

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

TUESDAY
February 17, 2015
3:00 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. AWARD A CONSTRUCTION CONTRACT TO FORDYCE CONSTRUCTION, INC. (FORDYCE) FOR THE 450-1 DISINFECTION FACILITY REHABILITATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$128,350 (CAMERON) [5 minutes]
4. APPROVE A NEW AGREEMENT FOR THE TEMPORARY DELIVERY OF EMERGENCY WATER TO MEXICO (PORRAS) [5 minutes]
5. SECOND QUARTER OF FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM REPORT (MARTIN) [5 minutes]
6. MID-YEAR STRATEGIC PLAN REVIEW (STEVENS) [5 minutes]
7. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
8. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Gary Croucher, Chair

Tim Smith

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. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability that would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on February 13, 2015 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on February 13, 2015.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
SUBMITTED BY:	Kevin Cameron Associate Engineer	PROJECT:	R2112-001103
	Bob Kennedy Engineering Manager	DIV. NO.:	2
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:	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Fordyce Construction, Inc. (Fordyce) and to authorize the General Manager to execute a construction contract with Fordyce for the 450-1 Disinfection Facility Rehabilitation Project in an amount not-to-exceed \$128,350 (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a construction contract with Fordyce for the 450-1 Disinfection Facility Rehabilitation Project in an amount not-to-exceed \$128,350.

ANALYSIS:

Currently, the District receives recycled water at the 450-1 Reservoir from the City of San Diego's (City) South Bay Water Reclamation Plant (SB Plant). This reservoir, along with the 680-1 Pump Station (located at the same site), provides recycled water to the existing 680 and 927 Pressure Zones within the District's Central Area System. The 450-1 Disinfection Facility was constructed within the 680-1 Pump Station in 2008 to allow the District to boost the chlorine residual in the recycled water.

In November 2013, one of the two sodium hypochlorite holding tanks at the Disinfection Facility developed a crack on the interior tank at the outlet, and according to the manufacturer, was not repairable. Furthermore, since the second tank is near the end of its useful life (8-10 years), it is advisable that both tanks be replaced. The new tanks are designed with a flexible outlet so that the same type of failure cannot occur. Other upgrades to the project include relocating the chemical feed pumps to the containment area where potential spills can be confined and replacing of the louver opening with a roll-up door to ease future maintenance.

The design for this Project was completed in-house, and the Project was advertised on January 8, 2015 on the District's website and several other publications including the San Diego Daily Transcript. A Pre-Bid Meeting was held on January 20, 2015 which was attended by three (3) contractors. Four (4) addenda were sent out to all bidders and plan houses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on January 29, 2015, with the following results:

	CONTRACTOR	TOTAL BID AMOUNT
1	Fordyce Construction, Inc. Santee, CA	\$128,350
2	Cora Constructors, Inc. Palm Desert, CA	\$133,277
3	Telliard Construction San Diego, CA	\$146,400
4	Tharsos, Inc. La Mesa, CA	\$153,800
5	NEWest Construction Company, Inc. San Diego, CA	\$156,600

The Engineer's Estimate is \$130,000.

Staff reviewed the submitted bids for conformance with the contract requirements and determined that Fordyce was the lowest responsive and responsible bidder. Fordyce holds a Class A, General Engineering, Contractor's License, which meets the contract document's requirements, and is valid through October 31, 2015. Three (3) references were contacted and all indicated Fordyce had a good performance record on similar projects. An internet background search of the company was performed and revealed no outstanding issues with this company.

Cora Constructors submitted a bid protest on February 4, 2015, claiming Fordyce is not performing 50% of the bid price with their own forces, and they do not have the required experience to perform this work. Fordyce submitted a response to the bid protest on February 5, 2015, stating the subcontract value is 22% of the work, which coincides with their bid. Fordyce also stated the assertion that, "Fordyce does not have the required experience to perform the work" is vague with no substance. Staff concurred that their project experience is sufficient. In Fordyce's opinion, the bid protest is without merit and substance, and Staff concurs.

Staff has verified that the bid bond provided by Fordyce is valid. Staff will also verify that Fordyce's Performance Bond and Labor and Materials Bond are valid prior to execution of the contract.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The total budget for CIP R2112, as approved in the FY 2015 budget, is \$190,000. Total expenditures, plus outstanding commitments and forecast, are \$189,310. See Attachment B for the budget detail.

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

Finance has determined that 100% of the funding is available from the Replacement Fund.

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:

None.

KC/BK:jf

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Attachments: Attachment A - Committee Action
Attachment B - Budget Detail
Exhibit A - Location Map



ATTACHMENT A

SUBJECT/PROJECT: R2112-001103	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on February 17, 2015. The Committee supported Staff's recommendation.

NOTE:

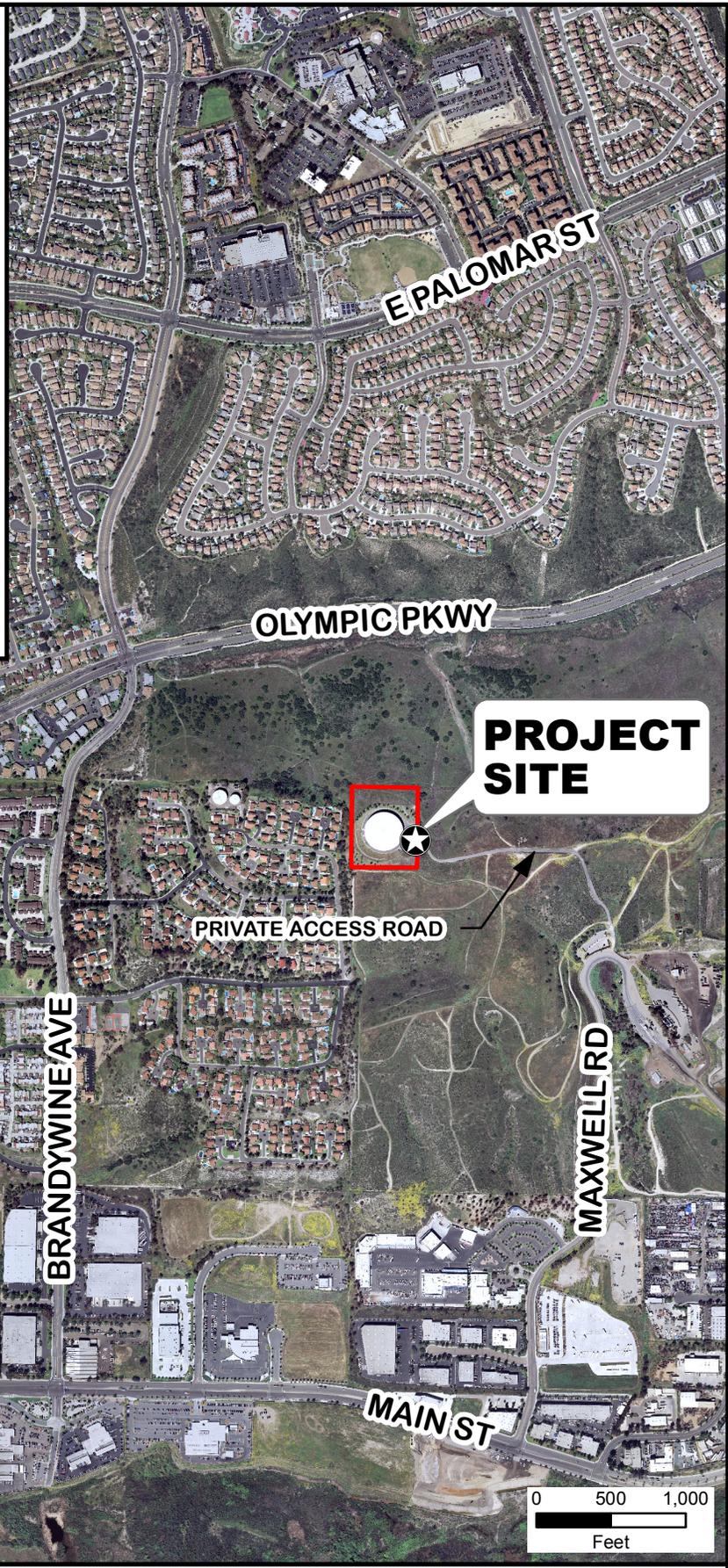
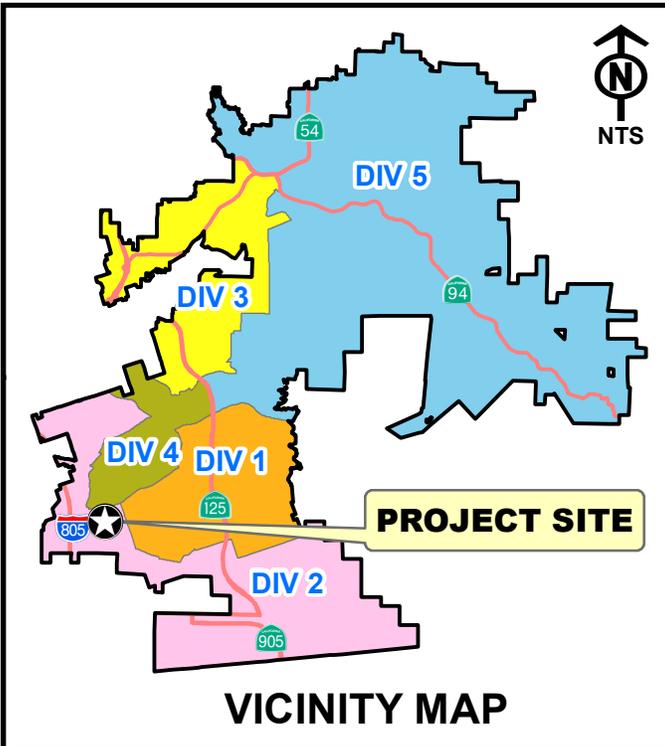
The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project
R2112-001103	

Otay Water District					Date Updated: 1/27/15
R2112 - 450-1 Disinfection Facility Rehabilitation					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
190,000					
Planning					
Standard Salaries	2,972	2,972	-	2,972	
Total Planning	2,972	2,972	-	2,972	
Design					
Standard Salaries	32,445	30,945	1,500	32,445	
Total Design	32,445	30,945	1,500	32,445	
Construction					
Standard Salaries	17,500	-	17,500	17,500	
Construction Contract	128,350	-	128,350	128,350	ABHE & SVOBODA, INC.
Service Contracts	125	-	125	125	SAN DIEGO DAILY TRANSCRIPT
Project Closeout	1,500	-	1,500	1,500	CLOSEOUT
Project Contingency	6,418	-	6,418	6,418	5% CONTINGENCY
Total Construction	153,893	-	153,893	153,893	
Grand Total	189,310	33,917	155,393	189,310	



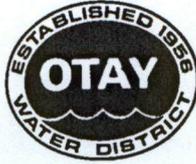
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OTAY WATER DISTRICT
450-1 DISINFECTION FACILITY REHABILITATION
LOCATION MAP



AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Pedro Porras, Chief Water Operations		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Asst. General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	New Agreement for Temporary Emergency Delivery of Water to Mexico		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute the proposed (Attachment B) "Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States."

COMMITTEE ACTION:

See Attachment A

PURPOSE:

The purpose of this report is to request authorization to execute the proposed agreement to deliver the Mexican Treaty Waters during emergencies.

ANALYSIS:

During the Board of Directors' Meeting held on February 5, 2014, under agenda item 7e, the General Manager was authorized to execute "Amendment No. 2 to Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the

International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for the Operation of Facilities in The United States."

On May 19, 2014, prior to the execution of the proposed Amendment, the U.S. Bureau of Reclamation (USBR) recommended to reformat this Amendment in an effort to better reflect past practices and to simplify it. Consequently, the U.S. agencies involved in delivering water to Mexico introduced several changes to the formatting and a few words were changed as well. Its content basically remained the same with all of our original changes and comments in it.

Nonetheless, because of the time that has elapsed and form/structural changes on Amendment No. 2 previously submitted to the Board, Staff is resubmitting this item to the Board. The form of the original document has changed from an Amendment to a new agreement. In addition, there are some structural changes to what the Board saw last February, such as; the Emergency Repair and Planned Project funds being combined instead of being separate funds, clarification on how to be compensated during an emergency and the addition to perform meter calibration.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

As mentioned in the February 5, 2014 Board of Directors' Meeting, no fiscal impact is anticipated with the adoption of this wheeling agreement. On January 21, 2015 the Board approved the new wheeling rate that covers all District expenses. The rate is now \$70.37 per acre foot for Mexico water wheeled to Mexico for calendar year 2015.

STRATEGIC GOAL:

Deliver high quality services to meet customer needs and increase confidence of the customer in the value the District provides.

LEGAL IMPACT:

No legal impact is anticipated at this time.

Attachments: Attachment A - Committee Action
 Attachment B - New Proposed Agreement



ATTACHMENT A

SUBJECT/PROJECT:	New Agreement for Temporary Emergency Delivery of Water to Mexico
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COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item on February 17, 2015, and the following comments were made:

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

DRAFT

AGREEMENT FOR TEMPORARY EMERGENCY DELIVERY OF A PORTION OF
THE MEXICAN TREATY WATERS OF THE COLORADO RIVER TO THE
INTERNATIONAL BOUNDARY IN THE VICINITY OF TIJUANA, BAJA CALIFORNIA,
MEXICO, AND FOR OPERATION OF FACILITIES IN THE UNITED STATES

This Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for the Operation of Facilities in the United States (“Agreement”) is becomes effective on the ____ day of ____, 2015 (“Effective Date”) and will terminate, except as provided in Article 18(a), on the ____ day of ____, 2020 (“Termination Date”), pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act, enacted December 21, 1928 (45 Stat. 1057), all of which are commonly known and referred to as Federal Reclamation law, by and among the United States of America (“United States”), acting by and through the United States Commissioner, International Boundary and Water Commission, United States and Mexico (“United States Commissioner”), and the Secretary of the Interior, acting by and through the Department of the Interior, Bureau of Reclamation (“Reclamation”); The Metropolitan Water District of Southern California (“Metropolitan”), a public corporation of the State of California; the San Diego County Water Authority (“Authority”), a public corporation of the State of California; and the Otay Water District (“OWD”), a public corporation of the State of California. Metropolitan, Authority, and OWD are sometimes collectively referred to as “California Agencies.”

The International Boundary and Water Commission, United States and Mexico, hereafter referred to as the “Commission,” or “IBWC,” is comprised of two sections – the United States Section, International Boundary and Water Commission (“USIBWC”), headed by the United

States Commissioner, and the Mexican Section, International Boundary and Water Commission (“Mexican Section”), headed by the Mexican Commissioner, International Boundary and Water Commission, United States and Mexico (“Mexican Commissioner”).

A history of the development of this Agreement and a statement of the intent of the parties to this Agreement are attached hereto as Appendix A, which is incorporated as part of this Agreement.

DEFINITIONS

The following definitions apply herein:

A. The City of Tijuana, Baja California, Mexico, and its surrounding area, are hereafter referred to as “Tijuana.”

B. The “*United States-Mexico Treaty for Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande*,” Feb. 3, 1944, T.S. 994 is hereafter referred to as the “1944 Treaty.”

C. The United States Commissioner and the Mexican Commissioner signed Minute No. 32X (Exhibit A), dated [day, month] __, 2015, of the International Boundary and Water Commission (hereinafter referred to as “IBWC Minute”) for Emergency Deliveries for Tijuana for a period ending no later than _____, 2020, at the same point of delivery as Minute No. 310.

D. The total amount of the waters of the Colorado River allotted annually to Mexico by the 1944 Treaty will hereafter be referred to as “Treaty Water”; the amount of such Treaty Water to be diverted from the Colorado River above Parker Dam for subsequent emergency delivery for Tijuana will hereafter be referred to as “Portion of Treaty Water”; and the

emergency deliveries at the international boundary near Tijuana will hereafter be referred to as “Emergency Deliveries for Tijuana.”

E. An obligation of Mexico shall be deemed to mean “an obligation of Mexico as agreed to in Minute 32X.”

F. The facility, through which Emergency Deliveries for Tijuana are delivered at the international boundary about 1.1 miles east of the Otay Mesa Border Crossing, is hereafter referred to as the “Service Connection SD-TJ.”

G. The Comisión Estatal De Servicios Públicos De Tijuana, the Mexican agency receiving the Treaty Water, is hereinafter referred to as “CESPT.”

PROCEDURES

The following procedures shall be used to implement this Agreement:

A. When Mexico requests deliveries, the USIBWC will secure from the Mexican Section of the IBWC (“Mexican Section”) an annual schedule of requests (hereinafter referred to as “Schedule of Requests”) for Emergency Deliveries for Tijuana. The Schedule of Requests will set forth an annual schedule of deliveries of Treaty Water, broken down by month; the Emergency Deliveries for Tijuana must be within the projected available capacities of the distribution system facilities in the United States at volumes no greater than 1,200 acre-feet (1.5 million cubic meters)/month. The Schedule of Requests will show by month (1) the total request for Treaty Water, (2) the deliveries requested in the limitrophe section of the Colorado River, (3) the deliveries requested at the land boundary between the United States and Mexico near San Luis, Arizona, and (4) the Emergency Deliveries for Tijuana requested to be made at Service Connection SD-TJ at the international boundary, together with associated conveyance losses as calculated pursuant to Article 16 of this Agreement, to reflect the charge against Mexico’s

allotment provided in Article 10(a) of the 1944 Treaty. The quantities of water that would otherwise be delivered to Mexico in the limitrophe section will be reduced by the amount of Emergency Deliveries for Tijuana and associated conveyance losses, as calculated pursuant to this Agreement.

B. Upon receipt USIBWC will review the annual Schedule of Requests for Emergency Deliveries for Tijuana and transmit it to Reclamation and the California Agencies, which will determine whether all or a portion of such requests can be met for that year.

C. The USIBWC will ascertain from the Authority whether such requests can be met or to what extent a limitation of deliveries is foreseen in said year.

D. The Authority shall coordinate the necessary functions of the California Agencies in regard to charges and payments for Emergency Deliveries for Tijuana. The format for the charges is reflected in Exhibit B, attached hereto and incorporated as part of this Agreement.

E. The California Agencies acknowledge that due to unforeseen circumstances, Mexico may on rare occasions request changes to Emergency Deliveries for Tijuana. The California Agencies shall cooperate in good faith to effect such deliveries, if distribution system and treatment plant capacity are deemed available pursuant to Article 3 of this Agreement and, up to the volume established in Article 8 of this Agreement and under the same terms and conditions provided in this Agreement.

F. During any month that water is delivered through the Service Connection SD-TJ, any party involved in this Agreement may request additional information or a meeting to verify meter readings, receive reports on the procedures for deliveries and handling of funds received from Mexico and exchange information, as well as jointly address any unforeseen situations that may arise regarding this matter.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

ARTICLE 1. PERFORMANCE BY THE CALIFORNIA AGENCIES

The California Agencies will act as the operation agencies for the United States Commissioner for Emergency Deliveries for Tijuana under the terms and conditions of this Agreement, pursuant to terms of the IBWC Minute. A true copy of the English text of the IBWC Minute is attached hereto as Exhibit A and incorporated as a part hereof.

ARTICLE 2. TIMING FOR THE SUBMISSION OF THE SCHEDULE OF REQUESTS

For the initial emergency delivery of water under this Minute No. 320, the United States Commissioner will submit to the California Agencies and Reclamation a schedule of the requested emergency water deliveries broken down by month at least 45 days prior to the delivery start date. For any subsequent year, an annual schedule will be submitted by September 15 of the preceding year.. The Schedule of Requests will reflect requested water deliveries for each month of the annual period for which the request is made, within the limitations set out in Article 8 of this Agreement. With each Schedule of Requests, the United States Commissioner shall include the progress report received from Mexico on plans and other actions to secure a firm water supply for Tijuana.

ARTICLE 3. CAPACITY DETERMINATION BY CALIFORNIA AGENCIES

Upon receipt of a Schedule of Requests, the California Agencies shall determine in their sole discretion whether capacity is available in their water distribution systems and at Metropolitan's Robert A. Skinner Treatment Plant for all or a portion of the requested Emergency Deliveries for Tijuana, and shall provide that determination to the Authority, which in turn will provide it to the Commission by October 15, or in the case of initial deliveries under

this Agreement, within 30 days of receipt of the Schedule of Requests. If the California Agencies determine that capacity is not available for a calendar year, this Agreement shall not be operative for that calendar year. However, a Schedule of Requests for subsequent calendar years may be submitted.

ARTICLE 4. TIMING AND COMPONENTS OF THE SCHEDULE OF CHARGES

Timing of Schedule of Charges: The Authority shall provide an itemized Schedule of Charges consistent with the California Agencies' United States rate setting practices in Southern California ("Schedule of Charges") to be paid by Mexico for the amount of Emergency Deliveries for Tijuana that are to be accomplished based on the determination performed in Article 3 of this Agreement. The charges included in the Schedule of Charges shall be determined by October 15 of the year preceding deliveries and shall remain constant until changed by one or more of the California Agencies except for charges associated with the cost of energy, which shall be estimated and updated for each quarterly period, in which deliveries are scheduled, in accordance with this Article. The Authority shall provide the United States Commissioner the Schedule of Charges by October 15 of the year preceding deliveries and thereafter, provide a quarterly update 45 days prior to the beginning of each quarterly period. On a quarterly basis, when deliveries are scheduled, the Agencies shall update the Schedule of Charges to reflect energy costs for the subsequent quarter. "Quarter" or "quarterly" shall mean the four consecutive increments of three-month periods each calendar year, beginning with the first month of the calendar year; quarterly requirements herein shall only be required for quarters in which scheduled deliveries occur. In the case of initial deliveries to Mexico under this Agreement, the Authority shall within 30 days of receipt of the Schedule of Requests, provide a Schedule of Charges for deliveries through the end of the initial quarter.

In addition to the Schedule of Charges and quarterly updates, the Authority shall, by October 15 of the year preceding deliveries, provide the United States Commissioner a determination as to whether payment into the Energy Reserve Fund-and the Planned Project and Emergency Repair Reserve Fund, established pursuant to Article _5_, is required and, if so, the amount of such payment(s).

Components of Schedule of Charges: The Schedule of Charges shall include: (a) Base Cost of Deliveries; (b) Planned Project and Emergency Repair Reserve Fund; and (c) Energy Reserve Fund. Each component is calculated as follows:

(a) The Base Cost of Deliveries includes:

(1) The charge for the use of the existing diversion and conveyance works of Metropolitan and the treatment charge for such water at rates consistent with the California Agencies' United States rate setting practices in Southern California, plus the average monthly energy cost, including foregone sales and exchanges, incurred by Metropolitan to convey the incremental amount of Mexico's water through the Colorado River Aqueduct, the loss of Metropolitan's share of energy generated at Parker Dam Power Plant, and any other Colorado River Aqueduct energy cost or loss of energy that results from such Emergency Deliveries. An estimated charge for electric energy and losses shall be provided for quarterly, which will be reflected in the quarterly update of the Schedule of Charges. Actual charges for electric energy and losses shall be provided by Metropolitan in its monthly invoice to the Authority pursuant to Article 7 of the Agreement.

(2) The charge for the use of the existing conveyance works of the Authority for Emergency Deliveries for Tijuana at rates consistent with the California Agencies' United States rate setting practices in Southern California.

(3) The charge for use of conveyance facilities of OWD, including distribution system facilities used for Emergency Deliveries for Tijuana at rates consistent with the California Agencies' United States rate setting practices in Southern California.

(b) Planned Project and Emergency Repair Reserve Fund.

(1) An annual charge in an amount determined as provided in Article 5(b) for deposit in the Planned Project and Emergency Repair Reserve Fund. The annual charge shall be invoiced and paid before the beginning of each calendar year.

(2) OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund for emergency work on the equipment or facilities used for the purpose of delivering waters to Tijuana for operations, safety, or security purposes. Emergency repairs shall proceed as stipulated in Article 5(b) of this Agreement.

(3) OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund for planned purchase, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for improvements for the purpose of the security of such facilities (each a "Planned Project"). OWD, upon receipt of a Schedule of Requests for Emergency Deliveries for Tijuana, shall perform meter calibration of Service Connection SD-TJ in order to guarantee flow accuracy to Mexico. OWD shall be reimbursed for any cost incurred from the Planned Project and Emergency Repair Reserve Fund for this initial work. Any other planned project shall only proceed upon authorization by CESPT, the Mexican agency receiving the Treaty water. OWD shall provide a description of the Planned Project and the estimated expenditures to the Authority. The Authority shall submit the description and estimated expenditures to the United States Commissioner. Upon Mexico's

approval of the Planned Project and the associated estimated expenditures, the OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund.

(4) When the Authority withdraws funds from the Planned Project and the Emergency Repair Reserve Fund, the United States Commissioner shall obtain from the Mexican Section funds necessary to replenish the Planned Project and Emergency Repair Reserve Fund to the level established on October 15 of the preceding year or for the initial delivery period. The United States Commissioner shall make all such funds received from Mexico available by depositing said funds with the Authority.

(5) Upon completion of a Planned Project, OWD shall submit a final cost accounting to the Authority and the Authority will transmit the cost accounting to the United States Commissioner.

(6) In the event the actual costs of a Planned Project or an Emergency Project exceed the Planned Project and Emergency Repair Reserve Fund, OWD shall submit an invoice to the Authority for such excess costs. The Authority will forward the invoice and the OWD's final cost accounting to the United States Commissioner for collection from Mexico of payment for the excess costs and the funds necessary to replenish the Planned Project and Emergency Repair Reserve Fund to the requisite level. The United States Commissioner shall transmit such funds to the Authority for deposit in the Authority Account. The Authority shall pay OWD's invoice for excess costs upon deposit of such funds in the Authority Account.

(c) Energy Reserve Fund. -An Energy Reserve Fund shall be established to cover additional charges due to the fluctuations in energy costs. The dollar amount required for the Energy Reserve Fund shall be estimated on a quarterly basis before each quarterly delivery period and it shall not be greater than FIVE HUNDRED THOUSAND U.S. DOLLARS (\$500,000).

(d) The charges, including the estimated energy charges, described in Article 4 (a) and (c), shall be stated as charges per acre-foot of Emergency Deliveries for Tijuana, including volumes stated in acre-feet to be charged by each agency as conveyance losses pursuant to Article 16 of this Agreement.

ARTICLE 5. PAYMENT ACCOUNT FOR WATER DELIVERIES AND RESERVE FUNDS

(a) The Authority shall establish a separate account within the Authority's accounting system ("Authority Account") for the purpose of accounting for receipt and disbursement of funds for payment for Emergency Deliveries for Tijuana pursuant to this Agreement. As described in this Article 5, funds that are received from Mexico through the United States Commissioner for payment of estimated charges for deliveries as set forth in the Schedule of Charges, including, deposits into the Planned Project and Emergency Repair Reserve Fund and Energy Reserve Fund if required by the California Agencies to provide payment in the event that actual charges for deliveries exceed estimated charges due to fluctuations in energy charges. Funding for implementation of a planned project, and/or implementation of an emergency repair shall be maintained in and paid from the Authority Account. When Metropolitan provides a quarterly estimated energy charge, pursuant to Article 4, Metropolitan shall also provide a determination to the Authority as to whether payment into the Energy Reserve Fund is required for the following quarter.

(b) Within the Authority Account, a Planned Project and Emergency Repair Reserve Fund shall be established for the purpose of accounting for, receipt, and disbursement of funds for payment for the actual cost incurred by OWD for emergency purchases, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for emergency improvements for the purpose of the security of such

facilities (“Emergency Projects”) or for planned purchases, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for planned projects for the purpose of the security of such facilities (“Planned Projects”). The amount of the Planned Project and Emergency Repair Reserve Fund shall be determined by OWD annually, in consultation with the Authority, based on historical data for such Emergency Projects and Planned Projects and shall reflect the amount deemed reasonably necessary to cover the costs of Emergency Projects and Planned Projects in the next calendar year. The minimum Planned Project and Emergency Repair Reserve Fund balance shall be no less than SEVENTY THOUSAND U.S. DOLLARS (\$70,000) and the maximum balance no greater than TWO HUNDRED AND FIFTY THOUSAND U.S. DOLLARS (\$250,000).

OWD shall, by October 10 of each year, submit its determination of the annual charge to be collected for and deposited in the Planned Project and Emergency Repair Reserve Fund under Article 4(b). Upon execution of this Agreement, OWD shall provide within thirty (30) days a determination of the charge to be initially collected and deposited in the Planned Project and Emergency Repair Reserve Fund under Article 4(b). Before the initial delivery period and thereafter at the beginning of each calendar year, the United States Commissioner shall collect such funds as specified in Article 4(b) and provide them to the Authority for deposit into the Planned Project and Emergency Repair Reserve Fund established by Article 4 (b).

To access the Planned Project and Emergency Repair Reserve Fund in the event of an emergency, OWD shall immediately respond and perform any work necessary to maintain the appropriate level of safety and security of the site and shall notify USIBWC and CESPT of said initial work as soon as practicable following the occurrence of the emergency. OWD shall be reimbursed for any cost incurred from the Planned

Project and Emergency Repair Reserve Fund for this initial response. Any additional emergency repairs, necessary to restore the proper operation of the facility, shall proceed upon authorization by CESPT, the Mexican Agency receiving the Treaty water, when it is practical to obtain such authorization prior to the final emergency repair. Upon OWD receiving Emergency Project authorization from CESPT through USIBWC, the final repairs shall be performed by OWD. Upon completion of an Emergency Project, OWD shall submit a final cost accounting to the Authority and the Authority will forward such cost accounting to the United States Commissioner for transmittal to Mexico. The Authority may draw from the Planned Project and Emergency Repair Reserve Fund to pay OWD for the Emergency Project. In the event that an Emergency Project is not authorized by CESPT through USIBWC, the Service Connection SD-TJ will be deemed inoperable and the Commission shall determine the termination of this Agreement as stipulated in Article 18 of this Agreement. In the event the Planned Project and Emergency Repair Reserve Fund is insufficient or is depleted after commencement of a project, the United States Commissioner shall obtain additional funds from Mexico and transfer those funds to the Authority at the time of depletion to complete the project and to replenish the reserves to the amount determined by OWD for that calendar year. In the event the actual costs of an Emergency Project exceed the reserves, OWD shall submit an invoice to the Authority for such unpaid costs and replenishment of the Planned Project and Emergency Repair Reserve fund. The Authority will forward the invoice to the United States Commissioner for collection of funds from Mexico for transmittal of such funds to the Authority for deposit in the Authority Account. The Authority will pay OWD the unpaid costs upon receipt of such funds from the United States Commissioner.

(c) Payment for the charges referred to in Article 4(a) and (c) will be made on a quarterly basis. Each quarterly payment will be for the Base Cost of Delivery for the corresponding quarterly period in which Emergency Deliveries for Tijuana are to be made, and for Energy Reserve Funds as determined by Metropolitan. The United States Commissioner shall determine the availability of funds provided by Mexico 15 days before the beginning of the corresponding quarter during which deliveries shall be made or, for initial deliveries, 15 days before the beginning of the delivery. The United States Commissioner shall make all such funds received from Mexico available by depositing said funds with the Authority. Funds for initial deliveries pursuant to this Agreement shall be established prior to initiation of the Emergency Deliveries for Tijuana. The amount of funds provided by Mexico through the United States Commissioner shall be calculated by the Authority and shall be equal to the estimated total charge of the Emergency Deliveries for Tijuana to be provided for the corresponding quarterly period, determined by the volume of the Emergency Deliveries for Tijuana together with associated conveyance losses, at a rate per acre-foot totaling the sum of charges referred to in Article 4(a) and (c) for Emergency Deliveries for Tijuana, less any amount estimated by the Authority that will remain in the account from previous payments by Mexico after deduction of payments for the previous quarter, and after accounting for the Planned Project and Emergency Repair Reserve Fund and Energy Reserve Fund, if required, as provided below.

Inasmuch as delivery costs may change during the term of this Agreement, they will be set forth in an Exhibit B as formulated or modified as necessary, except for estimated charges associated with the cost of energy, which shall be provided for quarterly, and which shall be indicated as actual energy charges in each monthly invoice. Exhibit B is attached hereto, and is

incorporated into this Agreement in accordance with its respective provisions until superseded by a subsequent Exhibit B.

(d) The Authority shall maintain an Energy Reserve Fund in the Authority Account in excess of estimated quarterly charges. The purpose of the Energy Reserve Fund is to provide payment of actual energy charges for deliveries that may be in excess of estimated energy charges. The amount of the Energy Reserve Fund shall be determined by Metropolitan, and shall reflect the amount deemed reasonably necessary by Metropolitan to cover potential discrepancies between estimated and actual charges due to fluctuations in energy costs. Energy Reserve Funds in the Authority Account shall not exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000). In the event that Energy Reserve Funds are depleted or are forecasted to be depleted in any quarter, when payment of estimated charges for the next quarter are provided, the United States Commissioner shall obtain from Mexico a payment to maintain the Energy Reserve Fund at the requisite level for the next quarter. In the event Energy Reserve Funds exceed the amount determined by Metropolitan, such excess amount shall be applied to payment of estimated charges for the next quarterly period, or upon the written instruction of the United States Commissioner, shall remain in the Energy Reserve Fund.

(e) The Authority shall credit the Authority Account for interest earned on the account based on the average monthly interest as reported on the Authority's Monthly Treasurer's Report for the Authority Operating Fund, and will be calculated at the end of each month. Interest earned shall be treated as payments from Mexico through the United States Commissioner. The Authority shall notify the other California Agencies, after receiving notice from the United States Commissioner, when funds for each quarter have been received from Mexico and transferred to the Authority.

ARTICLE 6. UNANTICIPATED ADDITIONAL EMERGENCY DELIVERIES OR
REDUCTIONS IN DELIVERIES

(a) Additional Deliveries Requested by Mexico. During any quarterly period, Mexico may request, through the United States Commissioner, unanticipated additional Emergency Deliveries for Tijuana from the California Agencies. If the California Agencies agree to additional Emergency Deliveries for Tijuana, the California Agencies shall calculate a Schedule of Charges for such deliveries in accordance with Article 4, herein, and any additional request for Energy Reserve Funds in accordance with Article 5 herein. The Authority shall inform the United States Commissioner of the extent to which the California Agencies have agreed to such unanticipated additional Emergency Deliveries for Tijuana and the amount of additional funds that shall be deposited into the Authority Account. The United States Commissioner shall notify Mexico and secure from Mexico the additional funds within 15 days of notifying Mexico. The California Agencies may, in their sole discretion and under extraordinary circumstances, agree to make additional Emergency Deliveries for Tijuana prior to receiving payment as provided in this Article. However, in such case, the United States Commissioner shall secure payment from Mexico for such deliveries immediately, and if such payment is not made immediately, the California Agencies may draw on any available funds in the Authority Account as payment for such Emergency Deliveries for Tijuana.

(b) Reductions in Deliveries Requested by Mexico. Mexico may, during the course of a calendar year, request reductions in the amount of Emergency Deliveries for Tijuana that had been determined according to the procedures in Articles 2 and 3 of this Agreement. The Authority, in consultation with the other California Agencies, shall comply with an appropriate request for reductions unless a California Agency determines, in its sole discretion that such

reductions would result in a financial loss to that agency. In the event that a reduction in Emergency Deliveries for Tijuana is requested by Mexico pursuant to this Article, any payments that have previously been made by Mexico, through the United States Commissioner to the Authority for such Emergency Deliveries for Tijuana shall be retained in the Authority Account and applied to payment for future Emergency Deliveries for Tijuana.

(c) Except in extraordinary circumstances, Mexico may not submit any request for unanticipated additions or reductions in Emergency Deliveries for Tijuana for any time period that is covered in any previous request for unanticipated additions or reductions pursuant to this Article.

ARTICLE 7. COORDINATION OF PAYMENTS AND CHARGES

The California Agencies shall coordinate the charges and payments and like matters pertaining to Emergency Deliveries for Tijuana as follows:

(a) IBWC shall certify delivery amounts through monthly meter readings at Service Connection SD-TJ for the months that Emergency Deliveries for Tijuana are made, and forward a written certification to the Authority by 5:00 p.m. on the first working day after the end of the month in which the delivery was made.

(b) Contingent on timely receipt from IBWC, the Authority will then prepare itemized statements of costs or charges, based on the certified monthly meter readings, in the form attached as Exhibit B hereto, and forward such statements, along with the certified meter readings to OWD, Metropolitan, Reclamation, and the United States Commissioner before 3:30 p.m. on the third working day after the end of the month in which the Emergency Deliveries for Tijuana were made.

(c) Metropolitan's monthly invoice to the Authority, which contains an accounting of charges for Metropolitan water deliveries to the Authority including Emergency Deliveries for Tijuana, shall include: (1) A treated water credit to the Authority at Metropolitan's full service rate for the amount of water delivered as calculated on Line 8 of Exhibit B for the current billing month; (2) A charge to the Authority, as calculated on Line 16 of Exhibit B, for Metropolitan's costs associated with providing the Emergency Deliveries for Tijuana during the current billing month; (3) A credit equal to Metropolitan's estimated energy charge as shown on the invoice for the previous month billing of Emergency Deliveries for Tijuana; and (4) A charge equal to Metropolitan's actual energy costs for the previous month billing of Emergency Deliveries for Tijuana.

(d) The Authority's monthly invoice to OWD, which contains an accounting of charges for Authority water deliveries to OWD including Emergency Deliveries for Tijuana, shall include: (1) A treated water credit to OWD at the Authority's full service rate for the amount of water delivered as calculated on Line 3 of Exhibit B for the current billing month; and (2) A credit to OWD as calculated on Line 5 of Exhibit B for OWD's costs associated with providing the Emergency Deliveries for Tijuana for the current-billing month.

(e) The Authority shall withdraw funds monthly from the Authority Account for payment to the Authority based on the Authority's costs as calculated on Line 10 of Exhibit B.

(f) Within 30 working days after the end of the month in which Emergency Deliveries for Tijuana were made, Metropolitan shall inform the Authority in writing or by electronic mail of its actual energy charge per acre-foot for Emergency Deliveries for Tijuana for that month.

(g) The Authority shall provide a quarterly report for quarters when no deliveries are made and a monthly report for periods when deliveries are made, on or about the 20th day of the

month, to the United States Commissioner for submittal to Mexico, which shall include an itemized list of the costs to or charges of each California Agency for the Emergency Deliveries for Tijuana made during the previous month, total funds withdrawn from Mexico's account, the interest earned on the funds in the account, and the balance remaining in the account. The Authority shall retain appropriate vouchers to support the itemized statements of costs or charges in accordance with the provisions of this Article.

(h) IBWC may request clarifications to the monthly report from the Authority within 60 days. In the event of a dispute regarding a statement of costs and charges submitted in the Authority Monthly Report to the United States Commissioner, the United States Commissioner and the General Manager of the Authority shall immediately take action to resolve the matter. If the United States Commissioner does not object to information contained in the Monthly Report within sixty (60) days of its receipt from the Authority, it shall be conclusively determined that the United States Commissioner and Mexico agree with the information contained in such report.

(i) Upon the termination of this Agreement, the Authority shall settle and reconcile all the actual charges for said Emergency Deliveries for Tijuana and liquidate the corresponding funds provided for their payment. The Authority shall prepare a final balance sheet covering actual costs for the delivered waters and submit such final settlement to the United States Commissioner for review and approval, which shall not be unreasonably withheld. The United States Commissioner shall return his approval or objections of the Authority's final settlement of the Authority Account, including the Planned Project and Emergency Repair Reserve Fund and the Energy Reserve Fund, to the Authority within sixty (60) days after their receipt by the United States Commissioner. The United States Commissioner shall make a final settlement to Mexico and shall return to Mexico any remaining funds including interest earned, and the Authority shall

close the Authority Account. In the event funds are not sufficient to cover charges upon final settlement, Mexico shall within 15 days of notification by the United States Commissioner provide additional funds in that amount, which shall be transferred to the Authority, for disbursement to the appropriate agency or agencies.

(j) The Authority shall retain detailed records of funds received and disbursements made pursuant to this Article for a period of three years after the final settlement of fund administration.

ARTICLE 8. SCHEDULES AND VOLUMES OF DELIVERIES

Mexico's annual Schedule of Requests for Emergency Deliveries for Tijuana shall be in volumes per month and shall be subject to the availability of delivery capacity of the California Agencies. The maximum monthly volume of the Emergency Deliveries for Tijuana at Service Connection SD-TJ shall be no greater than the available capacity of approximately 1,200 acre-feet. The annual volume of the Emergency Deliveries for Tijuana shall be no greater than the available capacity of approximately 14,400 acre-feet. Mexico recognizes that the California Agencies' distribution system facilities are utilized first to meet water demands of their existing and future customers, which in time may decrease the maximum capacity of 1,200 acre-feet per month. The actual capacity will be determined by the California Agencies as stipulated in Article 3 of this Agreement.

ARTICLE 9. DECREASE OR SUSPENSION BY CALIFORNIA AGENCIES

Emergency Deliveries for Tijuana described herein may be decreased or suspended temporarily at any time, either in the event of a disruption of the distribution system, or, if for other reasons, any of the California Agencies is temporarily unable to supply in its system the capacity or energy necessary for the conveyance or treatment of the Portion of Treaty Water. In

the event that the California Agencies are not able to make the water deliveries because of capacity limitations, service interruptions or other emergencies, the California Agency or the California Agencies not able to make the water deliveries will notify the USIBWC before any suspension is implemented, except during unforeseeable emergencies when the Authority and the USIBWC will be notified as soon as practicable as stipulated in Article 5(b) and Article 10 of this Agreement. In the event that the California Agencies suspend or decrease water supply for reasons other than those mentioned above, the Authority will return to the USIBWC for payment to Mexico funds equivalent to the cost or charges of suspended deliveries that Mexico may have paid in advance.

ARTICLE 10. SHUTDOWNS AND EMERGENCIES

As set forth in Article 9 of this Agreement, Emergency Deliveries for Tijuana may be decreased or suspended temporarily when sufficient surplus capacity does not exist in the distribution system facilities, or sufficient energy is not available, to be used hereunder to permit delivery of Emergency Deliveries for Tijuana at Service Connection SD-TJ without creating an undue burden upon fulfilling the obligations of the California Agencies to their respective customers. In accordance therewith, since regular shutdowns of aqueducts and distribution and treatment facilities occur for inspection and maintenance, and may occur because of unforeseen repair requirements or emergencies, the California Agencies shall not be responsible to make the Emergency Deliveries for Tijuana previously agreed upon except when it is reasonably practical to do so in view of their existing capabilities and obligations to their respective customers. The Authority from time to time and as necessary will communicate through the United States Commissioner to Mexico regarding aqueduct shutdowns, limitations of available capacity or any other circumstances pertaining to any of said California Agencies which may cause restrictions

of water deliveries to a rate of flow less than the amount previously determined pursuant to Article 3 of this Agreement. In the case that the water deliveries were suspended by the Authority for reasons other than capacity limitations, service interruptions or other emergencies, the Authority shall withdraw funds from the Authority Account equivalent to the cost of suspended Emergency Deliveries for Tijuana and provide such funds to the United States Commissioner for payment to Mexico.

ARTICLE 11. COMMITMENTS BY RECLAMATION TO METROPOLITAN

Reclamation, in consideration of the obligations undertaken by Metropolitan in this Agreement, agrees with Metropolitan that the Portion of Treaty Water actually diverted by Metropolitan pursuant to this Agreement shall not be charged against Metropolitan's right to the delivery by Reclamation of waters from the Colorado River for Metropolitan's own use and that the charge of 25 cents per acre-foot made by Reclamation for water intended for use within Metropolitan shall not be applied to the Portion of Treaty Water diverted. For purposes of implementing the agreements with Metropolitan stated above, Reclamation shall utilize the monthly records of Emergency Deliveries for Tijuana prepared in accordance with this Agreement.

ARTICLE 12. TRANSPORTATION AND DELIVERY OF WATER BY METROPOLITAN

(a) Metropolitan, upon notification by Authority that funds for Emergency Deliveries for Tijuana for the next quarterly period have been received, will transport waters for Emergency Deliveries for Tijuana in accordance with the Schedule of Requests from Mexico and the annual determination by the California Agencies. The Portion of Treaty Water will be transported from Lake Havasu through its aqueduct, and appurtenant facilities, and distribution system, and delivered, after deducting losses, to the Authority at the terminus of Metropolitan's distribution

system in San Diego County, a point approximately six miles south of the northern boundary of San Diego County.

(b) Metropolitan shall be reimbursed in accordance with Exhibit B for: use of its existing diversion and conveyance works, electric energy, loss of energy generated at Parker Dam Power Plant, any other Colorado River Aqueduct energy cost or loss of energy that results from Emergency Deliveries, water treatment charges, and other expenses at a rate per acre-foot determined, on the basis of invoices to the Authority prepared in accordance with Article 7 of this Agreement.

(c) In the interest of international comity and recognizing that Emergency Deliveries for Tijuana are necessary for the health and welfare of the people of Tijuana, Reclamation agrees that in order to maximize use of available capacity, in any calendar year during the term of this Agreement when Metropolitan has surplus capacity temporarily available in its aqueduct, Reclamation upon demand by Metropolitan shall permit Metropolitan to divert additional quantities of water at its point of diversion from the Colorado River over and above both its right to delivery by Reclamation of water from the Colorado River for Metropolitan's own use in that year and the quantities making up the Portion of Treaty Water being diverted for delivery in that year, up to a quantity equivalent to the estimated requirement for the Portion of Treaty Water for the succeeding calendar year, such water to be stored in reservoirs within boundaries of Metropolitan rather than in Lake Mead, for Emergency Deliveries for Tijuana in the following year. Reclamation shall not charge such stored quantity of water against Metropolitan's right to delivery by Reclamation of water from the Colorado River for Metropolitan's own use in that year, but shall charge it against Treaty Water in the year the emergency deliveries are made for Tijuana. All charges related to such stored water shall be made in the year such Emergency

Deliveries for Tijuana are made. At the time of the termination of this Agreement, if Metropolitan has any water in storage within the Metropolitan service area that had been intended for future delivery to Mexico pursuant to this subsection, the amount of such water shall be determined to be a delivery from Reclamation to Metropolitan of Metropolitan's Colorado River entitlement for the next succeeding calendar year, and Metropolitan shall have no obligation to deliver such water to Mexico. Metropolitan shall provide, in its monthly accounting report to Reclamation, a report of its diversions from Lake Havasu for Mexico's use at Tijuana during the month for which the report is being submitted, and any diversions made for Mexico in excess of Mexico's need for Emergency Deliveries for Tijuana during the month for which the report is being submitted.

(d) In months when Metropolitan would operate its aqueduct at full capacity for its own use, the transportation for Emergency Deliveries for Tijuana will displace water which, in the absence of this Agreement, would be transported for Metropolitan. In such event, transportation of Colorado River water for Metropolitan's use will be deferred (hereafter referred to as "Deferred Water") and must be pumped later in the calendar year or a succeeding year if and when economical power and aqueduct transporting capacity is available. If for any reason economical power or aqueduct transporting capacity in Metropolitan's aqueduct is not available during any calendar year of the term of this Agreement to transport the Deferred Water for Metropolitan's use, Reclamation, in order to make Metropolitan whole, shall deliver to Metropolitan during the next succeeding calendar year when economical power and aqueduct transporting capacity is available at Metropolitan's point of diversion from the Colorado River, a quantity of water equal to the amount of any undelivered Deferred Water, which Metropolitan was unable to transport, during a previous calendar year by reason of transporting Emergency Deliveries for Tijuana.

(e) In the event of unavailability of power for pumping the Portion of Treaty Water for delivery to the Service Connection SD-TJ Metropolitan shall be relieved of its obligations under this Agreement for the periods of unavailability. In the event the Emergency Deliveries for Tijuana utilize power ordinarily scheduled for use in pumping Metropolitan's Colorado River water which pumping has been deferred until later in the calendar year in order to permit the pumping of the Emergency Deliveries for Tijuana in the expectation of subsequently receiving supplemental capacity and energy from any source for pumping, and such Deferred Water and the required power are not provided or available as expected, Metropolitan shall be relieved of its obligation to make the Emergency Deliveries for Tijuana for the period or periods during which such Deferred Water has not been delivered. Deferred Water shall be the first water delivered in the following calendar year.

(f) In no event shall the pumping of water for Emergency Deliveries for Tijuana result in any effect on Metropolitan's use of energy pursuant to its contractual rights to federally generated hydroelectric power.

ARTICLE 13. TRANSPORTATION AND DELIVERY OF WATER BY AUTHORITY

The Authority shall receive delivery from Metropolitan of Emergency Deliveries for Tijuana, transport the water through its distribution system facilities, and deliver it to OWD at Service Connection No. 13. Authority shall be reimbursed for delivery charges and other expenses as specified in Article 7(d) at the rate per acre-foot determined for that year, on the basis of statements prepared in accordance with Article 7 of this Agreement.

ARTICLE 14. TRANSPORTATION AND DELIVERY OF WATER BY OWD

OWD shall receive delivery of the Emergency Deliveries for Tijuana from the Authority's Service Connection No. 13. OWD shall transport and deliver such water through its

distribution system facilities, including distribution system facilities constructed by separate agreement for connection with the Mexican water distribution system at Service Connection SD-TJ. OWD shall be reimbursed for delivery charges and other expenses as specified in Article 7(d) at the rate per acre-foot determined for that year, on the basis of statements prepared in accordance with Article 7 of this Agreement. It shall render monthly statements to the Authority as provided in Article 7 of this Agreement.

ARTICLE 15. ENVIRONMENTAL COMPLIANCE

The USIBWC acted as lead agency for compliance with all Federal laws and regulations necessary to implement the Emergency Deliveries for Tijuana, including compliance with the National Environmental Policy Act of 1969, as amended, and the Federal Endangered Species Act of 1973, as amended. Authority acted as lead agency for compliance with all State of California laws and regulations necessary to implement the Emergency Deliveries for Tijuana, including compliance with the California Environmental Quality Act and the California Endangered Species Act of 1984, as amended. In both the federal and state environmental processes, it was determined that diverting, conveying, and treating the Emergency Deliveries for Tijuana, will not have an environmental impact.

ARTICLE 16. COMMINGLING OF WATER AND CONVEYANCE LOSSES

Water may be commingled within the systems of the California Agencies and accounted for according to usual water accounting practices, with the conveyance losses credited to each of the parties according to the following percentages of the volumes of Emergency Deliveries for Tijuana: Metropolitan 3.6%; Authority 1.0%; and OWD 3.0%. In determining the number of acre-feet to which the rates and charges by each of the California Agencies shall apply, each California Agency shall add the sum of the actual volume of Emergency Deliveries for Tijuana

at Service Connection SD-TJ, and the percentage of conveyance losses of the actual volume attributable to that California Agency expressed as a volume, and the percentage of conveyance losses of California Agencies associated with the Emergency Deliveries for Tijuana between that California Agency and Service Connection SD-TJ expressed as a volume. The means of determining assignment of conveyance losses is depicted in Exhibit B, attached hereto and incorporated herein as a part of this Agreement. All Emergency Deliveries for Tijuana at Service Connection SD-TJ shall be measured using the flow metering device installed and said deliveries shall be reported to the Commission. For inclusion in its annual Article V. Decree Accounting Report, done pursuant to the U.S. Supreme Court Consolidated Decree in *Arizona v. California*, 547 U.S. 150 (2006), Reclamation shall utilize the record of monthly deliveries at Service Connection SD-TJ, and include the above described losses. Record of deliveries to Mexico at the international boundary near Tijuana shall be reported separately from deliveries to the northerly international boundary (“NIB”), the southerly international boundary (“SIB”) near Yuma, and in the limitrophe section of the Colorado River.

ARTICLE 17. CALCULATION OF SALINITY

The United States Commissioner will charge Colorado River waters delivered under this Agreement, including system conveyance losses, as a portion of Mexico’s allotment of Colorado River waters provided for in Article 10(a) of the 1944 Treaty. For the purpose of compliance by the United States with Minute No. 242, during the period of Emergency Deliveries for Tijuana, the difference in salinity between Imperial Dam and the NIB with Mexico described in Resolution 1.a of Minute No. 242 shall be calculated as if the water delivered for use in Tijuana was delivered in the Colorado River at the NIB from Imperial Dam.

ARTICLE 18. TERMINATION

(a) This Agreement shall terminate and be no longer effective for any purpose, except for final payment for Emergency Deliveries for Tijuana at Service Connection SD-TJ and final liquidation of funds provided by Mexico, upon the occurrence of any one of the following conditions, unless otherwise agreed to by the parties by amendment to this Agreement:

(1) Upon the Termination Date noted in the first sentence of this Agreement.

(2) Whenever any of the funds to be provided by Mexico pursuant to this Agreement have not been so provided.

(3) If the Service Connection SD-TJ is deemed inoperable by the Commission

(b) Upon the termination of the period during which this Agreement is in effect, or any subsequent extensions thereto, the materials, equipment, and facilities within OWD constructed pursuant to this Agreement, including distribution system facilities constructed by separate agreement for connection with the Mexican water distribution system at Service Connection SD-TJ, and considered by OWD to be integral to the ongoing operations of OWD shall become or remain the property of OWD. OWD may remove or cause to be removed any non-integral materials, equipment, and facilities and restore OWD's facilities to the condition which would exist if such materials, equipment, and facilities had not been constructed. USIBWC shall obtain from Mexico and transfer to the Authority funds to cover the full cost of any removal and disposal of such non-integral materials, equipment, and facilities, and the estimated cost of restoring OWD's facilities to the condition which would exist if such materials, equipment, and facilities had not been constructed. Notwithstanding the foregoing, subject to approval of the Governments of the United States and Mexico, through IBWC, the local authorities in the two countries have the authority to agree upon and effect a different arrangement for the disposition of such materials, equipment, and facilities.

ARTICLE 19. FEDERAL LAW

(a) This Agreement is made upon the express condition, and with the express understanding, that all rights hereunder shall be subject to and controlled by (1) the Colorado River Compact, dated November 24, 1922, which was approved in Section 13(a) of the Boulder Canyon Project Act dated December 21, 1928 (45 Stat. 1057), (2) the Boulder Canyon Project Act, dated December 21, 1928, (3) the Consolidated Decree entered by the U.S. Supreme Court in the case of Arizona v. California (547 U.S. 150) (2006), and (4) the 1944 Treaty.

(b) This Agreement is considered to be a renewal of the June 14, 1972 contract as amended, the August 1, 1990 letter agreement, the January 27, 1993 letter agreement, and the September 29, 2003 agreement as amended on November 26, 2008 for delivery of part of Mexico's Colorado River water entitlements to Tijuana. However, this Agreement constitutes the entire agreement among the parties regarding the subject matter herein, and any agreements, documents, or understandings previously entered into, including the aforesaid June 14, 1972 contract as amended, shall be superseded by this Agreement.

ARTICLE 20. CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

The expenditure or advance of any money or the performance of any obligation of the United States under this Agreement shall be contingent upon appropriation or allotment of funds. No liability shall accrue to the United States in case funds are not appropriated or allotted.

ARTICLE 21. NOTICE PROCEDURE

Any notice, demand, or request provided in this Agreement shall be deemed properly served, given, or made if sent by electronic mail, delivered in person, or sent by registered or certified mail, postage prepaid, to the persons specified below.

International Boundary and Water Commission
United States Section
United States Commissioner
4171 N. Mesa
Suite 100, Building C
El Paso, TX 79902

Bureau of Reclamation
Regional Director
Lower Colorado Region
P.O. Box 61470
Boulder City, NV 89006-1470

Metropolitan Water District of Southern California
General Manager
P.O. Box 54153
Los Angeles, CA 90054-0153
officeofthegeneralmanager2@mwdh2o.com

San Diego County Water Authority
General Manager
4677 Overland Ave
San Diego, CA 92123

Otay Water District
General Manager
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

ARTICLE 22. OFFICIALS NOT TO BENEFIT

No Member of or Delegate to the Congress, Resident Commissioner, or official of Metropolitan, the Authority, and OWD shall benefit from this Agreement other than as a water user or landowner in the same manner as other water users or landowners.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement, and this Agreement shall take effect, on the day and year first above written.

THE UNITED STATES OF AMERICA
BY:

Edward Drusina
Commissioner
United States Section
International Boundary and Water
Commission
United States and Mexico

Terrance J. Fulp, Ph.D.
Regional Director
Lower Colorado Region
U.S. Bureau of Reclamation

Approved as to form:

Katherine Ott Verburg
For the Intermountain Region
Regional Solicitor

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA

By: _____
Jeffrey Kightlinger
General Manager

Approved as to form:

Marcia L. Scully
General Counsel

SAN DIEGO COUNTY WATER AUTHORITY

By: _____
Maureen A. Stapleton
General Manager

Approved as to form:

Daniel S. Hentschke
General Counsel

OTAY WATER DISTRICT

By: _____
Mark Watton
General Manager

Approved as to form:

General Counsel



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Informational Item - Second Quarter Fiscal Year 2015 Capital Improvement Program Report		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

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

ANALYSIS:

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



ATTACHMENT A

SUBJECT/PROJECT: Various	Informational Item - Second Quarter Fiscal Year 2015 Capital Improvement Program Report
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on February 17, 2015. The Committee supported Staff's recommendation.

NOTE:

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

**FISCAL YEAR 2015
2nd QUARTER REPORT
(Expenditures through 12/31/2014)
(\$ In Thousands)**

EXHIBIT B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
CAPITAL FACILITY PROJECTS											
P2083	PS - 870-2 Pump Station Replacement	Marchioro	\$ 650	\$ 215	\$ 435	33%	\$ 16,500	\$ 1,143	\$ 15,357	7%	Pace slowed slightly as 3D model was added to project scope.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Thompson	195	7	188	4%	435	241	194	55%	The majority of the \$188K will be spent throughout Q3 and Q4 FY 2015 completing inspection and installation of 6" air vacs. We are preparing budget to request additional funds and years on this CIP to complete the raising of air vacs above ground.
P2434	Rancho Del Rey Groundwater Well Development	Marchioro	75	100	(25)	133%	3,705	3,707	(2)	100%	Settlement to close out design consultant's agreement slightly higher than anticipated.
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	1,000	341	659	34%	30,000	2,901	27,099	10%	The District has delayed the Design of this project to keep pace with the progress in Mexico.
P2466	Regional Training Facility	Coburn-Boyd	3	-	3	0%	300	285	15	95%	The \$3K will not be expensed in FY 2015.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	7	68	9%	1,090	825	265	76%	On schedule to spend \$60K by the end of Q4 FY 2015 for an asset management consultant and InfoMaster software.
P2511	Otay Interconnect Pipeline	Marchioro	100	36	64	36%	2,005	2,017	(12)	101%	EIR certification on hold since pump station parcels owned by Caltrans may have an open space encumbrances. Design on hold.
P2537	Operations Yard Property Acquisition Improvements	Kennedy	100	99	1	99%	350	136	214	39%	This project is expected to be bid this Fiscal Year for award early FY 2016.
P2541	624 Pressure Zone PRSs	Marchioro	425	4	421	1%	600	210	390	35%	Construction postponed until FY 2016. Will be bid together with R2110.
P2547	District Administration Building Main Breaker Installation and Vehicle Charging Stations	Anderson	45	9	36	20%	50	9	41	18%	This main breaker project was completed June 2014 and paid with the Safety budget. The electric vehicle charging station is in early stages of design.
P2548	Sump Pump Installation at the 980-1 & 2 Reservoirs	Anderson	35	4	31	11%	35	4	31	11%	No change.
P2549	Fuel system upgrade	Payne	30	-	30	0%	30	-	30	0%	In process; to be completed by June 30, 2015
P2551	Blossom Lane Helix WD and Otay WD Interconnection	Beppler	5	3	2	60%	400	3	397	1%	Helix WD led project; design costs (about \$25,000) expected to be billed by June (combined P2551 & P2552).
P2552	South Barcelona Helix WD and Otay WD Interconnection	Beppler	5	3	2	60%	400	3	397	1%	
R2048	RecPL - Otay Mesa Distribution Pipelines and Conversions	Martin	1	-	1	0%	555	475	80	86%	No expenditures planned for Q2.
R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	Martin	1	-	1	0%	1,406	1,340	66	95%	No expenditures planned for Q2.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	25	-	25	0%	4,500	2,805	1,695	62%	Paving of surface road required to finish improvements per the reimbursement agreement with developer.
R2087	RecPL - 24-Inch, 927 Zone, Wueste Road - Olympic/Otay WTP	Cameron	5	-	5	0%	7,000	1,032	5,968	15%	Project on hold due to recycled water moratorium.
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Vaclavek	85	-	85	0%	215	101	114	47%	PO for compactor has been issued. Completion of project expected in FY 2015 Q4. with all funds utilized. Project 20% complete at this time.
R2108	Res - 927-1 Reservoir Cover Replacement	Marchioro	50	12	38	24%	1,400	1,075	325	77%	On target for upcoming warranty inspection.
R2110	RecPS - 944-1 Optimization and Pressure Zone modifications	Marchioro	50	2	48	4%	200	65	135	33%	Construction (PRS Vault 3 retrofit) postponed until FY 2016. Will be bid together with P2541.
R2114	Large Recycle Pump Replacement at the RWCWRF 927-1 Pump Station	Anderson	100	51	49	51%	100	51	49	51%	We have purchased one pump and currently working on purchasing the second pump.
R2117	RWCWRF Contact Basin Expansion Project	Beppler	20	13	7	65%	1,500	13	1,487	1%	Study should be completed by June; consultant fee is \$77,402; in-house costs should take it to about \$90,000.
S2043	RWCWRF Sludge Handling System	Beppler	5	3	2	60%	1,500	40	1,460	3%	No additional billings expected.
Total Capital Facility Projects			Total:	3,085	909	2,176	29%	74,276	18,481	55,795	25%
REPLACEMENT/RENEWAL PROJECTS											

FISCAL YEAR 2015
2nd QUARTER REPORT
(Expenditures through 12/31/2014)
(\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
P2366	APCD Engine Replacements and Retrofits	Rahders	5	16	(11)	320%	3,488	2,529	959	73%	There may be an expenditure of up to \$13,500 (\$8,500 over the budget) of a replacement emissions analyzer for FY 2015. Staff has performed a temporary repair to the District's APCD emissions analyzer. If the repair continues to hold, we will make the replacement of the analyzer a FY 2016 budget item.
P2382	Safety and Security Improvements	Ramirez	192	55	137	29%	3,222	2,074	1,148	64%	Expenditures will occur throughout the remaining Fiscal Year. Expect to be at budgeted point by end of Fiscal Year 2015.
P2440	I-905 Utility Relocations	Marchioro	5	3	2	60%	1,600	1,587	13	99%	Staff anticipates that Caltrans will issue an additional \$33,493 credit to Otay; however, the \$33K credit is on hold pending Caltrans' receipt of final accounting numbers from the City of San Diego's sewer contractor.
P2453	SR-11 Utility Relocations	Marchioro	600	510	90	85%	2,250	743	1,507	33%	Construction contract ahead of schedule. Positioned to spend \$1.2M rather than \$0.6M.
P2477	Res - 624-1 Reservoir Cover Replacement	Marchioro	5	3	2	60%	1,000	930	70	93%	On target for upcoming warranty inspection.
P2485	SCADA Communication System and Software Replacement	Vaclavek	655	112	543	17%	1,974	1,281	693	65%	Expect to spend only \$540,000 during FY 2015 due to a delay in the installation of the wireless radio system install.
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	50	59	(9)	118%	1,950	1,526	424	78%	Construction is complete, project is in the warranty period.
P2494	Multiple Species Conservation Plan	Coburn-Boyd	90	3	87	3%	950	813	137	86%	Expect to spend \$60-\$70,000 during the second half of FY 2015.
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	180	42	138	23%	2,100	1,074	1,026	51%	Expect to spend at least \$100,000 the second half of FY 2015.
P2496	Otay Lakes Road Utility Relocations	Martin	5	1	4	20%	325	301	24	93%	Project Acceptance pending final work by City.
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	20	1	19	5%	900	329	571	37%	Project on hold.
P2507	East Palomar Street Utility Relocation	Cameron	175	29	146	17%	940	649	291	69%	Caltrans driving project. Utility agreements are in place for reimbursement. Contractor is 6 months behind schedule, anticipated completion in December 2015.
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	125	26	99	21%	300	75	225	25%	On target as final design scheduled to be completed second half of FY 2015.
P2515	870-1 Reservoir Paving	Martin	415	299	116	72%	550	452	98	82%	Project is in construction and is on track.
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	30	6	24	20%	700	632	68	90%	Construction is complete, project is in the warranty period.
P2519	832-2 Reservoir Interior/Exterior Coating	Cameron	30	9	21	30%	700	654	46	93%	Construction is complete, project is in the warranty period.
P2520	Motorola Mobile Radio Upgrade	Martinez	50	-	50	0%	135	77	58	57%	We are planning on utilizing the remaining budget to install VHF radios at all facilities.
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	760	-	760	0%	Expenditures are planned for Q3.
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	10	-	10	0%	940	-	940	0%	Expenditures are planned for Q3.
P2531	944-1 Reservoir Interior & Exterior Coating	Martin	190	3	187	2%	240	9	231	4%	Project is in construction and is on track.
P2532	944-2 Reservoir Interior & Exterior Coating	Martin	900	96	804	11%	950	104	846	11%	Project is in construction and is on track.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	365	-	365	0%	No expenditures planned in FY 2015.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	270	-	270	0%	No expenditures planned in FY 2015.
P2535	458-2 Reservoir Interior & Exterior Coating & Upgrades	Martin	585	33	552	6%	640	47	593	7%	Project is in construction and is on track.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	65	24	41	37%	110	46	64	42%	Expenditures are planned for Q3. Project is on budget.
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	30	25	5	83%	375	54	321	14%	SANDAG driven project. Project is on budget.
P2542	850-3 Reservoir Interior Coating	Cameron	5	2	3	40%	480	2	478	0%	Expenditures are planned for Q3.
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	460	-	460	0%	No expenditures planned in FY 2015.
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	-	-	-	0%	940	-	940	0%	No expenditures planned in FY 2015.
P2545	980-1 Reservoir Interior Exterior Coating	Cameron	-	-	-	0%	1,250	-	1,250	0%	No expenditures planned in FY 2015.
P2546	980-2 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	1,250	-	1,250	0%	No expenditures planned in FY 2015.
P2550	Fuel Island Upgrade	Payne	75	-	75	0%	75	-	75	0%	In process; to be completed by June 30, 2015.
P2553	Heritage Road Bridge Replacement and Utility Relocation	Cameron	5	-	5	0%	1,200	-	1,200	0%	City of Chula Vista driven project. Project is on budget.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Beppler	50	32	18	64%	600	64	536	11%	Design (\$20,000 plus in-house costs of about \$8,000) should be completed by June. \$60,000 total this FY

FISCAL YEAR 2015
2nd QUARTER REPORT
(Expenditures through 12/31/2014)
(\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments	
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance			
R2111	RWCWRF - RAS Pump Replacement	Beppler	310	63	247	20%	650	120	530	18%	Will see some construction costs before June (maybe a third of the \$315,315 contract amount), but majority will likely not be invoiced until FY 2016.	
R2112	450-1 Disinfection Facility Rehabilitation	Cameron	150	24	126	16%	190	24	166	13%	Design is complete. Construction planned for Q4. Project is on budget.	
R2113	Chlorine 1-ton Cylinder Emergency Close Valve	Vaclavek	37	30	7	81%	37	30	7	81%	Equipment received and 90% installed. Installation should be complete near the end of Q3 or beginning of Q4. All funds will be utilized by completion date.	
R2116	RecPL - 14-Inch, 927 Zone, Forcemain Assessment and Repair	Marchioro	100	64	36	64%	1,500	64	1,436	4%	Accelerated schedule. \$100K inspection/condition assessment work will be completed FY 2015. Proceeding with design of blow off improvements.	
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Kennedy	150	-	150	0%	2,760	834	1,926	30%	No spending is expected this Fiscal Year. This is a County reimbursement and invoice will not be received until the end of the year.	
S2024	Campo Road Sewer Main Replacement	Beppler	600	172	428	29%	5,500	353	5,147	6%	Estimating between \$500,000 to \$600,000 this Fiscal Year; design services will continue into Fiscal Year 2016.	
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	150	6	144	4%	3,500	62	3,438	2%	Design will be completed this Fiscal Year; contract with County estimated to be around \$400,000 on the District.	
S2033	Sewer System Rehabilitation	Beppler	675	154	521	23%	6,000	761	5,239	13%	Construction (\$530,000) plus admin and in-house; next design phases (another \$35,000) expected to be completed this Fiscal Year for total of \$720,000.	
Total Replacement/Renewal Projects			Total:	6,724	1,902	4,822	28%	54,126	18,300	35,826	34%	
CAPITAL PURCHASE PROJECTS												
P2282	Vehicle Capital Purchases	Rahders	105	-	105	0%	5,021	2,900	2,121	58%	There is a PO issued for \$29,330 for one replacement pick up. Due to staffing reduction's there will be a savings of \$38,700 with no further expenses in this area.	
P2285	Office Equipment and Furniture Capital Purchases	Payne	15	-	15	0%	589	524	65	89%	Anticipate spending in Q4 FY 2015.	
P2286	Field Equipment Capital Purchases	Rahders	65	13	52	20%	1,758	1,303	455	74%	Staff is anticipating an expense of \$21,000 by end of the Q3 FY 2015 (and should expect a savings of \$3,000).	
P2469	Information Technology Network and Hardware	Kerr	175	170	5	97%	2,509	1,845	664	74%	Staff has expenditures of approximately \$42,000 for hardware and anticipates that no additional items will be hitting this CIP this Fiscal Year. (We will utilize next year's assigned budgetary numbers for hardware (\$150,000-\$160,000). We will be over the \$100,000 assigned threshold, but will seek to close out the CIP shortly thereafter.)	
P2470	Financial System Enhancements	Kerr	100	5	95	5%	2,265	1,677	588	74%	Staff anticipates the spending for add-on components to our existing ERP solutions with purchases of items totaling \$50,000.	
P2540	Work Order Management System Replacement	Kerr	300	137	163	46%	700	255	445	36%	Staff is currently working with the consultants and anticipates additional expenditures of \$75,000 to close out FY 2014/2015.	
Total Capital Purchase Projects			Total:	760	325	435	43%	12,842	8,504	4,338	66%	
DEVELOPER REIMBURSEMENT PROJECTS												
R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	Martin	1	-	1	0%	600	-	600	0%	No expenditures planned for Q2.	
R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	Martin	1	-	1	0%	140	-	140	0%	No expenditures planned for Q2.	
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Martin	1	-	1	0%	450	-	450	0%	No expenditures planned for Q2.	
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Martin	1	-	1	0%	1,747	-	1,747	0%	No expenditures planned for Q2.	
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Martin	1	-	1	0%	400	-	400	0%	No expenditures planned for Q2.	
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Martin	1	-	1	0%	970	1	969	0%	No expenditures planned for Q2.	

FISCAL YEAR 2015
2nd QUARTER REPORT
 (Expenditures through 12/31/2014)
 (\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	Martin	1	-	1	0%	600	-	600	0%	No expenditures planned for Q2.
	Total Developer Reimbursement Projects	Total:	7	-	7	0%	4,907	1	4,906	0%	
	GRAND TOTAL		\$ 10,576	\$ 3,136	\$ 7,440	30%	\$ 146,151	\$ 45,286	\$ 100,865	31%	

Otay Water District Capital Improvement Program

Fiscal Year 2015
Second Quarter
(through December 31, 2014)



870-1 Reservoir Access Road
Asphalt Concrete Paving Operation

Background

The approved CIP Budget for Fiscal Year 2015 consists of 73 projects that total \$10.6 million. These projects are broken down into four categories.

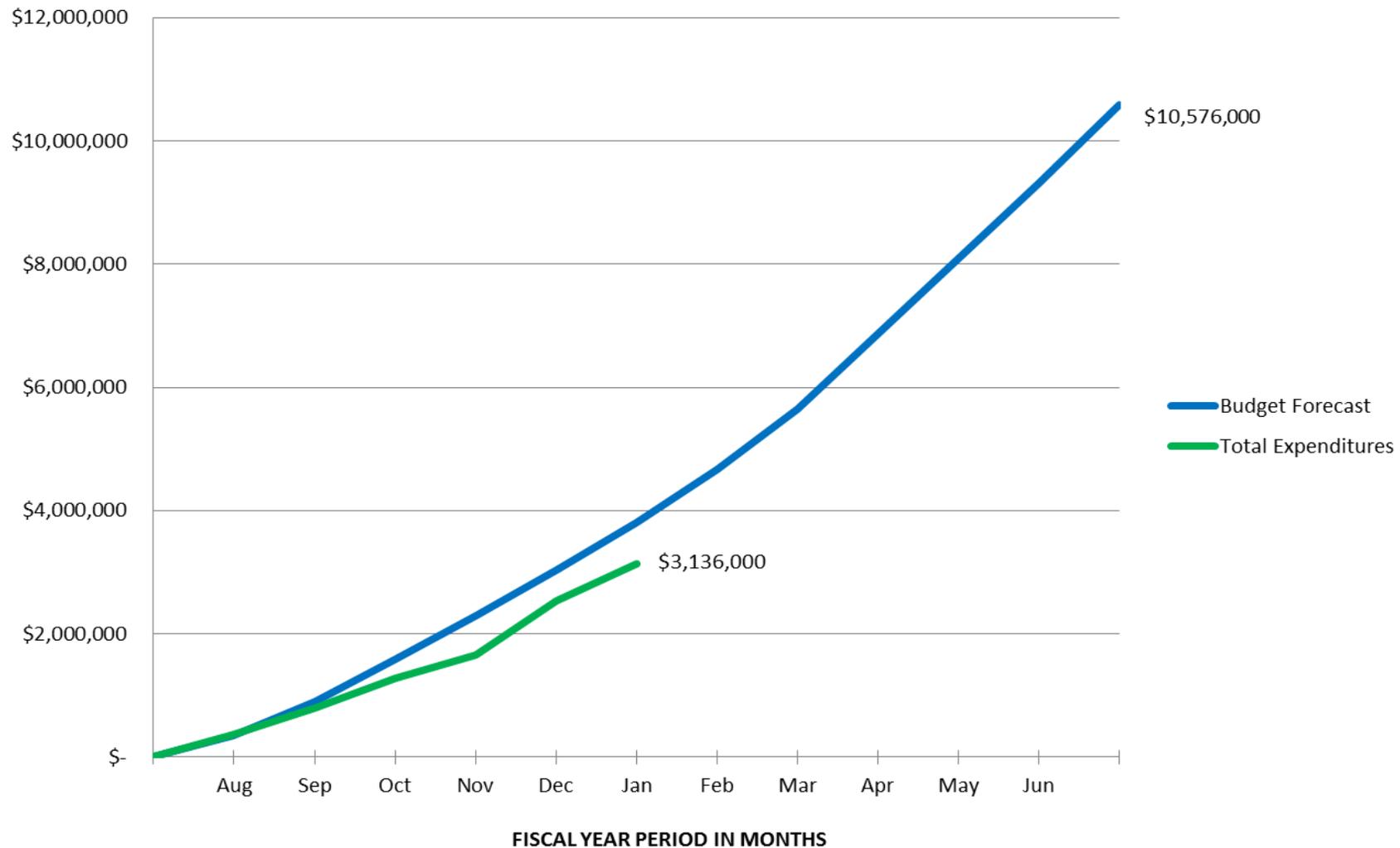
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|----------------------------|----------------|
| 1. Capital Facilities | \$ 3.1 million |
| 2. Replacement/Renewal | \$ 6.7 million |
| 3. Capital Purchases | \$ 0.7 million |
| 4. Developer Reimbursement | \$ 0.1 million |

Overall expenditures through the Second Quarter of Fiscal Year 2015 totaled \$3.1 million, which is approximately 30% of the Fiscal Year budget.

Fiscal Year 2015 Second Quarter Update (\$1,000)

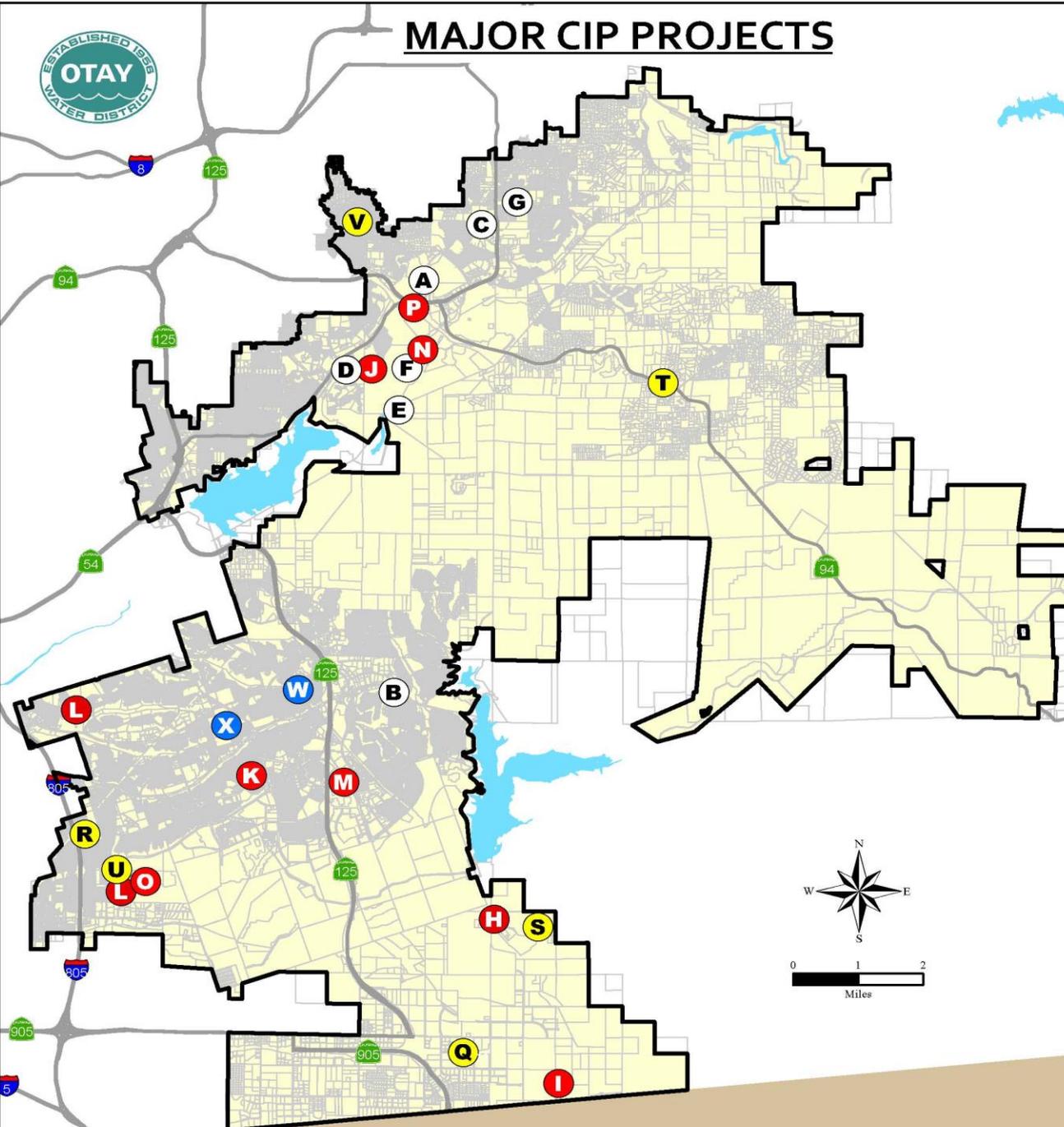
CIP CAT	Description	FY 2015 Budget	FY 2015 Expenditures	% FY 2015 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	Capital Facilities	\$3,085	\$909	29%	\$74,276	\$18,481	25%
2	Replacement/ Renewal	\$6,724	\$1,902	28%	\$54,126	\$18,300	34%
3	Capital Purchases	\$760	\$325	43%	\$12,842	\$8,504	66%
4	Developer Reimbursement	\$7	\$0	0%	\$4,907	\$1	0%
	Total:	\$10,576	\$3,136	30%	\$146,151	\$45,286	31%

Fiscal Year 2015 Second Quarter CIP Budget Forecast vs. Expenditures





MAJOR CIP PROJECTS



PLANNING - 7

- (A)** P2504 - Regulatory Site Access Road & Pipeline Relocation
- (B)** P2530/P2529 - 711-1 & 711-2 Reservoir Interior/Exterior Coating
- (C)** P2542 - 850-3 Reservoir Interior Coating
- (D)** P2547 - District Administration Vehicle Charging Stations
- (E)** R2116 - 14-Inch Forcemain Assessment and Repair
- (F)** R2117 - RWCWRF Contact Basin Expansion
- (G)** S2033 - Rancho San Diego Basin Sewer Rehab - Phase 1

DESIGN - 9

- (H)** P2083 - 870-2 Pump Station Replacement
- (I)** P2451 - Otay Mesa Conveyance and Disinfection System
- (J)** P2537 - Operations Yard Property Acquisition Improvements
- (K)** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
- (L)** P2541 - 624PZ Pressure Reducing Stations
- (M)** R2110 - 944-1 Optimization and Pressure Zone Modifications
- (N)** R2111 - RAS Pump Replacement
- (O)** R2112 - 450-1 Disinfection Facility Rehabilitation
- (P)** S2024 - Campo Road Sewer Main Replacement

CONSTRUCTION - 6

- (Q)** P2453 - SR-11 Utility Relocations
- (R)** P2507 - East Palomar Street Utility Relocation
- (S)** P2515 - 870-1 Reservoir Paving
- (T)** P2531/P2532 - 944-1 & 944-2 Reservoir Interior/Exterior Coating
- (U)** P2535 - 458-2 Reservoir Interior/Exterior Coating
- (V)** S2033 - Calavo Basin Sewer Rehab - Phase 1

COMPLETED - 2

- (W)** P2493 - 624-2 Reservoir Interior Coating & Upgrades
- (X)** P2496 - Otay Lakes Road Utility Relocations Phase II

Fiscal Year 2015 - 2nd Quarter

CIP Projects in Construction

- 870-I Reservoir Access Road Paving (P2515)
- Install New Asphalt Concrete Paved Perimeter Access Road for the Reservoir.
- Replace Existing Dirt Road with New Paved Road. Construct New Entrance Gate.
- \$0.55M Budget
- Start: October 2014
- Estimated Completion: January 2015



Asphalt Concrete Dike Installation



870-I Reservoir Slurry Seal Installation

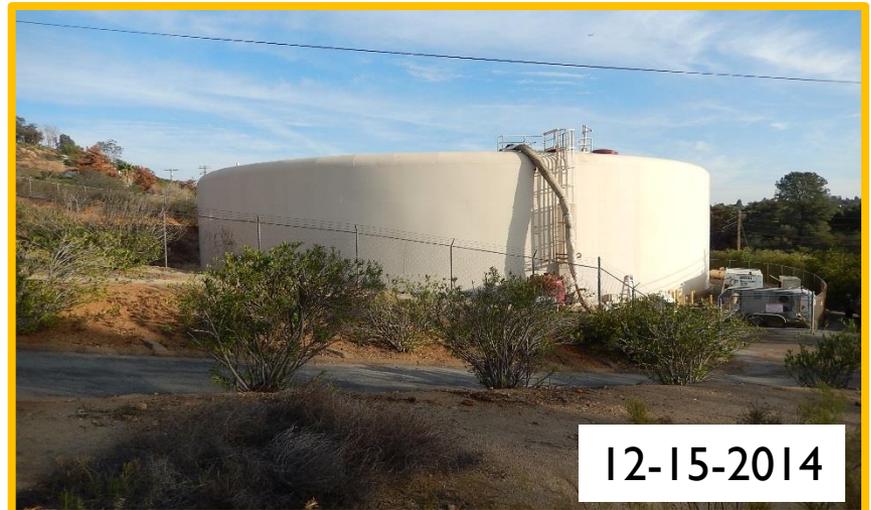
CIP Projects in Construction

- 944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coating & Upgrades (P2531, P2532, P2535)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.83M Budget
- Start: November 2014
- Estimated Completion: June 2015



11-24-2014

944-2 Reservoir - Cutting Door Sheet for Access



12-15-2014

944-2 Reservoir – Interior Sandblasting Operation

CIP Projects in Construction

- SR-II Utility Relocations Sequence I (P2453)
- Relocate Existing Water Facilities to support SR-II Construction.
- \$2.25M Budget
- Start: February 2014
- Estimated Completion: July 2015



Fabricated 18" Steel Pipe Stored at Northwest Pipe Company Adelanto CA Facility

Construction Contract Status

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
P2453	SR-11 Potable Water Utility Relocations - Sequence 1	Coffman Specialties, Inc.	\$947,380	\$992,380	\$16,047	1.7%	\$963,427	\$431,335	-2.9%	44.8%	July 2015
P2493	624-2 Reservoir Coating	Advanced Industrial Services	\$1,169,000	\$1,199,000	\$0	0.0%	\$1,180,770	\$1,180,770	-1.5%	100.0%	Completed August 2014
P2515	870-1 Reservoir Access Road Paving	RAP Engineering Inc.	\$205,566	\$207,362	\$9,611	4.7%	\$215,177	\$196,557	3.8%	91.3%	January 2015
P2531 P2532 P2535	944-1, 944-2, & 458-2 Reservoirs Interior/Exterior Coating & Upgrades	Olympus and Associates Inc.	\$1,146,008	\$1,206,008	\$0	0.0%	\$1,179,944	\$42,550	-2.2%	3.6%	June 2015
S2033	Calavo Basin Sewer Rehabilitation Phase 1	Arrieta Construction Inc.	\$521,890	\$529,490	\$0	0.0%	\$521,890	\$0	-1.4%	0.0%	July 2015
TOTALS:			\$3,989,844	\$4,134,240	\$25,658	0.6%	\$4,061,208	\$1,851,211	-1.8%		

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

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



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
PLANNING										
ATKINS	Varies	2015 WATER FACILITIES MASTER PLAN UPDATE	\$ 434,731.00	\$ -	\$ 434,731.00	\$ 110,923.38	0.0%	25.5%	1/28/2014	12/31/2016
CAROLLO ENGINEERS, INC.	VARIES	2015 INTEGRATED WATER RESOURCES PLAN UPDATE	\$ 99,993.00	\$ -	\$ 99,993.00	\$ -	0.0%	0.0%	11/17/2014	6/30/2016
WATER SYSTEMS CONSULTING INC	VARIES	AS-NEEDED HYDRAULIC MODELING FY 15/16	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 27,775.00	0.0%	15.9%	7/15/2014	6/30/2016
DESIGN										
AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$(228,365.00)	\$ 3,681,932.00	\$ 953,503.52	-5.8%	25.9%	1/6/2011	6/30/2018
AEGIS ENGINEERING MGMT INC	Varies	AS-NEEDED DESIGN SERVICES FY 13-14	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 174,877.78	0.0%	58.3%	11/1/2012	6/30/2015
ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 70,208.73	0.0%	45.7%	1/24/2012	6/30/2016
ARCADIS U.S. INC	VARIES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	0.0%	0.0%	9/11/2014	6/30/2016
ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY 12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 155,536.56	0.0%	88.9%	10/26/2011	6/30/2015
BROWNSTEIN HYATT FARBER SCHRECK	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 5,620.54	\$ -	\$ 5,620.54	\$ -	0.0%	0.0%	7/9/2013	6/30/2015



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
DESIGN										
BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 27,117.62	0.0%	27.1%	7/1/2012	6/30/2015
CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ 29,000.00	\$ 653,910.00	\$ 242,996.03	4.6%	37.2%	10/11/2013	12/31/2017
DARNELL & ASSOCIATES	Varies	AS-NEEDED TRAFFIC ENGINEERING SERVICES	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 27,920.00	0.0%	22.3%	7/1/2012	6/30/2015
EPIC FIRE PROTECTION INC	P2538	MIC TREATMENT SYSTEM	\$ 20,300.00	\$ -	\$ 20,300.00	\$ 20,300.00	0.0%	100.0%	7/31/2014	8/20/2014 COMPLETE
HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ -	\$ 684,750.00	\$ 178,008.22	0.0%	26.0%	11/22/2013	12/31/2015
HECTOR MARES-COSSIO	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 120,000.00	\$ -	\$ 63,000.00	\$ 63,000.00	0.0%	100.0%	4/1/2013	9/15/2014 COMPLETE
LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$1,101,916.23	0.0%	39.8%	11/4/2010	12/31/2015
LEONARD H VILLARREAL	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 875.00	\$ -	\$ 875.00	\$ 875.00	0.0%	100.0%	3/21/2014	3/21/2015
MICHAEL D.KEAGY REAL ESTATE	Varies	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 31,000.00	0.0%	68.9%	9/17/2012	6/30/2015
PIPELINE INSPECTION & CONDITION ANALYSIS CORPORATION	R2116	INSPECTION AND CONDITION ASSESSMENT OF THE RALPH W. CHAPMAN WATER RECYCLING FACILITY 14-INCH FORCE MAIN	\$ 302,092.00	\$ -	\$ 302,092.00	\$ -	0.0%	0.0%	12/18/2014	4/30/2015
PSOMAS	VARIABLES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	0.0%	0.0%	9/11/2014	6/30/2016
RICK ENGINEERING COMPANY	S2024	CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT	\$ 805,705.00	\$ -	\$ 805,705.00	\$ 150,888.07	0.0%	18.7%	5/27/2014	12/31/2017



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
DESIGN										
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 115,000.00	\$ -	\$ 115,000.00	\$ 28,289.05	0.0%	24.6%	5/1/2014	6/30/2016
SIMON WONG ENGINEERING	R2109	WOODEN TRESTLE IMPROVEMENT	\$ 26,790.00	\$ -	\$ 26,790.00	\$ 26,790.00	0.0%	100.0%	5/1/2014	12/31/2015
SOUTHERN CALIFORNIA SOIL	Varies	GEOTECHNICAL SERVICES FY 13-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 57,010.81	0.0%	32.6%	12/10/2012	6/30/2015
STUTZ ARTIANO SHINOFF & HOLTZ	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 780.00	\$ -	\$ 780.00	\$ 780.00	0.0%	100.0%		
TETRA TECH, INC	P2434	RANCHO DEL REY WELL - PHASE 2	\$ 724,493.50	\$ 23,749.00	\$ 748,242.50	\$ 491,684.17	3.3%	65.7%	4/28/2011	12/31/2014 COMPLETE
(W)RIGHT ON COMMUNICATIONS, INC.	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 49,000.00	\$ -	\$ 49,000.00	\$ 26,325.95	0.0%	53.7%	5/1/2014	5/1/2015
CONSTRUCTION SERVICES										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 92,903.00	0.0%	53.1%	9/18/2013	6/30/2015
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 206,645.00	0.0%	59.0%	10/24/2012	6/30/2015
HARPER & ASSOCIATES	P2493	COATING INSPECTION SERVICES ON THE 624-2 & 458-2 RESERVOIR	\$ 75,160.00	\$ -	\$ 75,160.00	\$ 75,155.00	0.0%	100.0%	8/27/2013	7/3/2014 COMPLETE
RBF CONSULTING, INC	P2083	870-2 PS CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	\$ 853,457.00	\$ -	\$ 853,457.00	\$ 15,742.00	0.0%	1.8%	7/30/2014	12/31/2017
ENVIRONMENTAL										
HELIX ENVIRONMENTAL	VARIES	MAINTENANCE AND MONITORING OF THE SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP ASSOCIATED MITIGATION PROJECTS	\$ 476,173.00	\$ -	\$ 476,173.00	\$ -	0.0%	0.0%	12/19/2014	12/31/2017
ICF INTERNATIONAL JONES & STOKES INC	VARIES	AS-NEEDED ENVIRONMENTAL SERVICES FY 15/16/17	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 19,268.09	0.0%	5.1%	7/18/2014	6/30/2017



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
ENVIRONMENTAL										
MERKEL & ASSOCIATES	Varies	SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP-ASSOCIATED MITIGATION PROJECTS	\$ 359,079.00	\$ 26,750.00	\$ 385,829.00	\$ 385,829.00	7.4%	100.0%	12/20/2011	12/31/2014 COMPLETE
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 193,262.61	0.0%	71.4%	3/28/2008	6/30/2015
WATER RESOURCES										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 8,250.00	0.0%	8.3%	4/9/2014	6/30/2019
PUBLIC SERVICES										
AEGIS ENGINEERING MANAGEMENT	Varies	AS-NEEDED DEVELOPER PROJECTS FY 14-15	\$ 350,000.00	\$ 24,000.00	\$ 374,000.00	\$ 269,889.86	6.9%	72.2%	8/26/2013	6/30/2015
TOTALS:			\$15,927,806.04	\$(124,866.00)	\$15,745,940.04	\$5,234,670.68	-0.8%			



QUESTIONS?

AGENDA ITEM 6



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	Various DIV.NO. ALL
SUBMITTED BY:	Geoff Stevens, Chief Information Officer		
APPROVED BY:			
	<input checked="" type="checkbox"/> German Alvarez, Asst. General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	INFORMATIONAL ITEM - FISCAL YEAR 2015 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 mid-year report on the District's Strategic Performance Plan for FY2015.

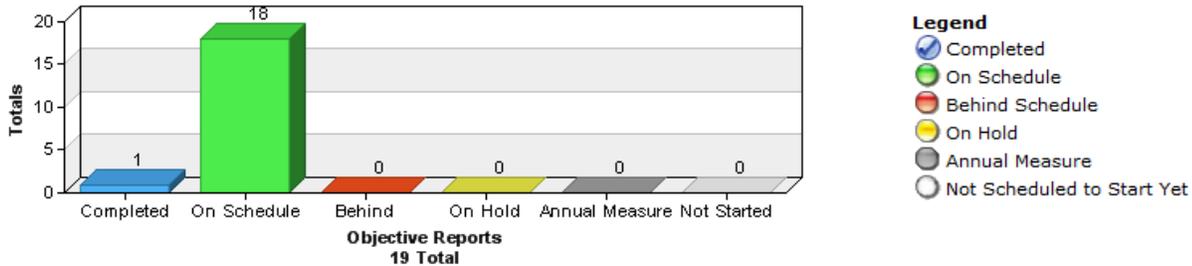
ANALYSIS:

The District is in the first year of the FY2015-2018 Strategic Plan. At the end of the second quarter of FY2015, the total results for both the Strategic Objectives and the Performance Measures exceeded the designated targets.

Strategic Plan Objectives

100% Of Strategic Plan Objectives On Schedule

Objectives: All Departments

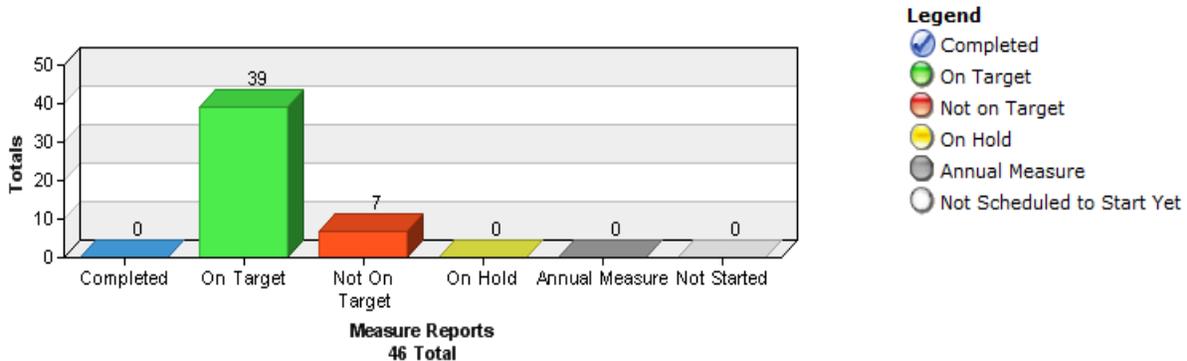


Strategic Plan Objectives are designed to ensure the District, as a whole, is making the appropriate high-level changes necessary to move the agency in the planned direction to meet new challenges and opportunities. The Strategic Objective results at mid-year were above target with all 19 items (100%) completed or on schedule. The designated target is 90%.

Performance Measures

85% Of Performance Measures On Target

YTD Measures: All Departments



Performance Measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of daily operations. Where possible, staff utilizes the AWWA Qualserve Benchmarks as the basis for comparison. FY15 second quarter results for measures were 39 of 46(85%)on or above target. This exceeds the combined target of 75%.

Next Steps

Staff conducted a workshop with the Board on January 27, 2015, to gain insight and support for the newly revised objectives for the FY16-FY18 plan. Staff is finalizing these objectives and also revising the targets for performance measures. The revised objectives and performance measures will be presented to the Board as the initial step of the FY16 budget approval process in May 2015.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration and Communications Committee and the Engineering, Operations and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan Available to Board from the Internet

All of the strategic plan results and associated details are provided in an online web-based application available to the Board through a VPN connection available from the District Secretary.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Informational item only, no fiscal impact.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None

Attachments: Attachment A - Committee Action
 Attachment B - Strategic Plan Results Graphs Q2 FY2015



ATTACHMENT A

SUBJECT/PROJECT:	INFORMATIONAL ITEM - FISCAL YEAR 2015 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this on this on February 18, 2015 and the Engineering, Operations and Water Resources Committee reviewed this on February 17, 2015, respectively.

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.

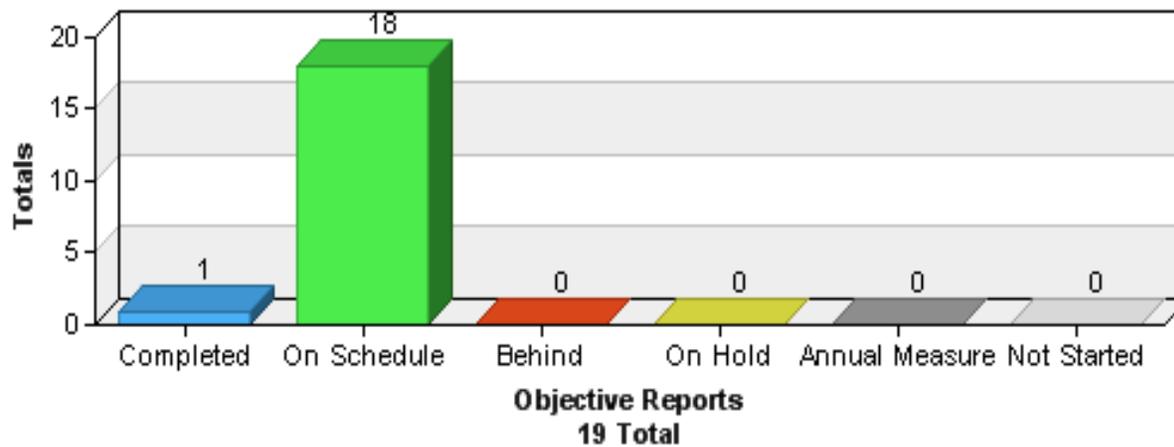


Strategic Plan

FY 2015 Quarter 2 Results

All Objectives Are on Schedule or Completed

Objectives: All Departments

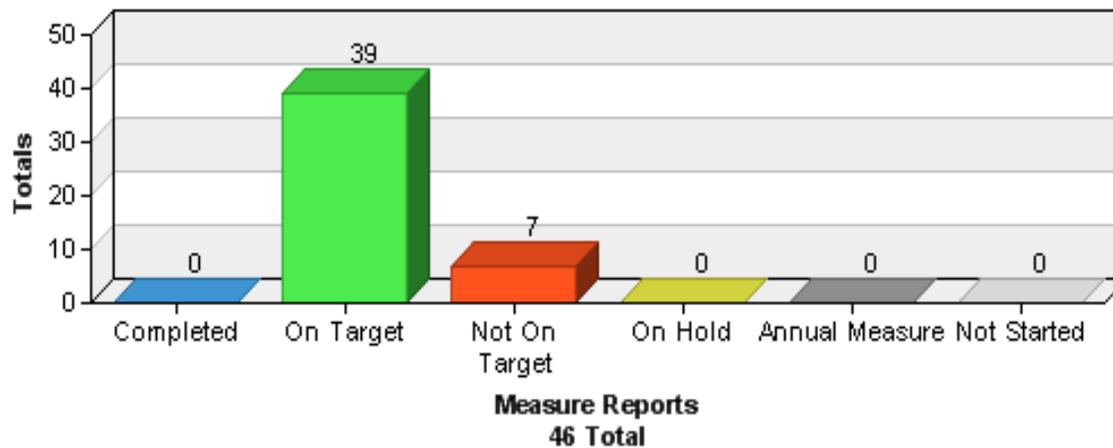


Legend

- Completed
- On Schedule
- Behind Schedule
- On Hold
- Annual Measure
- Not Scheduled to Start Yet

85% of Performance Measures Meet the Target

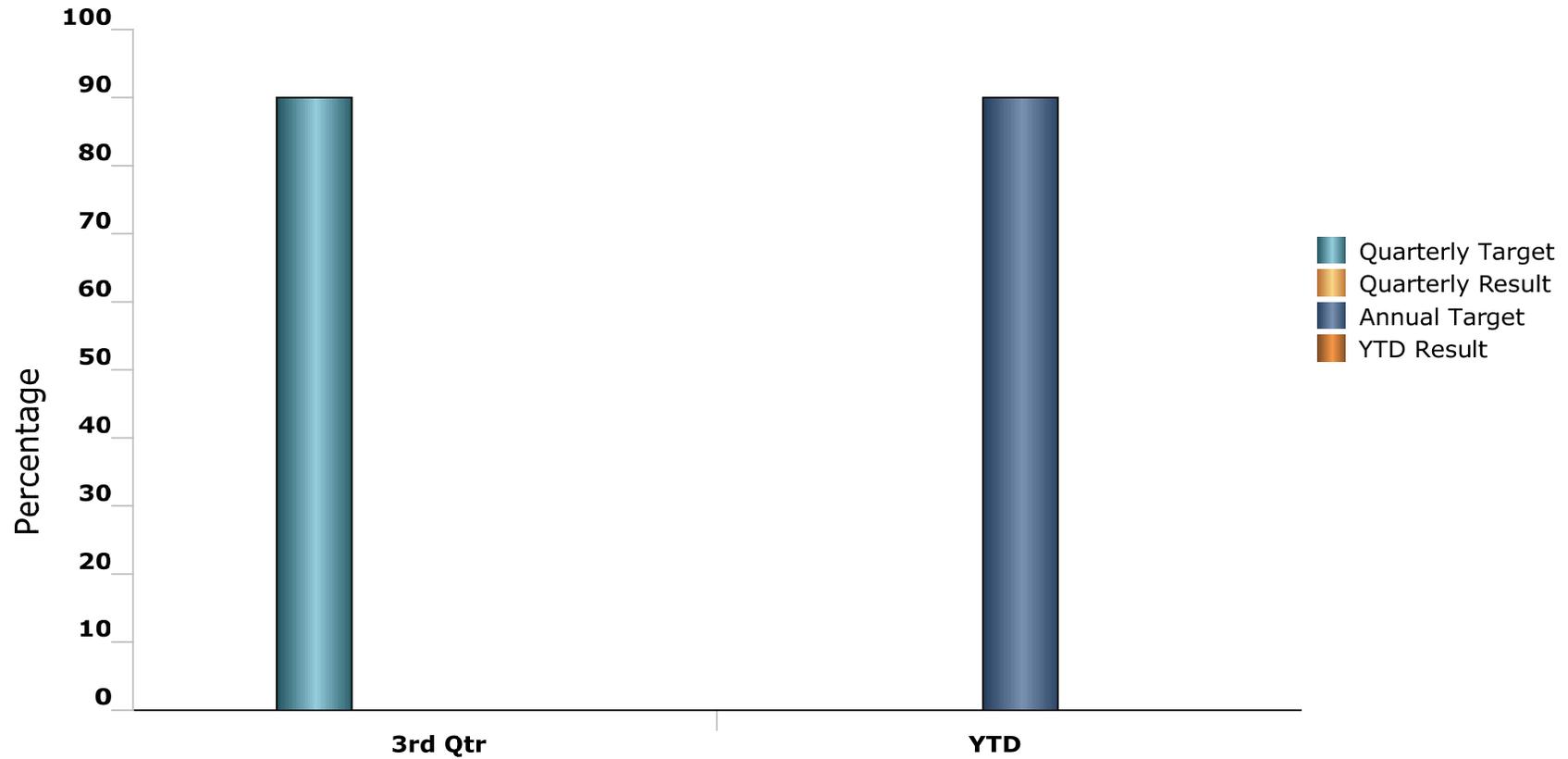
YTD Measures: All Departments



Legend

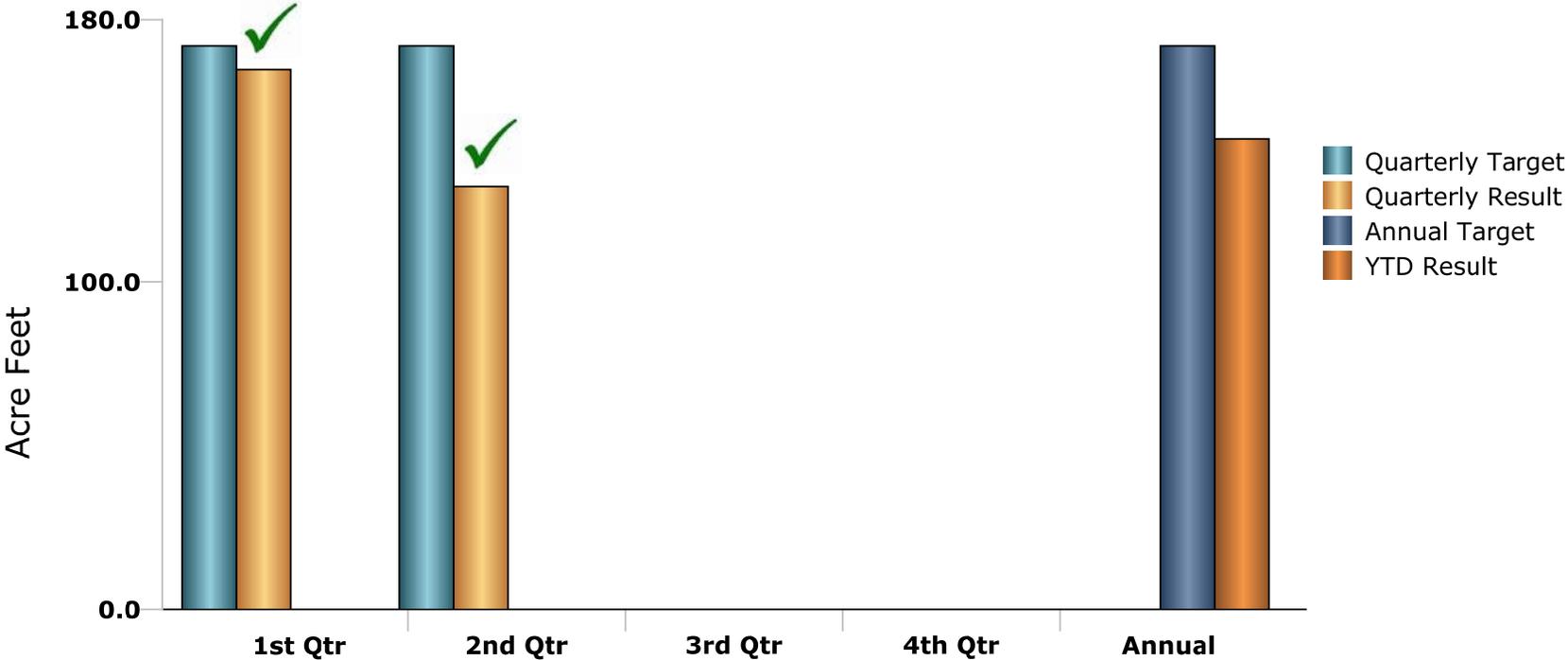
- Completed
- On Target
- Not on Target
- On Hold
- Annual Measure
- Not Scheduled to Start Yet

Customer Satisfaction 1.1.100



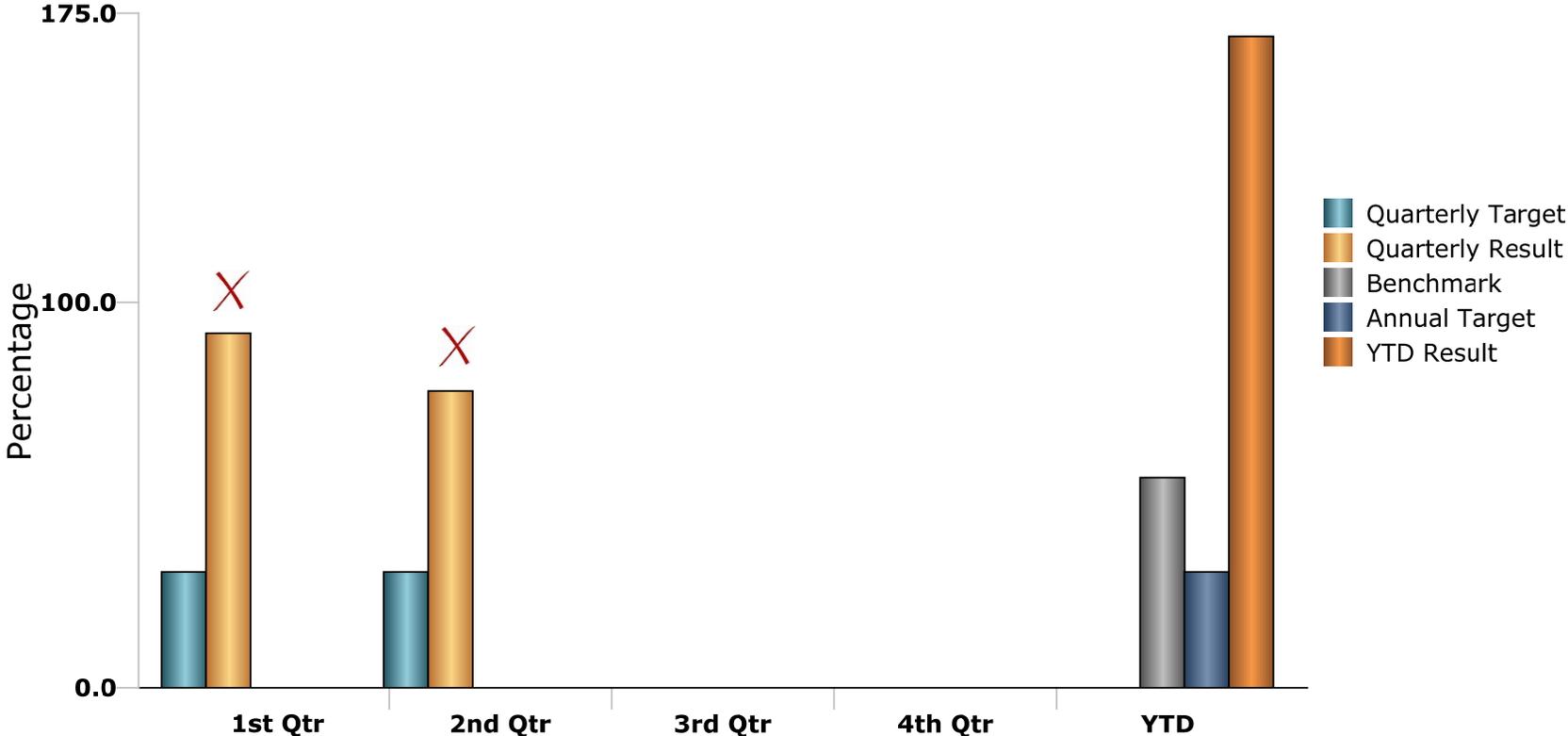
Measure 1.1.100, Customer Satisfaction, is an annual survey that is reported in the third quarter and represents the results for the given fiscal year.

Gallons Per Capita Per Day 1.3.103



Measure 1.3.103, Gallons Per Capita Per Day, aims to be below 172 Gallons Per Day

Health & Safety Severity Rate (QualServe) 1.4.104



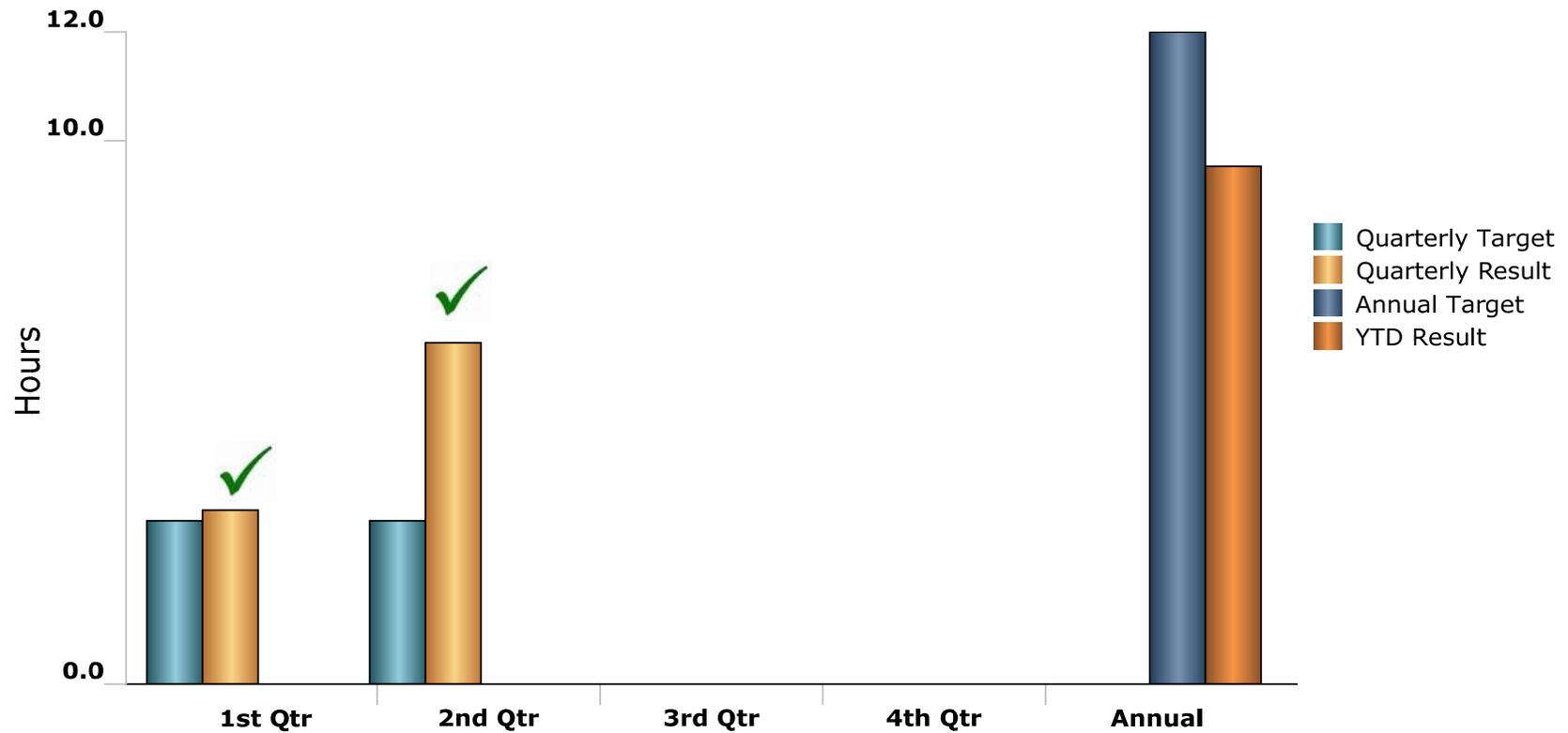
Measure 1.4.104, Health & Safety Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

Employee Turnover Rate 1.4.105



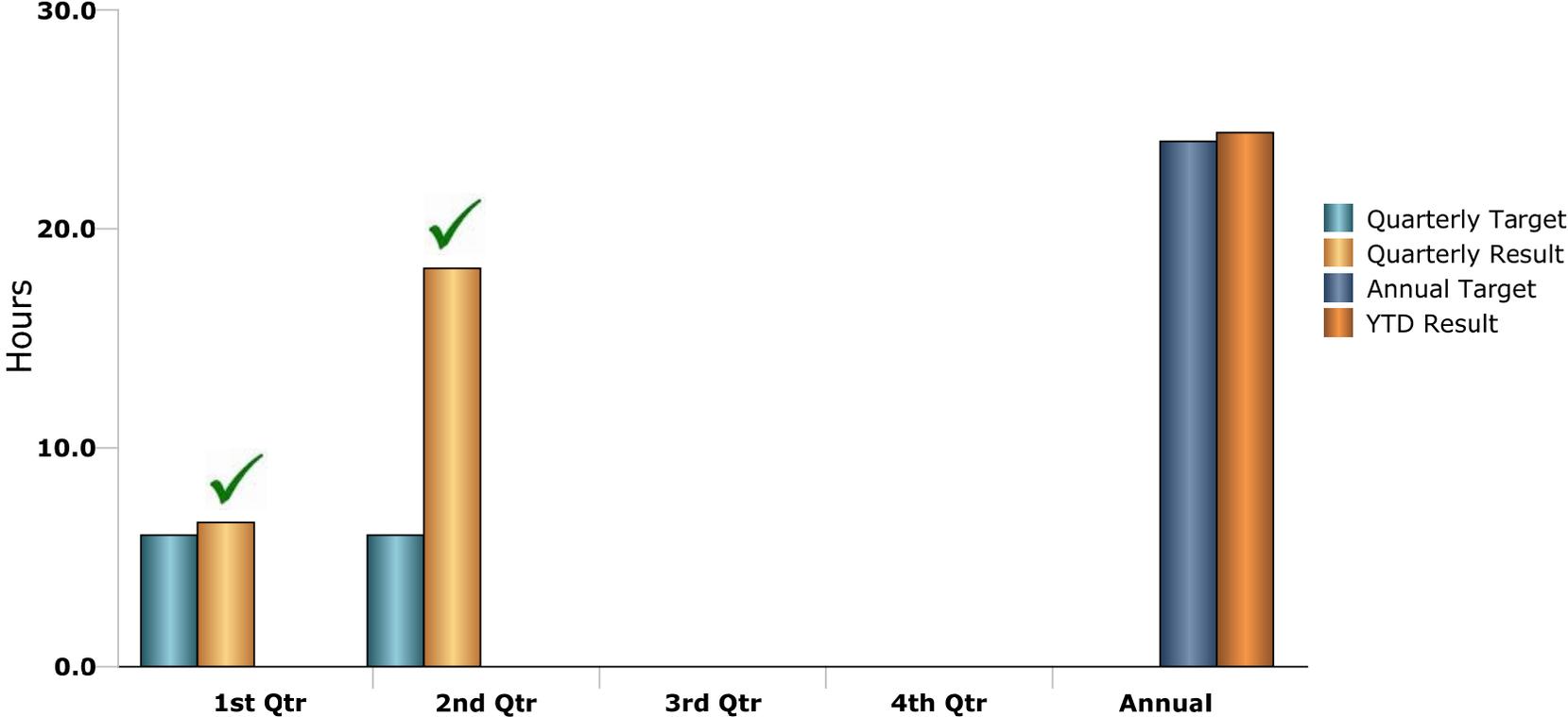
Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

Training Hours Per Employee 1.4.106



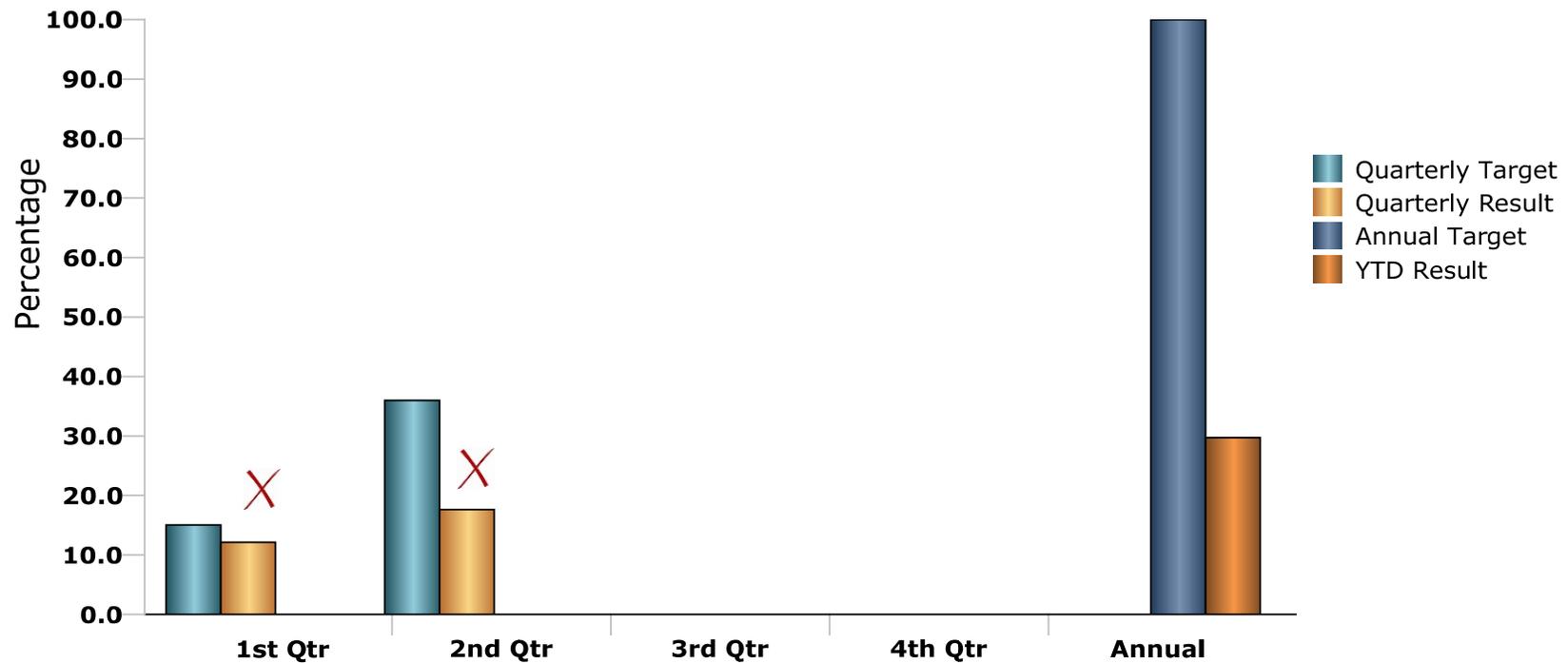
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of general formal training per employee in a single year (excludes safety training).

Safety Training Program 1.4.107



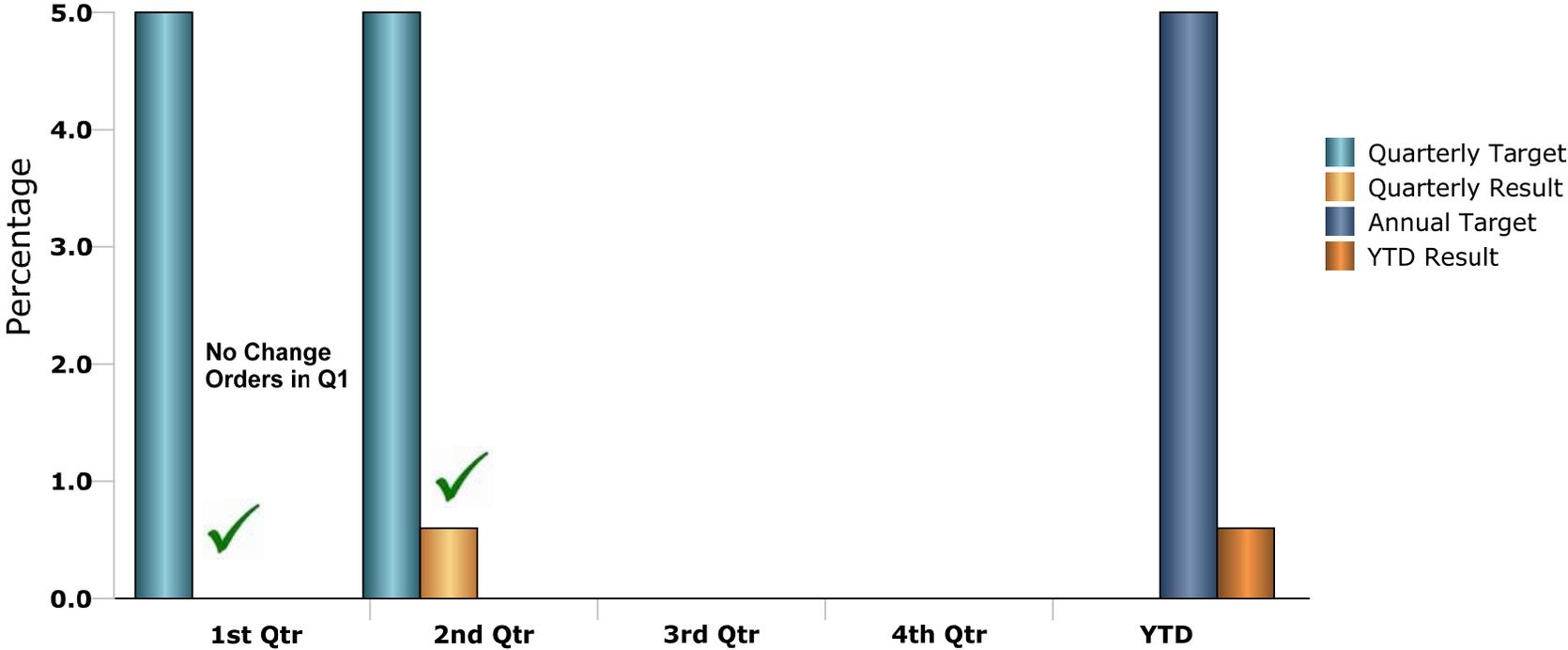
Measure 1.4.107, Safety Training Program, aims to be above all set targets in order to have more than 24 hours of training per employee in a single year.

CIP Project Expenditure vs. Budget 2.2.200



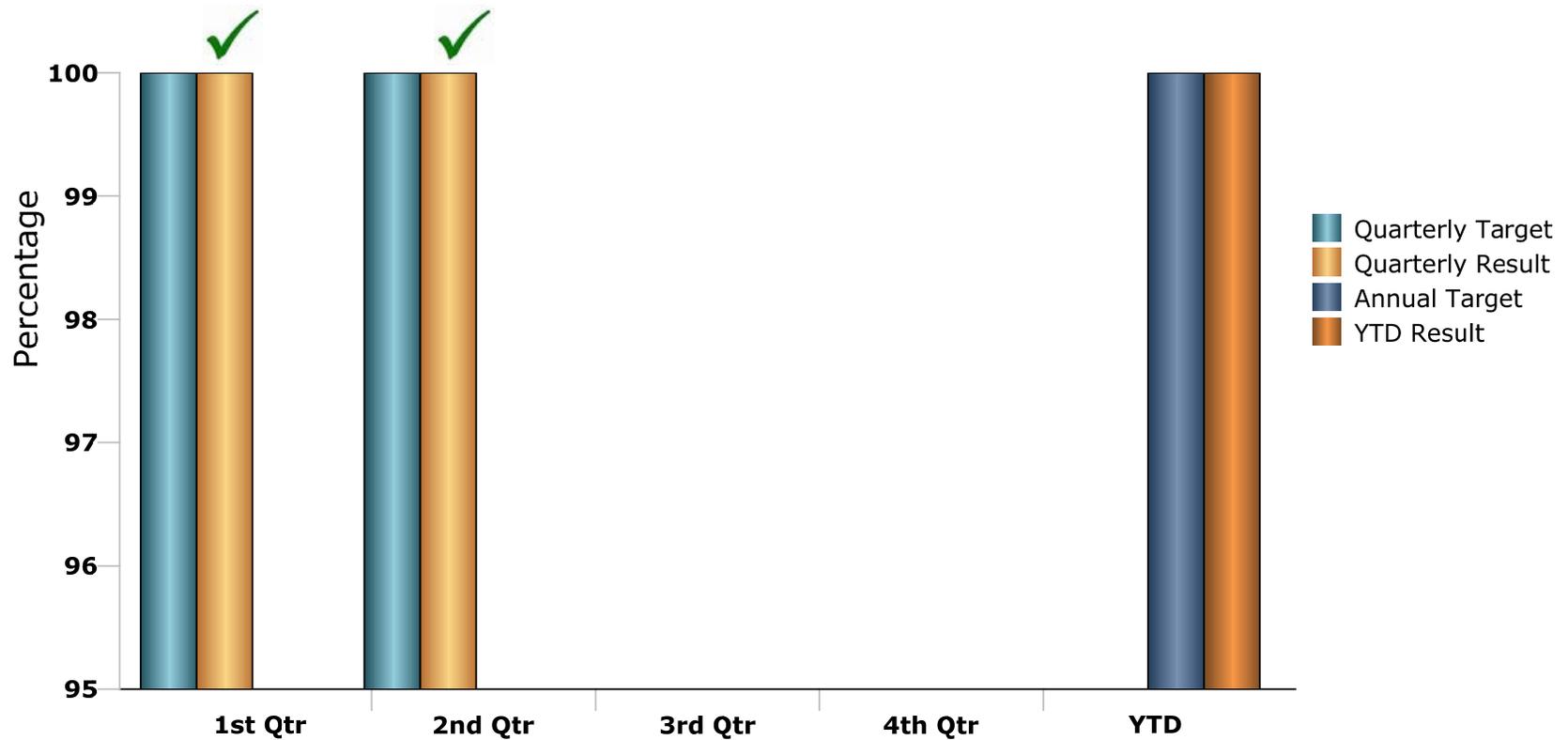
Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be 95% of budget but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.

Construction Change Order Incidence (w/o allowances) 2.2.201



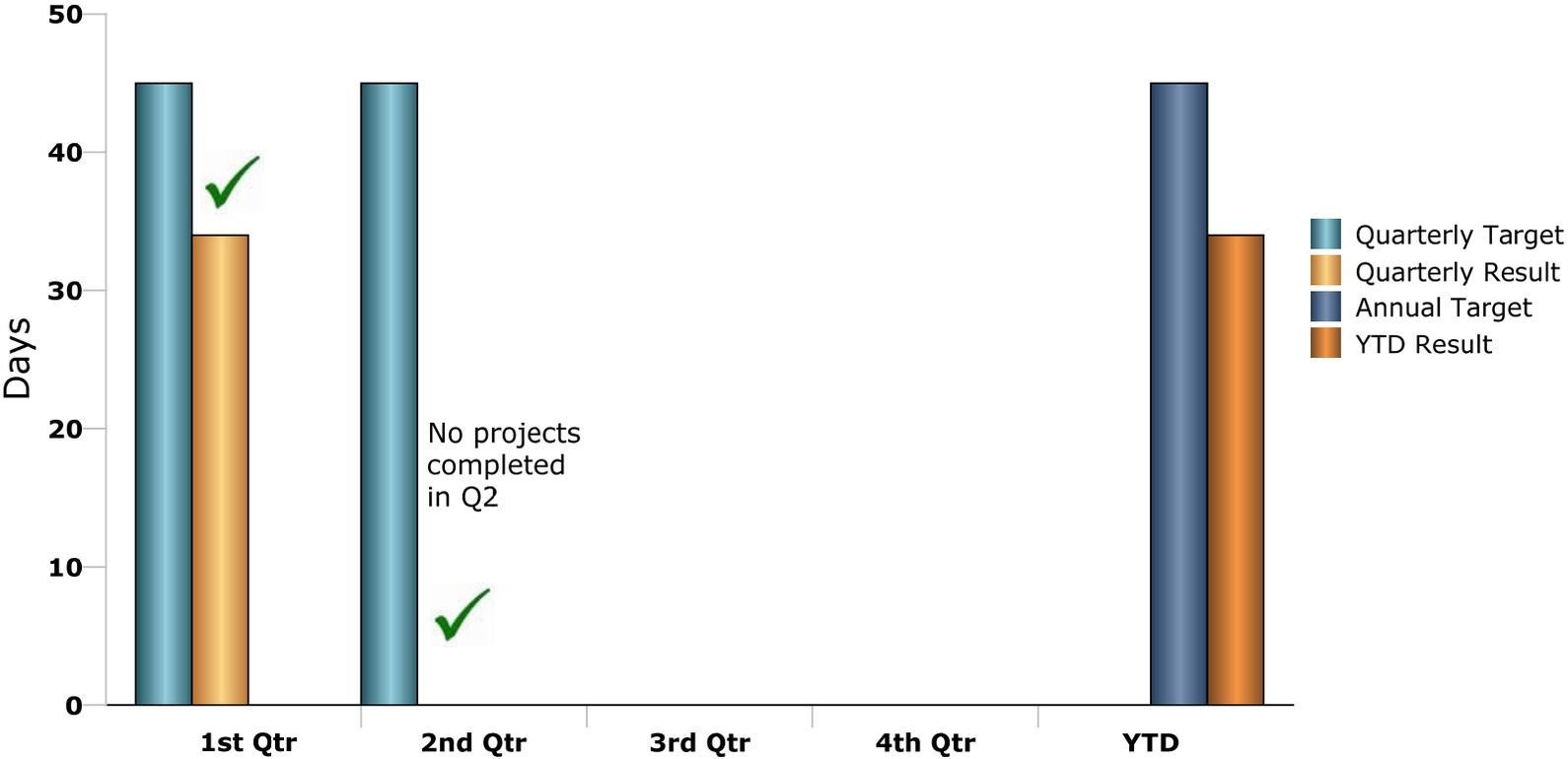
Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 5 % in one year.

Mark Out Accuracy 2.3.202



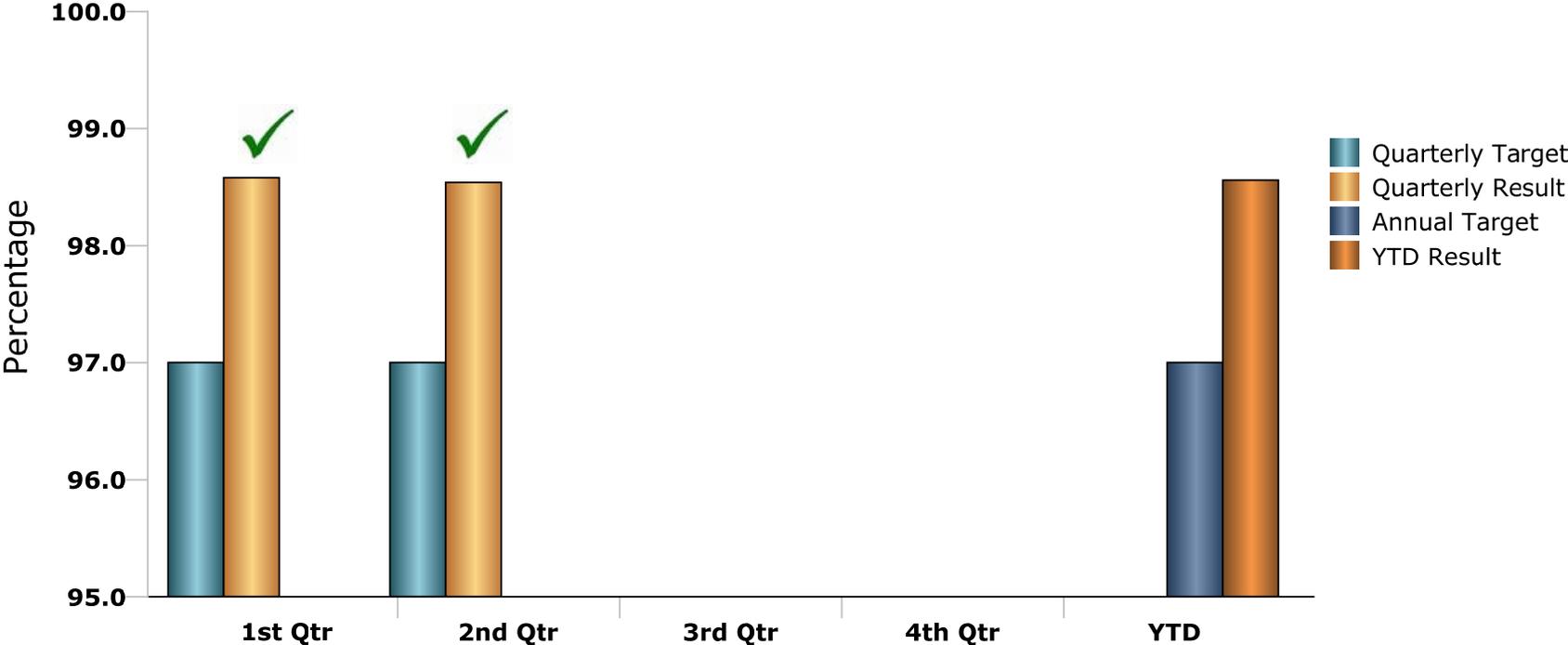
Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

Project Closeout Time 2.3.203



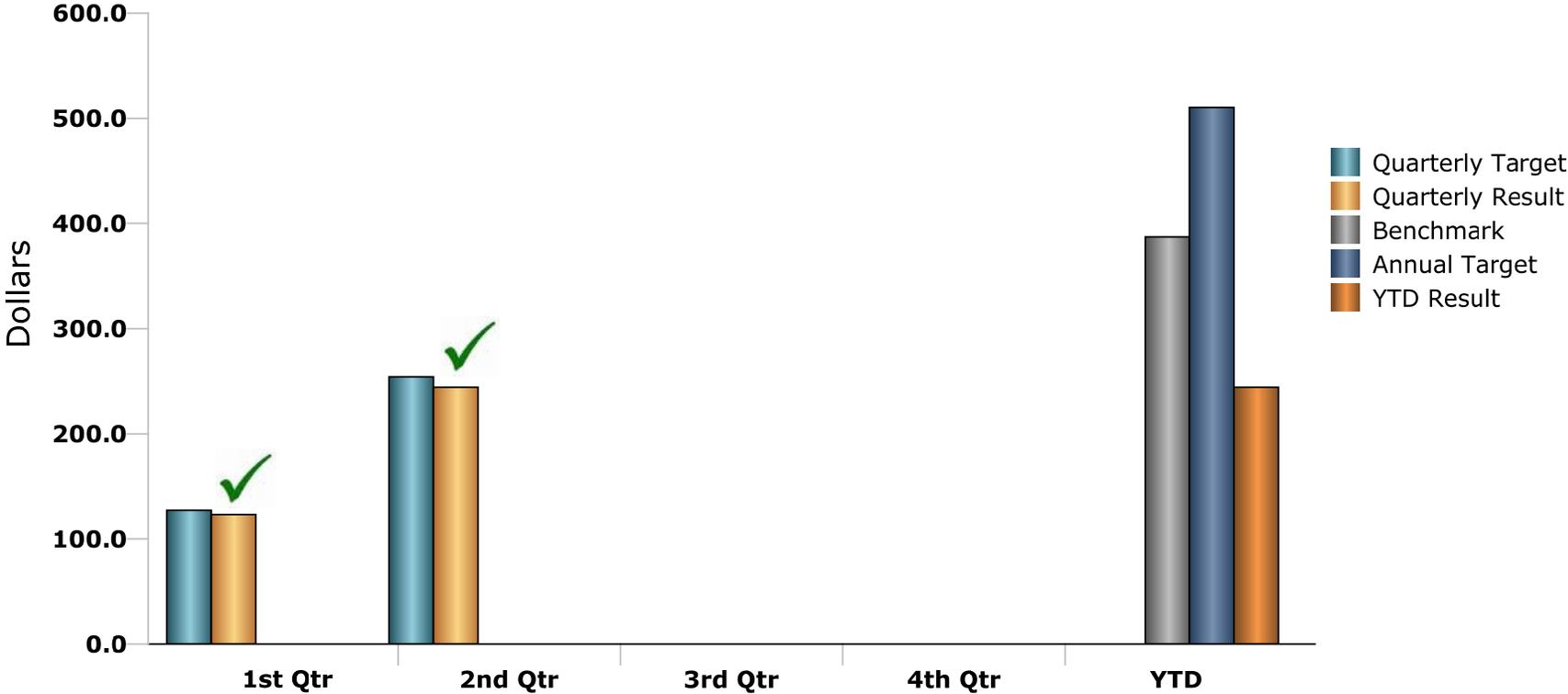
Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days in a single year.

Answer Rate 3.1.300



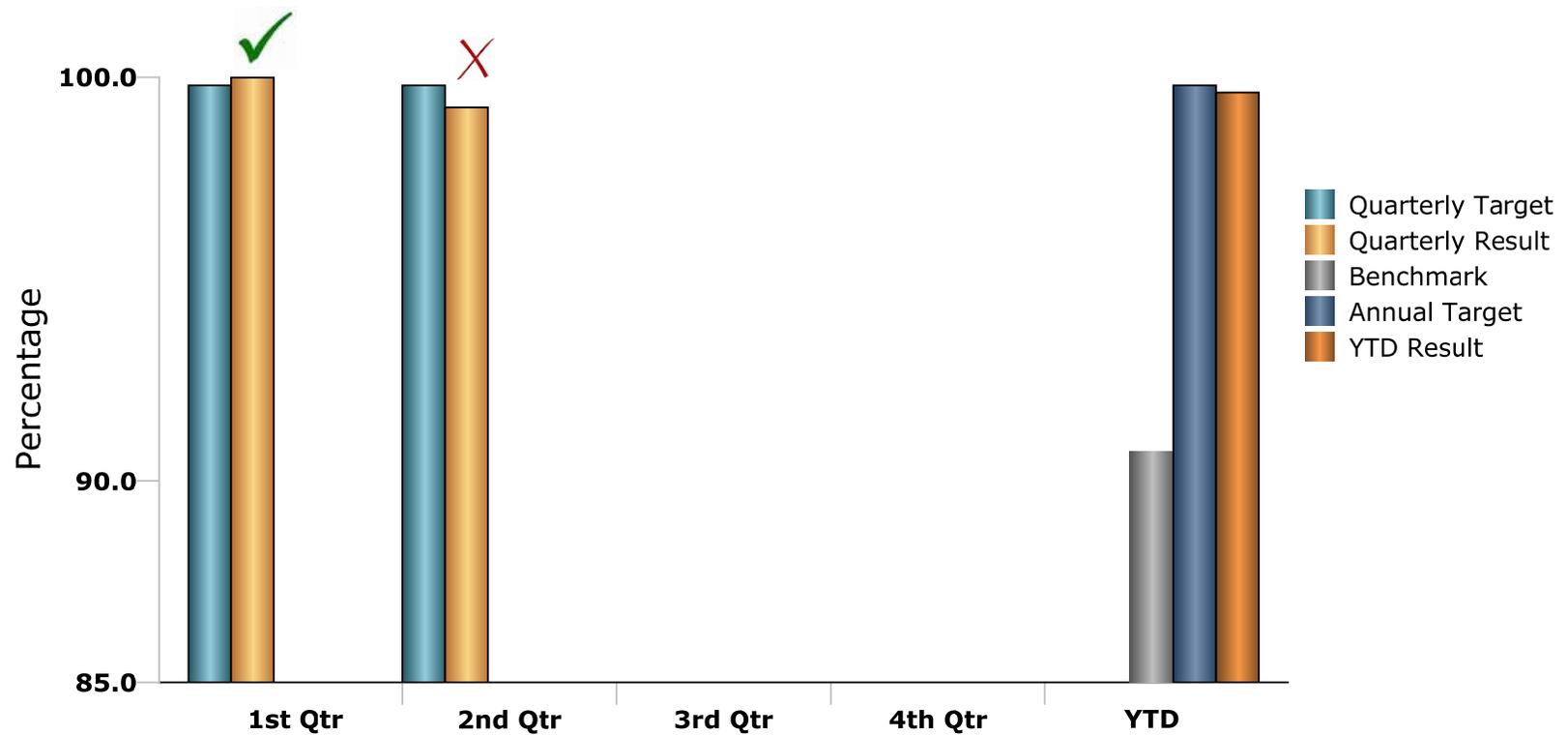
Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate no less than 97%.

O&M Cost Per Account (QualServe) 3.2.301



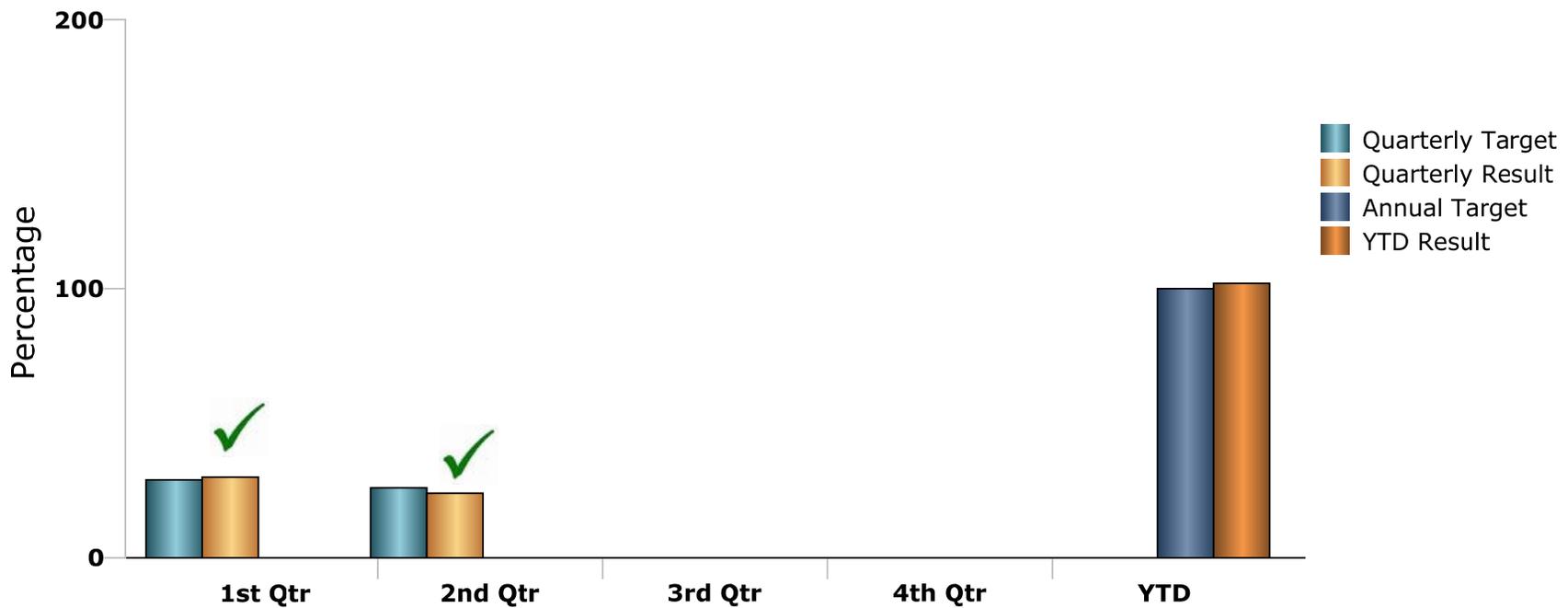
Measure 3.2.301, O&M Cost Per Account, aims to be below all set targets in order to keep O&M cost per account less than \$510.40 in a single year.

Bill 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.

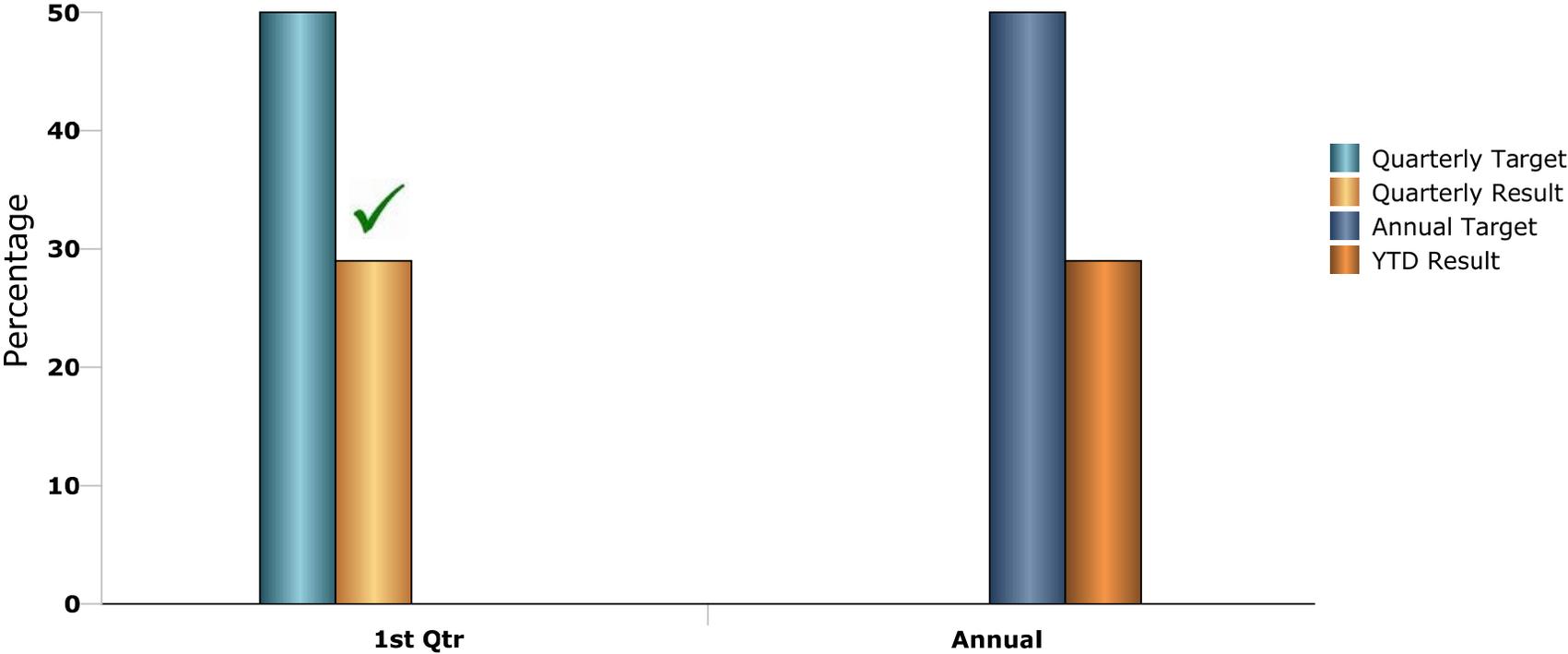
Overtime Percentage 3.2.303



Measure 3.2.303, Overtime Percentage, aims to be between 23% and 27% per quarter. In total, less than 100% by the end of the year.

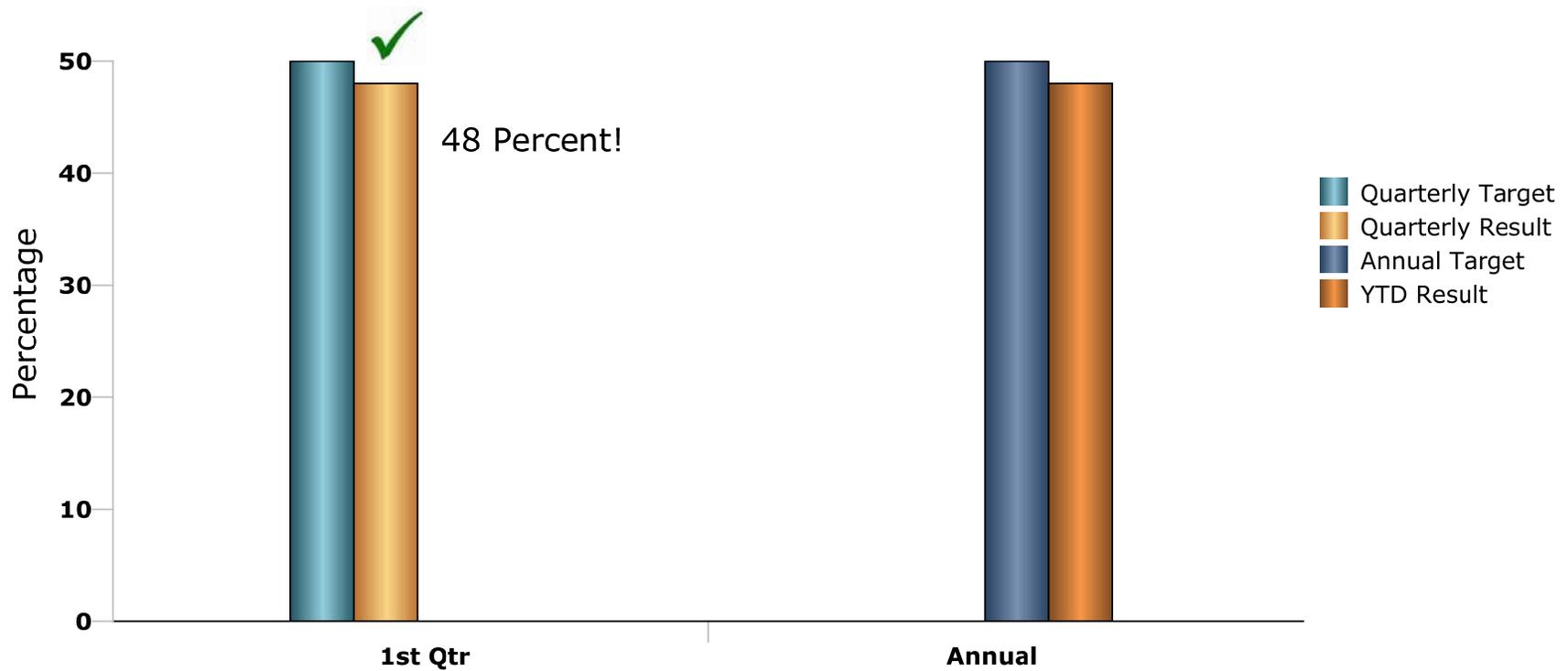
*Note: Q1 Results include an overage due to unbudgeted COLA. Because COLA was a mandated change, results will still be considered on track.

Sewer Rate Ranking 3.2.304



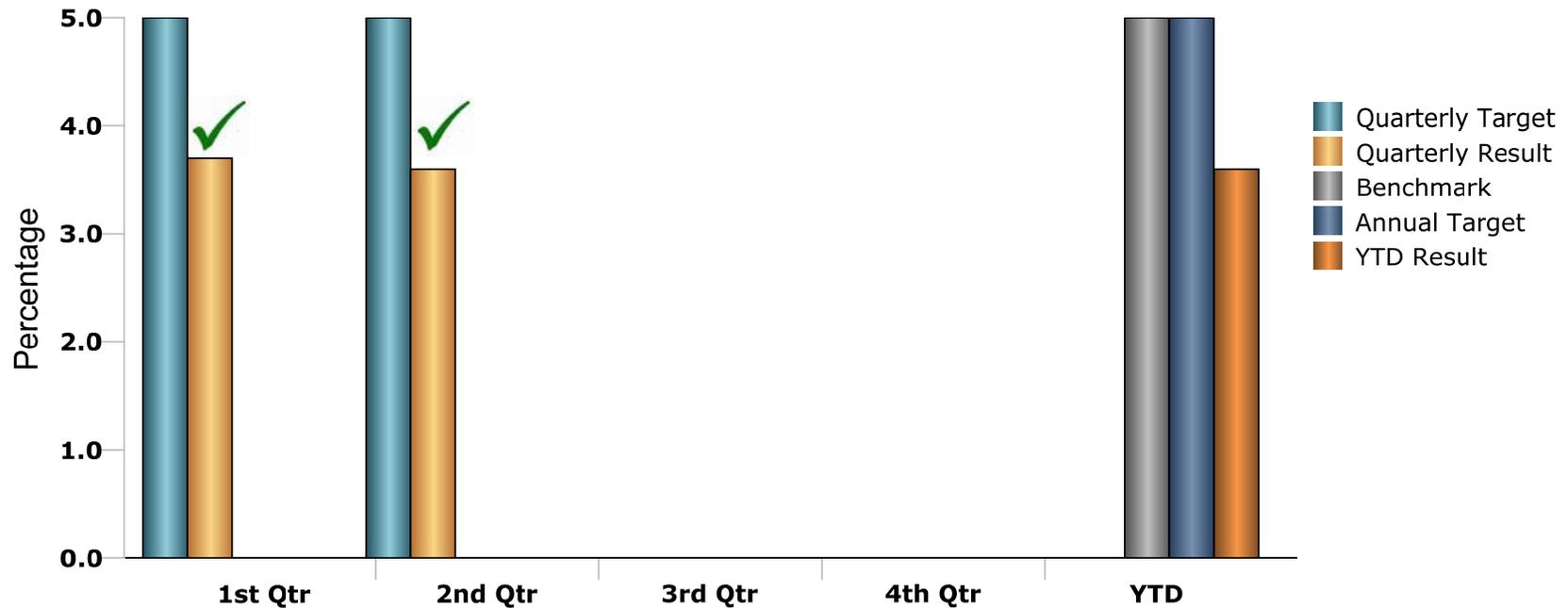
Measure 3.2.304, Sewer Rate Ranking, is reported annually in the first quarter and represents the results for the given fiscal year. The District's goal is to be in the top 50.

Water Rate Ranking 3.2.305



Measure 3.2.305, Water Rate Ranking, is reported annually in the first quarter and represents the results for the given fiscal year. The District's goal is to be below the midpoint (bottom 50%) for neighboring Districts

Distribution System Loss (QualServe) 3.3.308

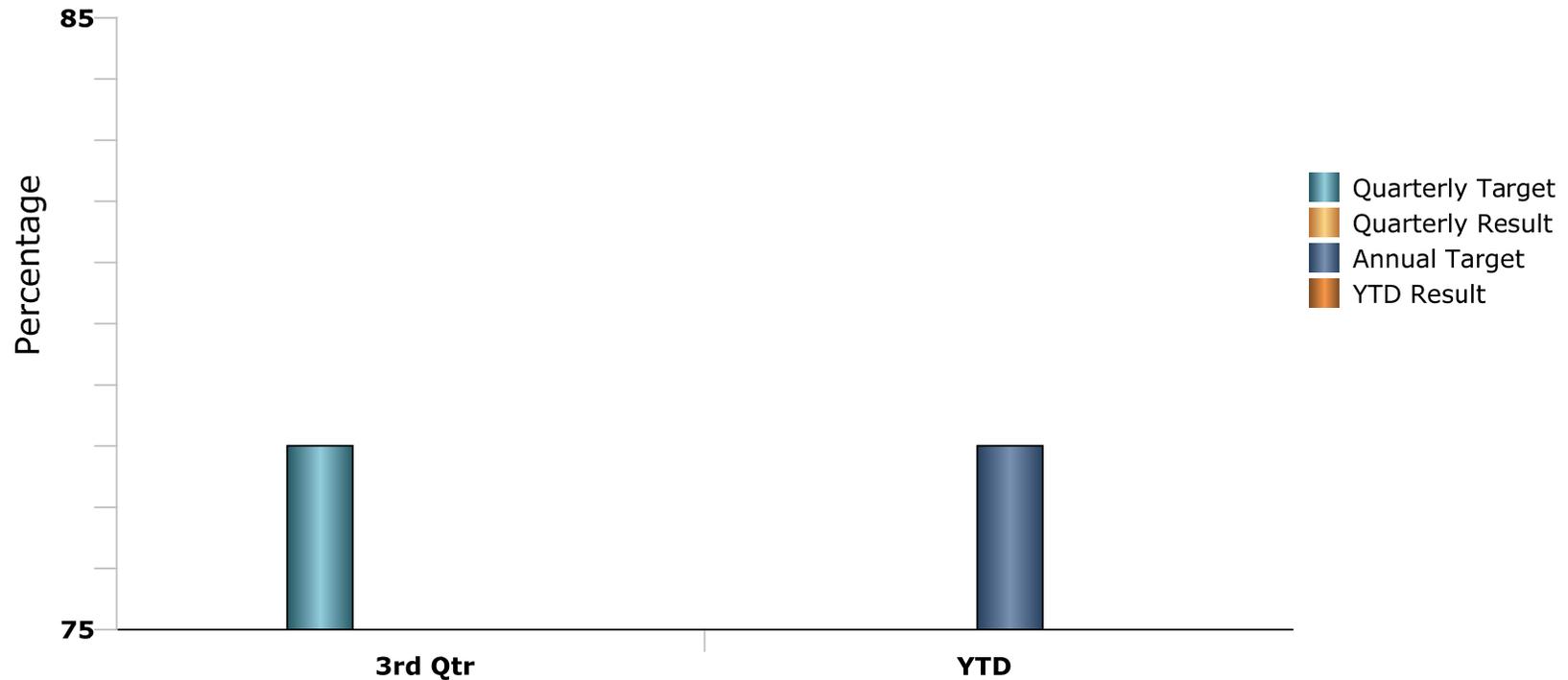


Measure 3.3.308, Distribution System Loss, aims to be below all set targets in order to ensure less than 5% of unaccounted water in a single year.

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

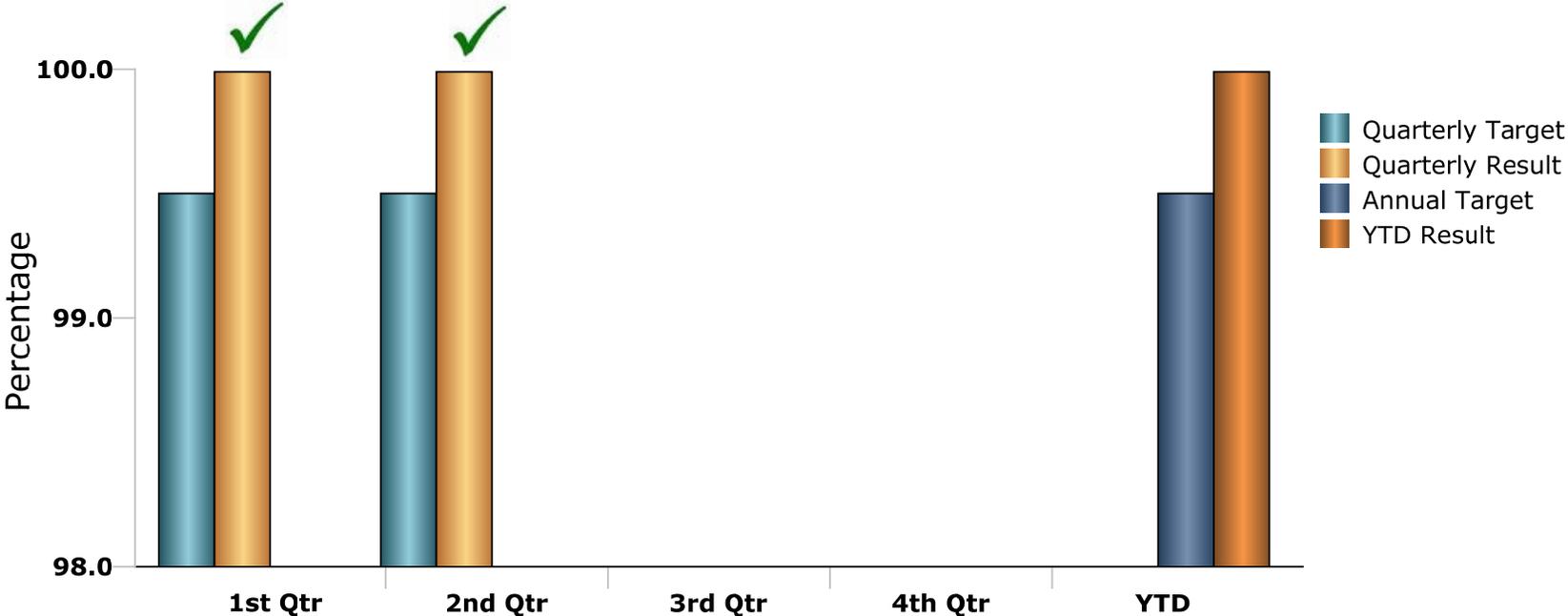
Customer Satisfaction with Otay Website

4.1.400



Measure 4.1.400, Customer Satisfaction with Otay Website, is an annual survey reported in the third quarter and represents the results for the given fiscal year.

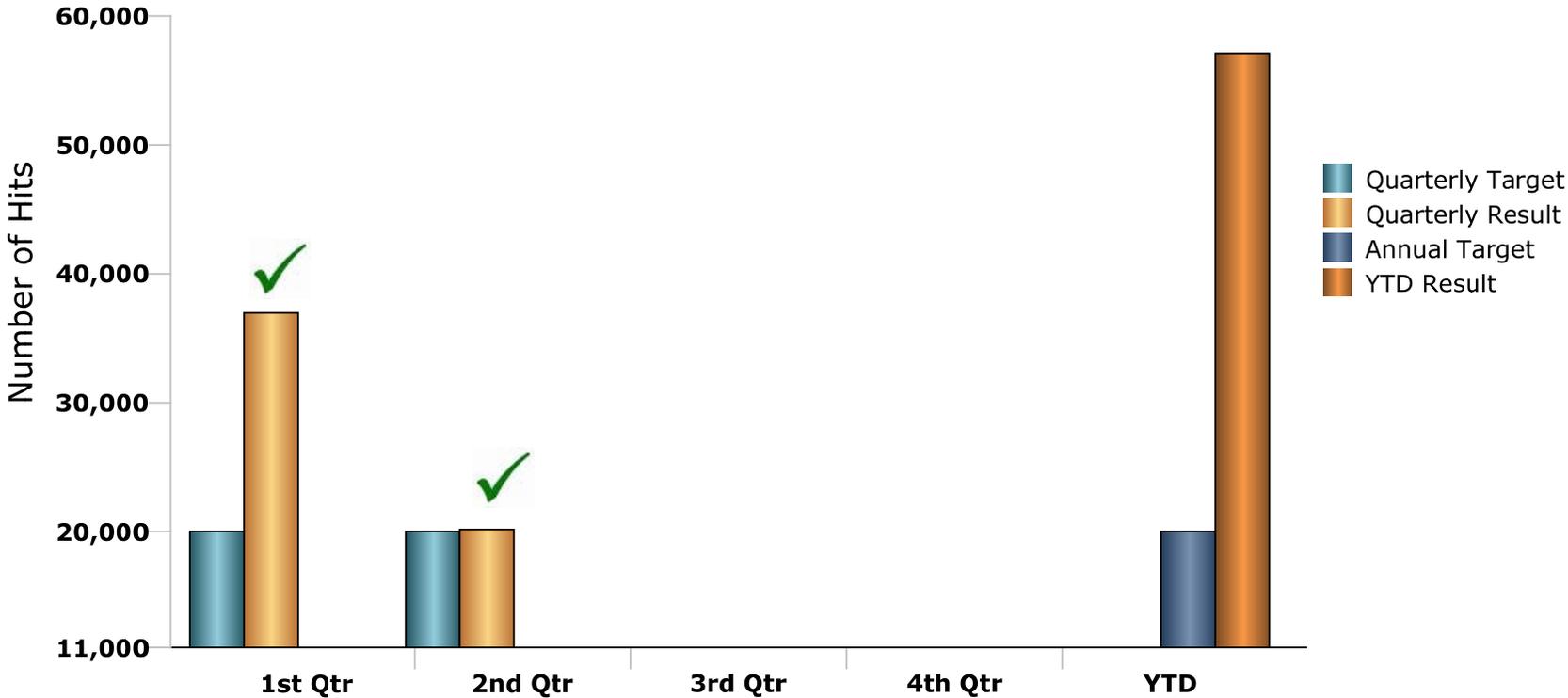
Network Availability 4.3.401



Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.5% network availability per quarter in a single year.

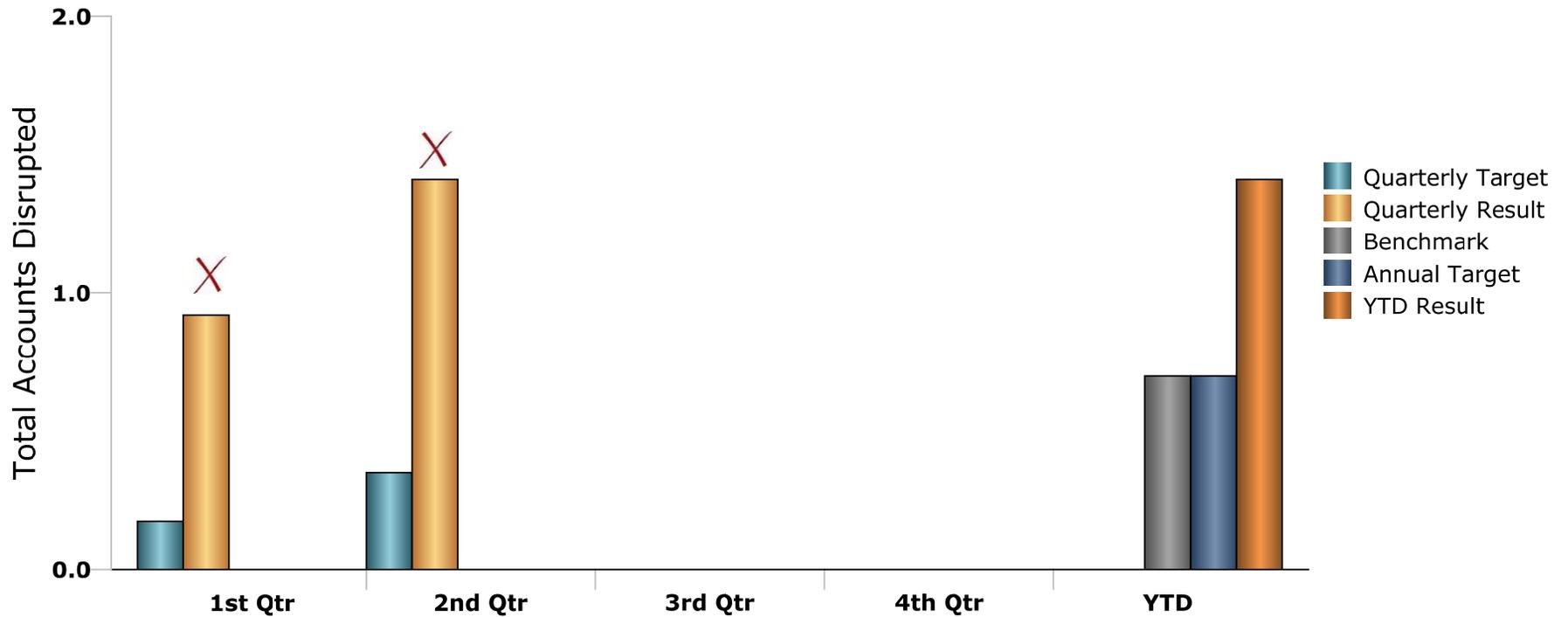
Website Hits

4.4.402



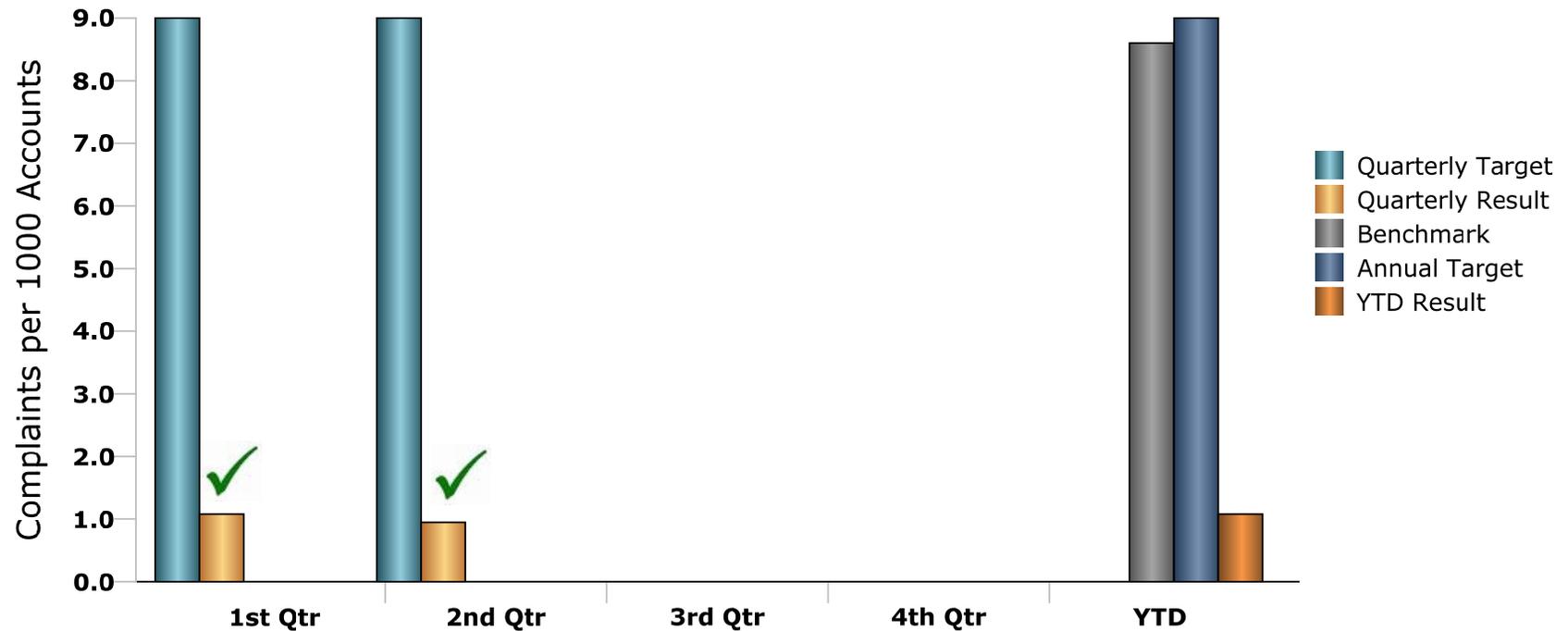
Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 20,000 website hits per quarter in a single year.

Unplanned Disruptions (QualServe) 5.1.500



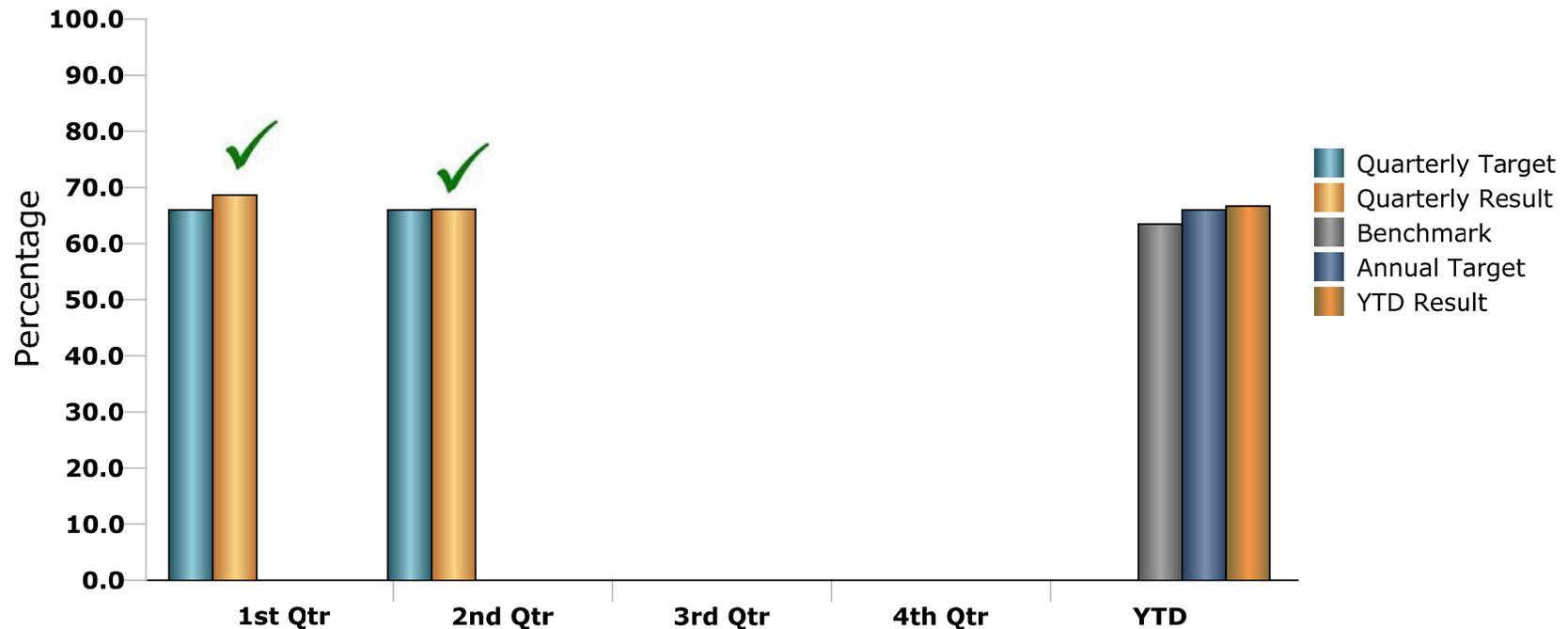
Measure 5.1.500, Unplanned Disruptions, aims to be below the QualServe target ratio of 0.7. Ratio is calculated by # disruptions x 1000/total accounts.

Technical Quality Complaint (QualServe) 5.1.501



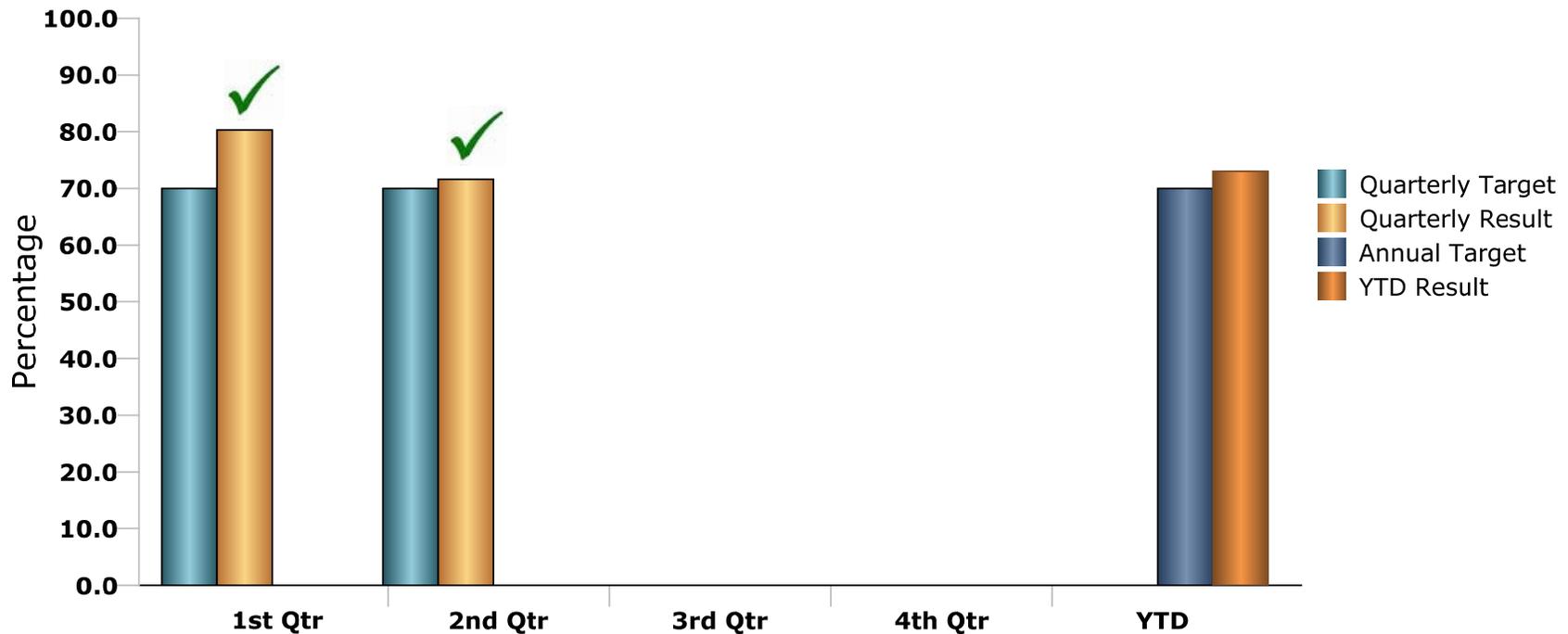
Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

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



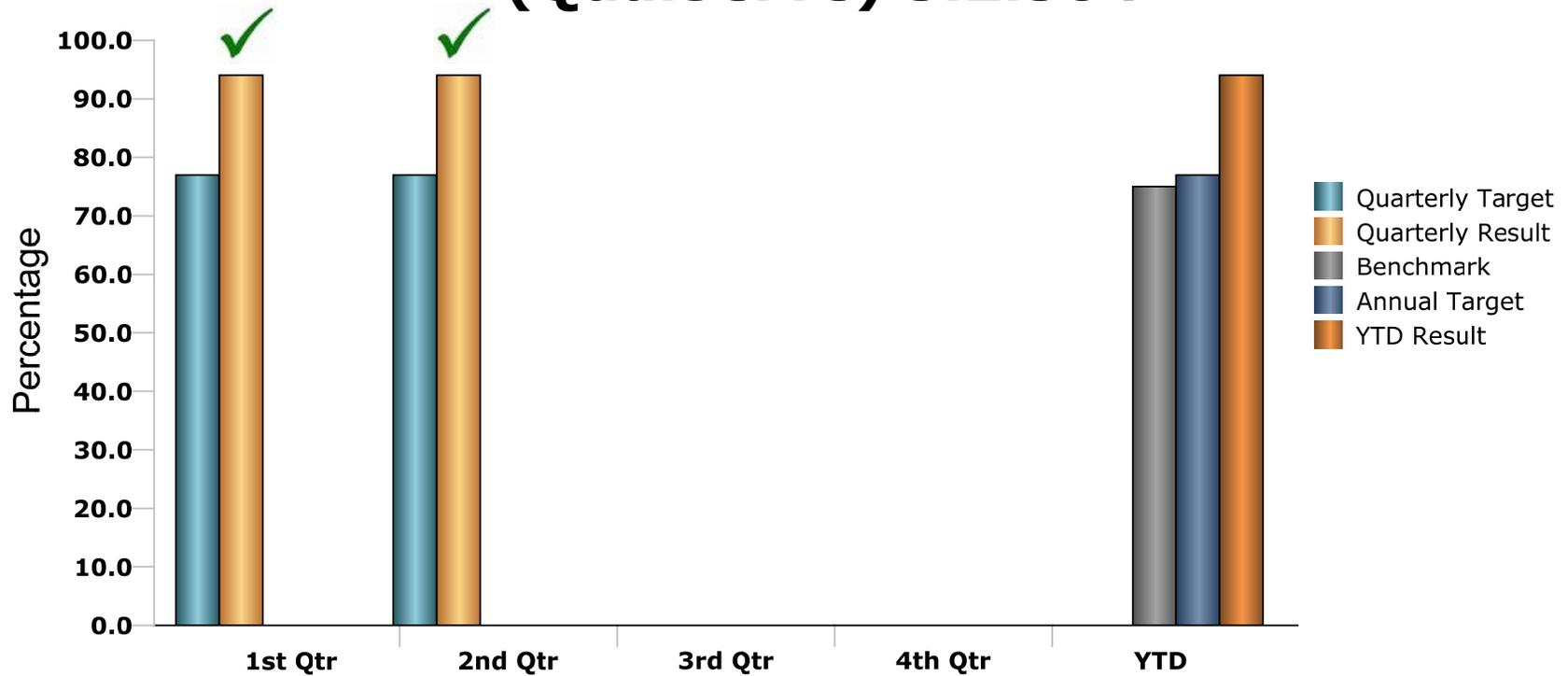
Measure 5.2.502, Planned Potable Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Planned Recycled Water Maintenance Ratio in \$ 5.2.503



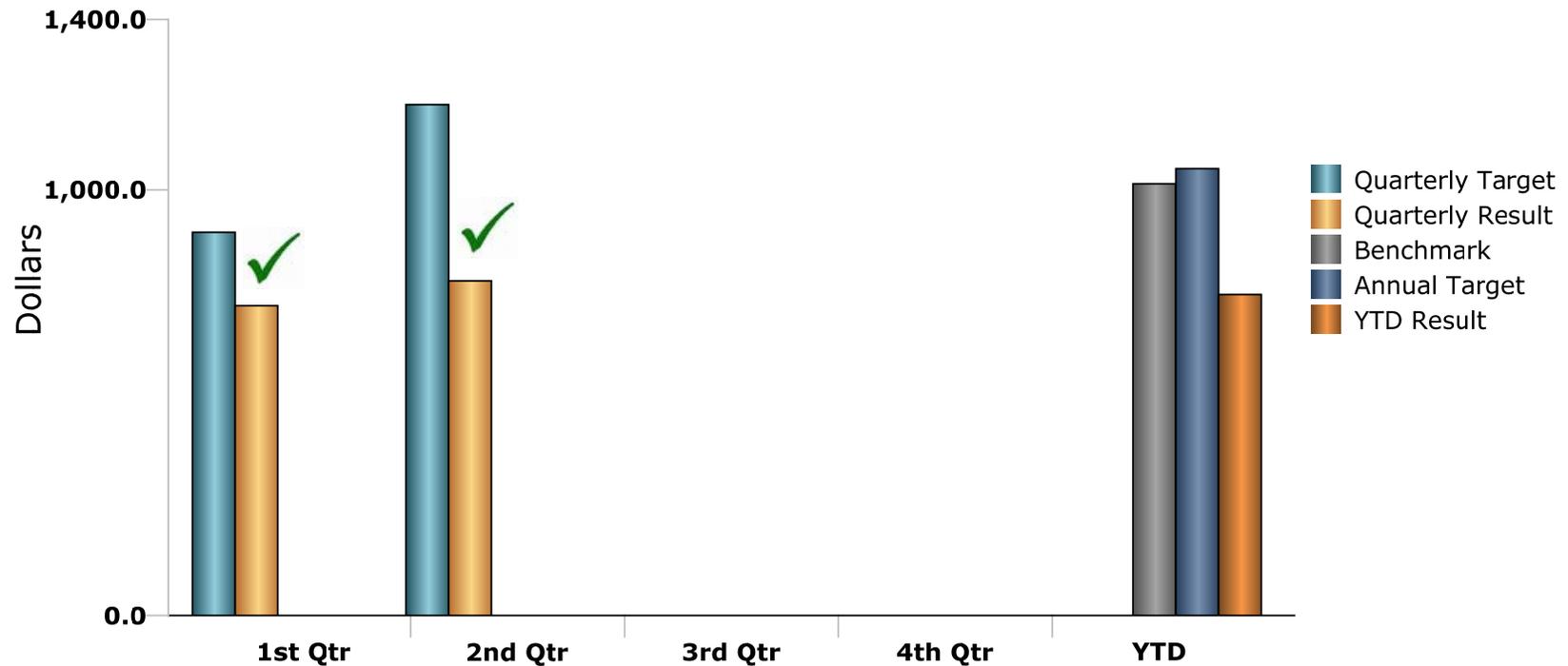
Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Planned Wastewater Maintenance Ratio in \$ (QualServe) 5.2.504



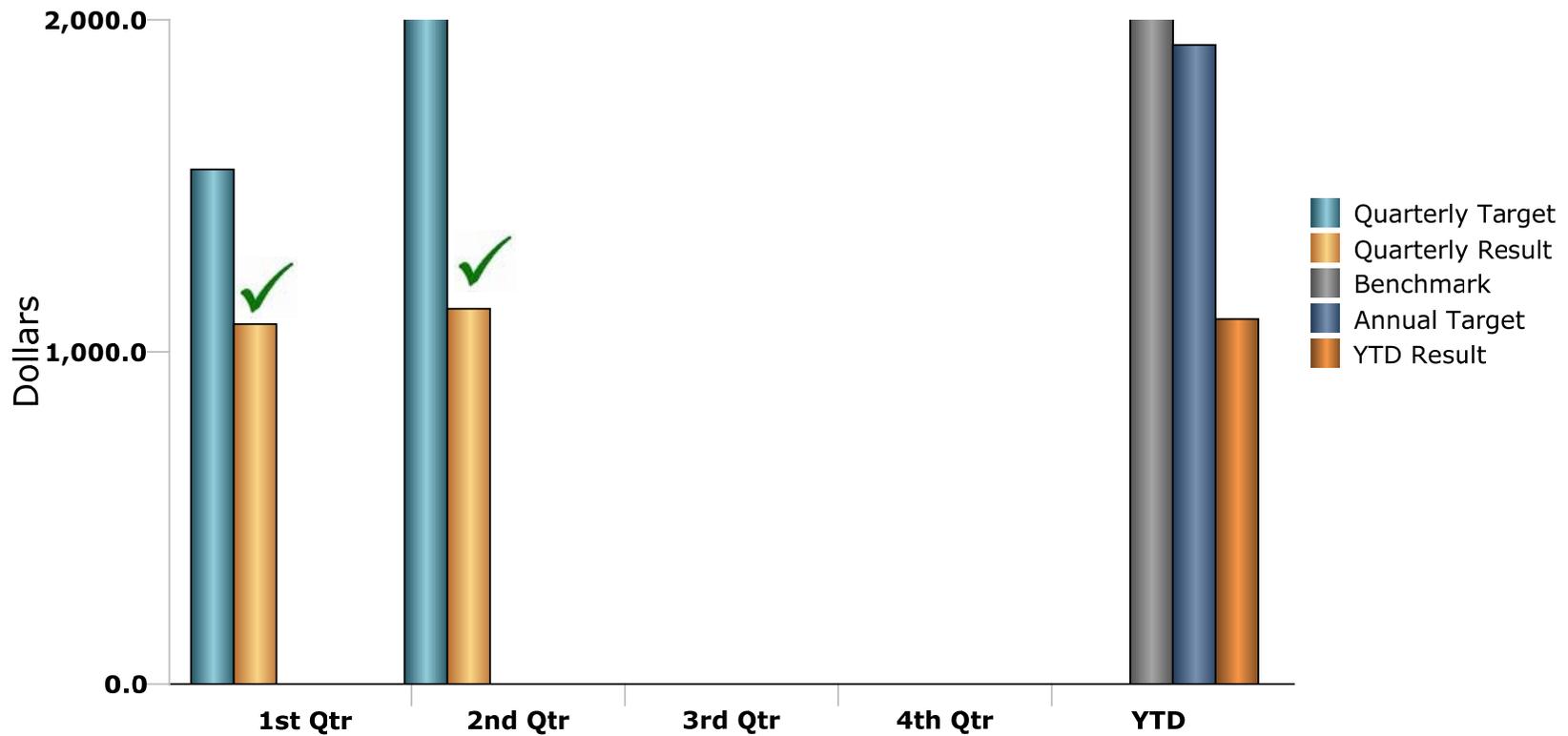
Measure 5.2.504, Planned Wastewater Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 77% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

Direct Cost of Treatment per MGD (QualServe) 5.2.505



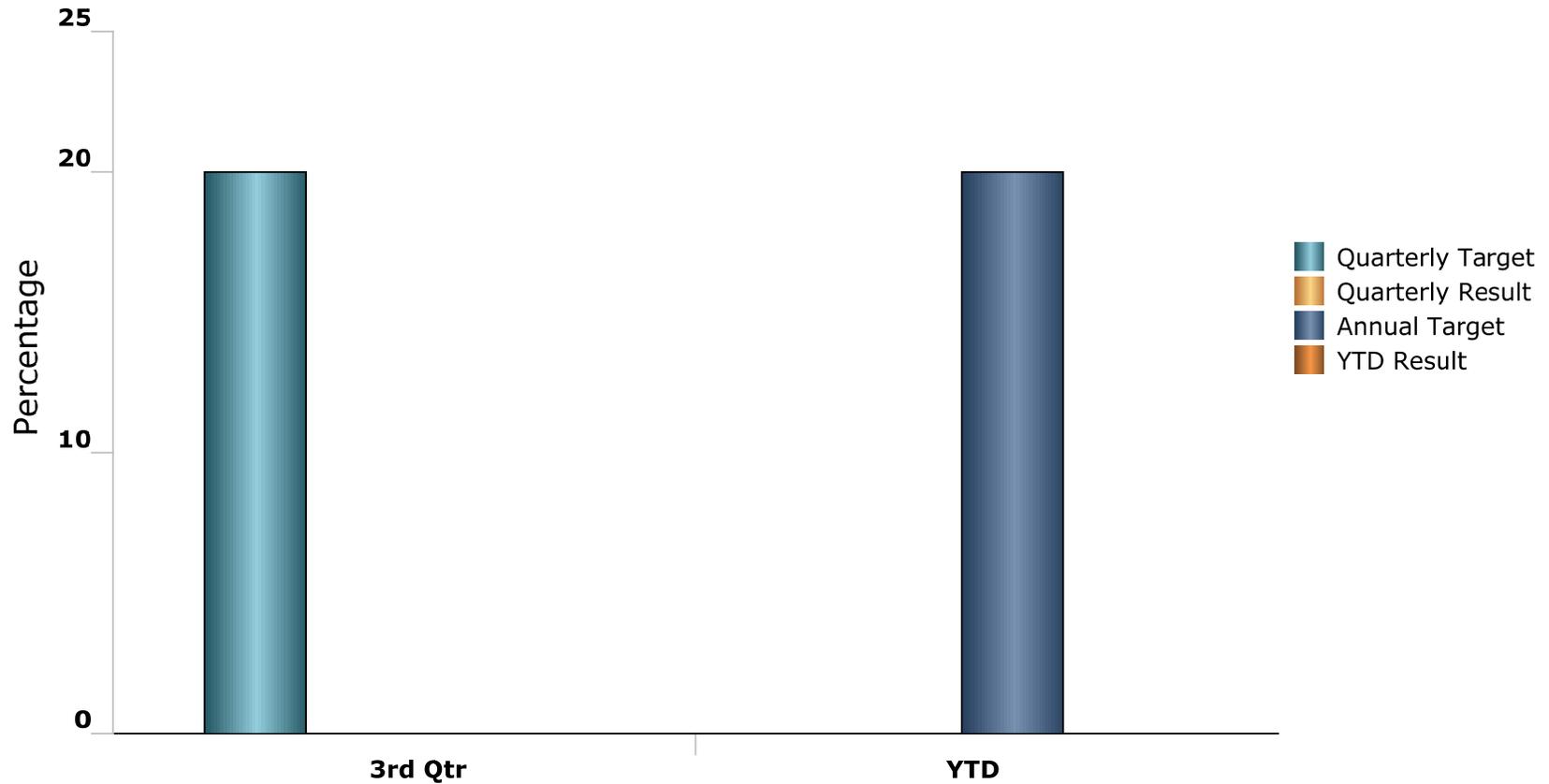
Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1050 per MG spent on wastewater treatment per quarter in a single year.

O & M Cost Per MGP of Wastewater (QualServe) 5.2.506



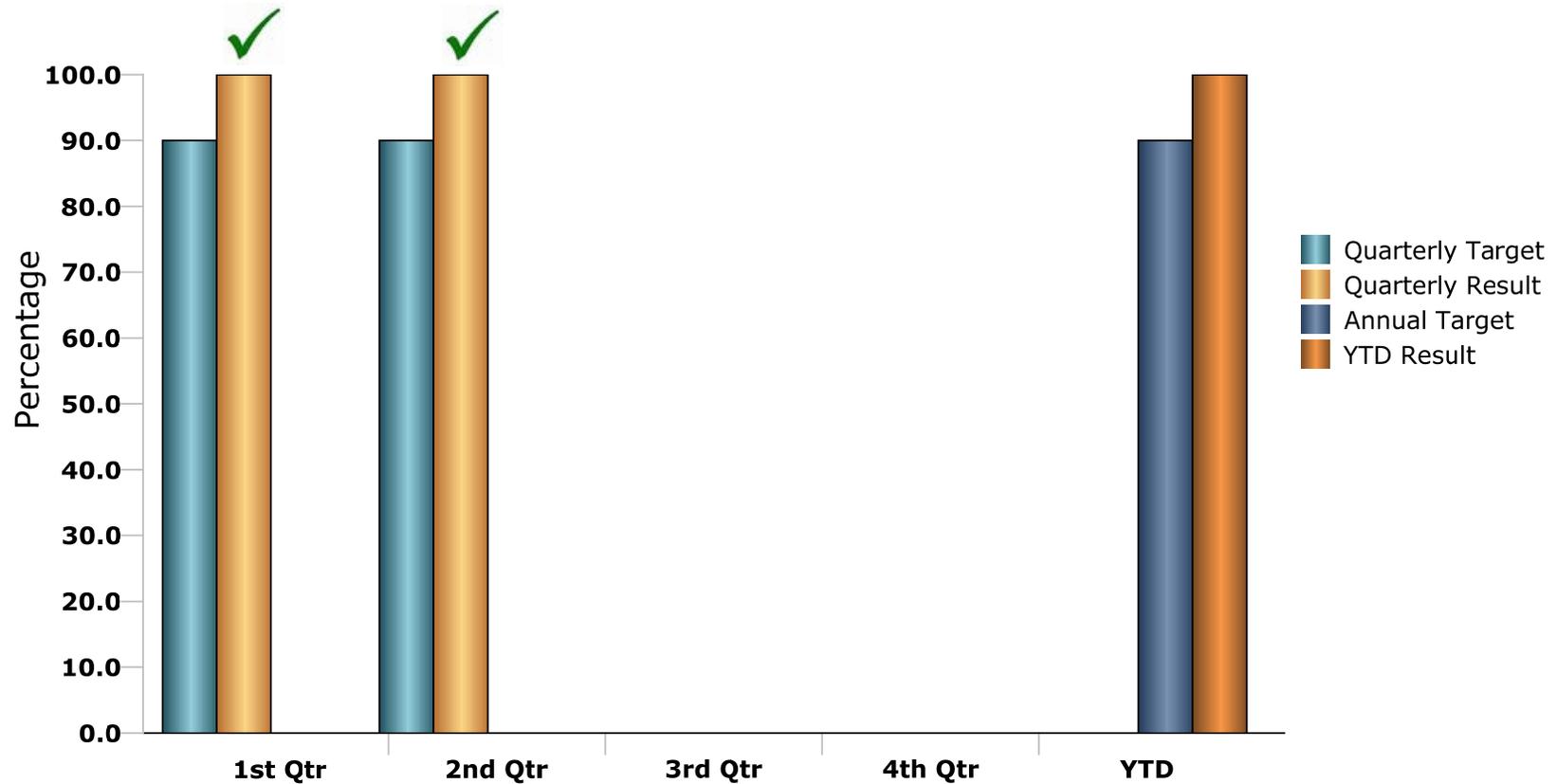
Measure 5.2.506, O & M Cost per MGP of Wastewater, aims to be below all set targets in order to have no more than \$1925 per MG spent on O&M for wastewater treatment per quarter in a single year.

Leak Detection Program 5.2.520



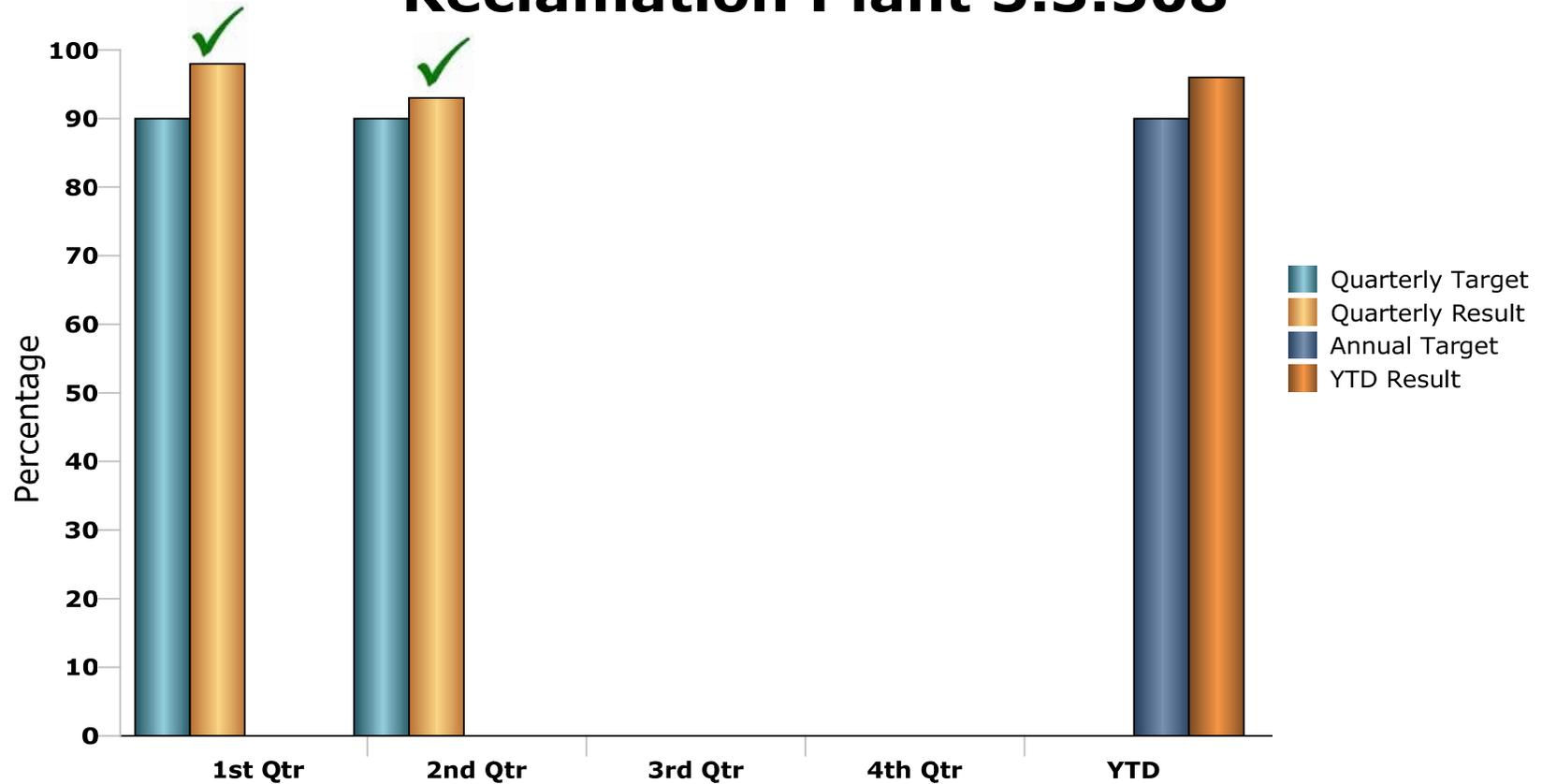
Measure 5.2.520, Leak Detection Program, is an annual measure reported in the 3rd quarter and will be on target when 20% of the distribution system is surveyed for leaks per year.

Percent of PMs Completed - Fleet Maintenance 5.3.507



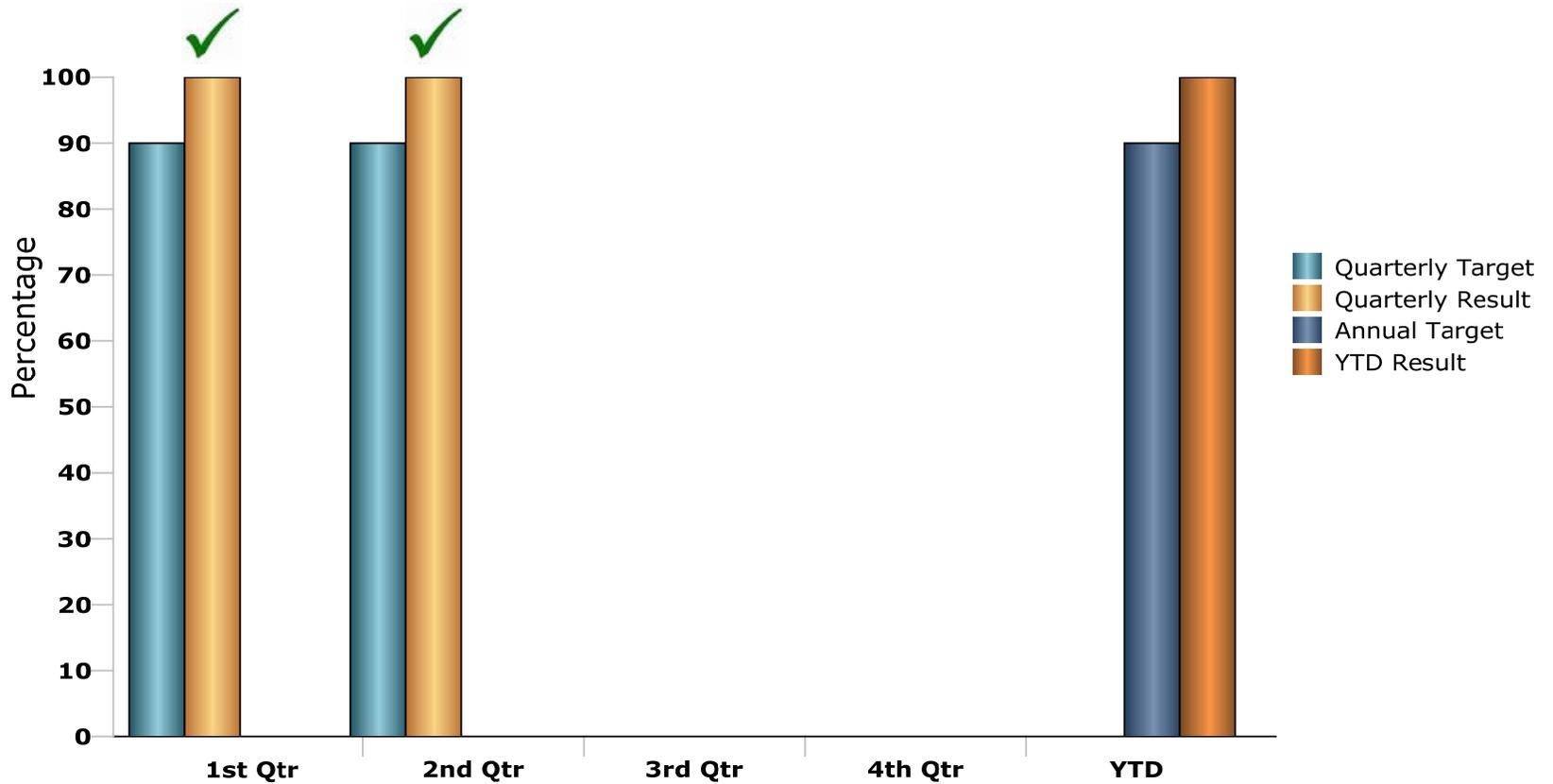
Measure 5.3.507, % PMs Completed – Fleet Maintenance, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

Percent of PMs Completed - Reclamation Plant 5.3.508



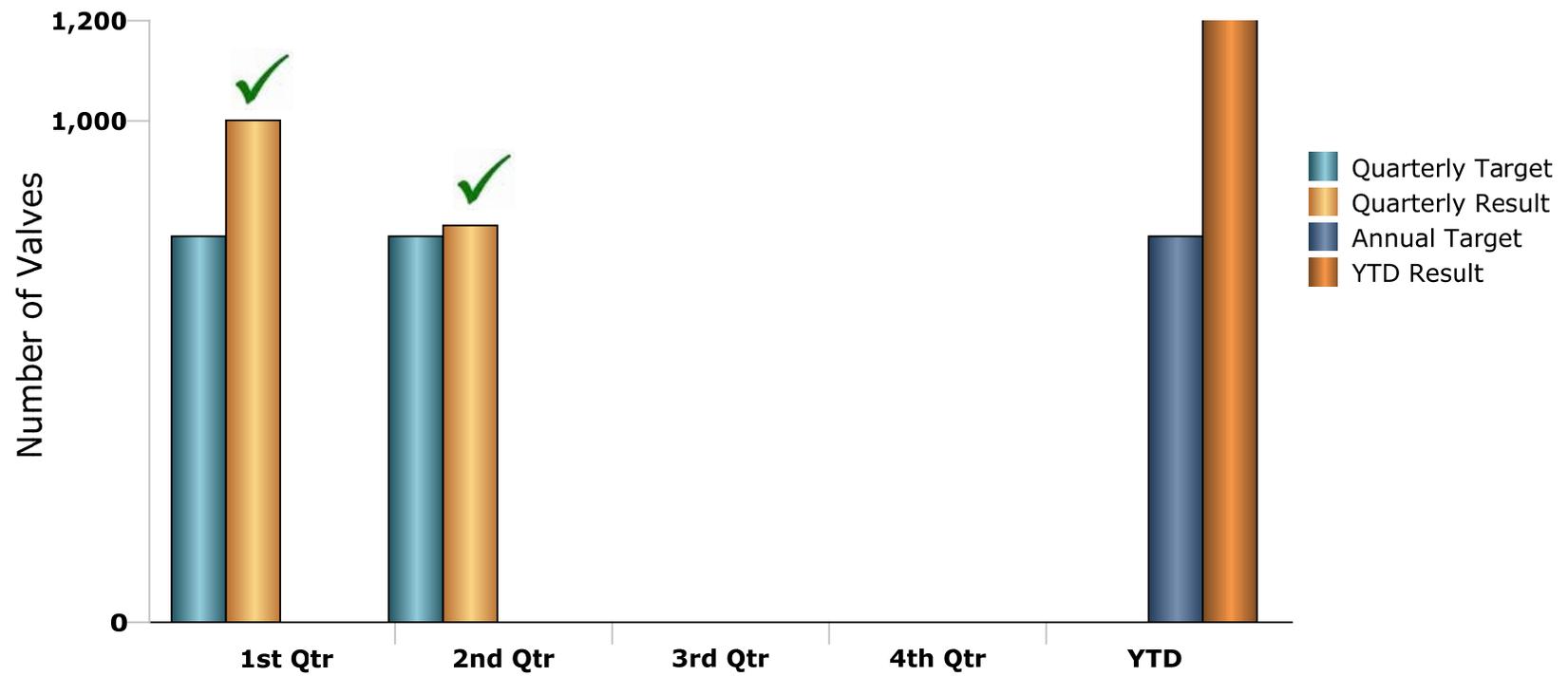
Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

Percent of PMs Completed - Pump/Electric Section 5.3.509



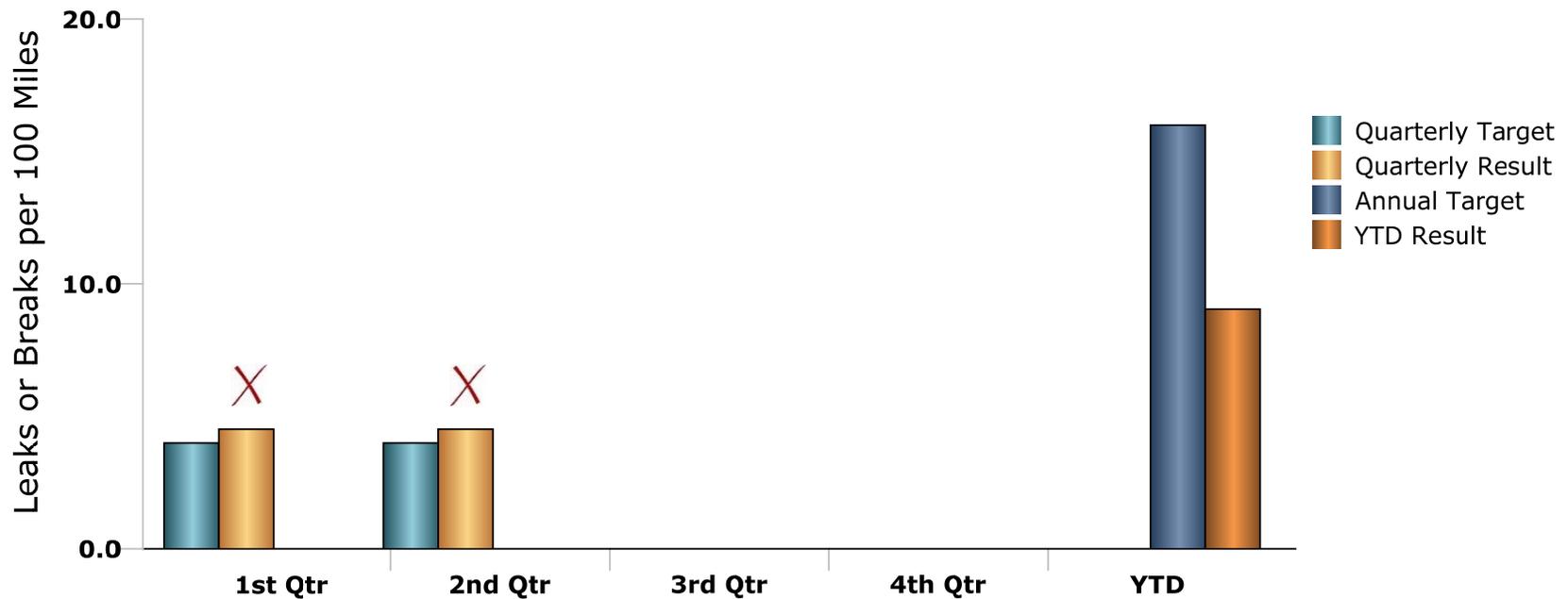
Measure 5.3.509, % PMs Completed - Pump/Electric Section, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

System Valve Exercising Program 5.3.511



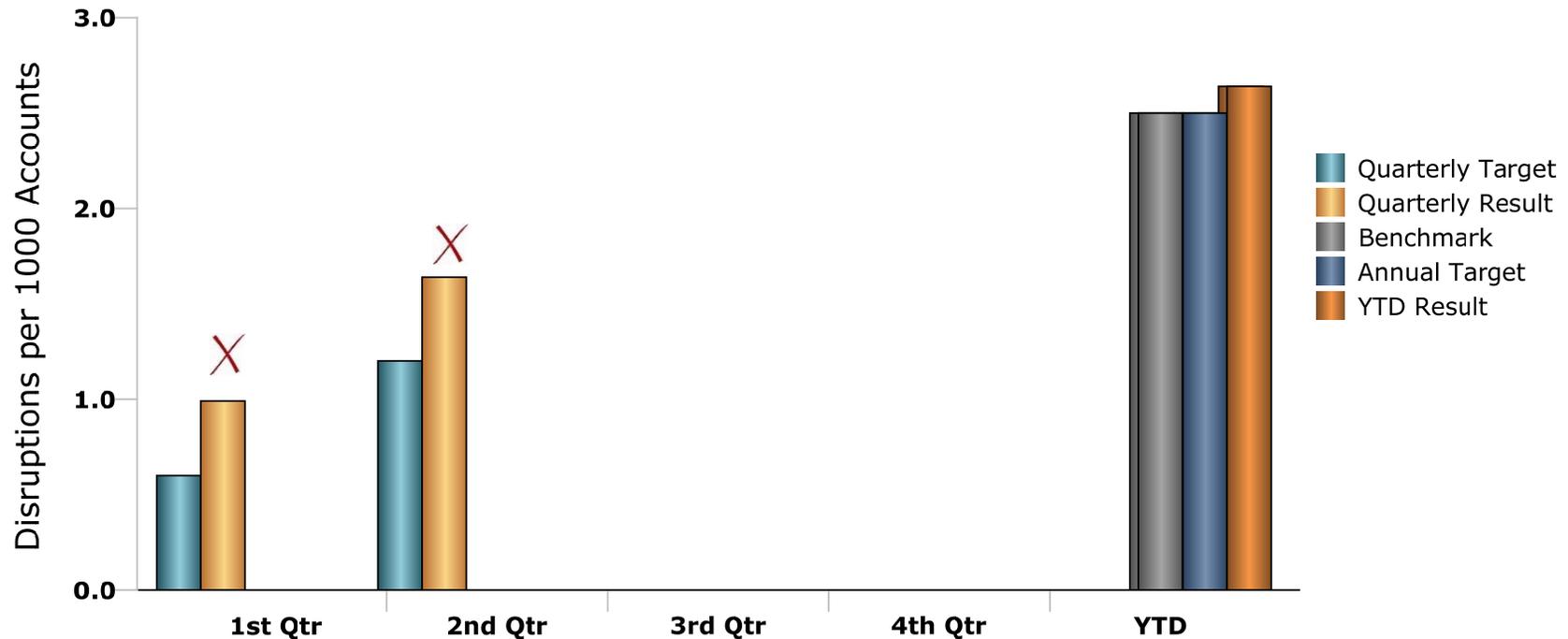
Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 770 valves exercised each quarter in a single year.

Potable Water Distribution System Integrity (QualServe) 5.3.512



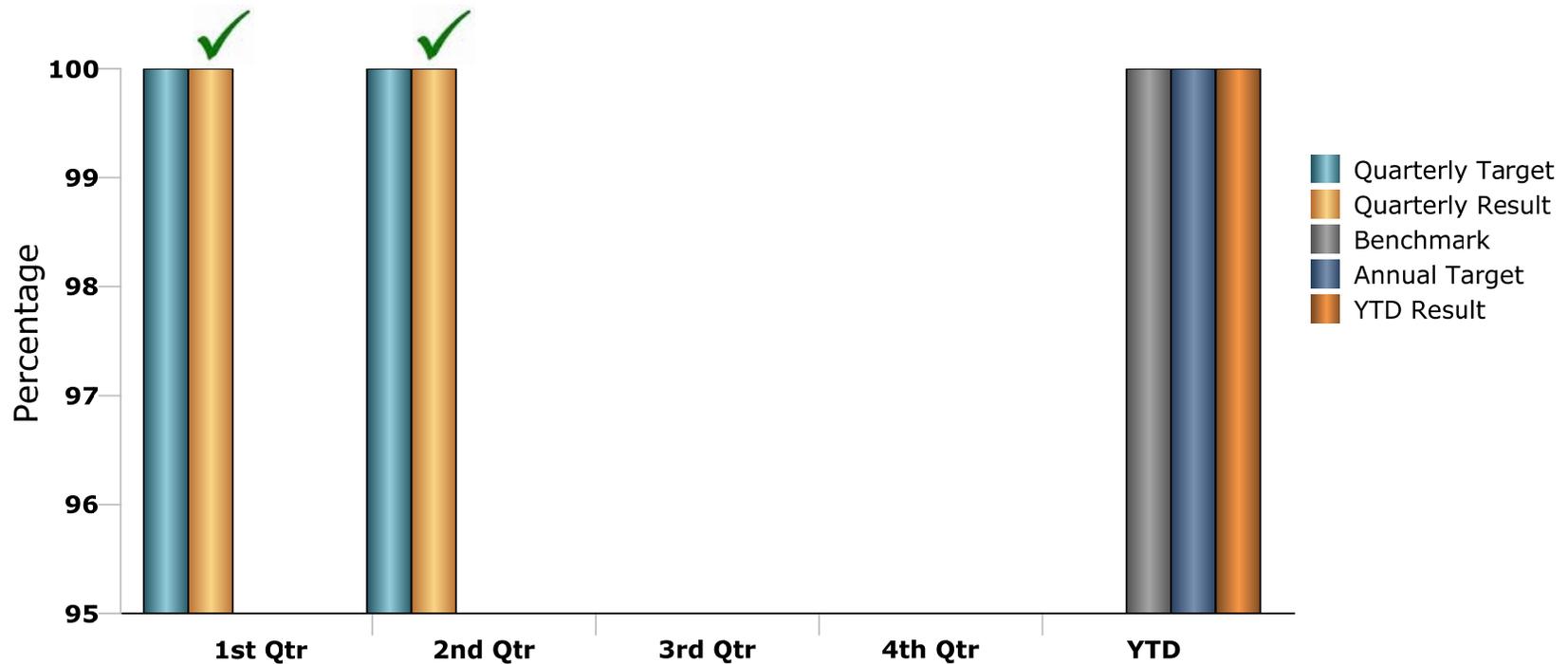
Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

Planned Water Service Disruption Rate (QualServe) 5.3.513



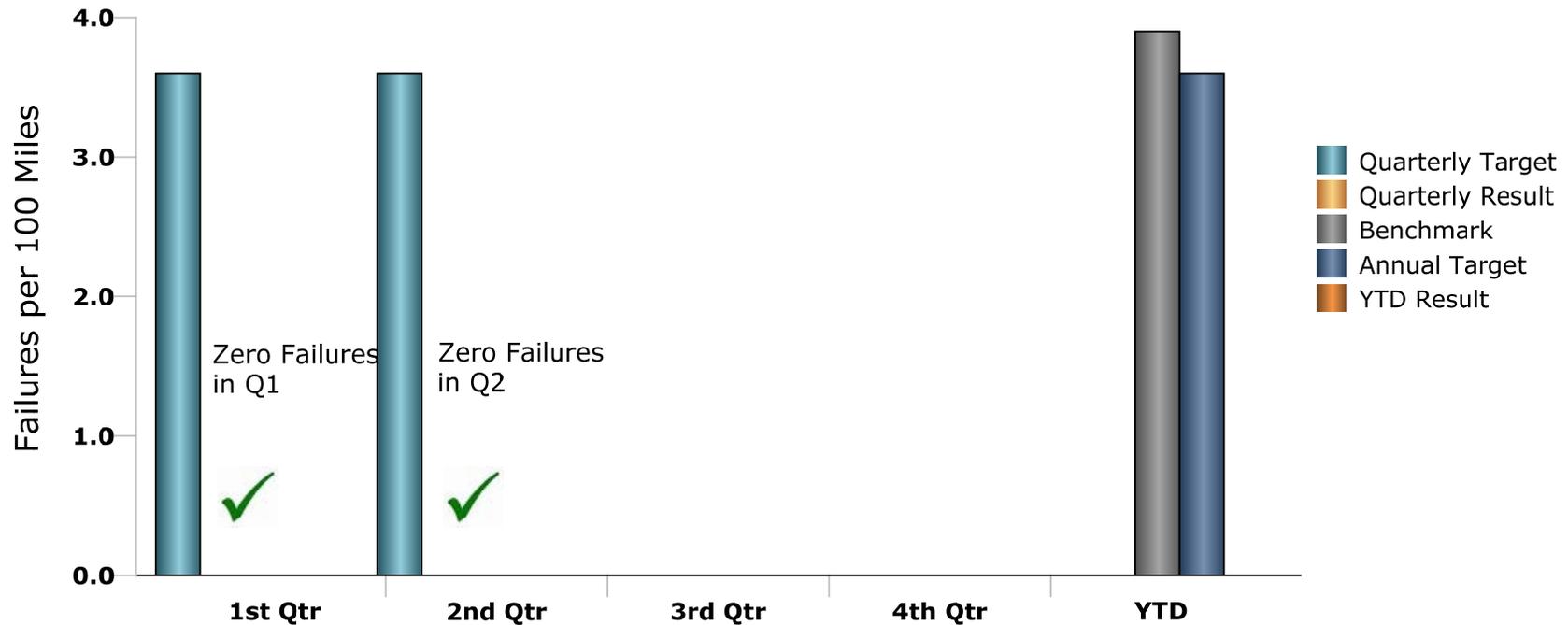
Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1,000 accounts per quarter in a single year. Note: This measure is expressed as number of accounts affected per 1,000 accounts.

Potable Water Compliance Rate (QualServe) 5.3.514



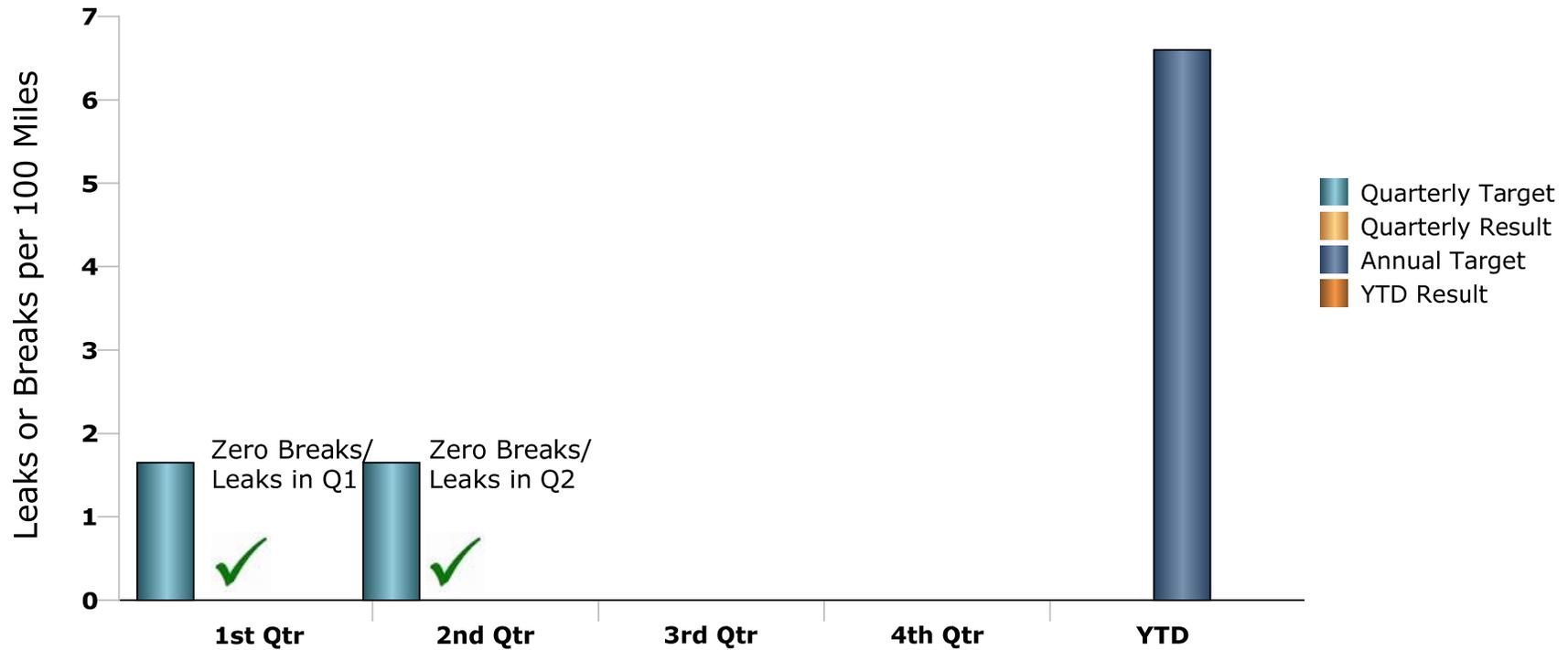
Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.

Collection System Integrity (QualServe) 5.3.515



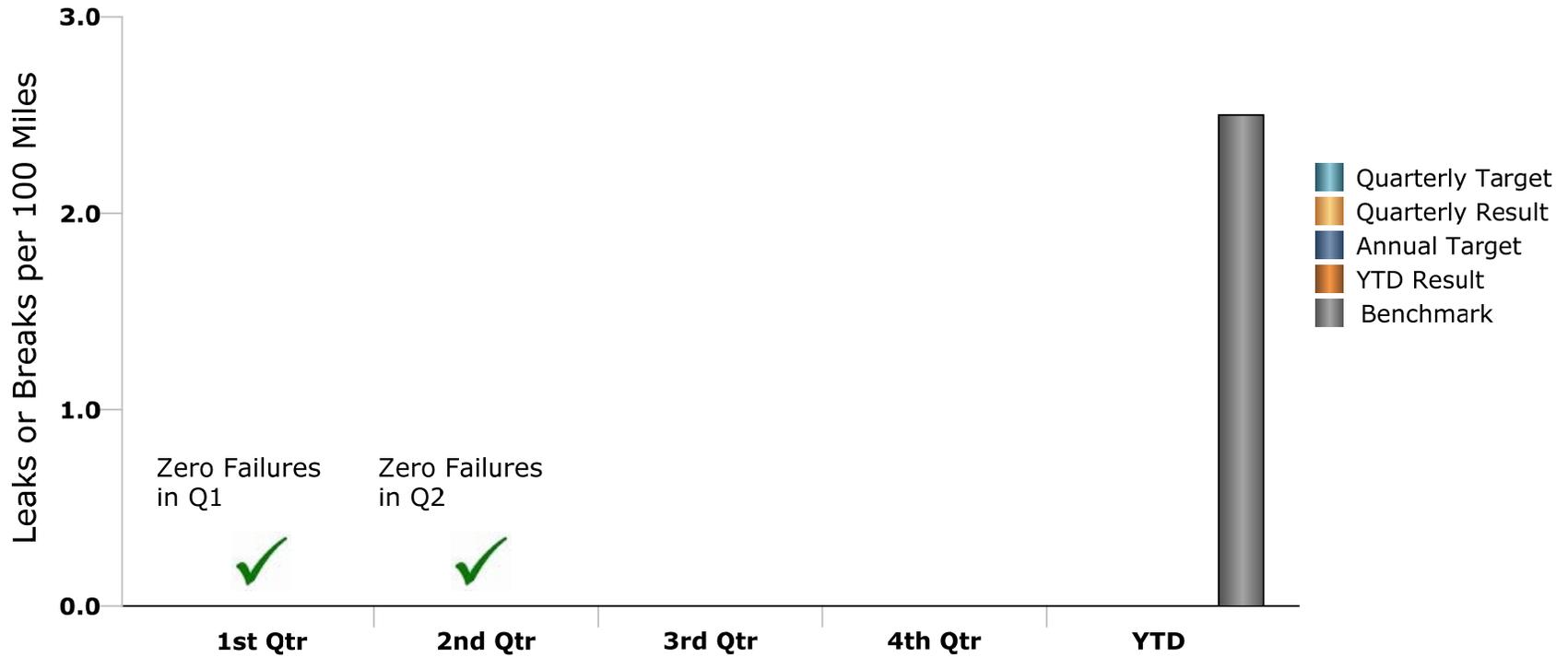
Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.

Recycled Water System Integrity 5.3.517



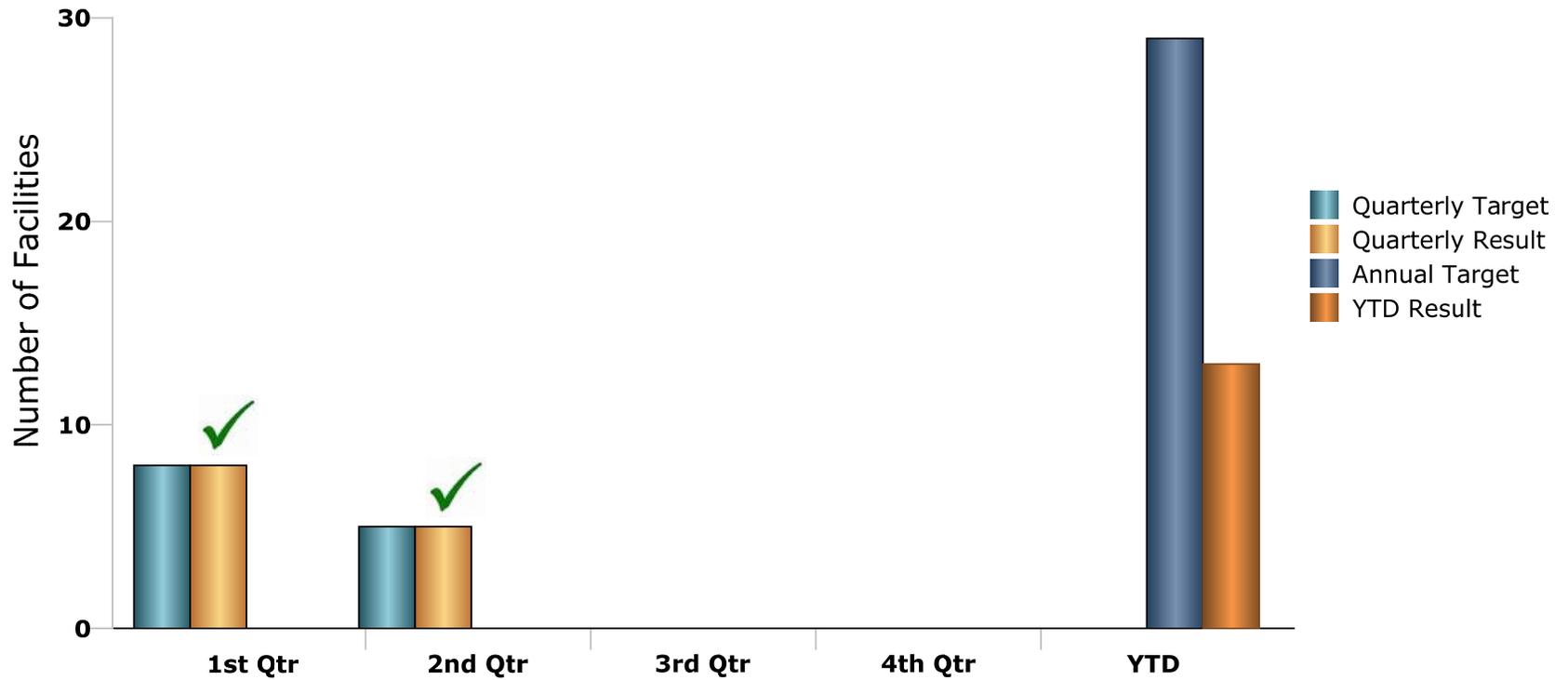
Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

Sewer Overflow Rate (QualServe) 5.3.518



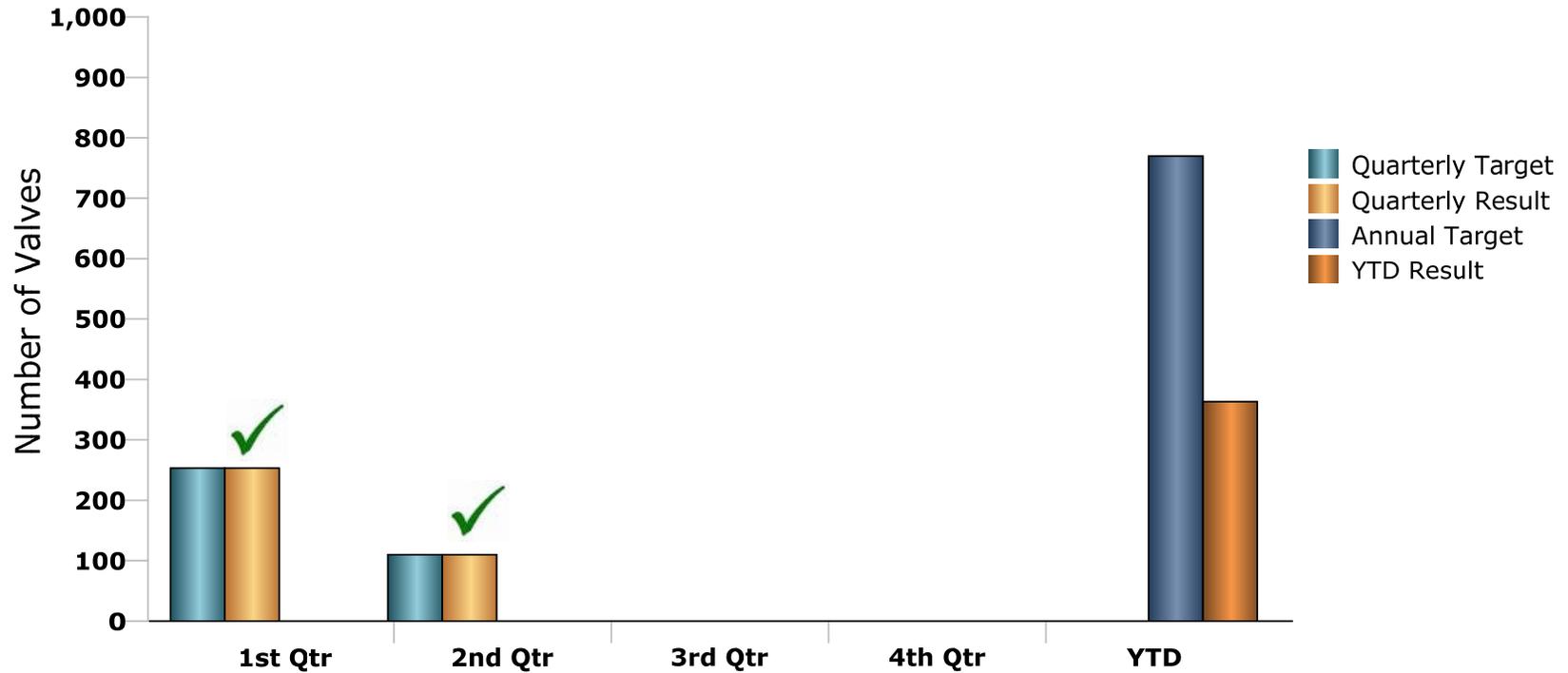
Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows.

Emergency Facility Testing 5.3.519



Measure 5.3.519, Emergency Facility Testing, aims to be above all set targets in order to have to all District facilities tested per year.

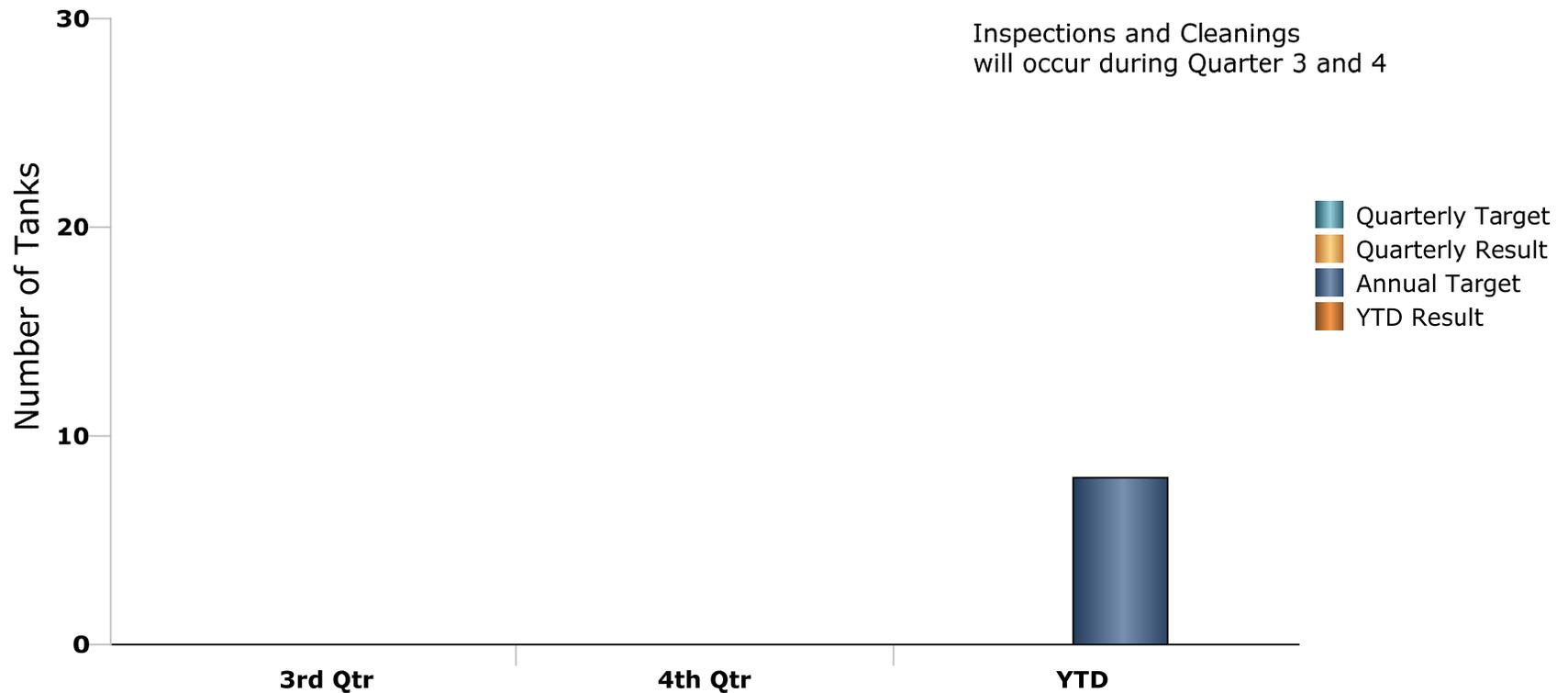
Critical Valve Exercising Program 5.3.525



Measure 5.3.525, Critical Valve Exercising Program, aims to be above all set targets in order to have no less than 520 critical valves exercised in a single year.

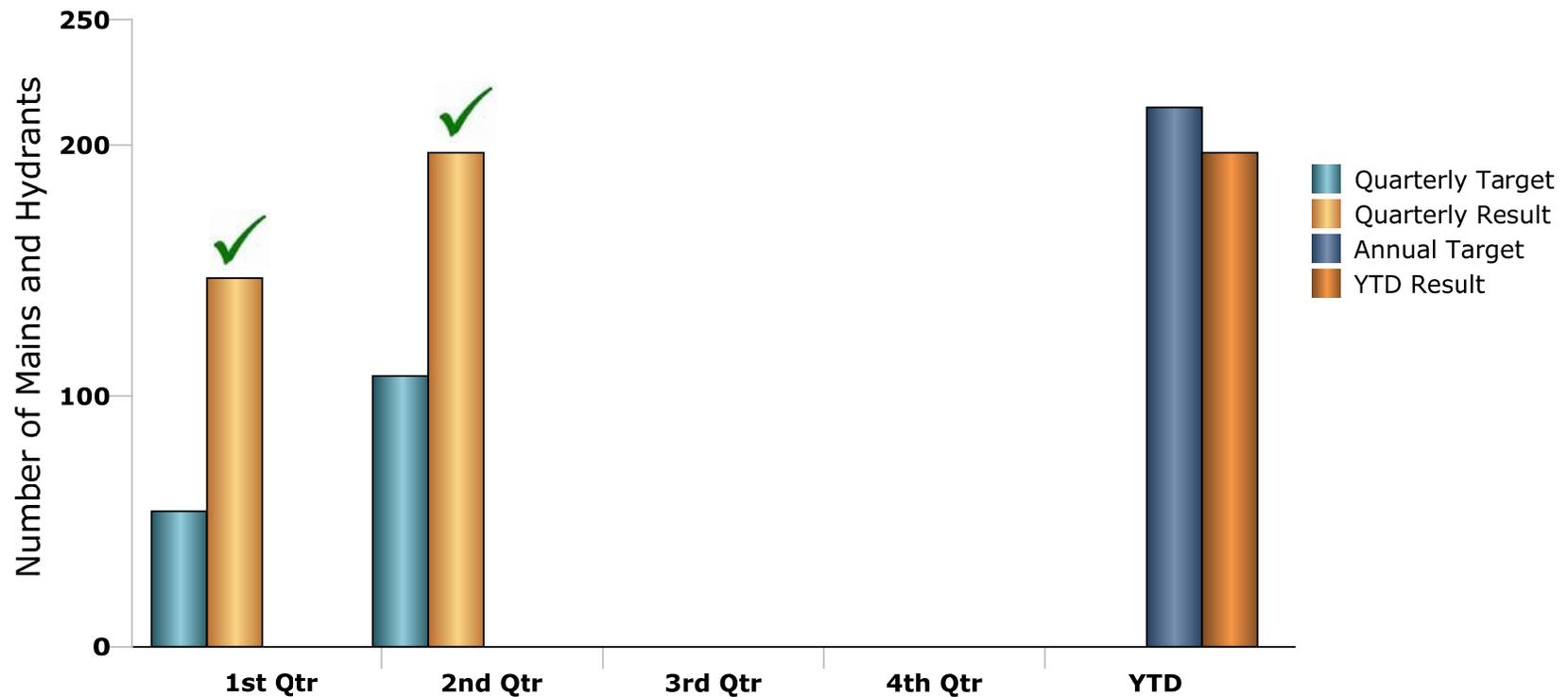
Tank Inspection and Cleaning

5.4.521



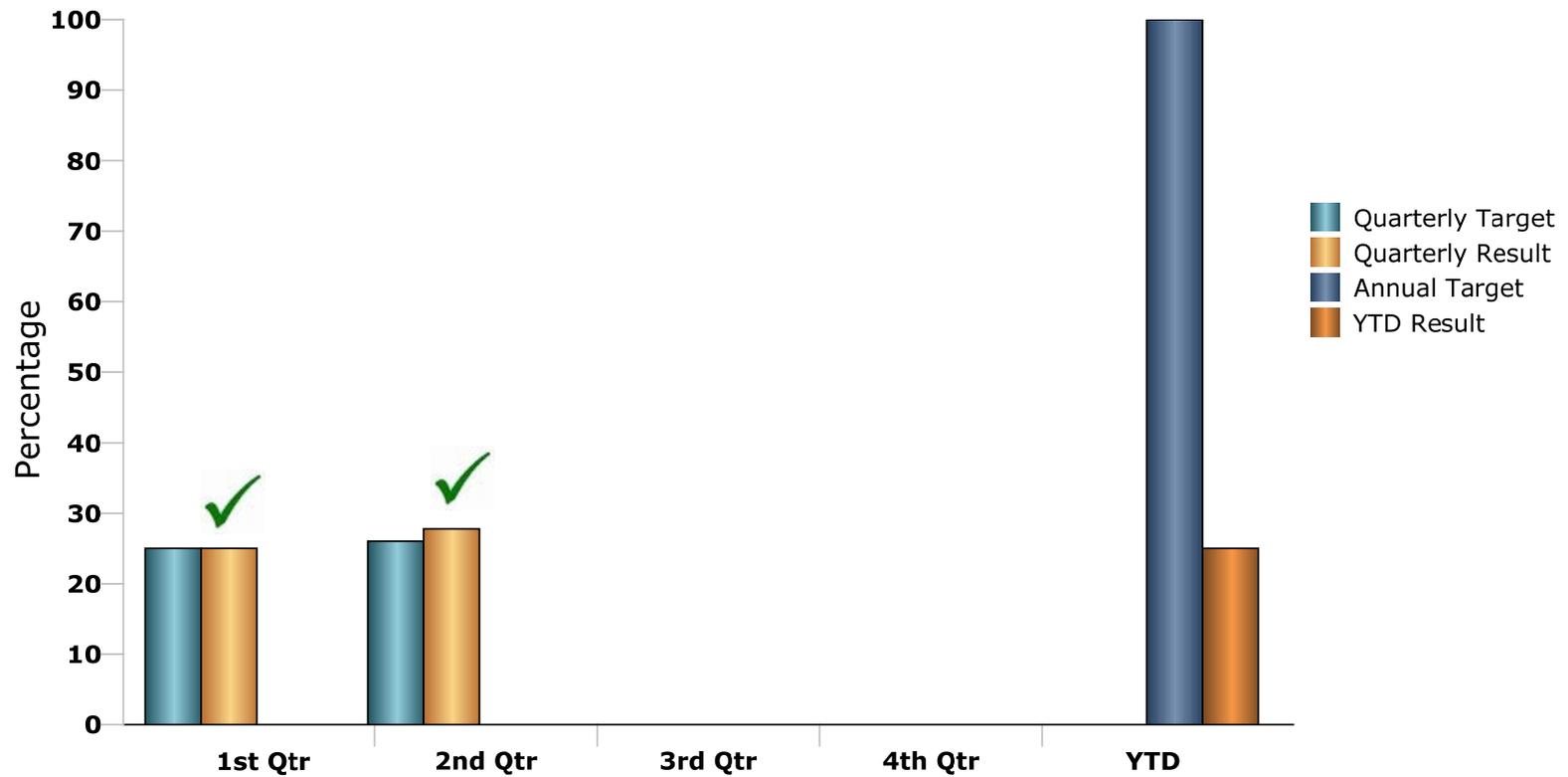
Measure 5.3.521, Tank Inspection and Cleaning, aims to be above set targets in order to have eight tanks inspected and cleaned per year. Inspection and cleanings will happen during Quarter 3 and 4.

Main Flushing and Fire Hydrant Maintenance 5.4.522



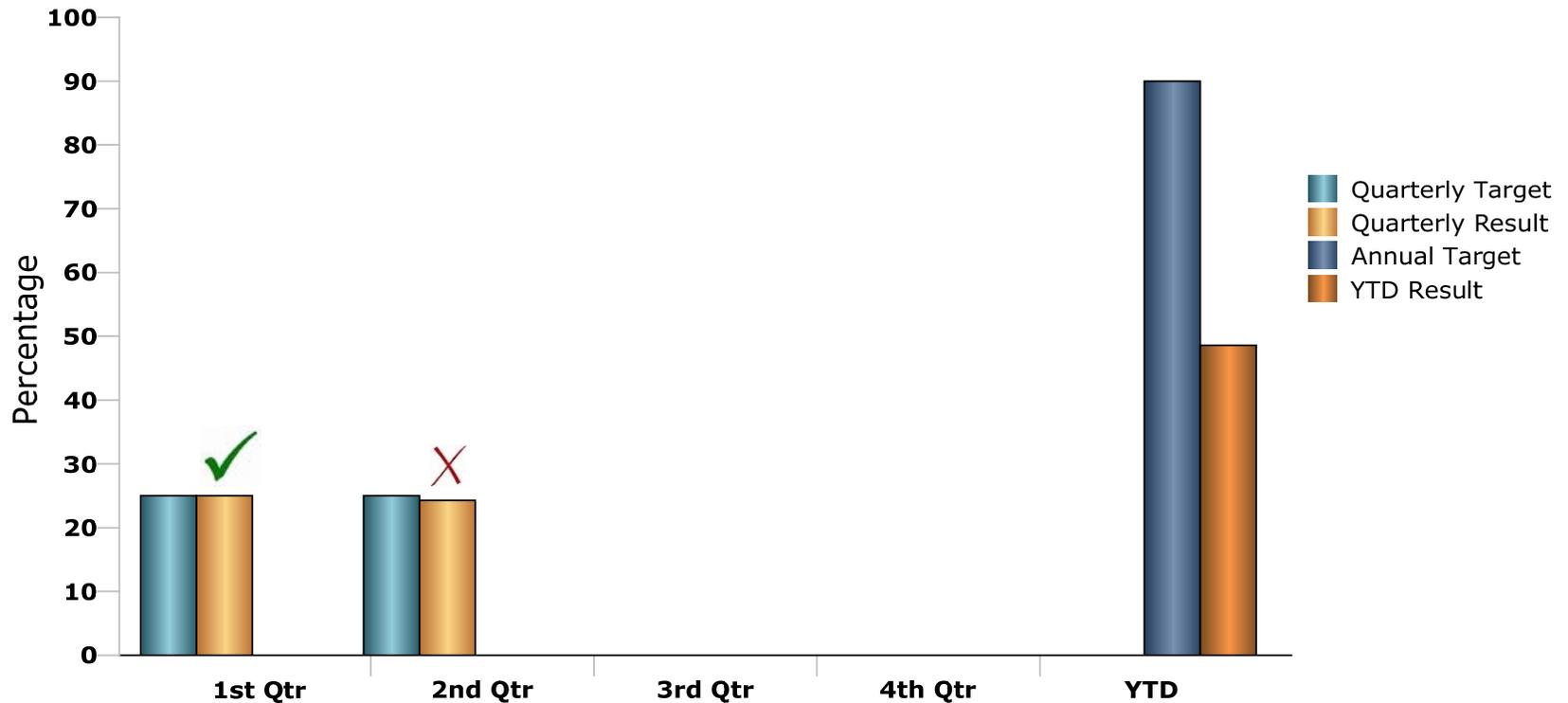
Measure 5.3.522, Main Flushing and Fire Hydrant Maintenance, aims to be above all set targets in order to have no less than 215 mains flushed and fire hydrants maintained per quarter in a single year.

Annual Recycled Water Site Inspections 5.4.523



Measure 5.3.523, Annual Recycled Water Site Inspections, aims to be above all set targets in order to have 100% of recycled sites inspected per year.

Recycled Water Shutdown Testing 5.4.524



Measure 5.3.523, Recycled Water Shutdown Testing, aims to be above all set targets in order to have no less than 90% of recycled site shut down tests performed per year compared to those scheduled.