**

### **REIMBURSEMENT AGREEMENT FOR PAYMENT OF COSTS OF RELOCATION AND ADJUSTMENT OF CERTAIN WATER FACILITIES BY AND BETWEEN THE OTAY WATER DISTRICT AND THE CITY OF CHULA VISTA, CALIFORNIA (OTAY LAKES ROAD WIDENING PROJECT, PHASE 2)**

THIS REIMBURSEMENT AGREEMENT FOR THE PAYMENT OF COSTS FOR RELOCATION AND ADJUSTMENT OF OTAY WATER DISTRICT FACILITIES, dated \_\_\_\_\_, 2013, is entered into by and between the Otay Water District (“District”) and the City of Chula Vista, a municipal corporation, (“City”) to establish terms and conditions pursuant to which City will bid and cause to be constructed certain District Facilities, defined herein below, and District will reimburse City for all expenses related thereto. District and City may be referred to herein individually as “Party” and collectively as the “Parties.”

#### **RECITALS**

WHEREAS, District has approved, within its Capital Improvement Program (“CIP”), the relocation and adjustment of certain existing, reclaimed and potable water facilities (“Existing District Facilities”) within the City of Chula Vista; and

WHEREAS, District is authorized, pursuant to applicable laws, to contract and to pay for all or part of the cost of the installation, relocation, adjustment, and construction of any building, facility, structure or other improvements required by District in connection with a District service; and

WHEREAS, City is constructing improvements to Otay Lakes Road between East H Street and Telegraph Canyon Road. These improvements include, but are not limited to, roadway widening, construction of curb, gutter, sidewalk, and median islands, construction of retaining walls, relocation of utilities, and reconfiguration of traffic signals and street lighting (“City Improvements”); and

WHEREAS, the relocation and adjustment of District Facilities (“District Project”) concurrently with City Improvements would constitute a substantial benefit to District and the City, which benefits include, but are not limited to, reductions or savings in terms of time, money, construction hazards, and traffic impacts; and

WHEREAS, in order to achieve such benefits, District desires that City incorporate the relocation and adjustment Existing District Facilities into the construction documents and contract for City Improvements; and

WHEREAS, City is willing to incorporate the District Project into the contract for City Improvements, provided District submits complete plans and specifications for the District Project and agrees to reimburse City for all associated costs; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the Parties hereto, as follows:

**ARTICLE I. DEFINITIONS**

**1.1 Definitions.** Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Reimbursement Agreement and of any amendment hereto, and of any certificate, opinion, estimate or other document herein mentioned, have the meanings herein specified.

“District” means the Otay Water District, a municipal water district duly organized and existing under the Municipal Water District Law of 1911, as set forth in the California Water Code.

“City” means the City of Chula Vista, California, a chartered municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California.

“City Improvements” means, collectively, the improvements to Otay Lakes Road between East H Street and Telegraph Canyon Road (Phase 2 of City CIP Project No. STM-355).

“District Costs” means the total dollar amount of costs associated with the District Project, including, but not limited to, costs of materials, labor, oversight, bidding, permits, change orders, and the fair share of Joint Costs. “District Project” means the relocation and adjustment of District’s potable and recycled water facilities within Otay Lakes Road between East H Street and Telegraph Canyon Road and are fully funded in District’s CIP as “CIP P2496, Otay Lakes Road Utility Relocations” and “CIP R2094, Potable Irrigation Meters to Recycled Conversion.”

“Existing District Facilities” means the following potable and recycled water facilities to be relocated or adjusted:

	Sta 33+00	Sta 36+73	Sta 42+33	Sta 42+40	Sta 42+47	Sta 42+57	Sta 43+30	Sta 44+70	Sta 46+70	Sta 47+05	Sta 47+30	Sta 49+00	Sta 49+25	Sta 49+30	Sta 49+45	Sta 49+90	Sta 50+18	Sta 51+40	Sta 51+60	Sta 51+75	Sta 51+78	Sta 52+32	Totals
<b>Potable Water</b>																							
Adjust valve gate well lids to new grade		1		2	2	1						1				2				3			12
Relocate meter (1" service)to behind new sidewalk	1								1	1	5												8
Relocate meter (2" service)to behind new sidewalk														4									4
Relocate 2-inch blowoff to behind new sidewalk							1									1							2
Relocate 4-inch blowoff to behind new sidewalk																					1		1
Relocate fire hydrant to behind new sidewalk												1											1
Adjust vault to new sidewalk grade				1	1																		2
<b>Recycled Water</b>																							
Adjust valve gate well lids to new grade			2											1					2				5
Relocate meter (2" service)to behind new sidewalk												1										2	3
Relocate 2-inch air vac to behind new sidewalk													1										1
Relocate 2-inch blowoff to behind new sidewalk																1							1
Install vault and RW meter on 6" service (vault and meter provided by OWD)							1																1

“Joint Costs” means those costs of relocations and adjustment of the Project, which, due to their nature, cannot be attributed solely to District Project or City Improvements, yet

from which both derive benefit or those costs that both Parties would have incurred had their respective facilities been constructed independently of each other (e.g. slurry seal would have been necessary to cover the District’s trench and would also have been required for the City’s street).

“Project” means, collectively, District Facilities and City Improvements.

## **ARTICLE II. PRECONSTRUCTION**

- 2.1 Design and Specifications - Generally. Prior to advertisement of a Request for Proposals (“RFP”) for the construction and installation of Project, District shall submit designs and all associated plans and specifications (collectively “Construction Documents”) for the District Project to the City.
  - 2.1.1 Approval. Prior to submission, an authorized representative of District shall approve the Construction Documents, submittal of which shall indicate such approval and grant to the City permission to include the Construction Documents in the RFP.
  - 2.1.2 Design and Preparation Costs. All costs associated with the design of a Party’s facilities and the preparation of Construction Documents shall be borne solely by such Party.
  - 2.1.3 Bidding and Award –City shall be responsible for all aspects of bidding and award of a contract for the construction and installation of the Project (“Construction Agreement”).
    - 2.1.3.1 Bid Package. City shall be responsible for preparing and circulating the bid package.
    - 2.1.3.2 Meetings. City shall organize all pre-bid meetings and shall inform the District of the time and date of such meeting, so that a representative of the District may be present to clarify any issues related to and prepare addenda for the construction of the District Facilities.
      - a. Additional Costs. Any additional costs associated with the failure of District to attend meetings, clarify issues, or submit addenda to City for distribution shall be the obligation of the District.
    - 2.1.3.3 Selection of Lowest Responsible Bidder. City, at its sole discretion, shall determine the lowest responsible bidder, which determination shall be binding on the District.
    - 2.1.3.4 Execution of Construction Agreement. City shall be responsible for executing the Construction Agreement on the behalf of itself and the District and ensure that the District is identified as a third-party beneficiary of such agreement with the same rights and remedies as the City.

### ARTICLE III. CONSTRUCTION

- 3.1 Compliance with Specifications. City will include provisions in the Construction Contract that require that the relocations and adjustments associated with the District Project by City's contractor shall be in strict compliance with the approved plans and specifications provided by District, that all materials furnished by City's contractor shall conform to District's approved material list, and that any and all deviations from said plans and specifications must be approved by District, in writing, prior to being incorporated into the work.
- 3.1.1 Right to Enforce. District shall have the right to enforce the terms of Section 3.1 against the City's contractor in the same manner as the City, and pursuant to Section 11.17 such rights shall be written into the Construction Contract.
- 3.2 Project Completion and Warranty. District and City anticipate that Project will be completed on or about December 31, 2013. Project, however, will not be deemed completed or accepted until both City and District have accepted their respective facilities or improvements. The City's contractor shall warrant all work for a period of no less than one year from the date of acceptance, which shall be deemed to be the latter of the dates District and City accept their work performed and facilities constructed pursuant to the Construction Agreement. Acceptance will be evidenced by the filing of a Notice of Completion by the City with the County of San Diego Recorder. The Construction Contract shall include this definition of project completion and acceptance.

### ARTICLE IV. REIMBURSEMENT OF COSTS

- 4.1 Deposit Account. Within thirty (30) calendar days of the Construction Agreement award, District shall deposit with the City an amount equal to one hundred (100) percent of the bid amount attributable to the relocation and adjustment of District Facilities, plus a ten (10) percent contingency ("District Deposit") for the purpose of reimbursing the City for progress payments made by City to City's contractor associated with the District Project.
- 4.2 Invoice. City shall invoice the District for District Costs ("City Invoice") following the receipt of an invoice from City's contractor on which such District Costs appear. The City Invoice shall:
- 4.2.1 Include a copy of the contractor's invoice.
- 4.2.2 Identify those costs attributable to the District's Project.
- 4.2.3 Show calculations apportioning the District's fair share of Joint Costs.
- 4.2.3.1 Apportionment of Joint Costs. Joint Costs may be apportioned as follows:
- a. When a percentage of use can be determined, Joint Costs shall be apportioned based on the respective percentages of use.

- b. When work is equally necessary for both the installation and construction of City Improvements and the District Project, Joint Costs shall be divided equally.
- c. Based on the respective percentages of Total Project Costs.
- d. Other methods to which the Parties mutually agree.

4.2.4 Provide a net total charge payable by District.

4.3 District Approval. District shall review and approve the City Invoice within thirty (30) calendar days of its receipt (“Review Period”). If District determines that all relevant documents have not been submitted, District shall inform the City of the need for additional information and specify the documents/information necessary to permit review and approval.

4.3.1 Failure to Approve. If District fails to approve the City Invoice or request additional information within the Review Period, the charges on the City Invoice shall be deemed approved.

4.4 Reimbursement. Following District approval of a City Invoice, City shall deduct the invoice amount from the District Deposit for the purpose of reimbursing the City for District Costs invoiced by and paid to City’s contractor. District approval of a City Invoice shall be deemed District’s authorization for such reimbursement in the amount of the City Invoice.

4.4.1 Withholding/Retention. From each payment to the contractor, City shall withhold a minimum of five (5) percent of the amount of the contractor’s invoice. Payment thereof shall not be made until final approval and acceptance. A similar retention shall be withheld from the reimbursement to the City from District Deposit.

4.5 Use of Project Contingency. The Project Contingency may be used for unforeseen changes in work; however it shall not be used for: (i) work required due to contractor’s failure to perform work or services according to the terms of the Construction Agreement and/or in compliance with the Construction Documents; or (ii) uninsured losses resulting from the negligence of contractor.

## ARTICLE V. CHANGE ORDERS

5.1 Written Approval of Construction Changes and Change Orders. With the exception of Emergencies, prior to the approval of a construction change or change order concerning or affecting District Project, including any changes to City Improvements that might affect District Project in any way, City shall obtain the written consent of District.

5.1.1 Approval of Change Orders. District shall respond to a change order request within five (5) working days of the date it is received by District.

5.1.2 Additional Costs. District will bear any increased costs due to a delay in approving a properly submitted construction change and/or change order request.

- 5.2 Changes in Emergencies. City may authorize contractor to proceed with any proposed construction changes and or change orders, without consulting with District or obtaining the District's written approval, if failure to act immediately would pose a danger to the public, as determined in the sole discretion of the City, or result in delays and cost overruns ( collectively "Emergency"); however, the City shall use best efforts to immediately, or as soon as reasonably possible, inform the district the changes. The District shall be responsible for any increased costs of construction of their portion of Project due to an Emergency.
- 5.3 Errors and Omissions. City shall not make payment to contractor or charge District for any costs or expenses of a Change Order resulting from an error or omission for which the contractor is solely responsible.

#### ARTICLE VI. INSPECTION

- 6.1 Inspection Team. District shall appoint an individual or team responsible for inspections and approving installation of District Facilities.
- 6.2 Inspection Stages and Obligations. District shall have the right to conduct inspections of the District Project and construction methods pertaining thereto as deemed necessary by District. District shall provide copies of all District inspections to City within five (5) working days of an inspection. District shall be responsible for verifying that all work on District Project is completed in accordance with the approved plans and specifications. It is specifically understood that District's inspectors shall have the authority to enforce District's plans and specifications for District Project, which authority shall include the authority to require that any and all unacceptable materials, workmanship, and/or installation be replaced, repaired, or corrected by City's contractor without cost to District and/or City.
- 6.3 Inspection Costs. All inspection costs incurred by District will be borne by District.
- 6.4 Notification. The Parties agree to develop mutually acceptable procedures for notification of inspections required or deemed necessary by either Party.

#### ARTICLE VII. INSURANCE

- 7.1 Contractor's Insurance. City shall ensure that its contractor provides evidence of insurance coverage, as required by City, for the entire construction and, if applicable, warranty period. Such insurance shall, at a minimum, include a comprehensive general liability policy in an amount sufficient to cover all contractual obligations of the contractor under the construction contract, and no less than \$2,000,000. The policy of insurance shall name District and City, and their respective employees, officers, governing body members, and agents as additional insureds, require a waiver of subrogation, and be primary insurance. Furthermore, City shall obtain evidence that the contractor maintains worker's compensation insurance in accordance with applicable requirements of law.
- 7.2 Parties' Insurance. District and City shall maintain insurance as customary in connection with their respective facilities.

## ARTICLE VIII. INDEMNITY

- 8.1 Indemnity. Each Party hereto agrees to defend, indemnify, protect, and hold harmless (“Indemnitor”) the other Party, its agents, officers, and employees (“Indemnitees”) from and against any and all claims asserted or liability established for damages or injuries to any property or person, including death or dismemberment, which arise from or are caused by the negligent acts or omissions or willful misconduct of the Indemnitor’s agents, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each Party’s duty to defend, indemnify and hold harmless the other shall not include any claims or liability arising from the sole negligence or willful misconduct of the other Indemnitee, its agents, officers or employees. District and City agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault. For the purposes of this provision, the City’s contractor shall not be considered an agent of the City or District. Claims related to the actions or omissions of the City’s contractor shall be address through provisions in the Construction Contract, which provisions shall include indemnity, defense, and hold harmless provisions from the City’s contractor in favor of both the City and District.
- 8.2. Enforcement Costs. Indemnitor agrees to pay any and all costs City incurs enforcing the indemnity and defense provisions set forth in Article V.
- 8.3. Survival. Indemnitor’s obligations under Article V shall survive the termination of this Agreement.

## ARTICLE IX. RECORDS

- 9.1 Retention of Records. City shall require contractor to maintain data and records related to this Construction Agreement for a period of not less than three (3) years following receipt of final payment.
- 9.2 Audit of Records. City shall make available and shall require that its contractor make available to District for examination at reasonable locations within the County of San Diego and at any time during normal business hours and as often as the District deems necessary, all of the data and records with respect to all matters covered by this Agreement and the Construction Agreement. City and contractor will permit the District to make audits of all invoices, materials, payrolls, records of personnel, and other data and media relating to all matters covered by this Agreement and the Construction Agreement.

## ARTICLE X. NOTICES

- 10.1 Writing. Any demand upon or notice required or permitted to be given by one Party to the other Party shall be in writing.
- 10.2 Effective Date. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one Party to the other Party shall be effective: (i) on personal delivery, (ii) on the second business day after mailing by certified or registered U.S. Mail, return receipt requested, (iii) on the succeeding business day after

mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, or (iv) upon successful transmission of facsimile.

10.3 Recipients. All demands or notices required or permitted to be given shall be sent to all of the following:

10.3.1 District:

Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978  
Fax: 619-670-8920  
Attention: District Project Manager

10.3.2 City:

City of Chula Vista, Public Works – Engineering, 276  
Fourth Avenue  
Chula Vista, California 91910  
Fax: (619) 691-5171  
Attention: City Project Manager and Director of Public Works.

10.4 Change of Address(es). Notice of change of address shall be given in the manner set forth in this Article.

## ARTICLE XI. MISCELLANEOUS

11.1 Headings. All article headings are for convenience only and shall not affect the interpretation of this Agreement.

11.2 Gender & Number. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders and (ii) the singular number includes the plural number.

11.3 Reference to Paragraphs. Each reference in this Agreement to a section refers, unless otherwise stated, to a section of this Agreement.

11.4 Incorporation of Recitals. All recitals herein are incorporated into this Agreement and are made a part hereof.

11.5 Covenants and Conditions. All provisions of this Agreement expressed as either covenants or conditions on the part of the City or the District, shall be deemed to be both covenants and conditions.

11.6 Integration. This Agreement and the Exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers,

agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties or an amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.

11.7 Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

11.8 Drafting Ambiguities. The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision that is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

11.9 Conflicts Between Terms. If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

11.10 Prompt Performance. Time is of the essence of each covenant and condition set forth in this Agreement.

11.11 Good Faith Performance. The parties shall cooperate with each other in good faith, and assist each other in the performance of the provisions of this Agreement.

11.12 Further Assurances. City and District each agrees to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement.

11.13 Exhibits. Each of the following Exhibits is attached hereto and incorporated herein by this reference:

None.

11.14 Controlling Law. The laws of the State of California shall govern and control the terms and conditions of this Agreement.

11.15 Jurisdiction, Venue, and Attorney Fees. The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California. The prevailing Party in any such suit or proceeding shall be entitled to a reasonable award of attorney fees in addition to any other award made in such suit or proceeding.

- 11.16 Agency/Municipal Powers. Nothing contained in this Agreement shall be construed as a limitation upon the powers of the District or the City as a chartered city of the State of California.
- 11.17 Third Party Relationships. Nothing in this Agreement shall create a contractual relationship between City or District and any third party; however, the City shall ensure that the District is an intended third party beneficiary of the Construction Agreement and shall share all of the rights and benefits of the City with respect to the contractor.
- 11.18 Limitation on District Remedies and Waiver of Claims. District understands that the sole purpose of this Agreement is to establish a method to reimburse the City for obligations of the District for payment of the costs of the installation and construction of District Facilities, which costs would otherwise be due directly to the City's contractor. In accordance with such purpose, the District agrees that its sole remedy for construction defects, breach by City Contractor, damage to property or persons, including death, to district personnel or any third parties, or other claims arising out of or related to the work performed to install and/or construct District Facilities shall be against the City's contractor or its subcontractors and agents, and, hereby, waives any and all claims it may hereafter have against the City, arising out of the same, except for those claims arising out of the sole negligence or sole willful misconduct of the City.

District, hereby, expressly waives all claims against the City identified in Section 11.18:

DISTRICT REPRESENTATIVE: \_\_\_\_\_.

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

- 11.19 Non-Assignment. Except as relates to the Construction Agreement, the City shall not assign the obligations under this Agreement.
- 11.20 Successors in Interest. This Agreement and all rights and obligations created by this Agreement shall be in force and effect whether or not any Parties to the Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest.
- 11.21 No Waiver. No failure of either the City or the District to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 11.22 Administrative Claims Requirements and Procedures. No suit or arbitration shall be brought arising out of this agreement, against the City unless a claim has first been presented in writing and filed with the City and acted upon by the City in accordance with the procedures set forth in Chapter 1.34 of the Chula Vista Municipal Code, as

same may from time to time be amended, the provisions of which are incorporated by this reference as if fully set forth herein, and such policies and procedures used by the City in the implementation of same. Upon request by City, District shall meet and confer in good faith with City for the purpose of resolving any dispute over the terms of this Agreement.

11.23 Dispute Resolution. If a dispute arises out of or relates to this Agreement, or the breach thereof, the Parties, following the procedures required by Section 11.22, agree to engage in good faith negotiations to attempt to resolve the dispute. In the event of any action at law or in equity, including an action for declaratory relief, between the Parties arising out of or relating to this Agreement, then the prevailing party in such action will be entitled to recover from the other party a reasonable sum as attorneys' fees and costs. The prevailing party will be determined in accordance with Civil Code Section 1717(b)(1) or any successor statute. The prevailing party will also be entitled to its reasonable attorneys' fees and costs in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and will survive the merger of this Agreement into any judgment on this Agreement.

11.24 Administration of Contract. City hereby designates Kirk Ammerman, Principal Civil Engineer, as City Project Manager for the construction of Project and as the primary contact for all matters relating to this Agreement, including the submittal of City invoices for reimbursement.

District hereby designates Ron Ripperger as District Project Manager for District Facilities and as the primary contact for all matters relating to this Agreement, including the processing, documenting, and approval of City invoices.

11.25 Signing Authority. The representative for each Party signing on behalf of such Party hereby declares that authority has been obtained to sign on behalf of the City and/or District, as applicable and agrees to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.

IN WITNESS WHEREOF, City and District have executed this Agreement thereby indicating that they have read and understood same, and indicate their full and complete consent to its terms:

City of Chula Vista

Otay Water District,

Dated: \_\_\_\_\_

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

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

Cheryl Cox, Mayor

Attest:

\_\_\_\_\_

Donna Norris, City Clerk

Approved as to form:

Approved as to form:

\_\_\_\_\_

\_\_\_\_\_

Bart Miesfeld, City Attorney

District Counsel

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

IN WITNESS HEREOF, City and District have executed this Reimbursement Agreement to be effective as of the day and year first above written.

CITY OF CHULA VISTA

OTAY WATER DISTRICT

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

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

Cheryl Cox, Mayor

Mark Watton, General Manager

Attest:

\_\_\_\_\_

Donna Norris, City Clerk

Approved as to form:

Approved as to form:

\_\_\_\_\_

City Attorney

\_\_\_\_\_

Legal Counsel

# AGENDA ITEM 6



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 3, 2013
		PROJECT:	DIV. NO.
SUBMITTED BY:	Geoffrey Stevens Chief, Information Technology and Strategic Planning		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY13 MID-YEAR 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 mid-year report on the District's Strategic Performance Plan for FY 2013.

### **ANALYSIS:**

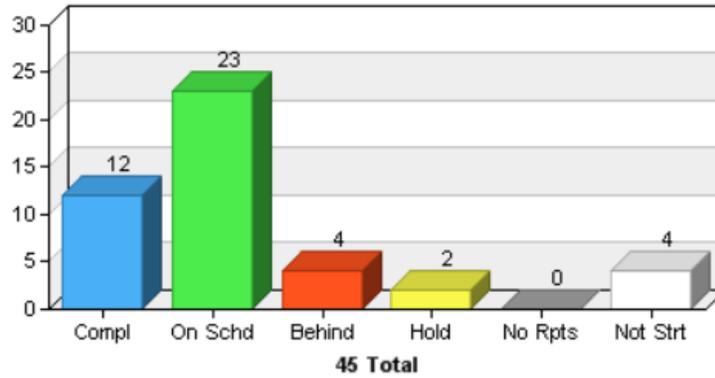
Overall, FY13 Quarter 2 results for Performance Measures continue to be positive with the District achieving its target of 90% for Strategic Plan Objectives and just below its target for Performance Measures (at 73% vs. target of 75%).

#### Strategic Plan Objectives

Strategic Plan Objectives are designed to ensure we are making the appropriate high-level changes necessary to move the District in the planned direction to meet new challenges and opportunities. Objective results are on target at 90% complete, ahead or on schedule. These results are slightly higher than the previous year.

Two items are on hold and are thus excluded from the calculation, and four items have not started as they are planned to begin in FY 2014.

## FY13 Q2 Objectives

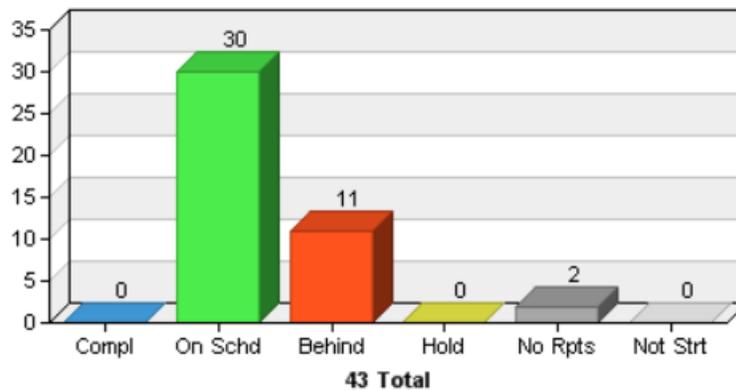


**35 of 39 Objectives On or Ahead of Schedule (90%)**  
**Target is 90%**

### Performance Measures

Performance measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of daily operations. The overall goal is that at least 75% of these measures be rated "on target". FY13 Quarter 2 District results are near target with 30 of 41 (73%) items achieving the desired level or better.

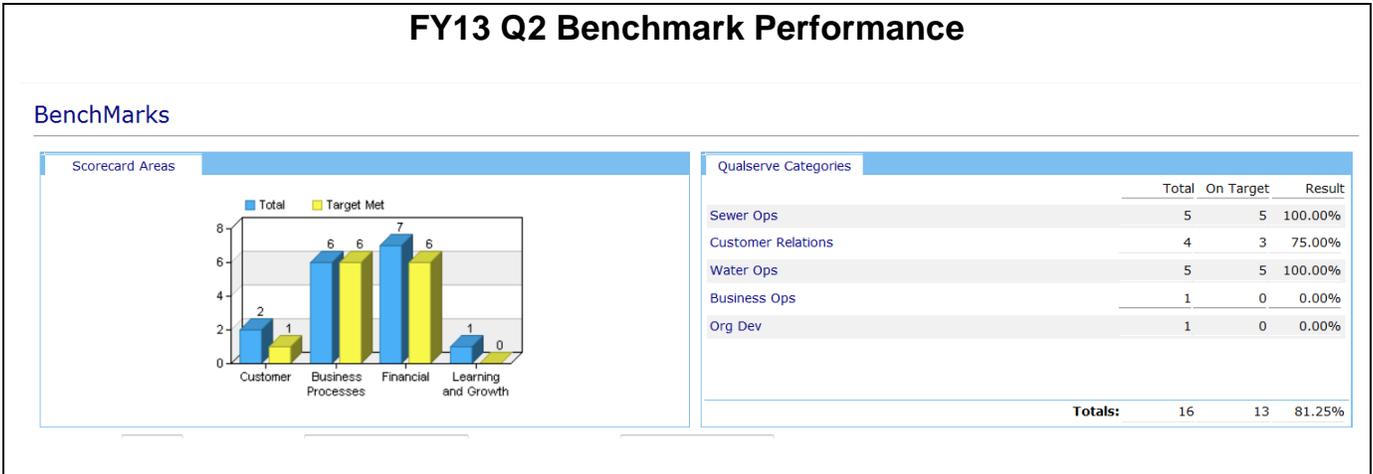
## FY13 Q2 Performance Measures



**30 of 41 Performance Measures Are on Target (73%)**  
**Target is 75%**

**Benchmarks - Peer Comparisons**

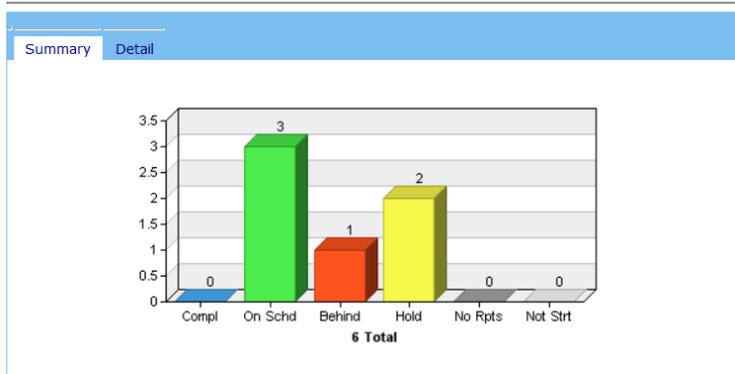
The District participates in the AWWA QualServe Benchmarking Study and has selected a subset of measures that help us measure how our performance compares to other water industry organizations. Overall, the District is above target on 13 of 16 items (81%). While we do not have a specific combined target for benchmarks, we do consider 81% a good indication of quality performance compared to our peers.



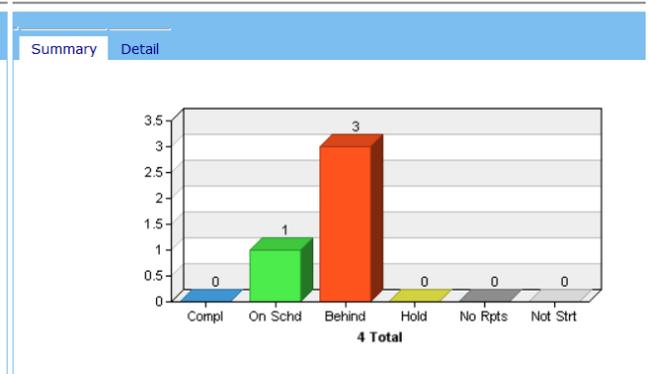
**Department Specific Results**

The following FY13 Quarter 2 charts provide an overview of Department performance. Staff will focus on presentations for Engineering and Operations at the EO&WR Committee meeting and with Finance, Administrative Services, and IT at the FA&C Committee meeting.

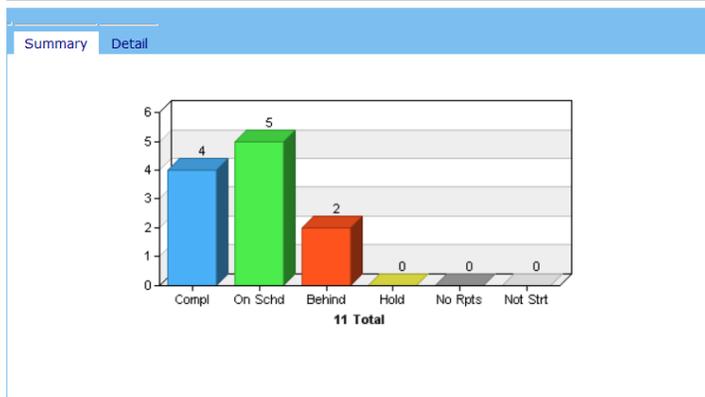
**Objectives: 2-Engineering**



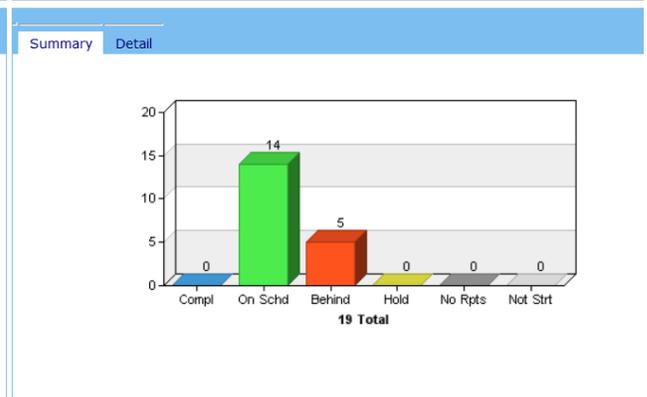
**Measures: 2-Engineering**



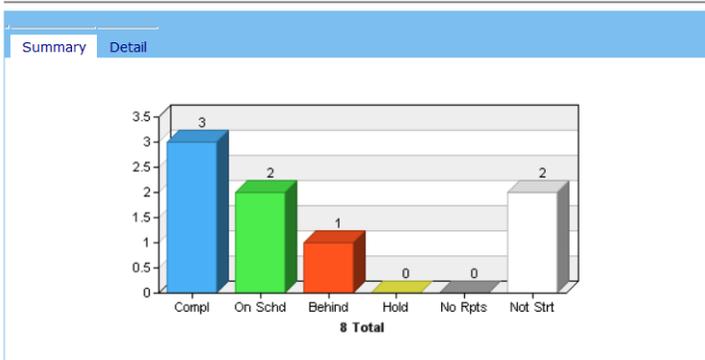
### Objectives: 5-Operations



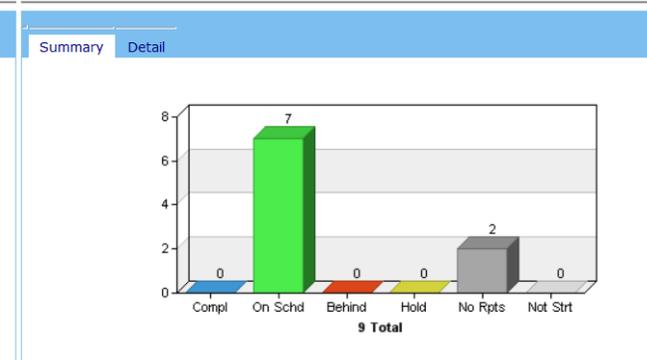
### Measures: 5-Operations



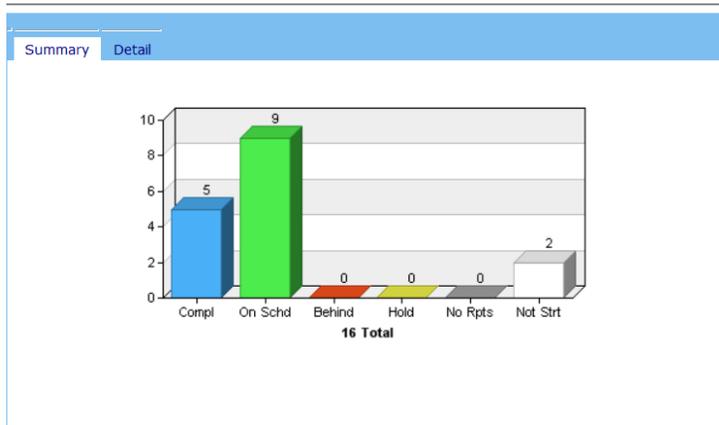
### Objectives: 3-Finance



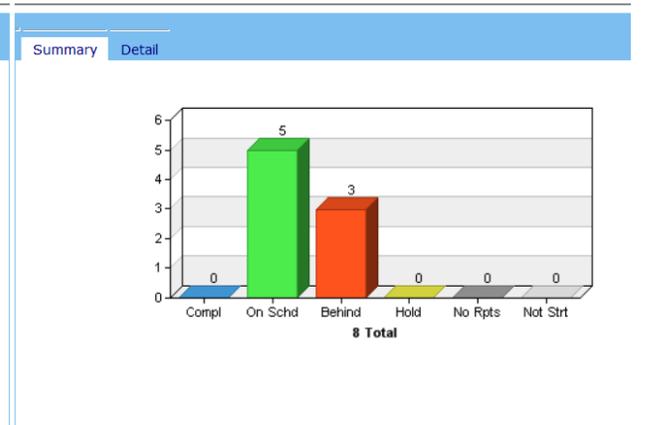
### Measures: 3-Finance



### Objectives: 1-Administrative Services

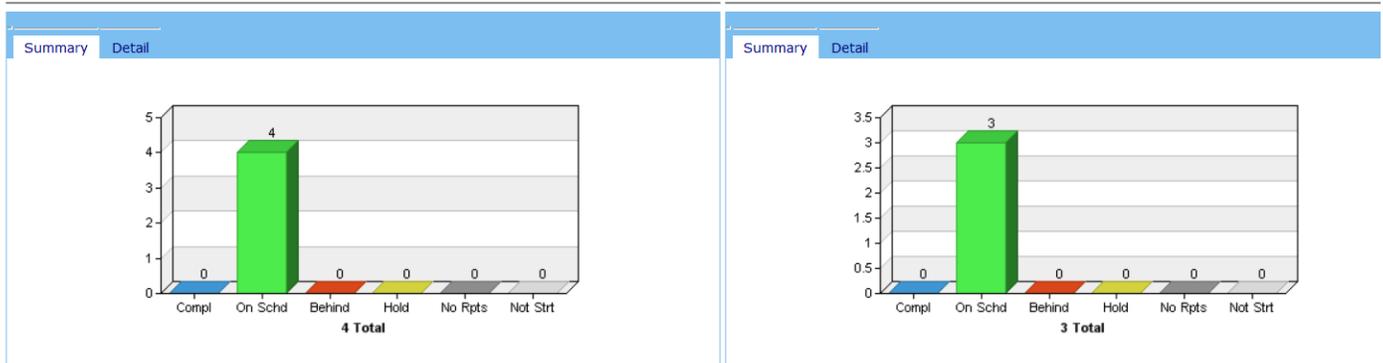


### Measures: 1-Administrative Services



## Objectives: 4-Information Technology

## Measures: 4-Information Technology



### Next Steps

Staff is currently evaluating changes to the FY14 Strategic Plan in advance of presentation of the FY14 budget to the Board. In addition, as the new FY15-17 will be presented to the Board this time next year, staff will begin the necessary preparation in September of this year to allow an opportunity to consider the next set of critical issues and decisions the District will face in the next three to four years.

### Strategic Plan on the Board Extranet

All of the current and past strategic plan results and associated details are provided in a real time, interactive web-based application available to the Board on the Board Extranet.

**FISCAL IMPACT:**       Joe Beachem, Chief Financial Officer

Informational item only, no fiscal impact.

### STRATEGIC GOAL:

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

### LEGAL IMPACT:

None.

Attachments:      Attachment A - Committee Action Report  
Attachment B - PowerPoint Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	FY13 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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### **COMMITTEE ACTION:**

The Finance, Administration and Communications Committee and the Engineering, Operations and Water Resources Committee met on March 20, 2013, to review 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.

# Strategic Planning

**FY 2013 – Mid Year Report**

**(Halfway There!)**

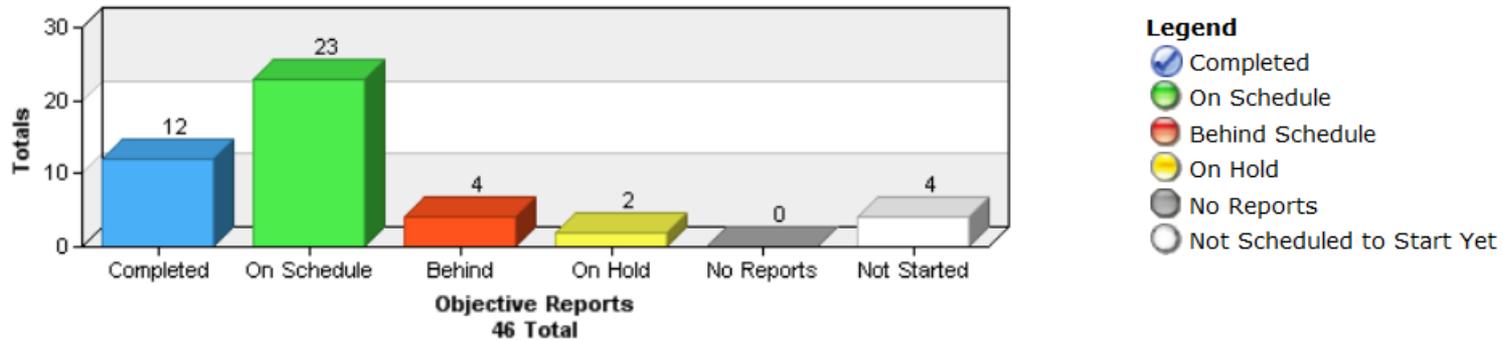


# FY2013 Objectives – 2<sup>nd</sup> Quarter

25 of 29 objectives complete, ahead or on target (86%)

Target is 90%

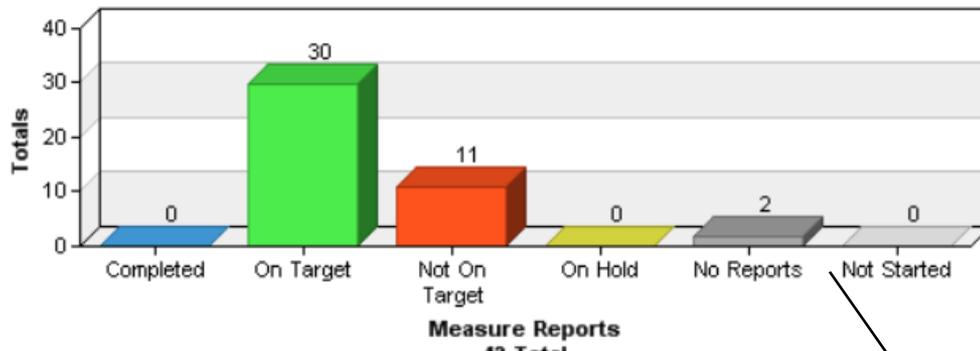
## Objectives: All Departments



# FY2013 2nd Quarter Performance Measures

**30 of 41 performance measures complete, ahead or on target (73%)**  
**Target is 75%**

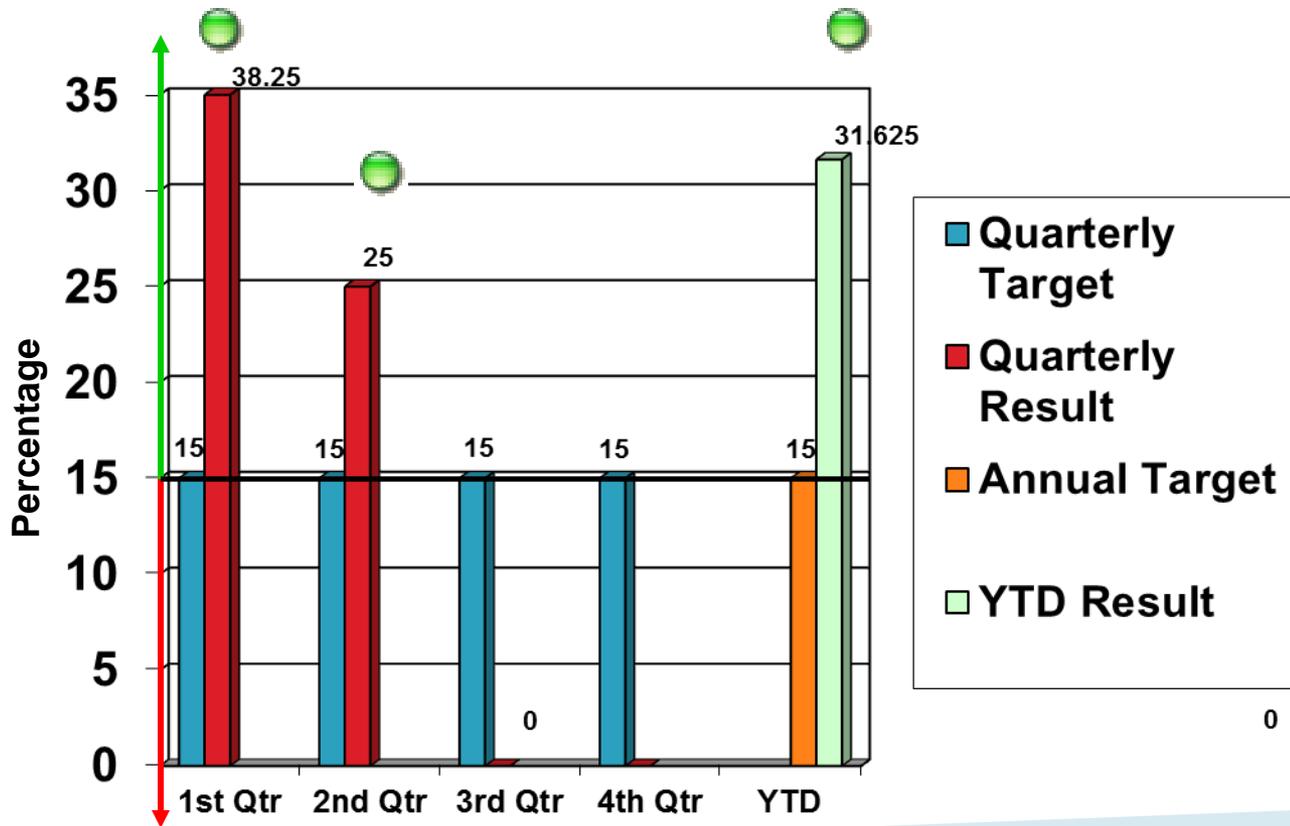
YTD Measures: All Departments



## Legend

- Completed
- On Target
- Not on Target
- On Hold
- No Reports
- Not Scheduled to Start Yet

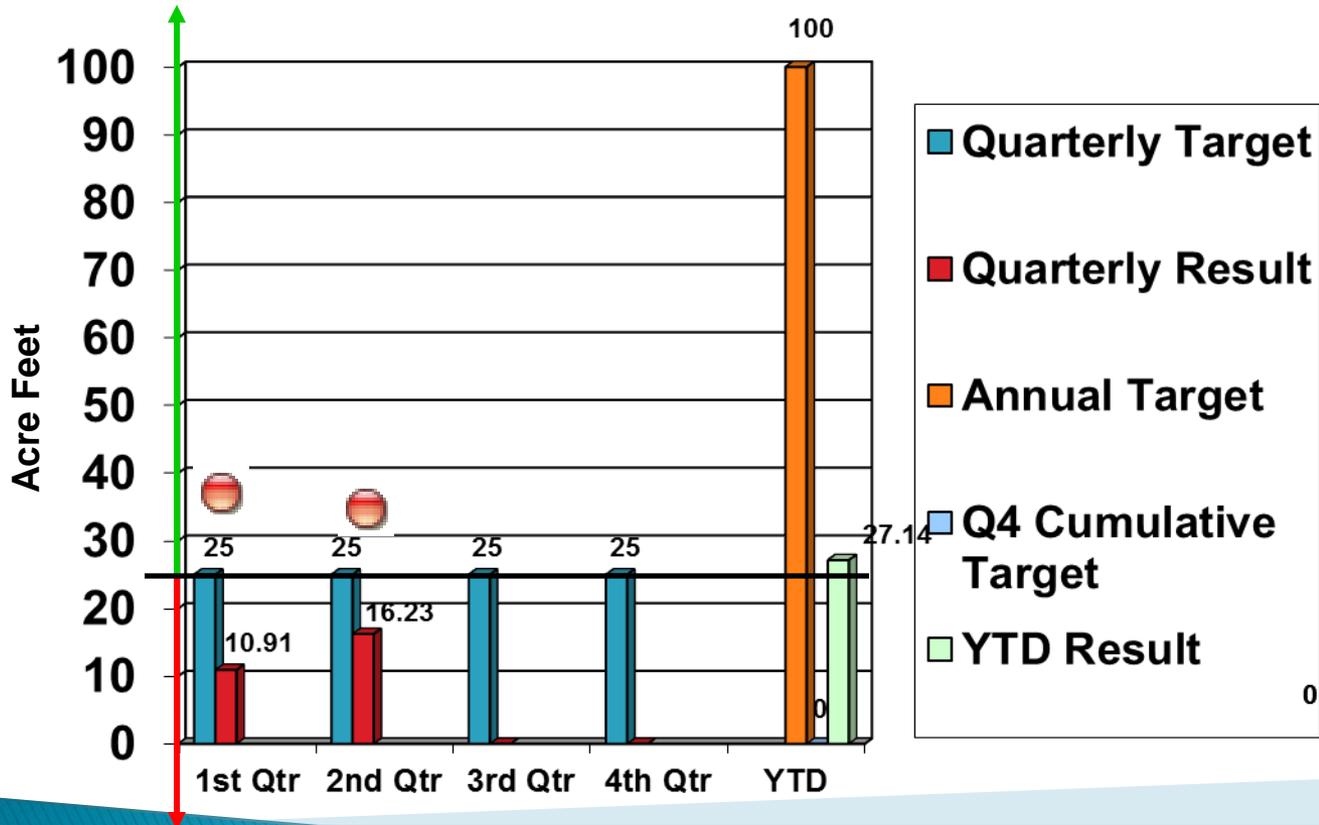
Measured Once per Year at Year End



Measure 1.2.101, Blanket Order Activity, aims to be above all set targets in order to have no less than 15% of material purchases acquired via blanket POs per quarter in a single year.

# Total Customer Water Saved

1.3.102

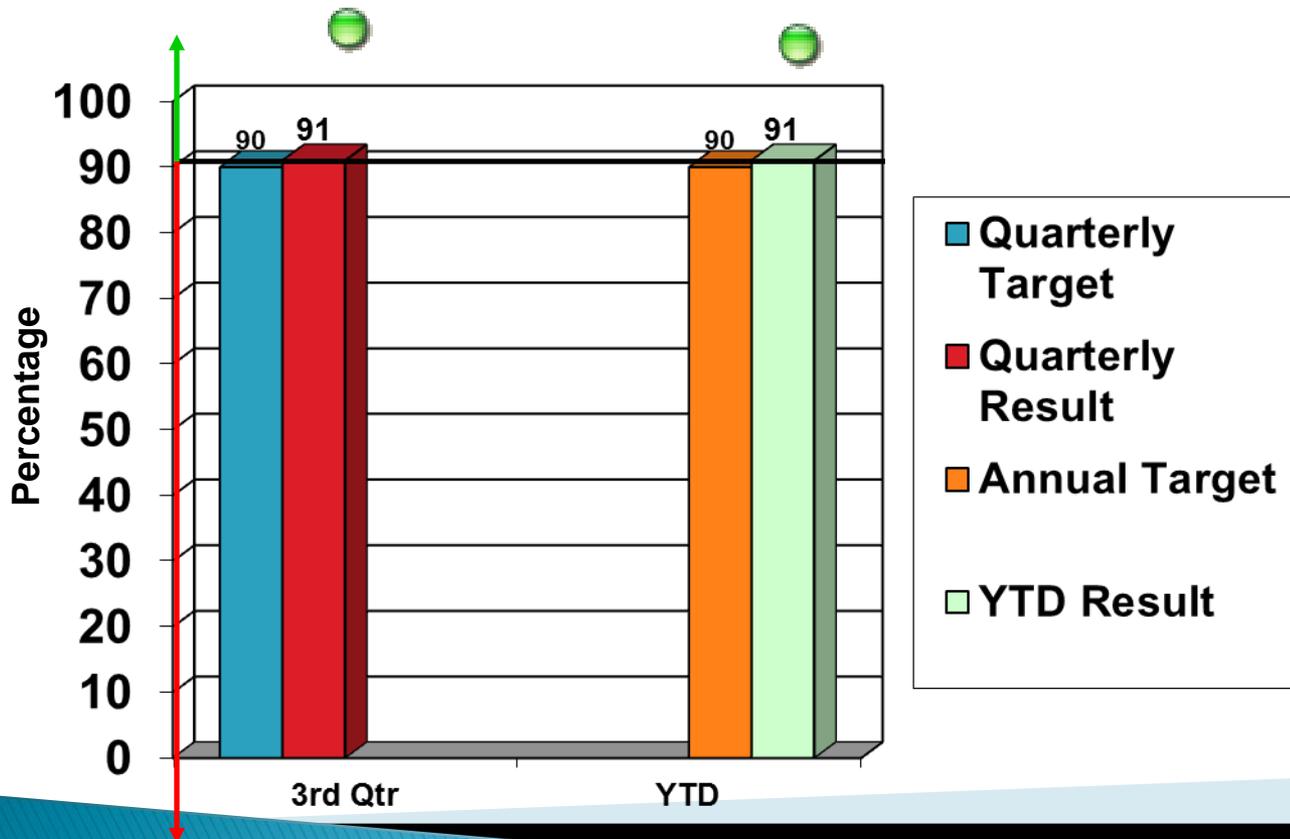


Measure 1.3.102, Total Water Saved, aims to be above all set targets in order to save more than 100 acre feet of water in a single year.

# Customer Satisfaction

Measured Once per Fiscal Year

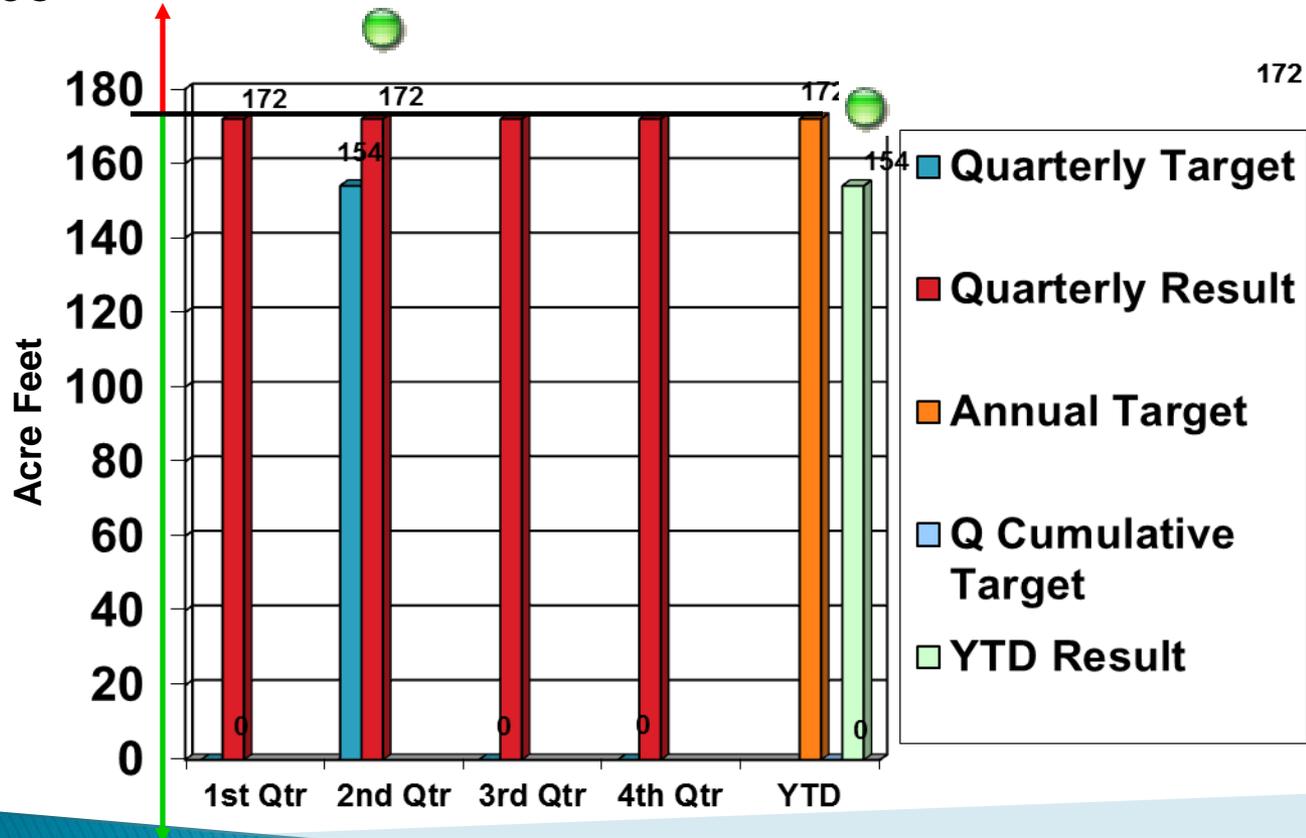
1.1.100



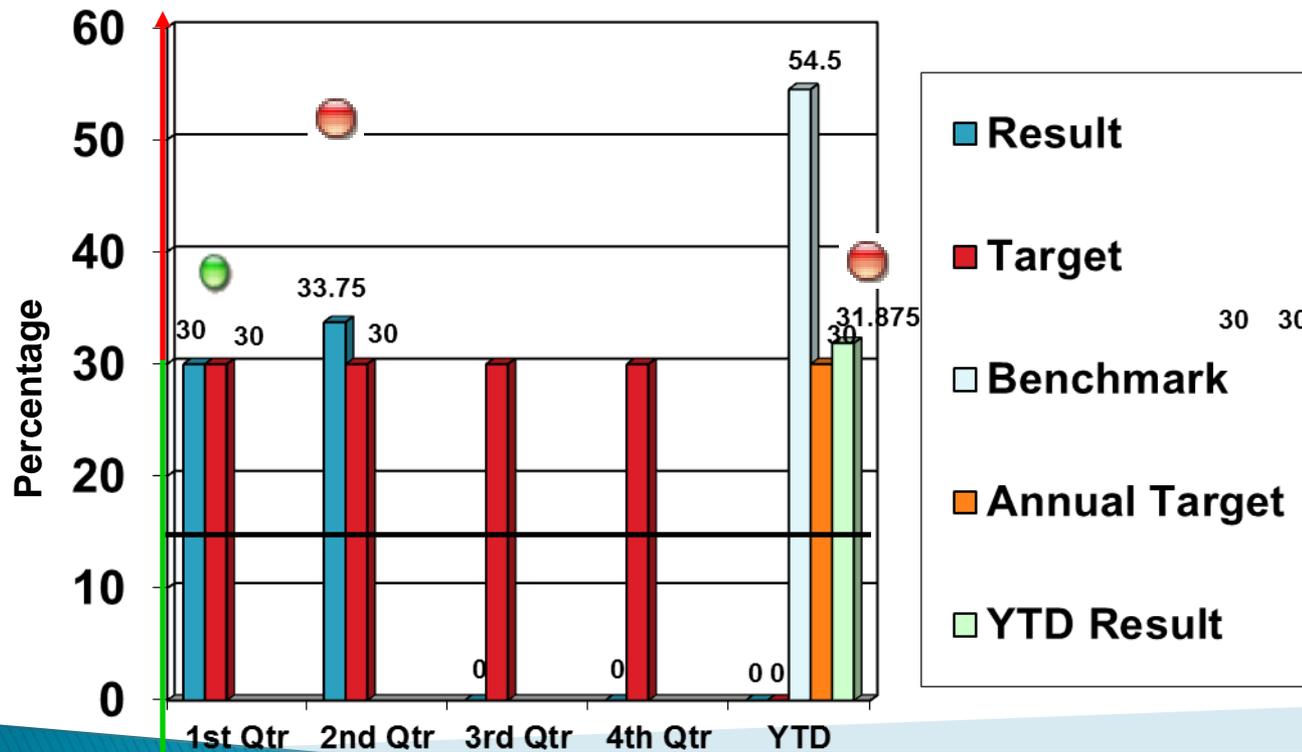
Measure 1.1.100, Customer Satisfaction, is a once yearly survey that is reported on annually in the third quarter and represents the results for the given fiscal year.

# Gallons Per Capita per Day

## 1.3.103

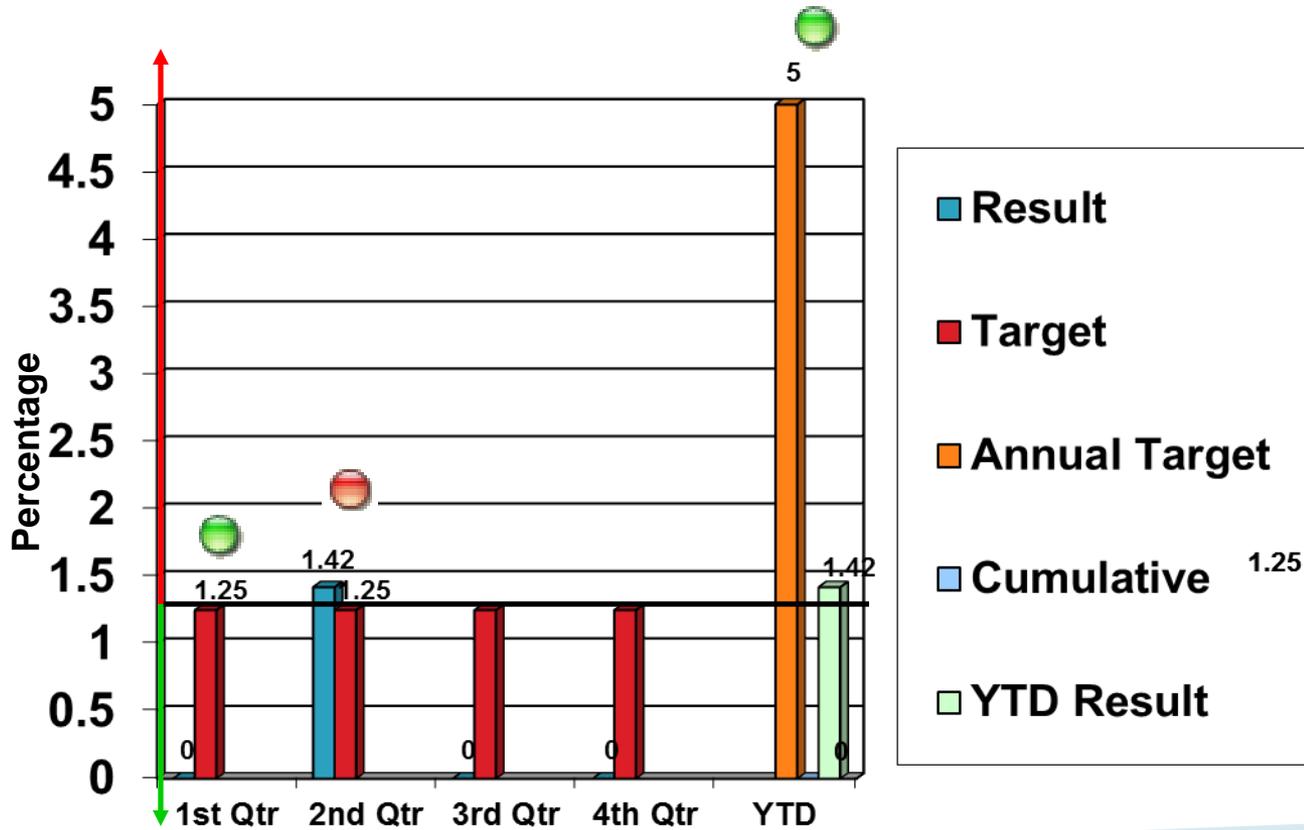


Measure 1.3.103, Otay Water Use, aims to be below 172 Gallons Per Day.



Measure 1.4.104, H & S Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

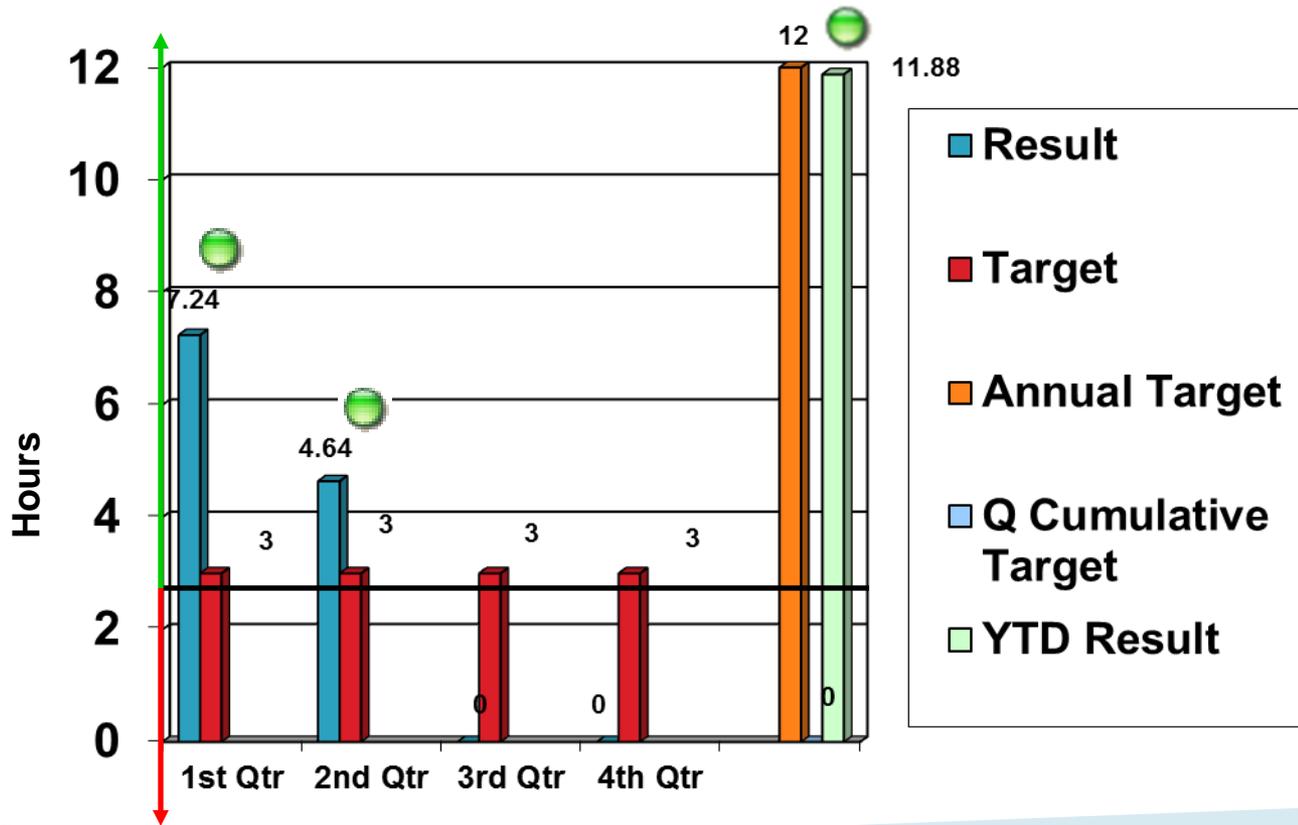
# Employee Turnover Rate 1.4.105



Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

# Training Hours per Employee

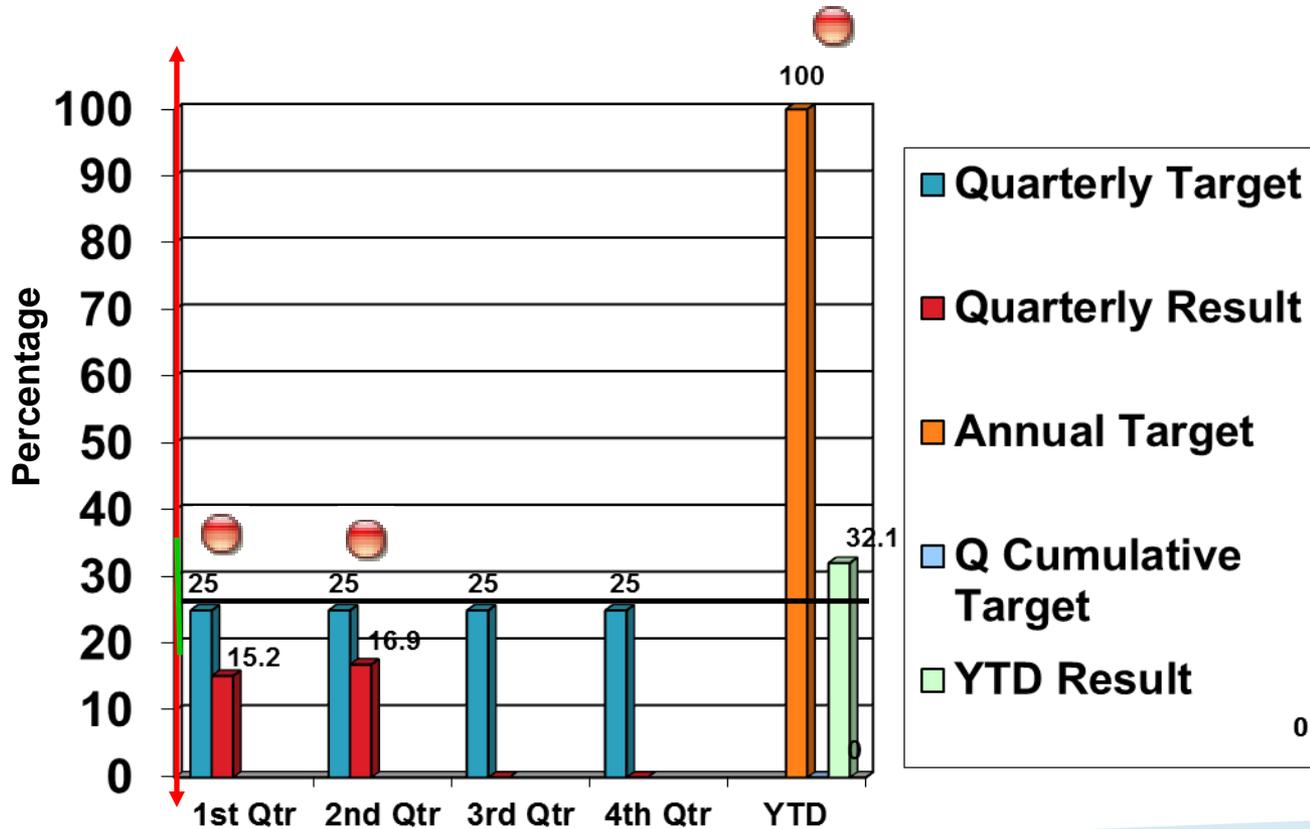
1.4.106



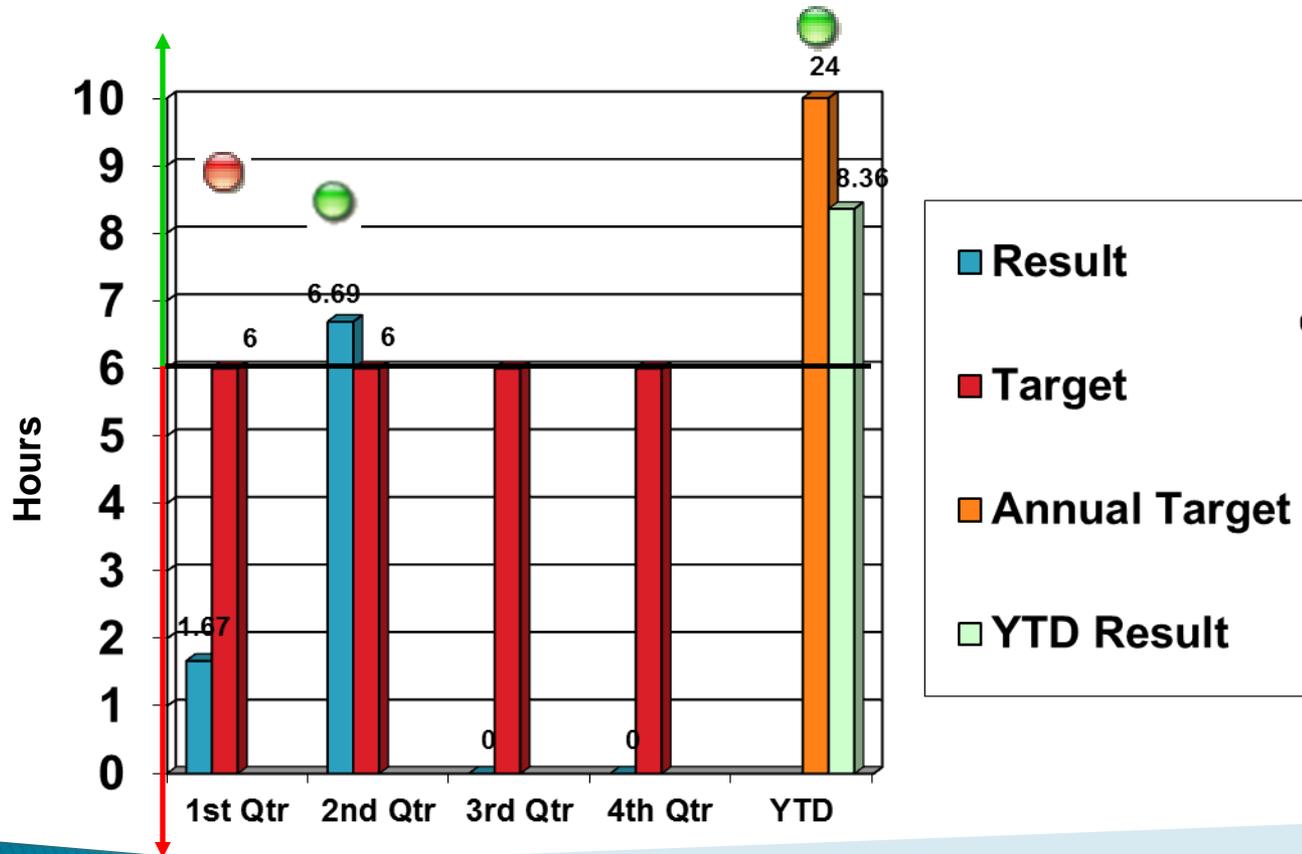
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of training per employee in a single year.

# CIP Project Expenditure vs. Budget

2.2.200

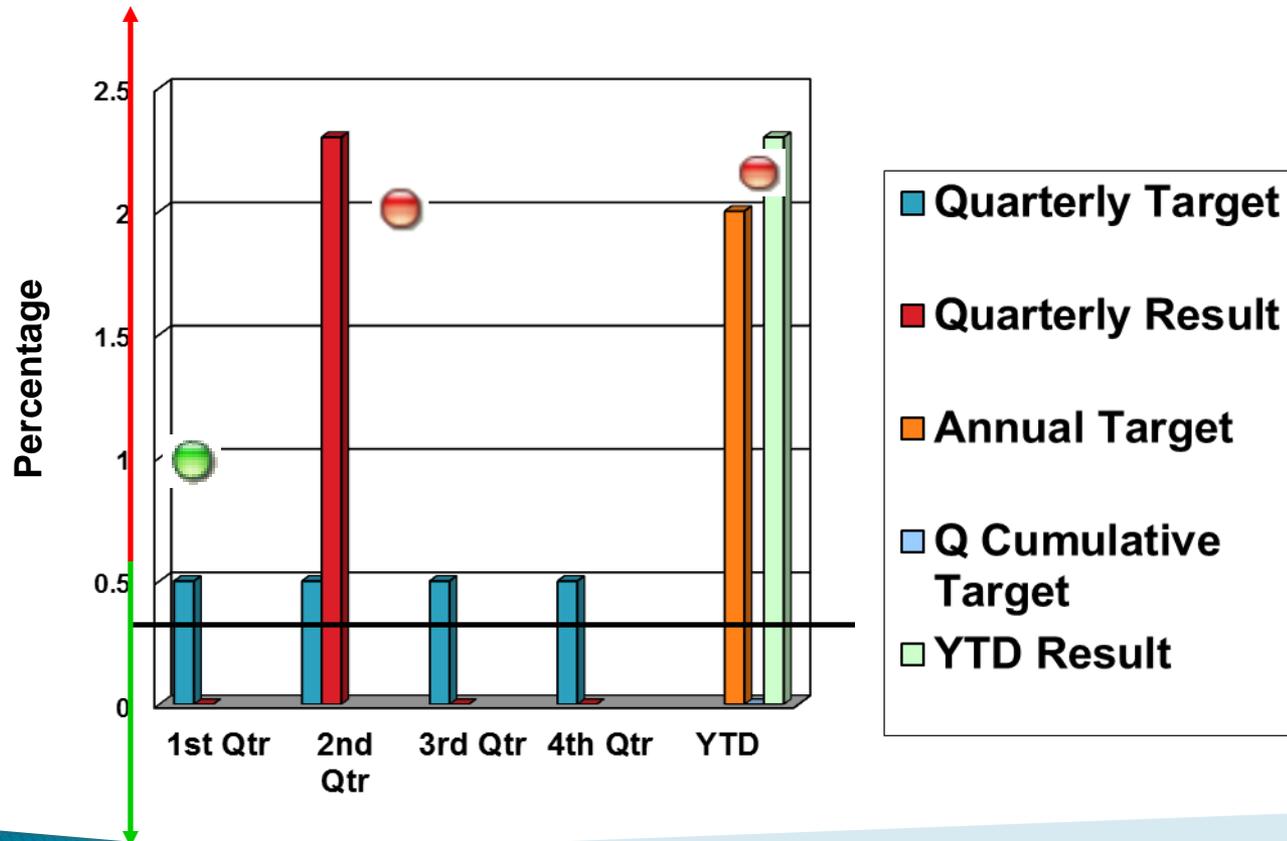


Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be below all set targets in order to keep expenditures below 100% of the budgeted amount for a single year. Note: Annual result aims to be between 95-100% but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.



Measure 1.4.107, Safety Training Program, aims to be above all set targets in order to have no less than 8 hours of training per field employee per quarter in a single year.

## Construction Change Order Incidence (without allowances) 2.2.201

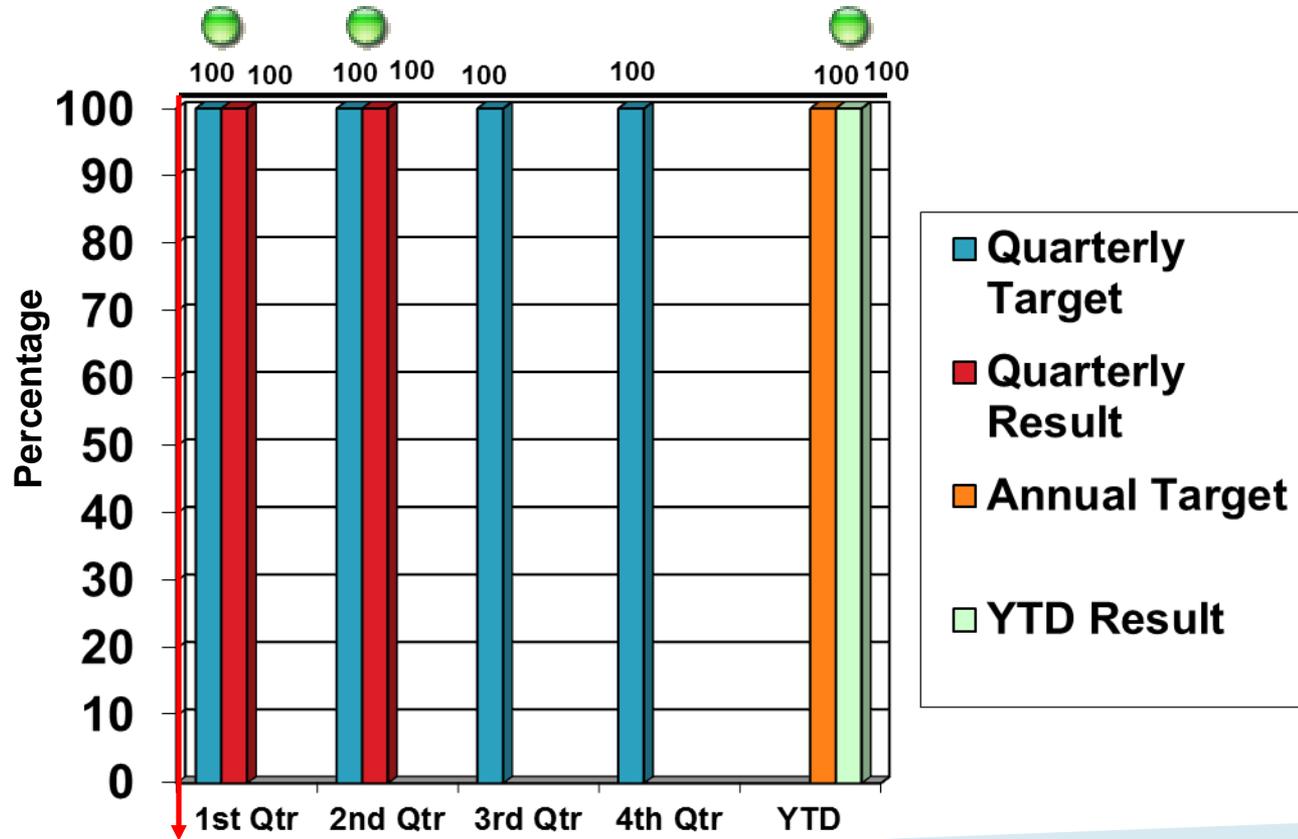


Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 2 % in one year.

% rate of change orders in a single year.

# Mark Out Accuracy

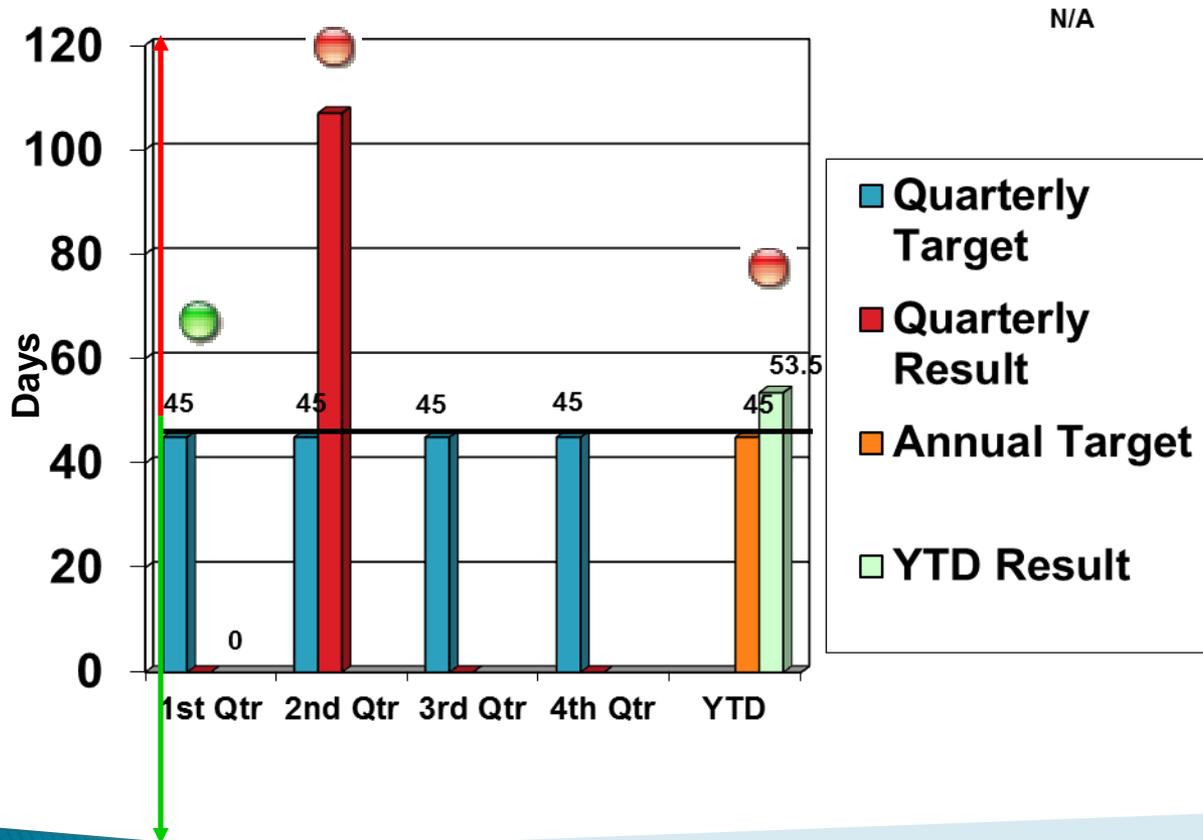
2.3.202



Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

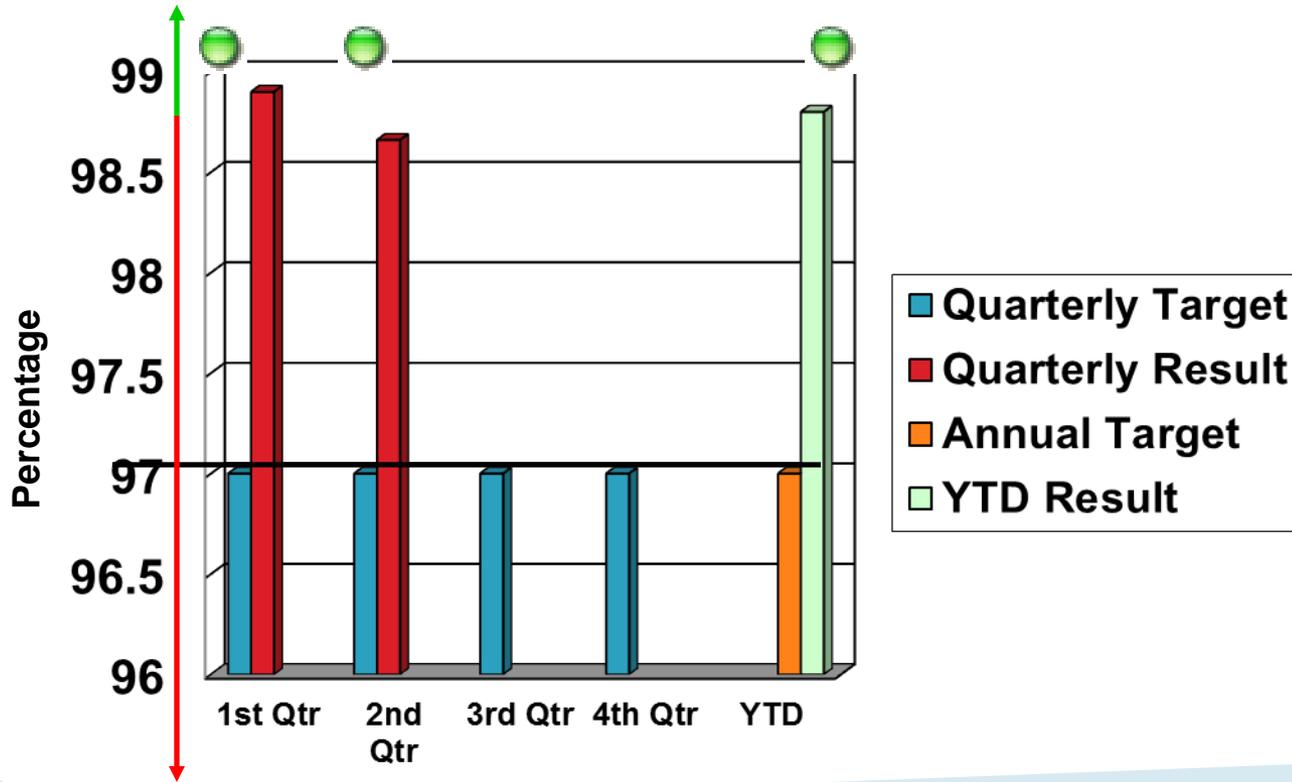
# Project Closeout Time

2.3.203



Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days per quarter in a single year.

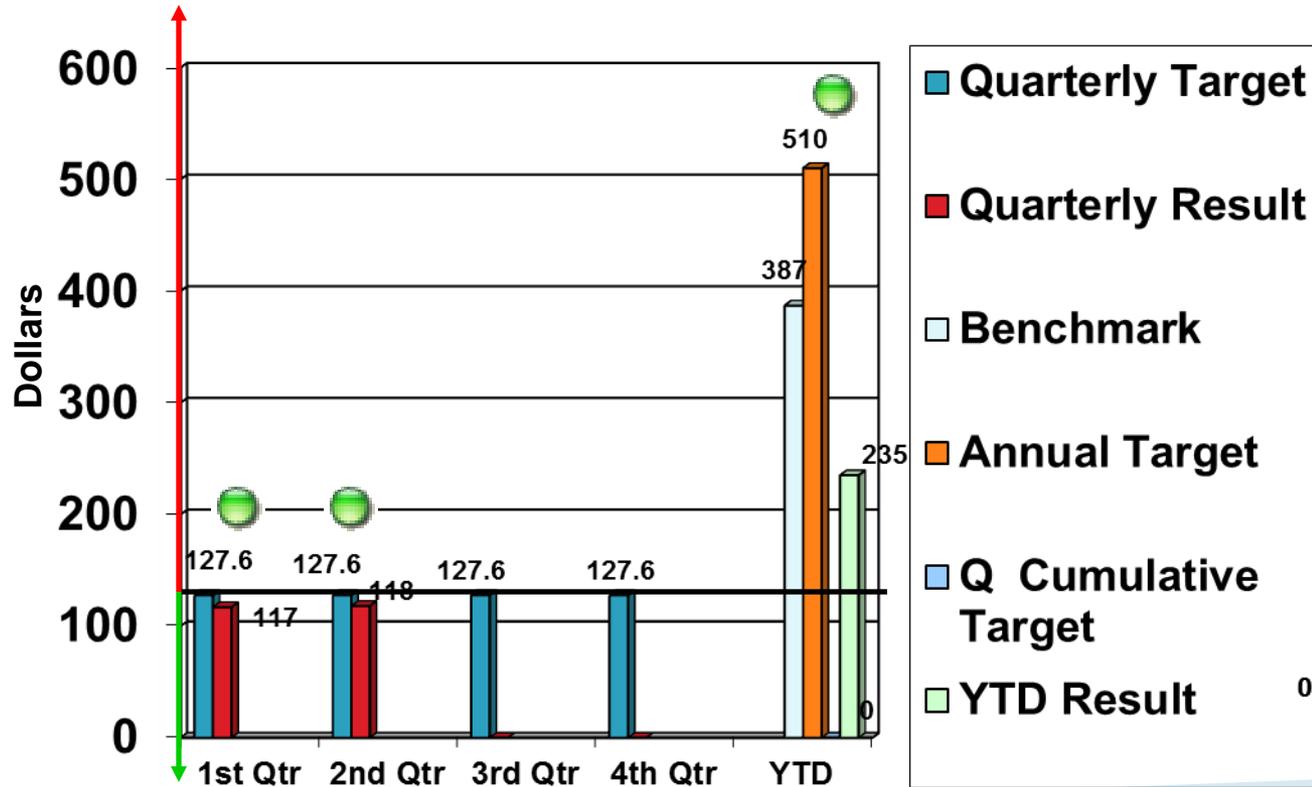
Note: No projects closed out in the 1<sup>st</sup>, quarter.



Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate of no less than 97% .

# O & M Cost per Account (QualServe)

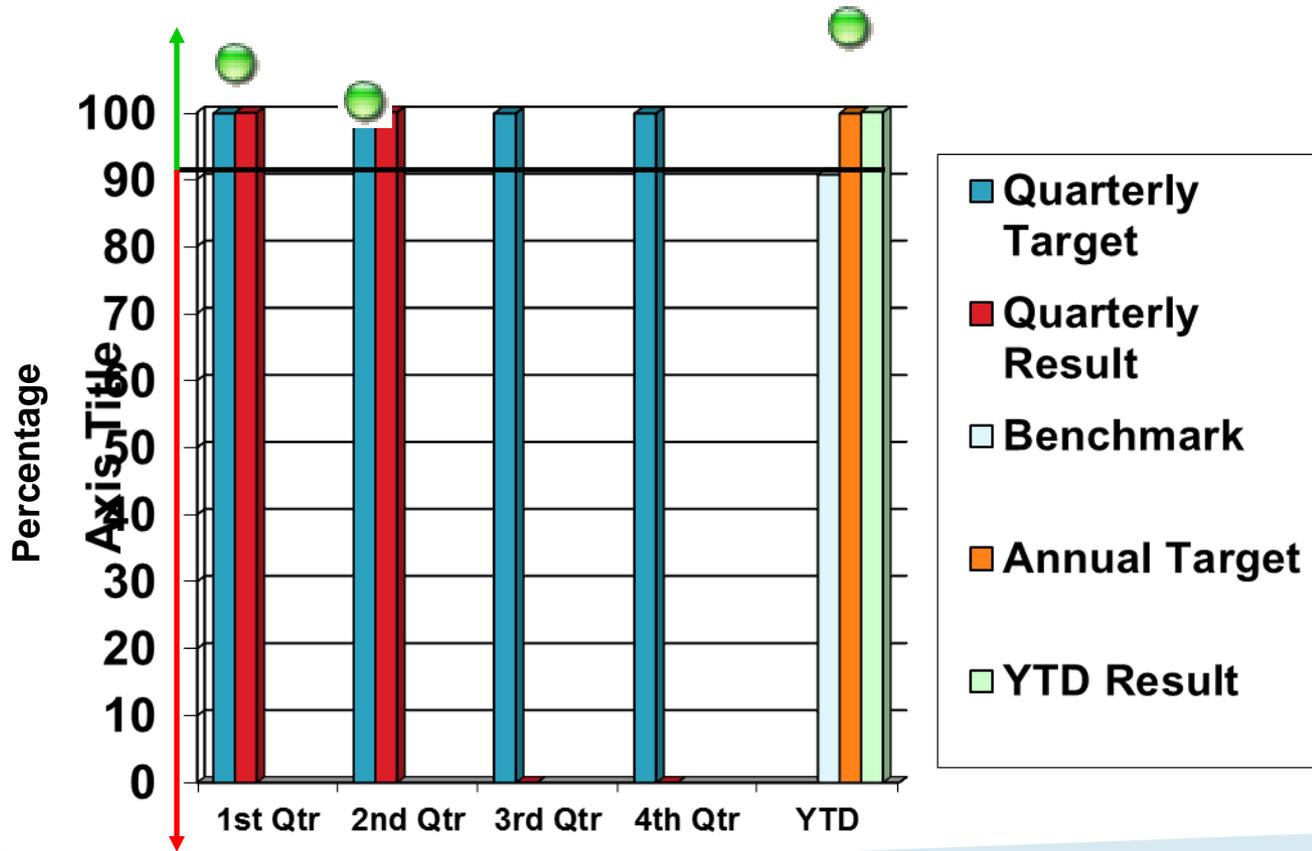
3.2.301



Measure 3.2.301, O & M Cost per Account, aims to be below all set targets in order to keep O & M cost per account less than \$510.40 in a single year.

# Billing Accuracy (QualServe)

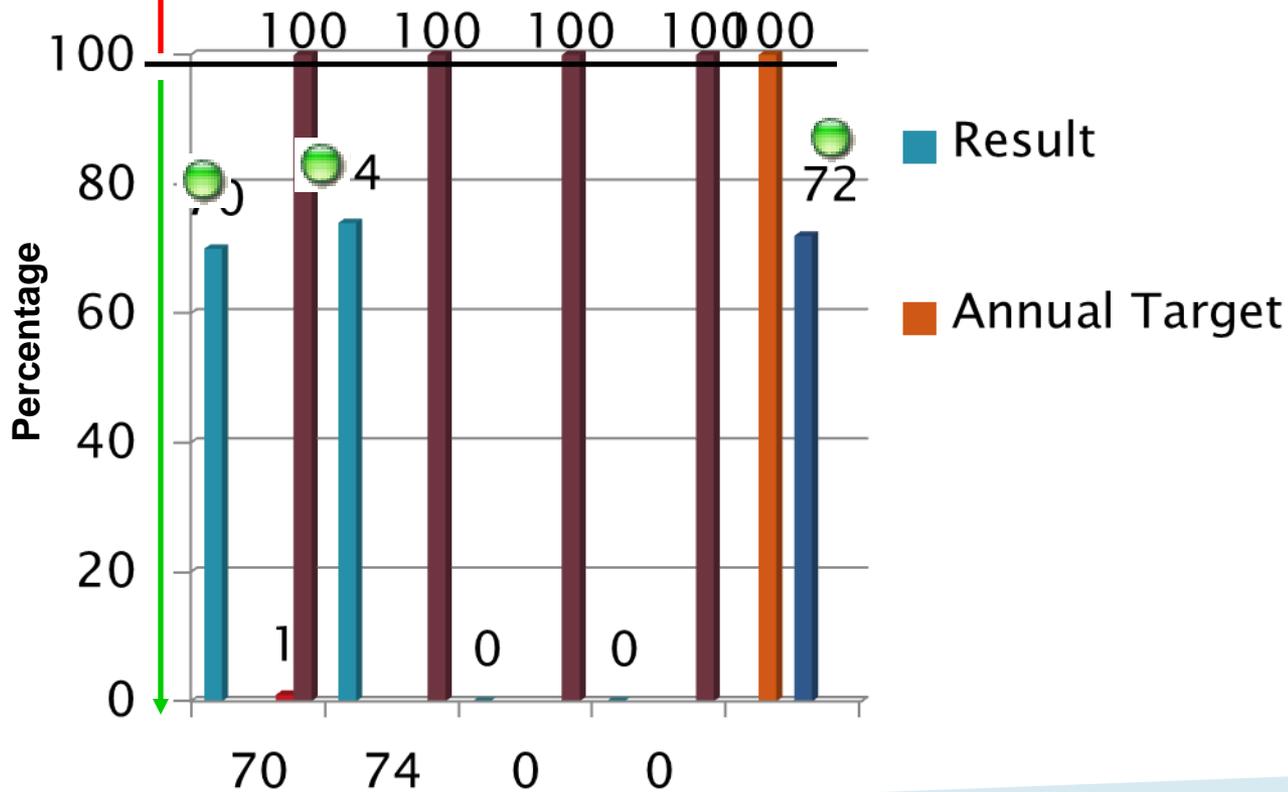
3.2.302



Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

# Overtime Percentage

3.2.303

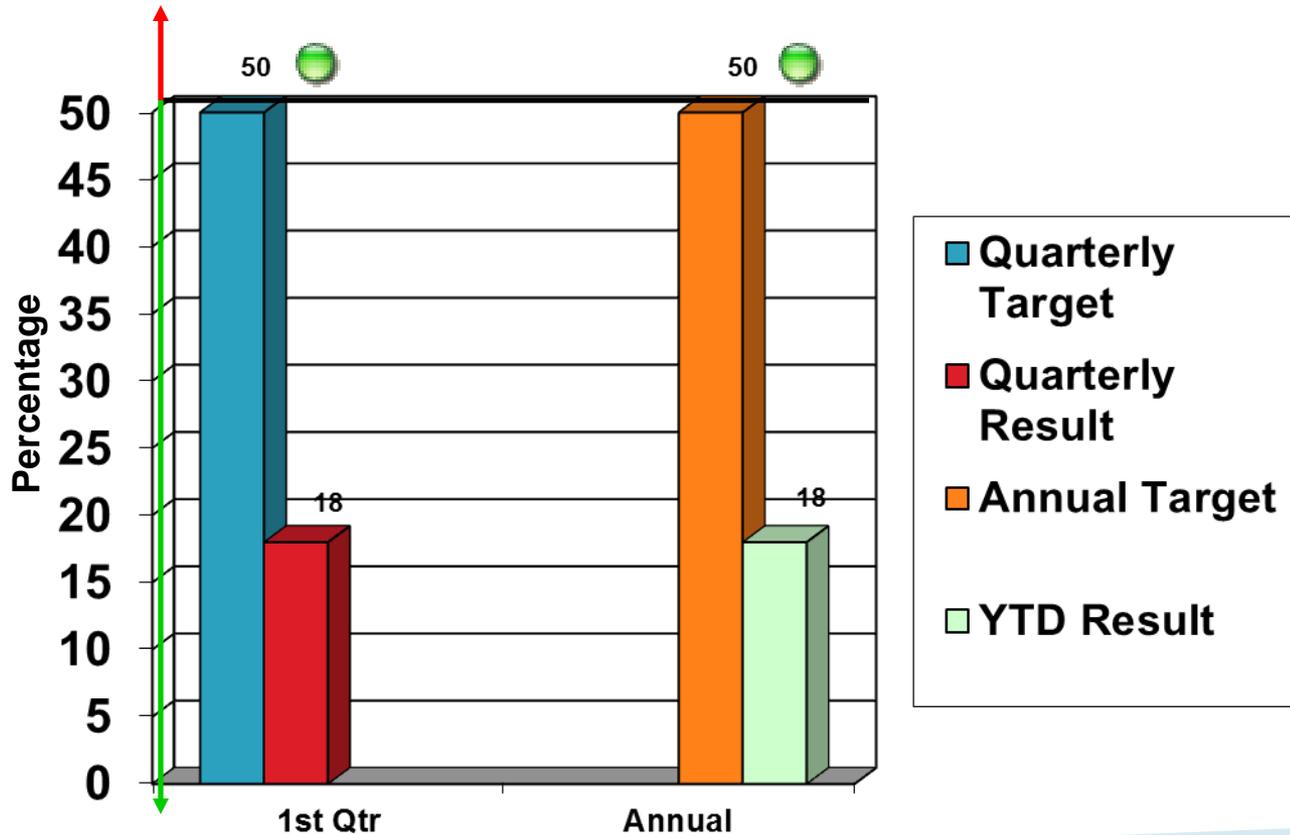


Measure 3.2.303, Overtime Percentage, aims to be below all set targets in order to keep expenditures below the budgeted amount for a single year.

# Sewer Rate Ranking

Measured Once per Fiscal Year

3.2.304

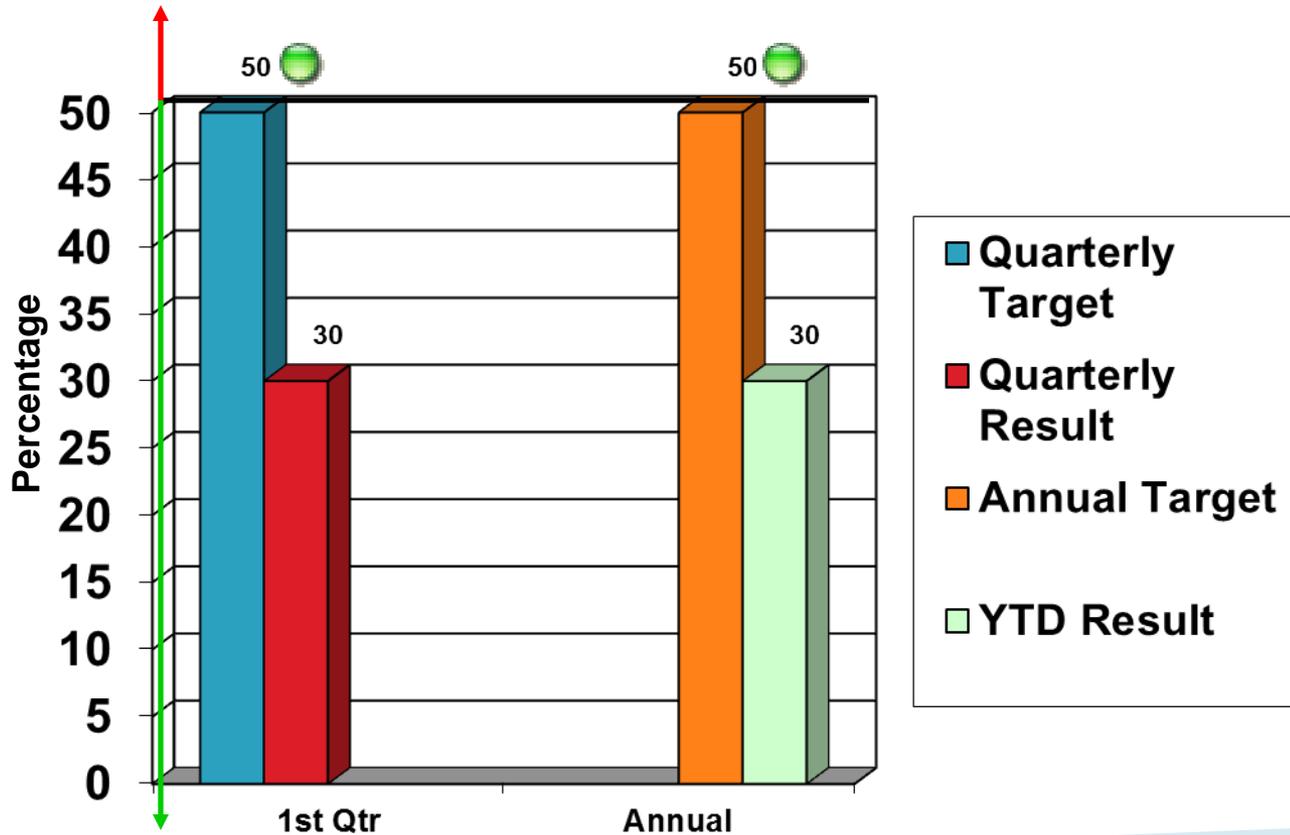


Measure 3.2.304, Sewer Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

# Water Rate Ranking

Measured Once per Fiscal Year

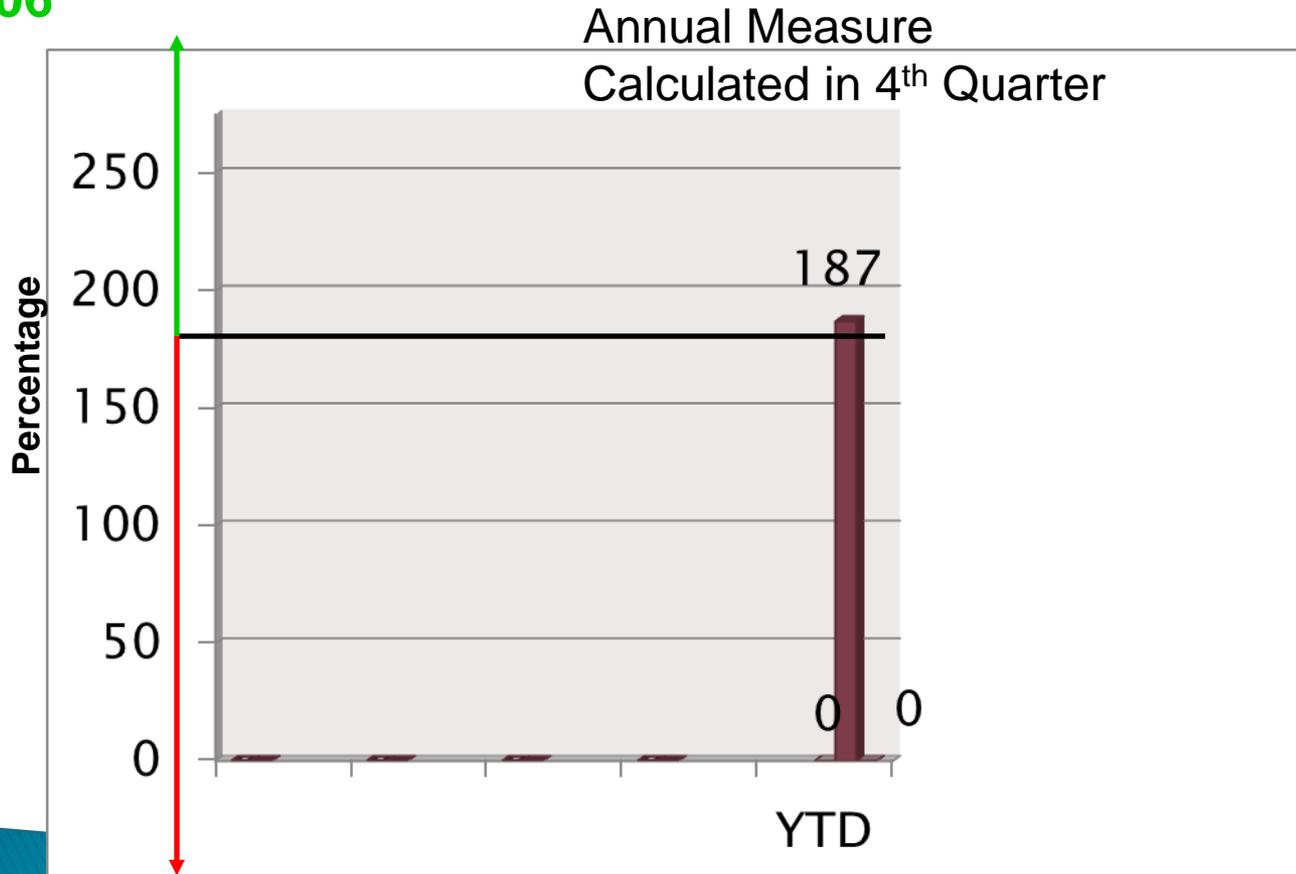
3.2.305



Measure 3.2.305, Water Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

# Debt Coverage Ratio (QualServe) – YTD

3.2.306



Measure 3.2.306, Debt Coverage Ratio, aims to be above all set targets in order to have sufficient debt coverage.

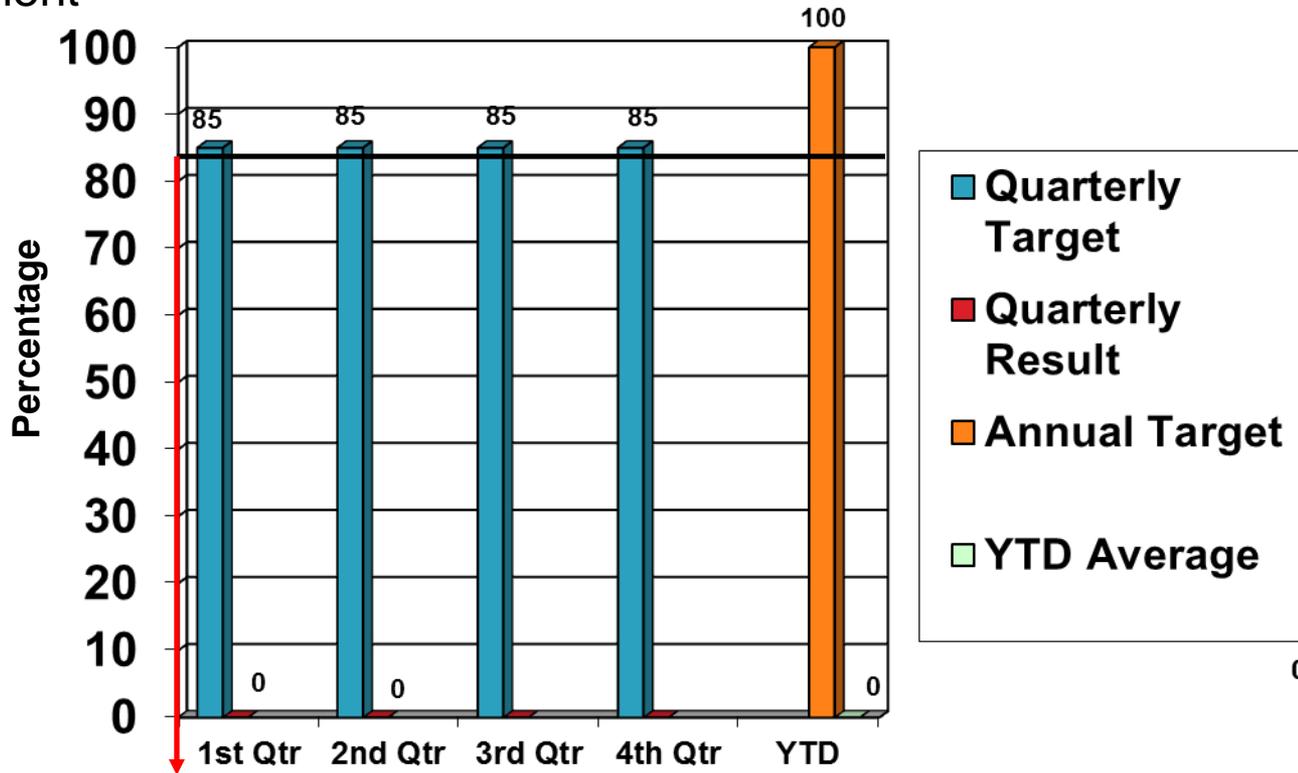
\*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

# Reserve Level

Annual Measure  
Calculated in 4<sup>th</sup> Quarter

3.2.307

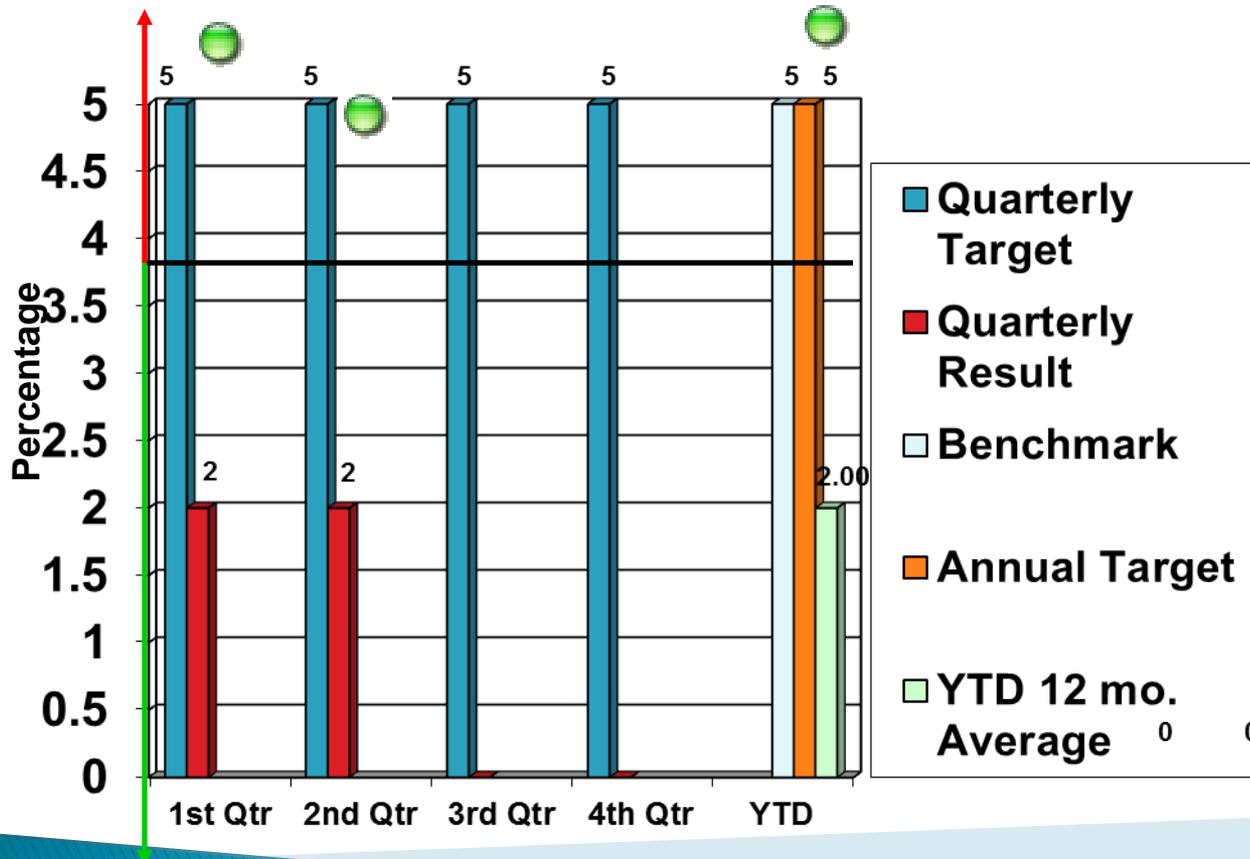
In Development



Measure 3.2.307, Reserve Level, aims to be no less than 100%. It is measured annually.

# Distribution System Loss (QualServe)

3.3.308



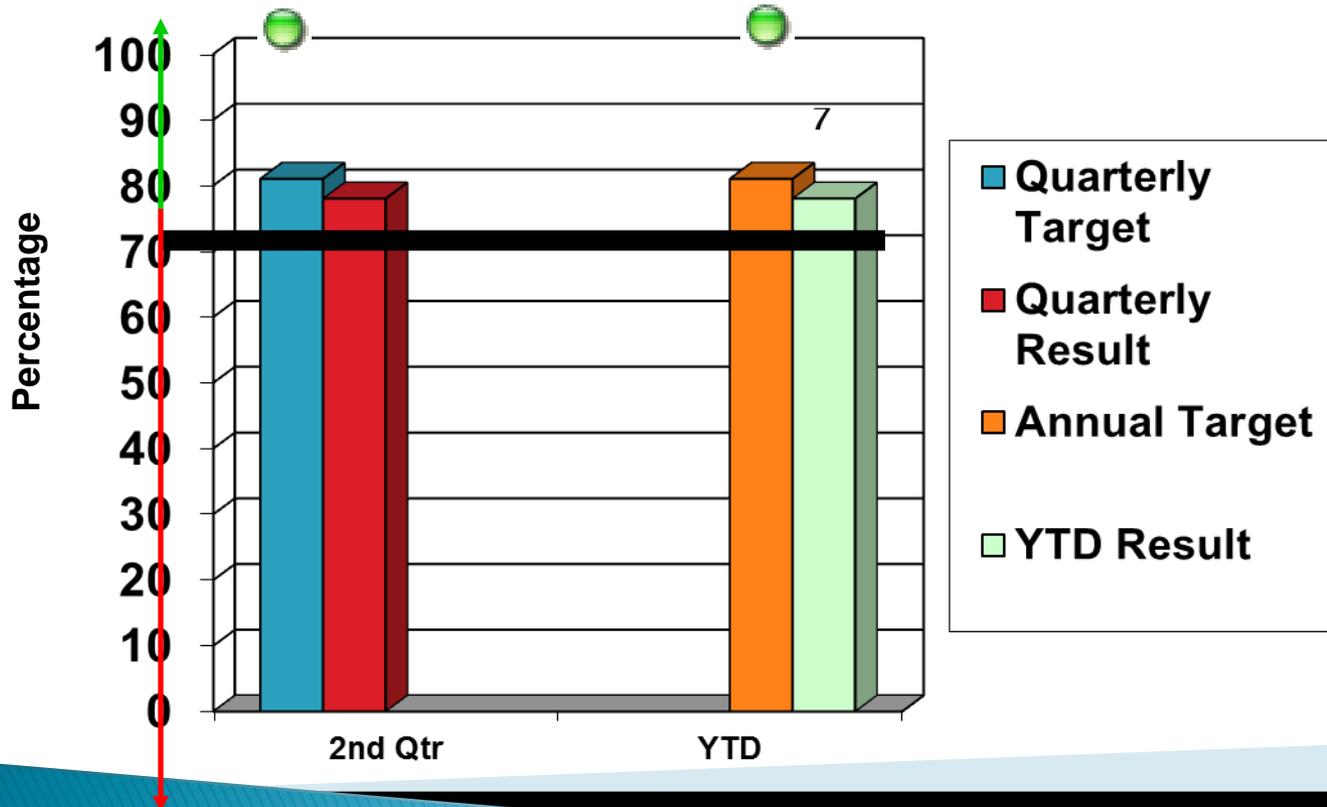
Measure 3.3.309, Distribution System Loss, aims to be below all set targets in order to ensure less than 4.5% of unaccounted water in a single year.

\*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

# Customer Satisfaction with Website

4.1.400

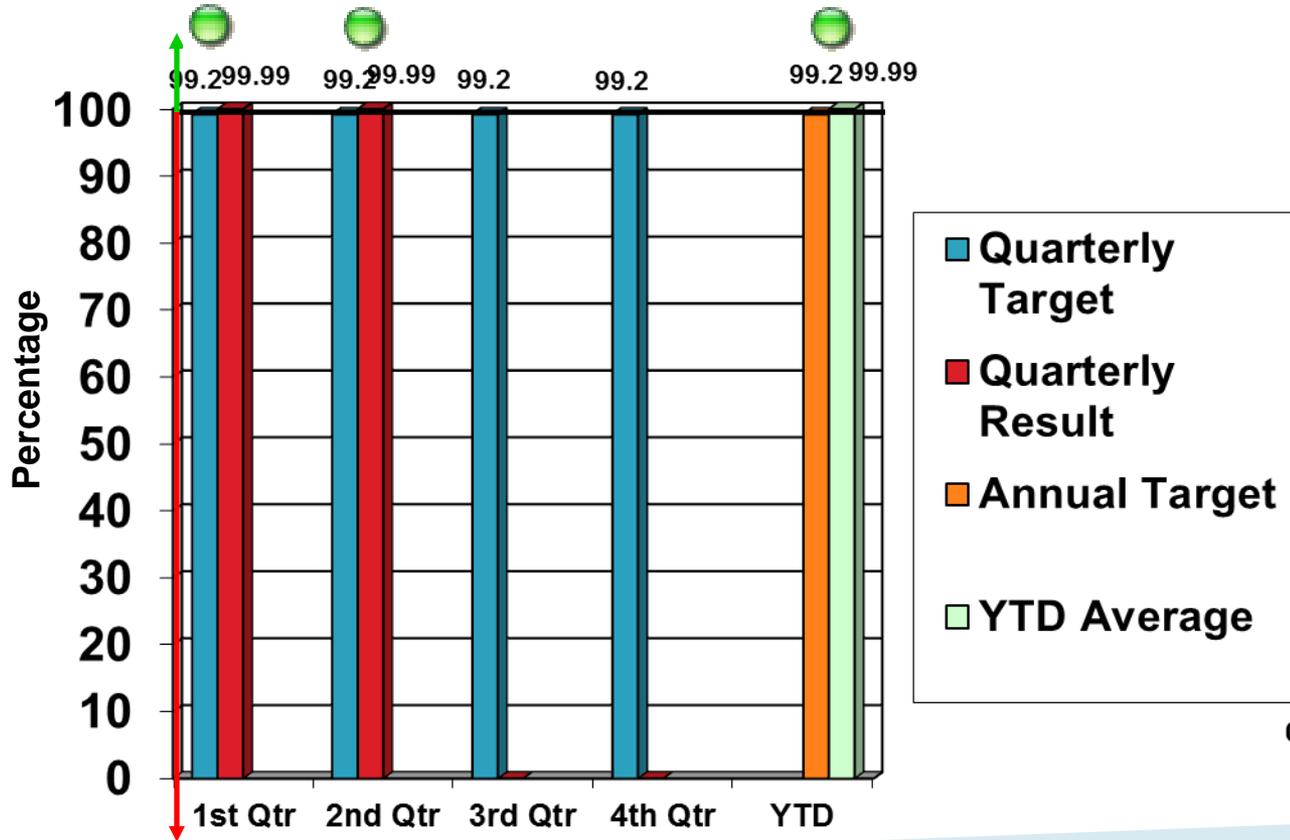
Measured Once per Fiscal Year



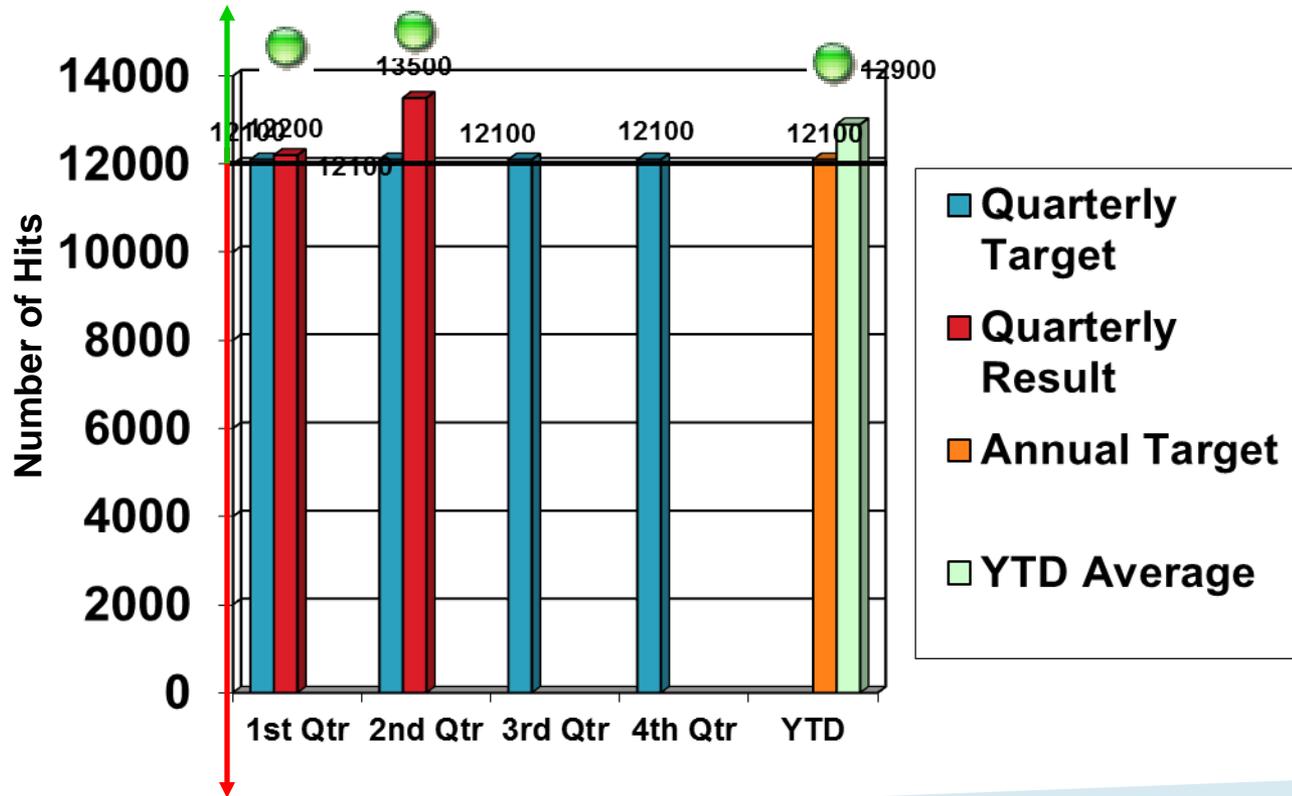
Measure 4.1.400, Customer Satisfaction with Website, is a once yearly survey that is reported on annually in the second quarter and represents the results for the given fiscal year.

# Network Availability

4.3.401



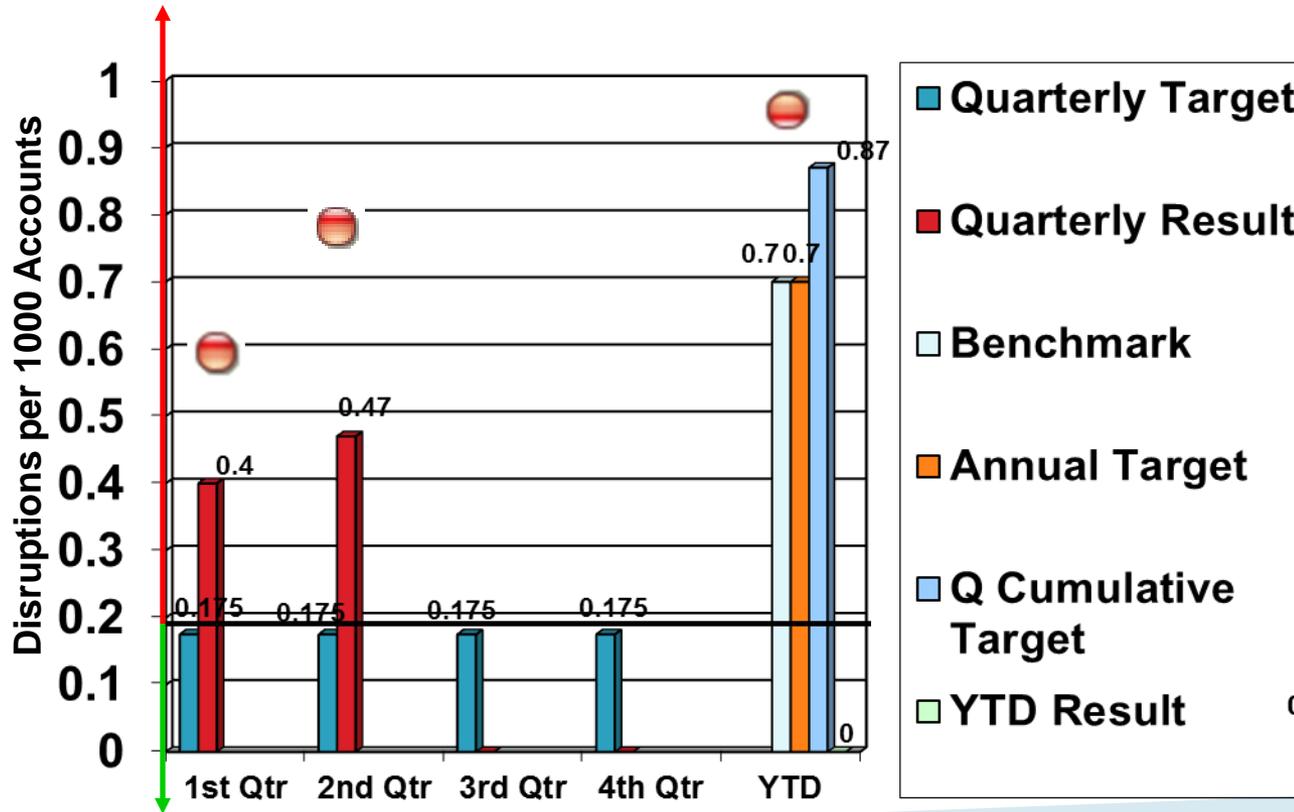
Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.2% network availability per quarter in a single year.



Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 12,100 website hits per quarter in a single year.

# Unplanned Disruptions (QualServe)

5.1.500

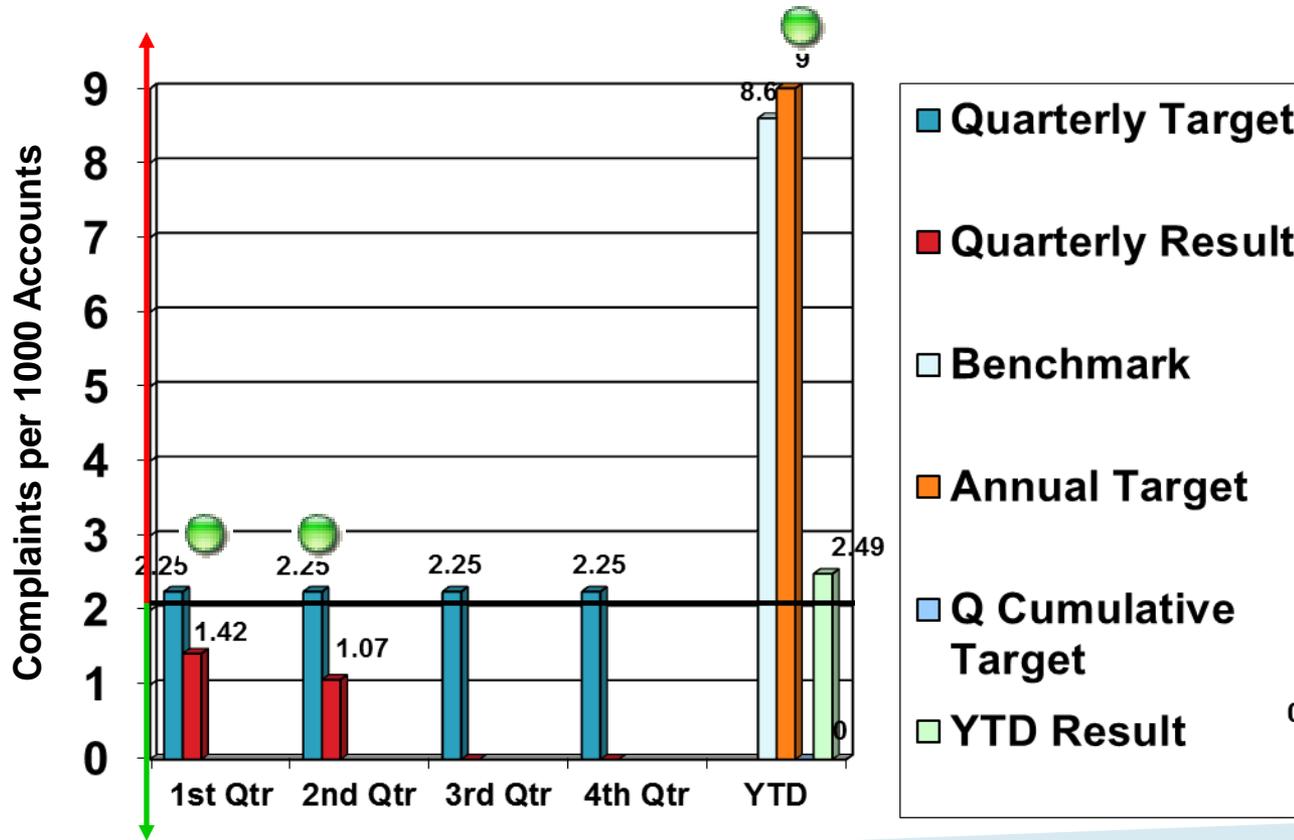


Measure 5.1.500, Unplanned Disruptions, aims to be below all set targets in order to have no more than .7 disruptions per 1000 accounts in a single year.

Note: Target is expressed as number of disruptions per 1000 accounts

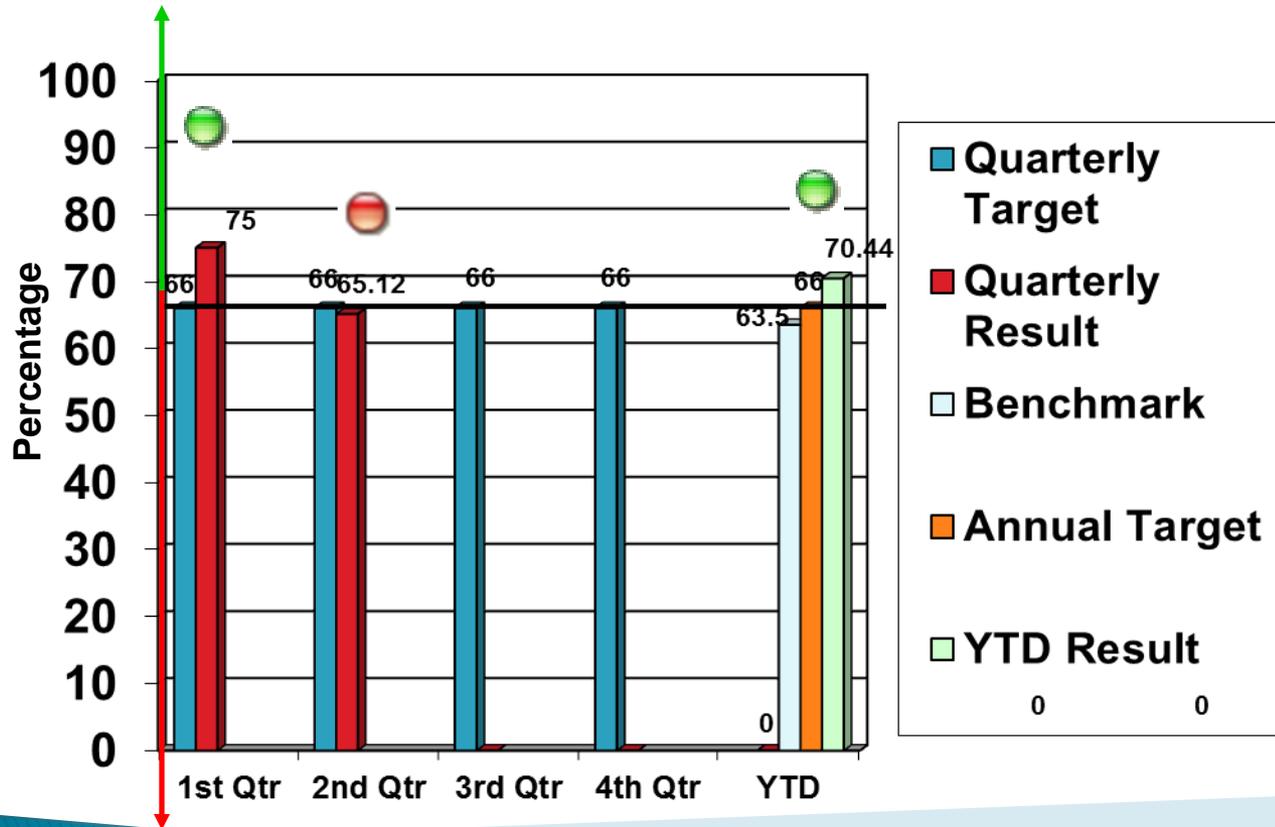
# Technical Quality Complaint (QualServe)

5.1.501



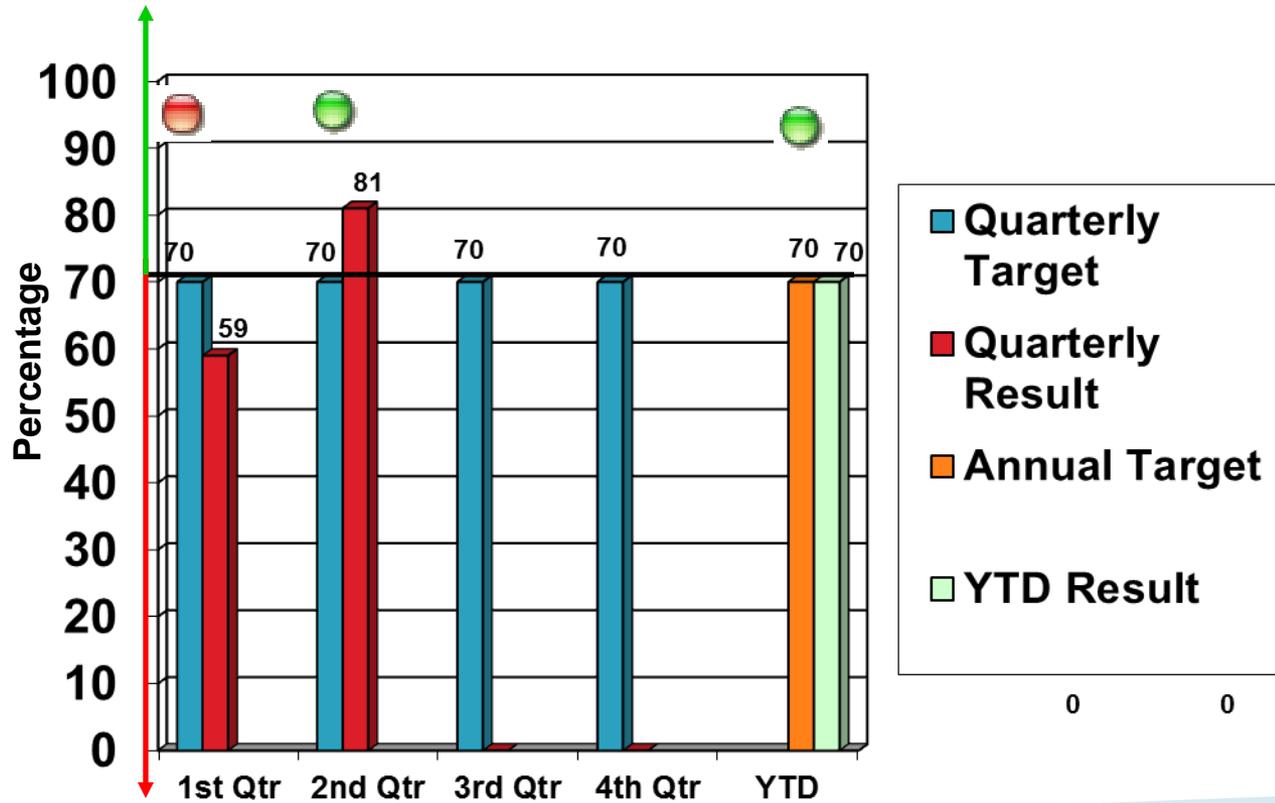
Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

## Planned Potable Water Maintenance Ratio in \$ (QualServe) 5.2.502



Measure 5.2.502, Planned Drinking Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year.

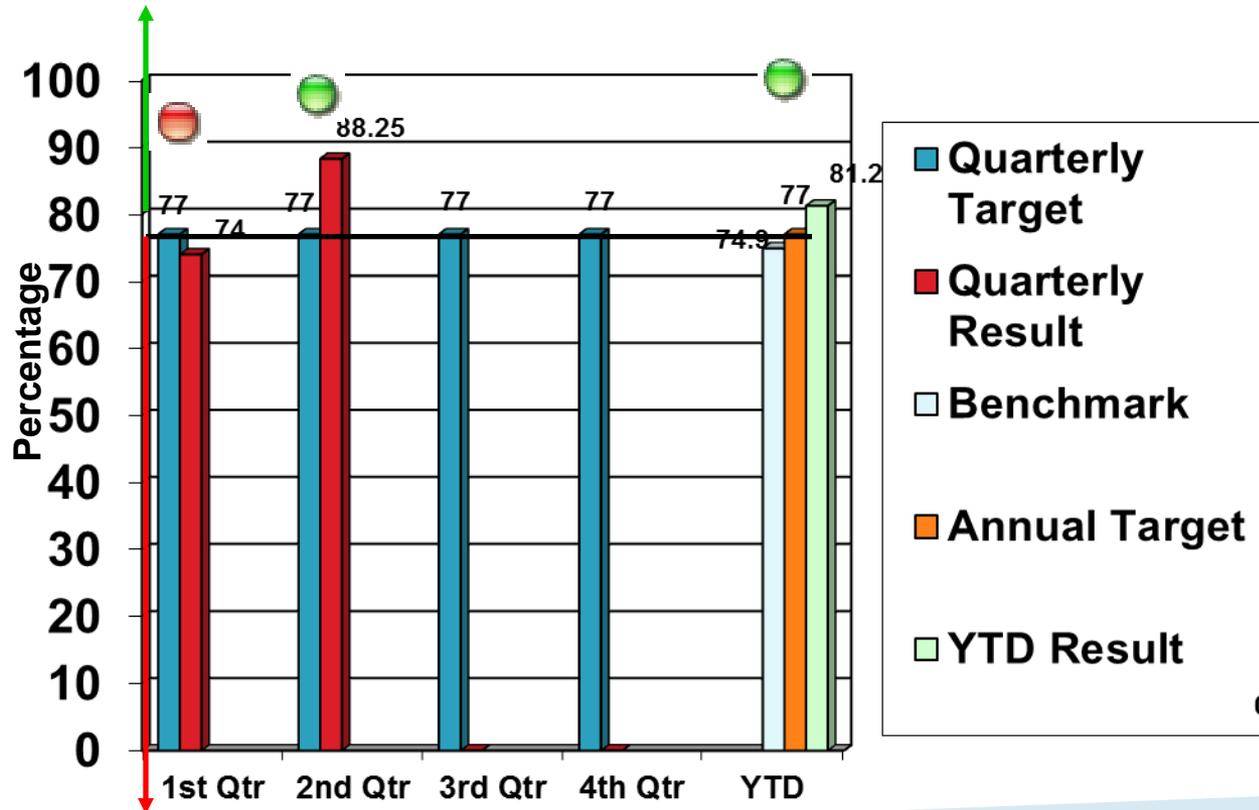
Note: Quarterly results are subject to change.



Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year.

Note: Quarterly results are subject to change.

## Planned Wastewater Maintenance Ratio in \$ (QualServe) 5.2.504

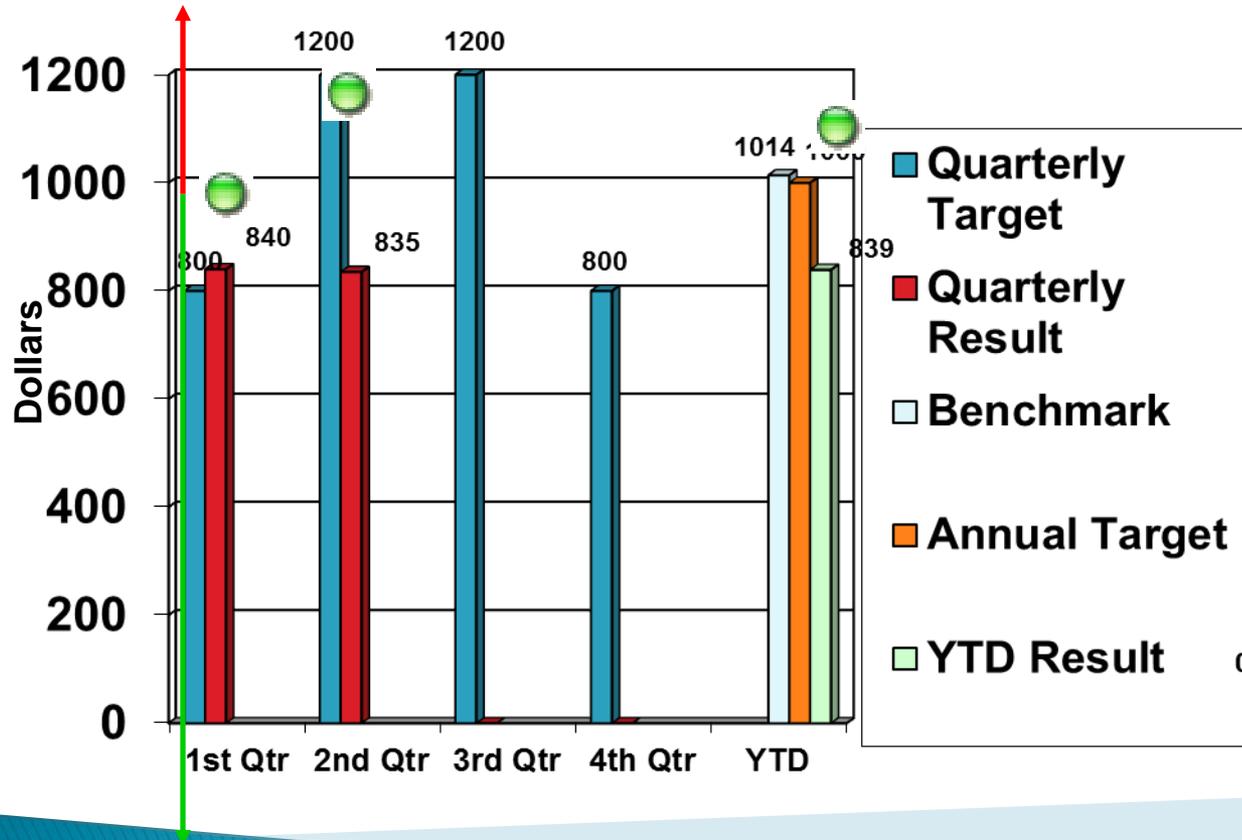


Measure 5.2.504, Planned Wastewater Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 77% of all labor dollars spent on preventative maintenance per quarter in a single year.

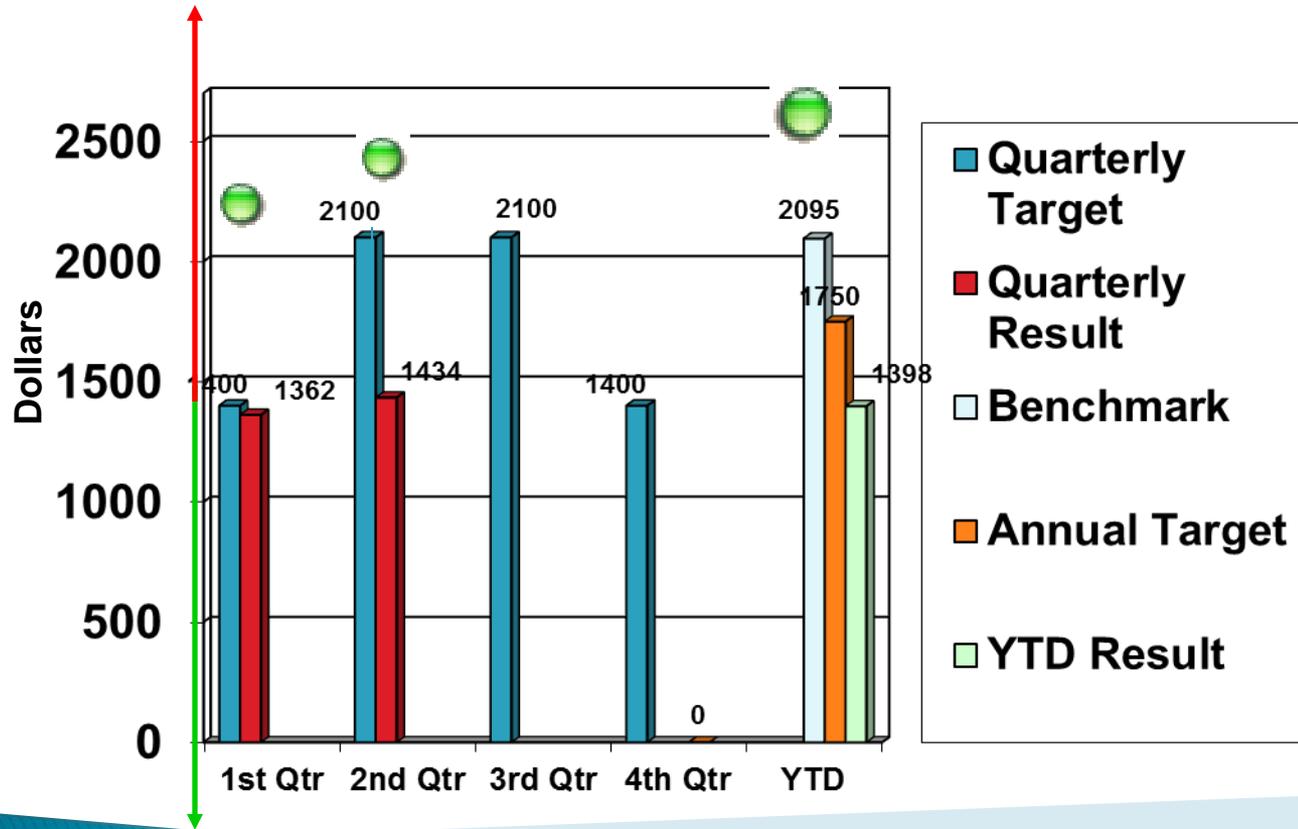
Note: Quarterly results are subject to change.

# Direct Cost of Treatment per MGD (QualServe)

5.2.505



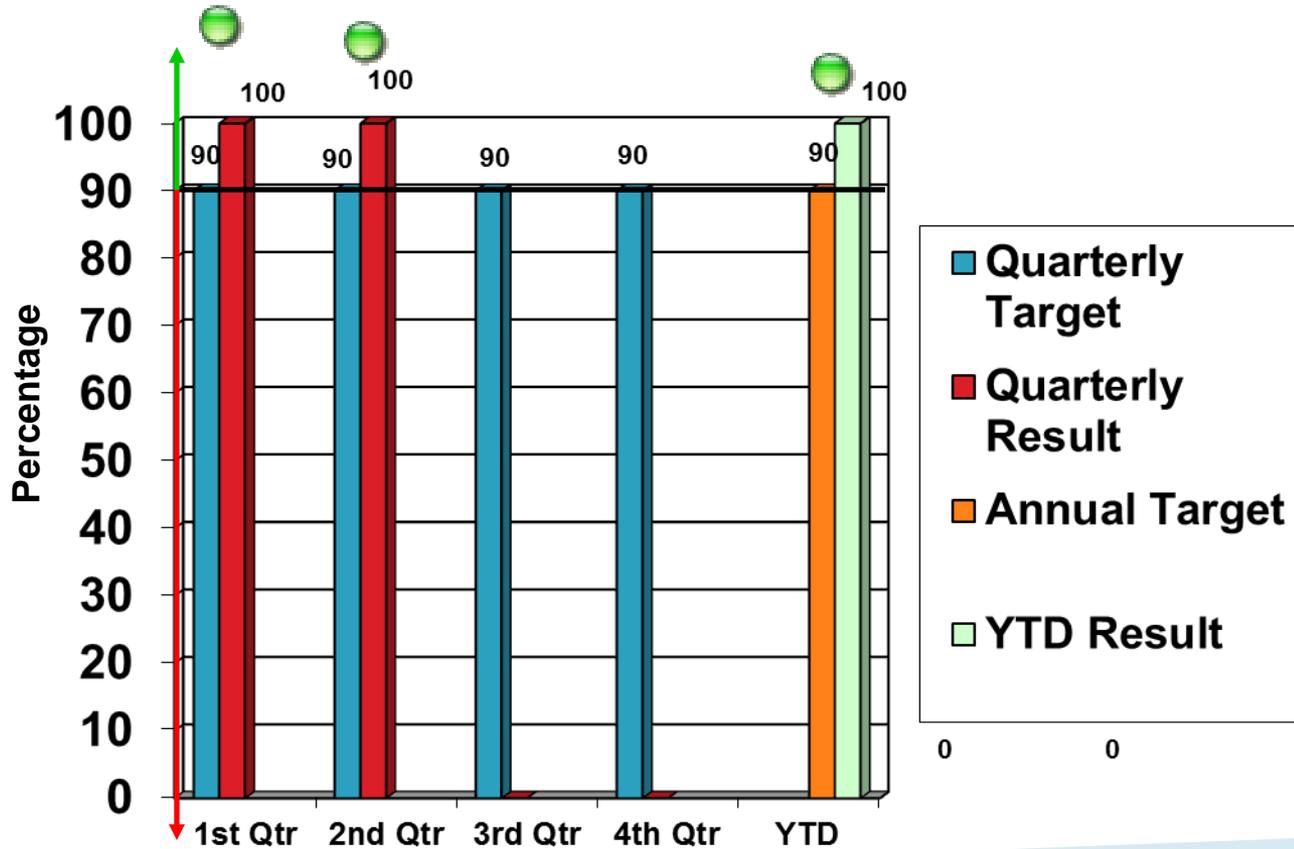
Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1000 per MG spent on wastewater treatment per quarter in a single year.



Measure 5.2.506, O & M Cost per MGP - wastewater, aims to be below all set targets in order to have no more than \$1750 per MG spent on O & M for wastewater treatment per quarter in a single year.

# % PMs Completed – Fleet Shop

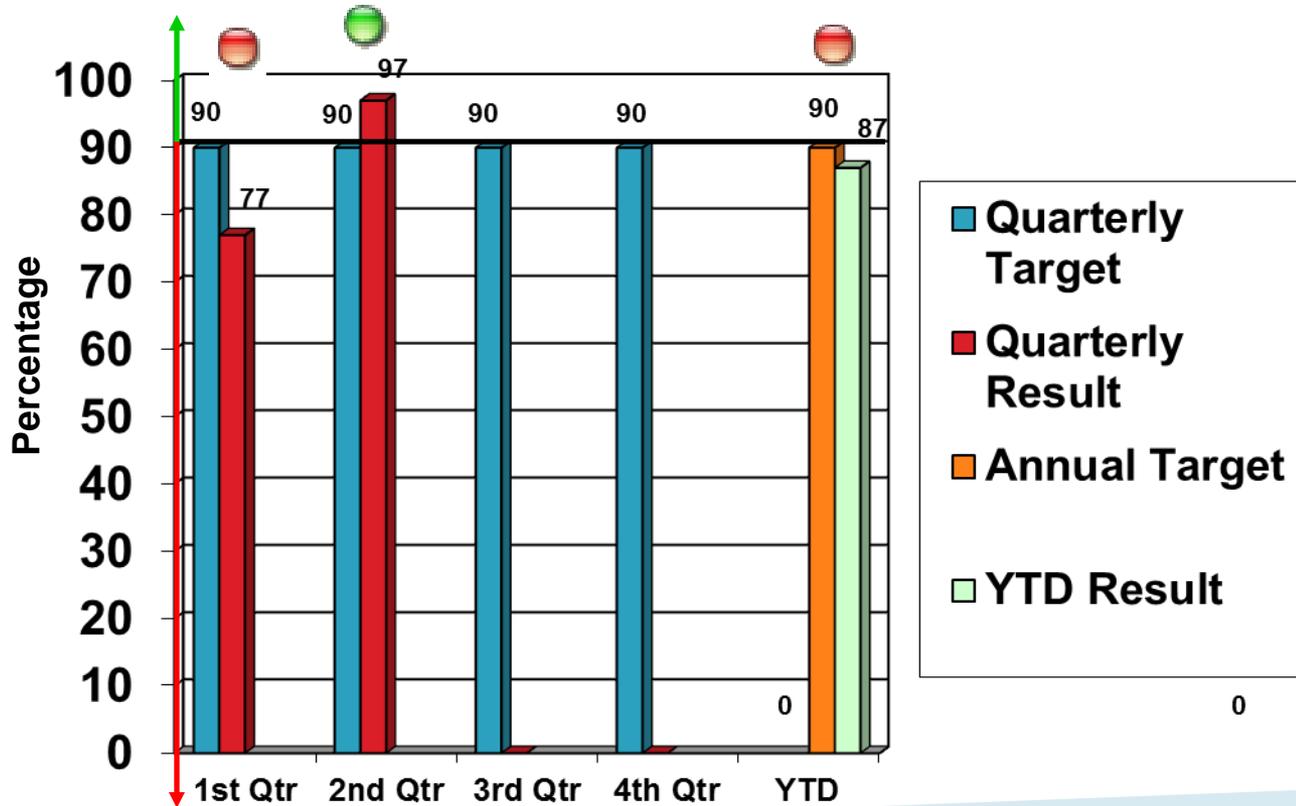
5.3.507



Measure 5.3.507, % PMs Completed – Fleet Shop, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Reclamation Plant

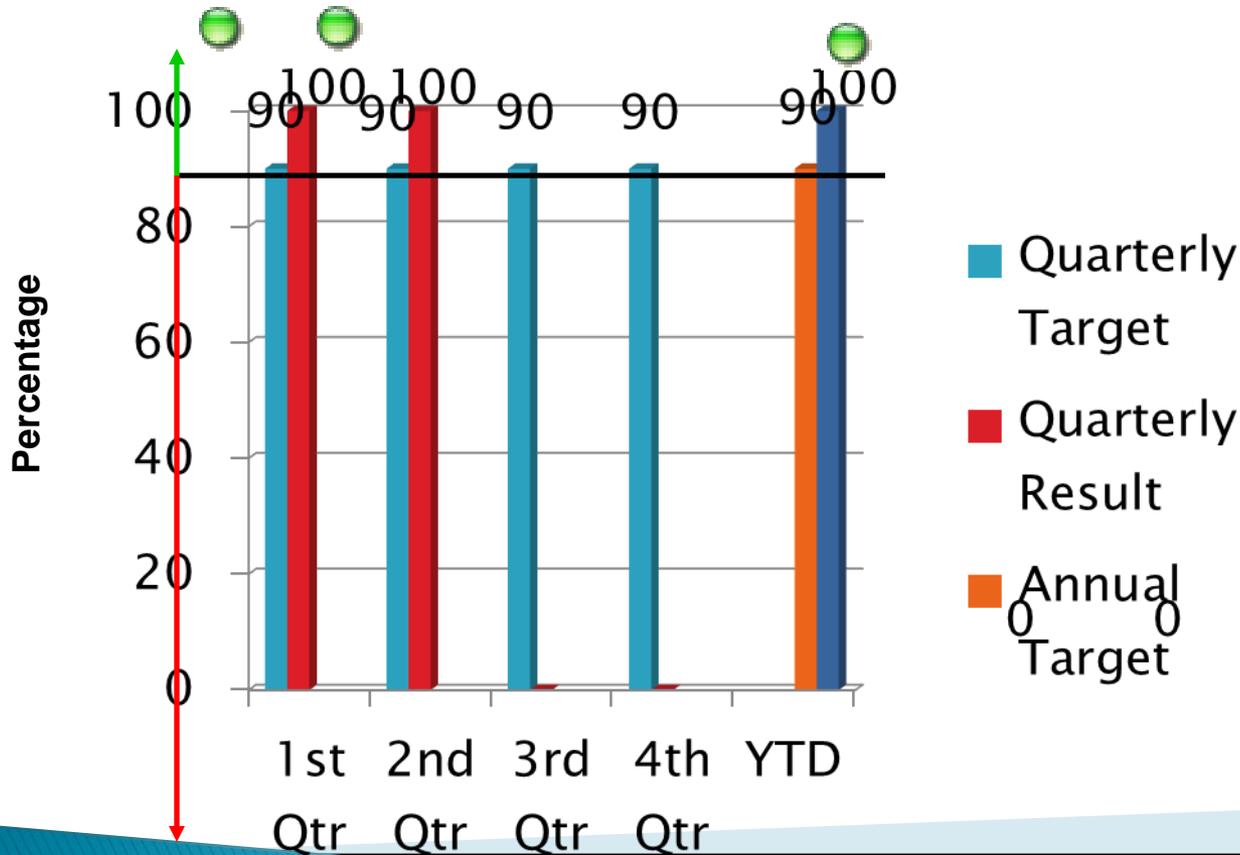
5.3.508



Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Pump/Electric Section

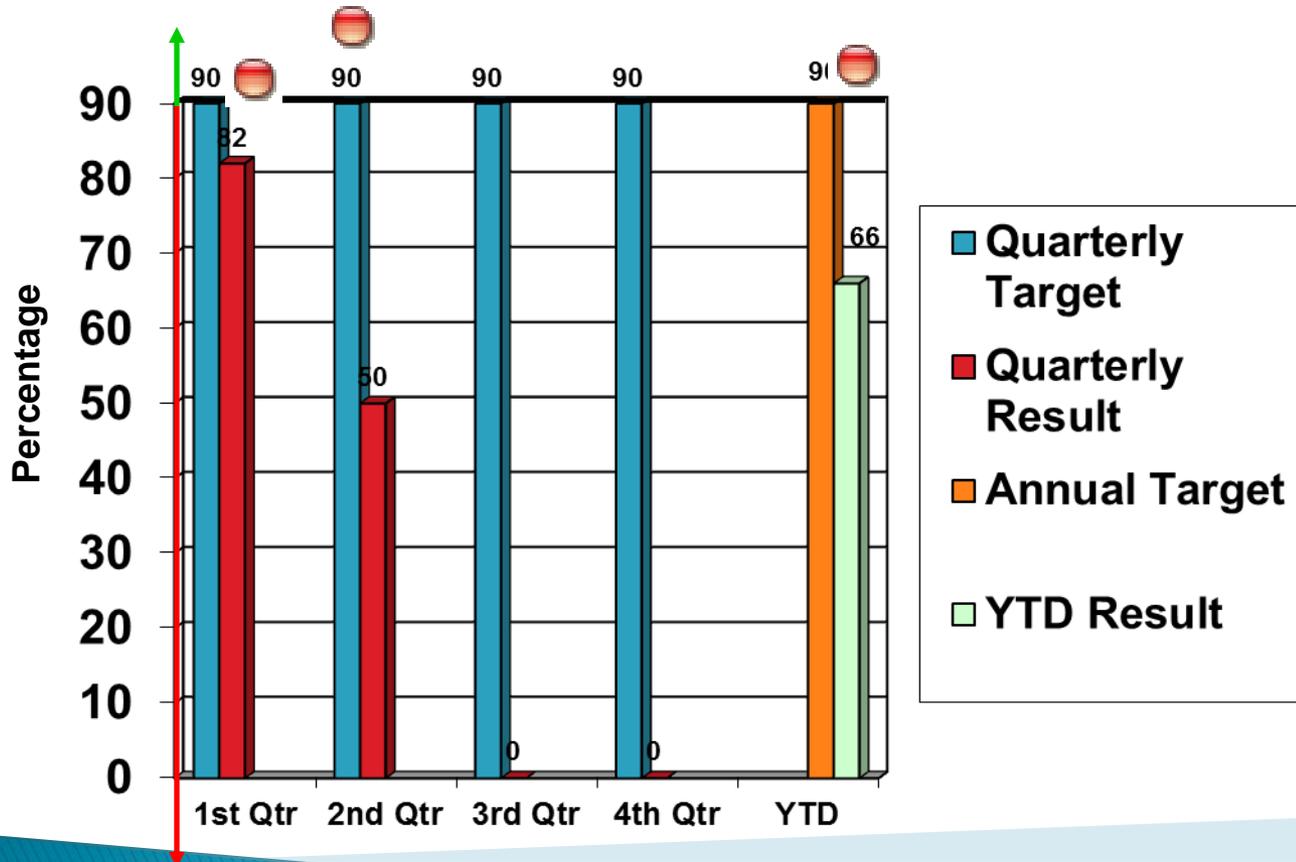
5.3.509



Measure 5.3.509, % PMs Completed – Pump/Electric Section, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# % PMs Completed – Valve Maintenance Program

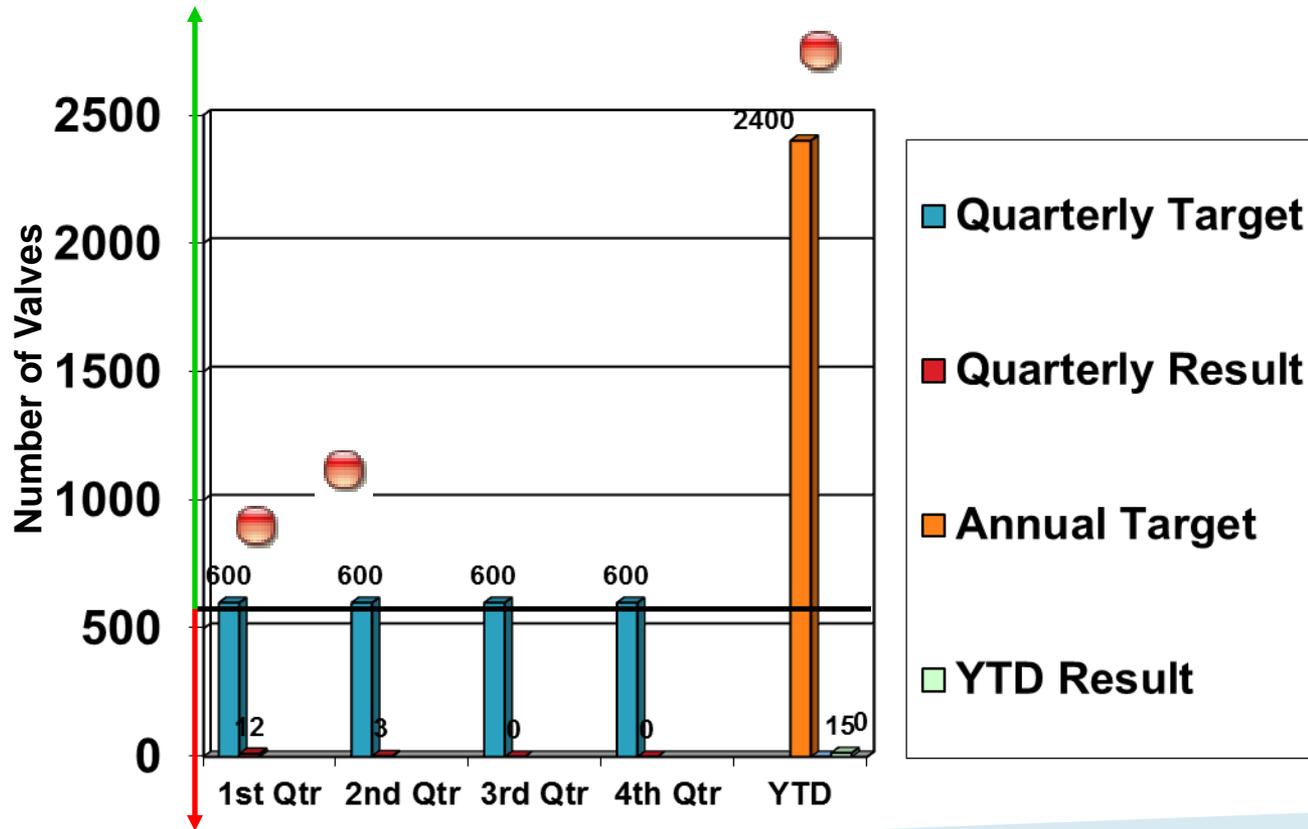
5.3.510



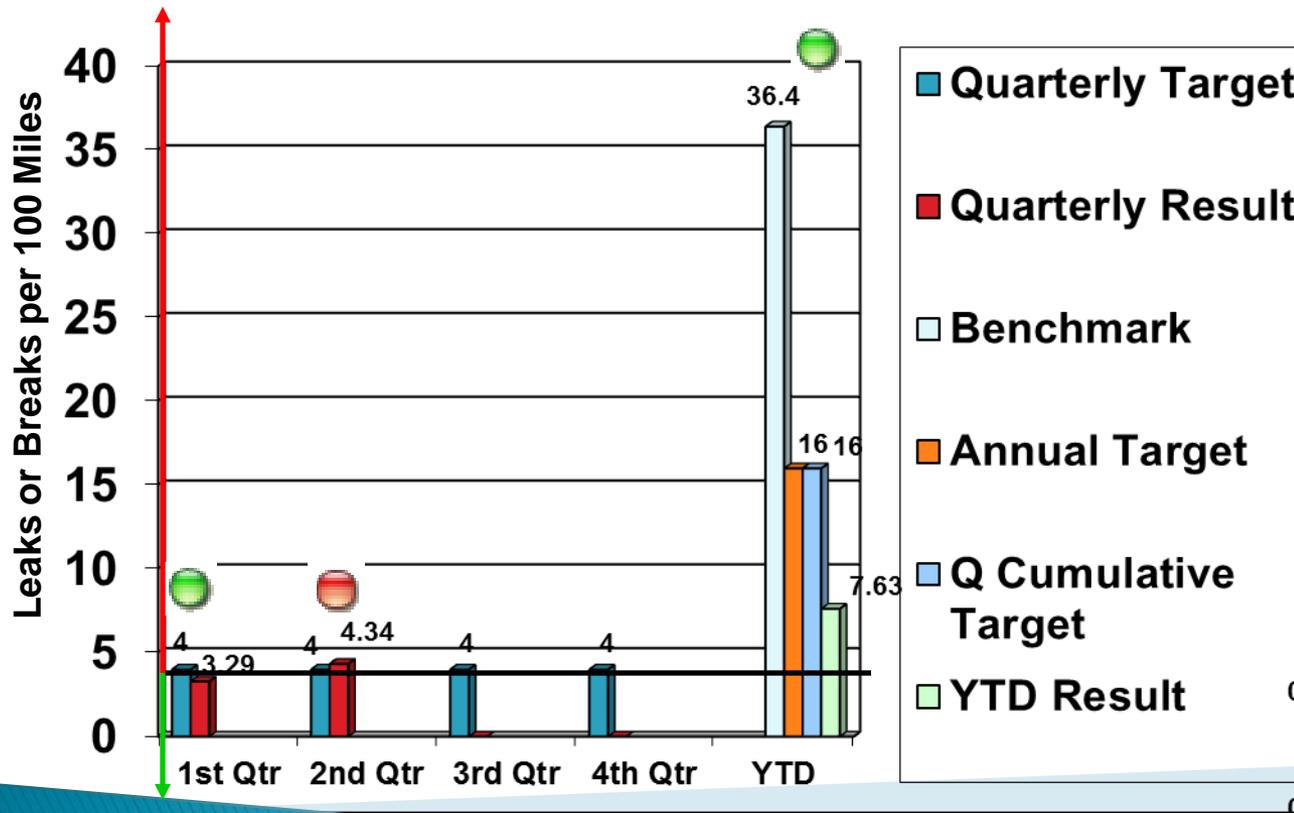
Measure 5.3.510, % PMs Completed – Valve Maintenance Program, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# Valve Exercising Program

5.3.511



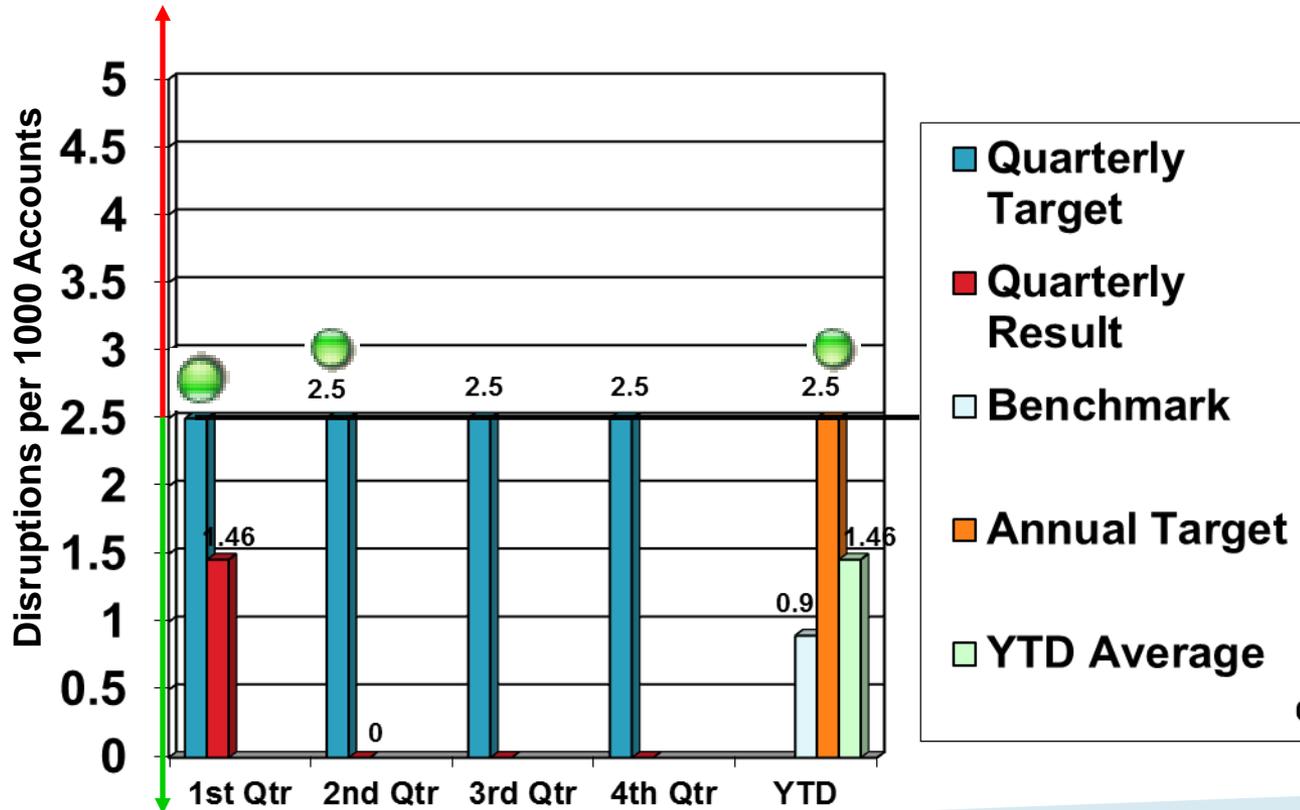
Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 2400 valves exercised in a single year.



Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

# Planned Water Service Disruption Rate (QualServe)

5.3.513

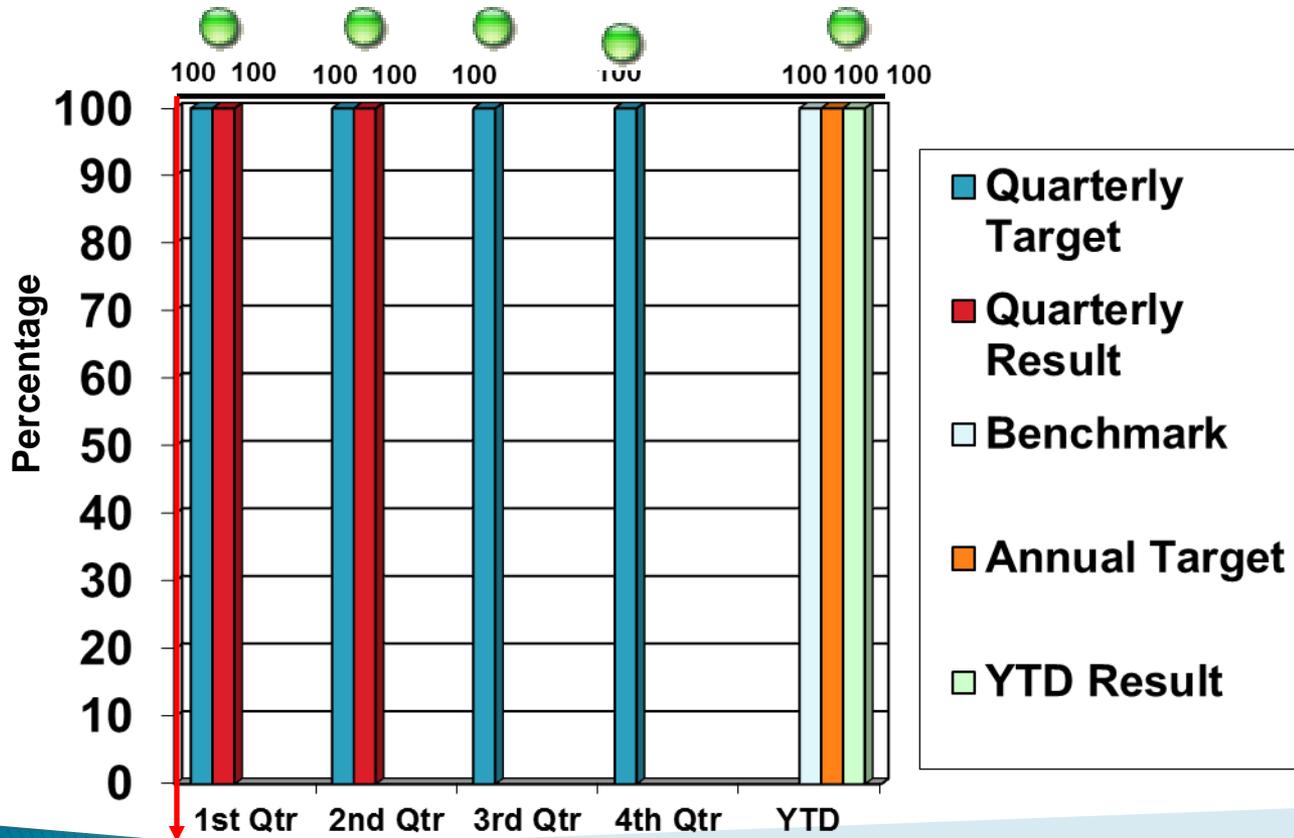


Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1000 accounts per quarter in a single year.

Note: This measure is expressed as number of accounts affected per 1000 accounts.

# Potable Water Compliance Rate (QualServe)

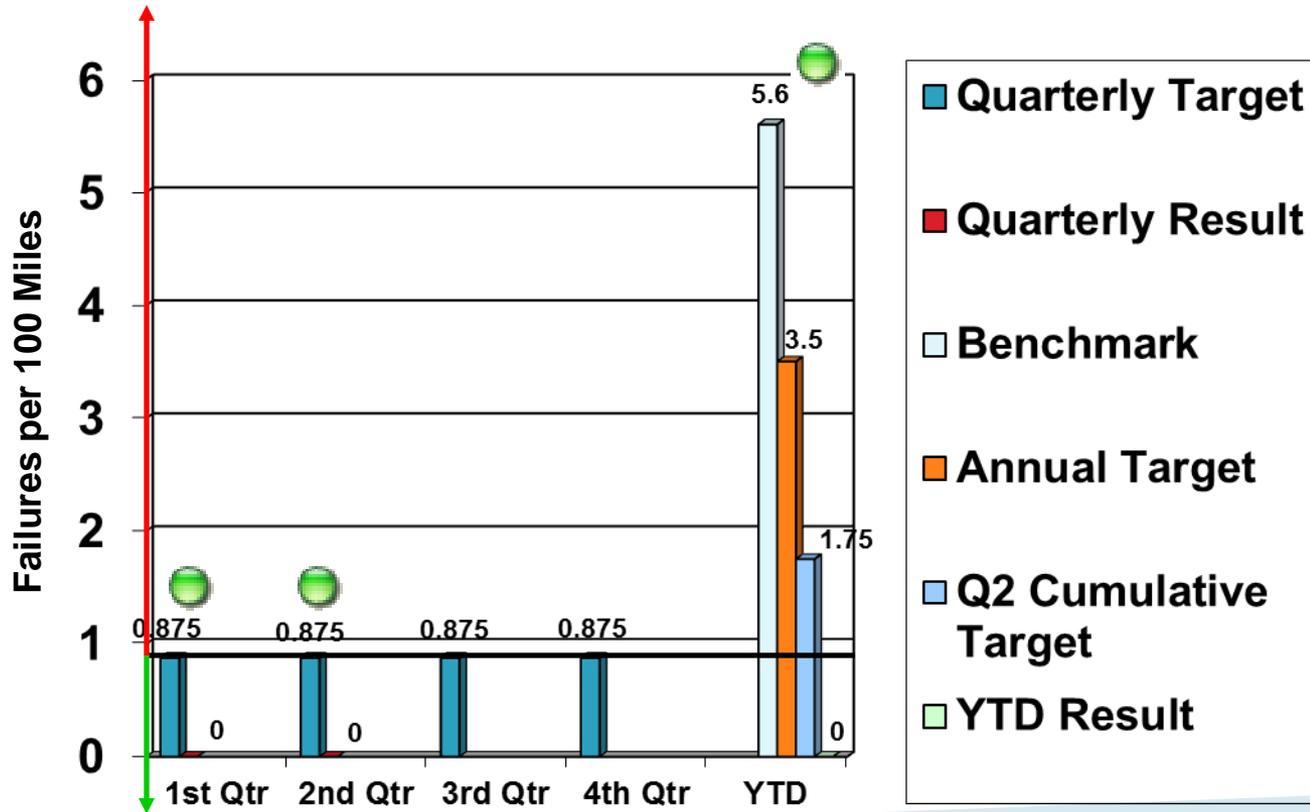
5.3.514



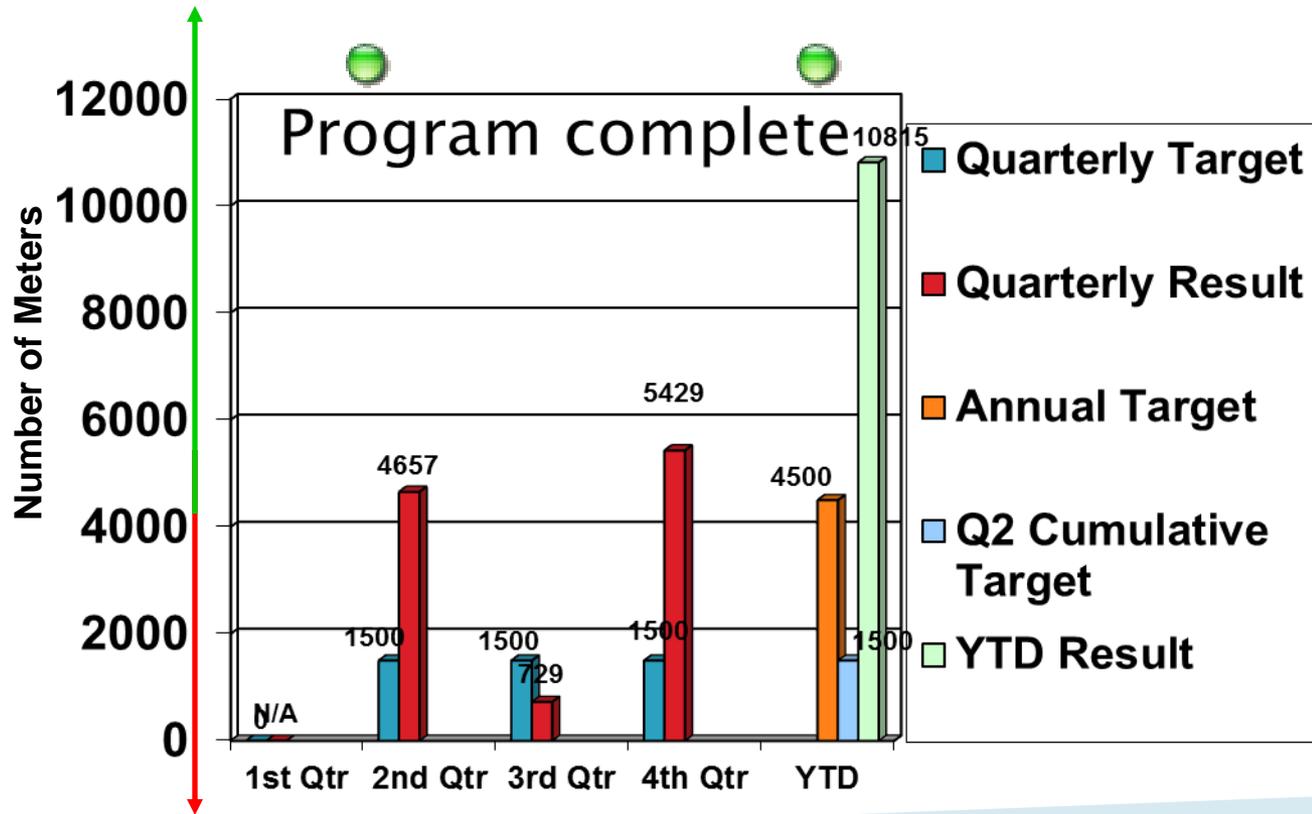
Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.

# Collection System Integrity (QualServe)

5.3.515



Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.

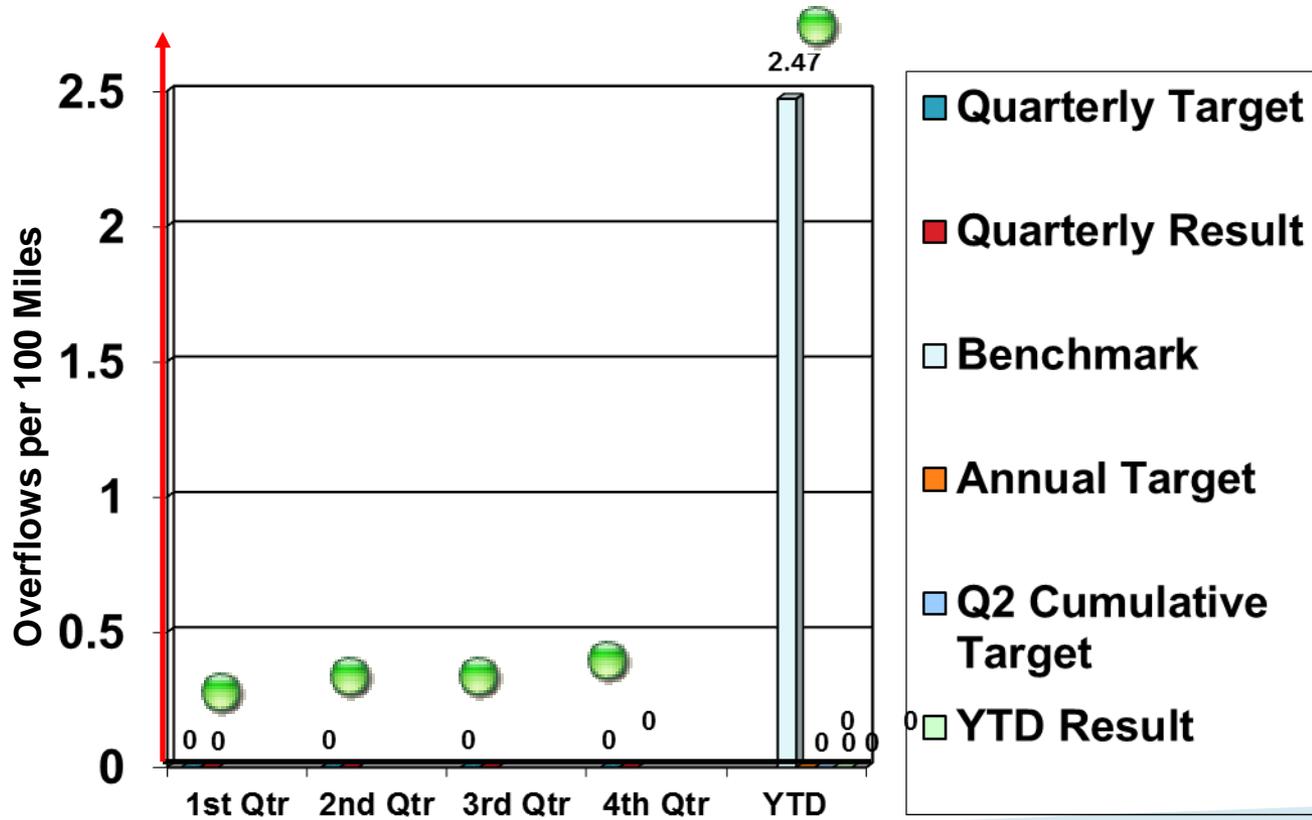


Measure 5.3.516, Replace Manual Read Meters with Automated Meters, aims to be above all set targets in order to have no less than 4500 meters replaced in a single year.

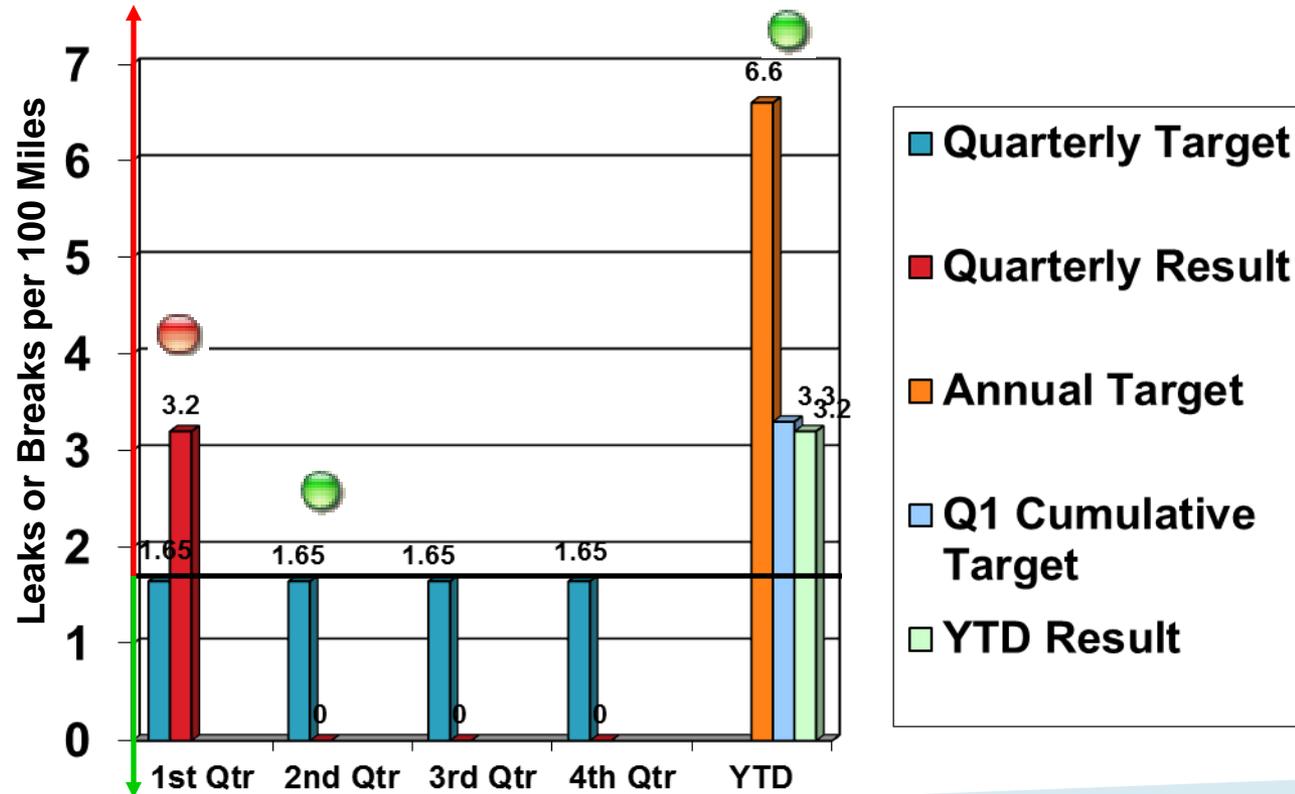
No Spills Please !

## Sewer Overflow Rate (QualServe)

5.3.518



Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows in a single year.



Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

# What's New/Next

- Board Update of FY 2014 Modifications
  - FY 2015 – 2017 Strategic Plan
- 