

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
and  
OTAY WATER DISTRICT FINANCING AUTHORITY  
(Organizational Meeting AND Regular Meeting)**

DISTRICT BOARDROOM  
2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**WEDNESDAY**

**March 3, 2010**

**3:30 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF AUGUST 24, 2009 AND REGULAR MEETING OF NOVEMBER 4, 2009
5. 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

**CONSENT CALENDAR**

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
  - a) REPORT ON DIRECTOR'S EXPENSES FOR THE 2<sup>ND</sup> QUARTER OF FISCAL YEAR 2010
  - b) APPROVE THE ADJUSTMENT OF THE WHEELING RATE FOR THE DELIVERY OF TREATY WATER TO THE CITY OF TIJUANA, AND THE RE-FUNDING OF ACCUMULATED OVERPAYMENTS FOR PAST WATER DELIVERIES TO RETURN THE DISTRICT TO A COST-NEUTRAL POSITION WITH RESPECT TO THE WATER TRANSFER AGREEMENT WITH MEXICO
  - c) APPROVE THE APOINTMENT OF DIEHL, EVANS & COMPANY, LLP, TO PROVIDE AUDIT SERVICES TO THE DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2010

- d) REJECT TRANSPAC CLAIM
- e) APPROVE THE ADOPTION OF THE MITIGATED NEGATIVE DECLARATION FOR THE RANCHO DEL REY GROUNDWATER WELL PROJECT
- f) APPROVE A PROFESSIONAL SERVICES CONTRACT FOR CONSTRUCTION MANAGEMENT SERVICES TO RBF FOR THE OTAY MESA RECYCLED WATER SUPPLY LINK PROJECT IN AN AMOUNT NOT-TO-EXCEED \$708,560

ACTION ITEMS

7. FINANCE AND ADMINISTRATION

- a) REVIEW OF DETAILS RELATED TO THE PROPOSED DEBT ISSUANCE TO FINANCE THE DISTRICT'S CAPITAL INFRASTRUCTURE (BEACHEM)
- b) ADOPT RESOLUTION NO. 4154 APPROVING THE JOINT EXERCISE OF POWER AGREEMENT WITH THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO ESTABLISH THE OTAY WATER DISTRICT FINANCING AUTHORITY; ADOPT RESOLUTION 4155 AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT AND APPROVING A TRUST AGREEMENT AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH WATER REVENUE BONDS AND APPROVING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH; AND APPROVE THE SELECTION OF AN UNDERWRITER FOR THE BONDS (BEACHEM)

8. RECESS OTAY WATER DISTRICT BOARD MEETING

9. CONVENE OTAY WATER DISTRICT FINANCING AUTHORITY GOVERNING BOARD MEETING

- a) ROLL CALL
- b) PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE AUTHORITY COMMISSION ON ANY SUBJECT MATTER WITHIN IT'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA
- c) ORGANIZATIONAL ITEM
  - i. RESOLUTION NO. 2010-01 ADOPTING THE BYLAWS OF THE AUTHORITY, WHICH PROVIDE, AMONG OTHER THINGS, THAT THE MEMBERS OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT WILL SERVE AS THE AUTHORITY COMMISSION IN THE

SAME CAPACITY AS SUCH DIRECTOR SERVES IN THE BOARD OF THE DISTRICT AND THAT THE STAFF OF THE DISTRICT WILL BE THE STAFF OF THE AUTHORITY (BEACHEM)

d) REGULAR BUSINESS

- i. RESOLUTION NO. 2010-02 AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$52,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF FACILITIES OF THE OTAY WATER DISTRICT AND OTHER MATTERS RELATING THERETO (BEACHEM)

10. ADJOURN OTAY WATER DISTRICT FINANCING AUTHORITY BOARD MEETING

11. RECONVENE OTAY WATER DISTRICT BOARD MEETING

ACTION ITEMS

12. ENGINEERING AND WATER OPERATIONS

- a) AWARD A PROFESSIONAL AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES CONTRACT TO VALLEY CONSTRUCTION MANAGEMENT FOR AN AMOUNT NOT-TO-EXCEED \$175,000 [KAY]

13. BOARD

- a) DISCUSSION OF 2010 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS

14. THIS ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:

- a) CAPITAL IMPROVEMENT PROGRAM UPDATE REPORT FOR THE SECOND QUARTER OF FISCAL YEAR 2010 [RIPPERGER]

REPORTS

15. GENERAL MANAGER'S REPORT

- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

16. DIRECTORS' REPORTS/REQUESTS

17. PRESIDENT'S REPORT

RECESS TO CLOSED SESSION

18. CLOSED SESSION

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION [GOVERNMENT CODE §54956.9(a)]
  - (i) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-SC
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GOVERNMENT CODE §54956.8]

PROPERTY: INTENT TO PURCHASE WATER FROM A NEW SOURCE

AGENCY NEGOTIATORS: MARK WATTON, YURI CALDERON & BONIFACIO GARCIA

NEGOTIATING PARTIES: GOUGH THOMPSON, NS AGUA, AND OTHER POTENTIAL SOURCES OF POTABLE WATER AND/OR THEIR DESIGNATED REPRESENTATIVES, SUCCESSORS OR OTHER AUTHORIZED ENTITIES

UNDER NEGOTIATION: PRICE AND TERMS OF ACQUISITION, INCLUDING BUT NOT LIMITED TO TIMING AND AMOUNT OF ACQUISITION

RETURN TO OPEN SESSION

- 19. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION
- 20. ADJOURNMENT

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 or the Authority Commission, as applicable.

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

#### Certification of Posting

I certify that on February 26, 2010, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District and the Authority Commission of the Otay Water District Financing Authority, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2) and the Organizational and Regular Meeting of the Authority Commission (Government Code Section §54954.2).

Executed at Spring Valley, California on February 26, 2010.



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Susan Cruz, District Secretary

# AGENDA ITEM 4

## MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT August 24, 2009

1. The meeting was called to order by Vice President Lopez at 3:04 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez and Robak

Directors Absent: Croucher (out of town on business)

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Accounting Manager Rita Bell, Engineering Manager Jim Peasley, Engineering Manager Ron Ripperger and District Secretary Susan Cruz and others per attached list.

### 4. APPROVAL OF AGENDA

A motion was made by Director Breitfelder, seconded by Director Robak and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Croucher

to approve the agenda.

### 5. 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

Ms. Bonnie Stanley of Rancho San Diego stated that she opposed the District holding a Public Hearing at 3:30 p.m. She also indicated that many who live within the District's service area live in apartments, condominiums and townhouses and are billed for their water services through a sub-metering company. She stated because of this, such residents do not receive information from the District and are unaware of the water issues and what they should be doing. She stated if the District had been more aggressive in getting the drought/conservation message out, customers could have been conserving more

water and would not be looking at a rate increase. She stated that she felt the District did not do its job.

## 6. PUBLIC HEARING ON RATE INCREASES

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER THE PROPOSED RATE INCREASES TO BE IMPLEMENTED IN THE FISCAL YEAR 2009-2010 OPERATING AND CAPITAL BUDGET. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE PROPOSED INCREASES

Vice President Lopez indicated that this is the location and time set for the District's public hearing on whether to implement proposed changes to rates and charges and to adopt a five-year schedule of fees and charges and authorize the District to pass-thru increases implemented by public entities who supply wholesale water to the District. He stated that this hearing is to comply with the requirements set forth in the provisions of article 13d of the California Constitution (generally referred to as Proposition 218). Vice President Lopez opened the public hearing at 3:40 p.m.

General Manager Watton indicated that staff has a short presentation reviewing the budget issues and providing additional information on the rates that will be considered today. He indicated that the District is faced with a rate increase and is also faced with a State-wide water issue. He indicated that this type of hearing is not unique to Otay Water District and is being replicated across the entire southland due to the wholesale increases that all water district's are experiencing. The State has enjoyed the State Water Project for many years and has not really done much to improve the State Water Project since former Governor Pat Brown's administration. There has been a lot of debate regarding the Bay Delta and its environmental situation, and the neglect of it over the years. He indicated that by neglect, he means that the State has not directed its attention to the Bay Delta either technically or politically for many years and, thus, we are where we are today; environmental restrictions which are constraining the State's ability to move water from the northern part of the State to the southern portion. He indicated that the Bay Delta provides approximately 30% of the water supply to Southern California and the other 30% to 40% comes from the Colorado River which is currently in a drought situation. He stated that the County Water Authority (CWA) has been able to acquire agreements for transfers that have mitigated some of the shortage, but the transfers have cost quite a bit more than what traditional supplies have cost. Thus, we have unprecedented issues that have increased the cost of water. He noted on the local level, CWA has raised the San Vicente Reservoir to increase its storage capacity at a cost of about \$600 million. This will make the water supply more reliable, particularly, during an emergency situation, such as an earthquake, which causes an outage (damage to aqueducts that supplies water from the north). Other projects includes new infrastructure to move local supply around the county, which we have not been able to do before. The cost of these projects, together with the project to raise the dam, is in the billions of dollars. These costs translate into increased rates from our wholesale water providers.

The District supports these projects to assure reliable water supplies, unfortunately, they are very expensive.

- a) APPROVE THE IMPLEMENTATION OF RATE CHANGES AS PROPOSED FOR THE FISCAL YEAR 2009-2010 OPERATING AND CAPITAL BUDGET; AND ADOPT ORDINANCE NO. 520 AMENDING SECTION 25, RATES AND CONDITIONS FOR WATER SERVICE; SECTION 28, CONNECTION FEES AND CHARGES FOR POTABLE OR RECLAIMED WATER SERVICE; SECTION 34, ISSUANCE AND PAYMENT OF WATER BILLS; AND SECTION 53, FEES, RATES, CHARGES AND CONDITIONS FOR SEWER SERVICE OF THE DISTRICT'S CODE OF ORDINANCES

Chief Financial Officer Beachem reviewed the Proposition 218 process which requires that the District send notices to its customers 45 days prior to a public hearing to take action on rates. The District is then required to hold that hearing, which it will do today, and only when the hearing is complete, may the board take action on rates.

He noted that the Board had approved the Fiscal Year 2010 budget on May 21, 2009 and notices were forwarded to customers and property owners within the District's service area (approximately 64,000 notices) to make them aware of today's Public Hearing on rates.

He indicated that staff is proposing not only a rate increase, but a 5-year pass-thru of water wholesaler costs and a 5-year, with a maximum increase of 10%, of Otay controlled costs, though the District does not anticipate it will be as high as 10%. He indicated that the rate increase supports the District's strategic plan initiatives and its financial strength. He stated that there are unprecedented water cost increases and, as General Manager Watton mentioned earlier, the increases are motivated by the water shortage and the cost to develop infrastructure that can address the water shortage. Additionally, water sales are lower than anticipated, thus, fixed costs are being spread over a smaller base of customers which is causing a compounding effect on rates. He stated that the District's wholesale water providers have increased their rates (MWD increased its rate 21.1% and CWA increased its rates 18.1%) which has a significant impact to the District's budget as water purchases represent approximately 49% of the District's budget.

He stated that 61% of the increased revenues over the next two years are directly related to cost increases from MWD and CWA, 19% will be utilized to maintain the District's reserves at their minimum levels, 13% will be used to strengthen the debt coverage ratio and 7% will be utilized for new debt issuances (approximately \$68 million over the next two years).

He indicated that rates fund operations and debt payments. He stated that the District has been fortunate and has been able to demonstrate to the rating agencies its fiscal soundness which has resulted in a rating upgrade from both Fitch Ratings and Standard & Poors. He stated to maintain its ratings the District

must maintain its reserves at proper levels and that its revenues must exceed expenses by a certain percentage. The District's credit rating has saved the District \$1.5 million in interest in a previous debt issuance. In this pending debt issuance, it will save the District \$5.4 million over the life of the debt.

He stated that the proposed 19.9% rate increase for potable and recycled would support:

- \$41 million of debt issuance to finance the CIP
- \$10.4 million of transfers to maintain reserves and finance the CIP
- Strengthen the Debt Coverage Ratio to 140%
- Incorporate greater levels of conservation
- Pay the higher cost of CWA and MWD water
- Maintain the District's relative position with other water providers

Director Breitfelder inquired what the consequences are for not doing the above. Chief Financial Officer Beachem indicated that MWD and CWA increases represent approximately \$4 million over one year of the District's budget. He stated that the rating agencies wish to see that the District has a plan for its reserves (a Reserve Policy that identifies a minimum, maximum and target level for reserves) as it is important that the District is able to withstand some economic difficulties. He indicated about \$2 million will be utilized to build the District's reserve levels up. He noted that the general fund reserve is equal to three months of the District's operating expenses. As operating expenses from our wholesale supplier go up, the District must build up its reserves to meet its target level. The District also should have approximately six months of CIP funding on hand at the end of the year to assure that the District has enough time to go through the process to issue debt so it does not run out of funds. He stated the replacement reserve represents 4% of the District's fixed asset value which is industry standard. He stated that this is a focus to assure that reserves are set at levels which would be positive to the District.

Director Breitfelder additionally inquired what the consequences would be if the District kept its water expenses the same and just bought fewer gallons. Chief Financial Officer Beachem indicated that if the District limited what it will buy for water supplies due to an increase in rates, then customers may need to be rationed wherein allocations would be set for each customer. Additionally, if the District did not meet its debt coverage ratio, it would be very difficult to issue debt. He stated that the markets will note that the District is not meeting the targets that they had promised to meet and thus, can we trust the District to pay back debt. This will mean that the District's betterment and replacement projects cannot be built which is not an option.

Director Breitfelder inquired how much the District is saving in interest due to its good credit rating. Chief Financial Officer Beachem indicated that in the recent two debt issuances, it equates to approximately \$5 million. Ratepayers would then need to come up with the \$5 million which would have been saved through its good credit rating.

Director Breitfelder further inquired if the District under funded its reserves for infrastructure what would occur. Chief Financial Officer Beachem indicated that if the District could not increase its rates, then it would need to review the District's various reserves to determine from which it could pay its bills. This will work over time, however, it would not be long before the reserves are at levels where the District could not issue debt. The District's would be unable to build new infrastructure and maintenance of facilities would be impacted. It was also noted that of the District's \$75 million in reserve funds, a good portion is restricted as they are developer funds which are to be utilized for the construction of infrastructure for growth areas (growth paying for growth: facilities).

Chief Financial Officer Beachem continued his presentation and indicated that with the new proposed increase the District would be the 10<sup>th</sup> lowest cost provider among the local water agencies for those customers utilizing 15 units of water (average customer) per month. For those conserving customers, utilizing 10 units per month, the District would be the 4<sup>th</sup> lowest cost water provider among the local water agencies and for those customers utilizing 5 units per month, the District would be average in cost among the local agencies.

With regard to sewer, staff is proposing a 7.2% increase over a six year period. He indicated that the increase is to cover statewide general waste discharge requirements and the sewer system management plan. These are new programs the District must comply with. He stated that the District will utilize some Reserves from sewer to support the General Fund in the short term as the reserve is over target (exceeding the maximum level as defined in the District's Reserve Policy). He noted that the utilization of the reserves was also approved during the budget process by the board. He indicated that with the rate increase, the District would still be the 7<sup>th</sup> lowest cost (lower 1/3) sewer service provider with in the county.

Finance Manager Rita Bell reviewed the budget expenditures in detail. She noted that the Otay "controlled costs" (labor and benefits, administrative expenses, materials and maintenance) have decreased \$793,100 for the upcoming fiscal year. She stated that CIP cost funding has increased \$5,585,700 mainly due to the funding of the District's reserves. The reserves are funded through user rates, restricted revenues (such as capacity fees, etc.), and by issuing debt. She indicated that MWD/CWA cost increases for fiscal year 2010 will total \$3,861,200. She stated that the District's cost per AF of potable water was \$766 in 2009 and will increase to \$905 per AF in 2010 which is an 18% increase. It is estimated that in 2011 it will further increase to \$1,063 per AF which is another 17.5% increase.

She stated that CWA bills the District a variable price (cost per AF) and a fixed price (cost per AF regardless of how much water the District purchases) for its water purchases. This is similar to how the District's customer bills are structured. Customers pay a system fee and then for the water they use. She indicated that the District's variable rate increase per AF from CWA on January 1, 2009 was 13.2% (from \$614/AF to \$695/AF) on September 1, 2009 the variable cost was increased again by 17.1% (\$695/AF to \$814AF). The

combined or weighted price increase for the variable portion of CWA's bill is 16.3% per AF. She also noted that the District sold 5.8% less water than budgeted in 2009 and the District budgeted this year to sell another 4.8% less than the volume sold in 2009. The District is selling less water, however, its costs are going up which will impact rates.

Director Breitfelder inquired why it is not a viable option to stop encouraging customers to conserve though conservation is causing the price of water to increase. Chief Financial Officer Beachem indicated that in the short term, yes, the impact is increased costs. However, in the long term, without conservation the cost of water will increase much more as the agencies must build infrastructure to meet the growing water demand in Southern California. It was also indicated that MWD and CWA have punitive pricing in effect based on allocations. If the District goes over its allocation (at the moment the District is comfortably below its allocation), the penalty is two to four times the current AF rate. The penalty pricing would cause an additional rate impact. Thus, it is good that customers are conserving and the District is not facing penalties because it is below its allocation.

Finance Manager Rita Bell indicated that the other portion of the District's cost from MWD and CWA is fixed costs. She stated that the fixed costs are increasing 22% or \$1,189,900 and represent fees paid to MWD and CWA for Emergency Storage, Infrastructure Access, etc.

As was noted earlier, the District's sewer costs are increasing \$411,300 due to the need to comply with Statewide General Waste Discharge Requirements and the District's Sewer System Management Plan (SSMP).

She stated that the District has had a long term plan to gain efficiencies. The District has implemented an Automated Meter Reading Program, invested in information systems, etc. and has been able to decrease staffing. The District has gone from 173 employees to 169 in fiscal year 2009 and in fiscal year 2010 the District will drop to 166 employees. The District is just beginning to see the investments in efficiency pay off for Otay. She additionally shared that this can also be demonstrated by how many customer accounts there are per employee. In fiscal year 2000, there were 249 customer accounts per employee and in fiscal year 2010 there will be 316 customer accounts per employee. She stated that the decrease in employee headcount was accomplished through attrition. As staff retire or leave district employment, staff reviews the vacancy and, because of efficiencies, have been able to shift duties and/or reassign staff.

She noted that this is also evidenced in the District's Labor and Benefits budget. Despite cost of living and benefit costs increasing, the District's salary and benefits budget has only increased \$27,000 through the reduction of headcount and reassignment of staff.

Director Breitfelder noted that many of the protest letters concerning the proposed increases inquire why the District does not avoid the proposed increases by lowering its employee costs. He inquired if the District were to try to

avoid the rate increase by laying employees off, what percentage of the workforce would need to be laid off to achieve this. Finance Manager Bell indicated that the District's total salary and benefits cost in the operating budget is \$17 million. The cost increases for water and reserves is approximately \$8.6 million which equates to approximately half of the salary and benefits budget. The District would need to be eliminated approximately half the salary and benefits budget to avoid the rate increase and balance the budget. Chief Financial Officer Beachem added that the rate increase proposed by MWD and CWA next fiscal year would then require that the remaining budget for salary and benefits be eliminated. He shared that half the District's budget is for the purchase of water and approximately 25% of the budget is slated for salary and benefits. He stated to try to absorb the cost increases through eliminating an expense which is only 25% of the District's budget is not feasible, especially when considering the size of the increases from MWD and CWA proposed each year. He indicated the District is looking at all opportunities to find efficiencies, however, the whole of the answer to mitigating rate increases could not be solved through eliminating payroll.

General Manager Watton indicated that in future budget cycles, the District will continue to challenge the budget numbers and increase efficiencies to reduce costs as much as possible.

Finance Manager Bell indicated that Administrative Expenses decreased by \$605,900. She stated that much of these savings (approximately \$600,000) were attributed to projects moving from the Operating to the CIP budget. She indicated that the reason for shifting the cost for these particular projects is that they are projects for the benefit of future customers. By shifting their costs to the CIP budget, future customers would pay for these projects through capacity fees and current water customers wouldn't pay for the future projects. There were also some cost increases in this area, such as, paving required at various facilities and increases in the District's bad debt expense (write-off of customer delinquent accounts) due to the economy.

She indicated with regard to Material and Maintenance Expenses the District had an overall decrease of \$71,200. The expense reduction was mainly due to fuel prices dropping which provided a savings of \$137,600. The District's Metro O&M costs also decreased \$60,900 (cost to the City of San Diego for sewer services). These savings were off-set by the funding the District's Emergency Operations Center, an item in the District's Strategic Plan, at a cost of \$124,000.

She indicated in summary:

- The District faces unprecedented water cost increases from its wholesale water suppliers; MWD rate increase of 21.1% and CWA rate increase of 18.1%.
- Water sales volumes have decreased due to water conservation and the economy.
- Neighboring water agencies are facing the same increases in costs and similar rate increases

- The District must maintain its debt coverage ratio to lower borrowing costs, and ensure compliance with bond covenant.
- The District must maintain its reserve levels in compliance with its Reserve Policy.
- District controlled costs have been reduced by increasing efficiencies to try and minimize rate increases.

#### PUBLIC COMMENT:

Ms. Phyllis Comer of Chula Vista stated that she received the District's notice regarding the proposed rate increase of 19.9%. She indicated in these trying economic times, the proposed 19.9% rate increase was too high and requested that the District re-review and propose a lower rate or a better solution. She indicated that retired people, such as herself, only receive 2% salary increases each year and while she can handle the proposed increase this year, if the current recession continues, she may not be able to handle such an increase in 2014.

Ms. Connie Crusha of El Cajon indicated that she reviewed the proposed rate increases and stated that her water bill would double. She stated that she has an acre of property and the proposed rate structures are punitive to those with large properties. She indicated that she is asking that the District re-review the proposed increases and not institute the tiered rate structures. She has reduced her water consumption by 40% and cannot conserve further. She stated that she understands that the District needs to raise rates by 20%, but feels that all users should share in the increase equally and that all customers should receive a flat rate increase of 20%.

Mr. David Shaw of El Cajon indicated that he would like to address the portion of the proposed rate increases which is not related to water cost. He stated that the *Notice of Public Hearing* forwarded by the District proposes rate increases to cover non-water related cost increases, such as power, labor, benefits, materials, etc., at a maximum of 10% per year for five years. He indicated that the proposed budget presented today showed significant cost reductions in these areas and felt that increases should not be higher than general inflation rates and suggested that the Board adopt a resolution giving the management team cost control targets and challenges that are oriented around beating the general cost of living. He stated that he opposes the current proposal and urges the board to reject the proposal until these suggested adjustments are made.

Mr. Tom Gregory of Chula Vista indicated that the question is what we can do to prevent someone else dictating what we pay for water. He suggested that the State build desalination plants along the coast of California so that the State is not reliant on anyone for water. He stated that if we continue to do what we are doing, prices will continue to go up. He asked that the District consider building a desalination plant in Chula Vista.

Mr. David Nichols of Spring Valley indicated that he is on a fixed income and is not able to pay the proposed increases. He stated that he felt that higher rates

would not result in more conservation and that it was detrimental as it would perpetuate our current economic situation. He asked the District to find another way and indicated that desalination was a great idea and should be studied further.

Mr. Michael Casinelli of Jamul indicated that he acknowledges that there is a water shortage and there is a need to conserve, however, he is opposed to the rate increase as it is currently proposed. He objected that the notice did not inform the ratepayers that they do have a voice in the proposed increases and that the hearing was during the day of a work day. He indicated that he also opposed the District setting one hearing for increases proposed for the next five-years. He stated that the rate increase does not take into consideration the size of the household or property, and felt that they should be taken into consideration. He urged the board to reconsider the implementation of the rate increase until it was better thought out and proposed.

Mr. Dan Mathiasen of La Mesa indicated that he understood the need to pass through the cost of water to ratepayers, but opposed the five year increases without holding hearings. He stated that he felt it did not make sense to increase rates 10% when the cost of living has only been increasing about half that amount.

Ms. Karen Hurr of El Cajon asked how water conservation and the District having a good credit rating benefits customers. She stated that she also opposed the hearing being held during the day on a work day. She asked the District how it can be more creative to save more money as every company – SDG&E, banks, gas companies, etc. – are all asking consumers to dig deeper into their pockets and at some point there will be no more to dig. She asked that the board think about the proposed increases before agreeing to the increases.

Vice President Lopez inquired how many letters the District has received regarding the rate increase. District Secretary Cruz indicated that the District has received 35 written protests. General Counsel Calderon indicated that the written protests should be made part of the public record (included as part of the minutes of the meeting). District Secretary Cruz indicated that she would assure that the written protests were included with the meeting minutes.

Vice President Lopez inquired if there were other individuals from the public who wished to address the board on the rate matter. No one wished to be heard.

Vice President Lopez asked if staff would like to respond to any comments from the public. General Manager Watton indicated that there are some small adjustments to the tiers, but the rate increase is 19.9% across all customers. He indicated with regard to future increases, the public would be provided notice and a hearing. He noted the comment concerning local control of water resources and shared that if he had heard a couple years ago that alternative water supply resources, such as desalination, were within the cost of the wholesale rate, he would not have believed it. Today, the wholesale rate is increasing, and alternative water supplies are now within striking distance of this cost. He

indicated that staff has included in the District's Capital Improvement Plan budget, plans to look at alternative water supplies and the District is currently seeking possible alternative supplies.

He also indicated that the District will continue to look at ways to reduce costs and to economize. The District has laid the groundwork for information technology and is now reaping the benefits of the efficiency of having an integrated system. He stated that the District also builds its budget from the ground up every year – "0" based budgeting – and every line item is reviewed each year. He stated while the notice indicates a maximum 10% increase, the District will not necessarily increase rates 10% each year. He noted that the District is not certain today what that number will be for next year, but the District will be very careful in determining that increase.

Chief Financial Officer Beachem clarified that the proposed increases discussed today would go into effect on September 1, 2010 to coincide with CWA's increase which is scheduled to go into effect on the same day. Following this increase, CWA does not expect to raise their rates until January 2011. General Manager Watton added that the increase in expenses discussed at today's meeting, for example the 22% increase in fixed costs, must be matched up from a revenue and cash flow standpoint. If the District waits to increase its rates, the difference begins to compound and it gets very difficult to catch up. This is the reason that the District is proposing to match the timing of the increases with its wholesalers.

General Manager Watton stated that the desalination plant planned in Carlsbad has been in the works for many years now. The project does have some permits and is getting some success, but they still have some hurdles to jump. CWA is also looking at proposed desalination projects at Camp Pendleton and the South Bay region. These sites will be faced with the same challenges as the Carlsbad project, but we just need to face each challenge and keep moving the project forward. It will not be easy, but desalination plants are in the works.

President Lopez closed the public hearing at 5:10 p.m.

General Counsel Calderon indicated that the board has not received protests from a majority of the ratepayers, so it may consider whether or not to adopt the rates and charges proposed by staff.

Director Robak thanked the customers for attending today's hearing. He noted that we live in a desert region and if it weren't for imported water, the area could not be sustained. He stated a slide in staff's presentation noted the increase in water cost. If the projection holds true, in six years we would see an increase of 88%. This is unprecedented in the water industry. Past years the cost increase was around the cost of living increase, give or take 3-4%. During this economic situation, it is certainly the worst time to be faced with increased costs. However, this is something that we have to share though we are not happy about it. The District cannot control what happens at MWD and CWA. Their increased cost in buying and delivering water is something we have to deal with. The District is

pursuing desalination and working with other districts to achieve savings and acquire additional water supplies. The District has debated the approach it wishes to take on its water rates and opted for a price point (customers pay based on the amount of water they utilize). The more you utilize, the more you will pay. Each district has decided to take slightly different approaches, however, in some comparisons with other agencies there is not a large difference in billing. He asked staff if they could provide him information on the billing difference among the agencies for consumption of 30 units of water.

He indicated, to the District's credit, it has done a good job in promoting water conservation. The District is also a partner in the Water Conservation Garden which is located within the District's service area and is the model showcase for water efficient landscapes and irrigation. The District has also sent out letters to its high water use customers who have been taking advantage of the District's program for water landscape surveys to help them more efficiently water their landscapes. These surveys are available to all customers. He indicated that the District does not have an allocation method and asked that staff look at ways in the future to address the conservation aspect for those customers who have done all they can to save water. He stated that he felt that whatever the District could do to recognize and encourage conservation measures is paramount.

He noted that the District sewer cost is on the lower end of the graph compared to other agencies. He stated, however, the City of El Cajon has a sewer rate that is 93% lower than Otay (\$19.55 vs. \$37.58). Director Robak asked if staff might research to determine the reason for the cost difference between the District and its neighboring agency. Director Breitfelder indicated that it could be attributed to economies of scale. When you have a much larger system, you can divide your fixed cost among a large customer base. The District's system is fairly small, servicing approximately 1500 households which does not benefit much from economies of scale. However, the District is doing a remarkable job in keeping its cost low based on the size of its system and receiving little benefit from economies of scale.

General Counsel Calderon noted that State law does not permit the water district to be anything other than revenue neutral. State law requires that the District cannot pass on anything more than what its actual costs are. He stated that the notice indicates that the District would only pass along its actual cost increases up to a maximum of 10%.

Director Breitfelder thanked the District's customers for taking the time to attend today's meeting and share their thoughts. He stated that it is no secret that the State is facing economic challenges. He indicated that the tradition in government, generally speaking, seems to be to spend in good times and accumulate liabilities. Then whenever there is something difficult that needs to be done for the public benefit, they try to put it off for the next incumbent. Each incumbent does the same and before you know it the deficits are huge and infrastructure is crumbling. He stated that it is the public who really bears the true cost of this neglect. He indicated that the Otay Water District has a great legacy of investing: information technology, strategic planning, new water

resources, recycling, improving its credit rating, etc. The District, I'm certain, could provide the cheapest water rates in San Diego. However, to do this it would need to neglect the maintenance of its systems and do a variety of other things that would be invisible to the public for years to come. He stated that this board is not of this mindset. The board would like to do what is best for the long term public interest. He stated if the District stays on the course that it has set with investments in information technology, etc., water will not be cheap 10 or 20 years from now, but it would be less costly than if the District took an irresponsible course of action. He indicated that he does not expect the customers to like the 20% increase as he himself does not like it. However, it is done with the best intention for the public's interest.

Director Bonilla indicated that this is a very difficult decision to make and certainly not a very popular one. He indicated that he has served the District for almost nine (9) year and he wished to address the comment that the board made fat salaries. He stated that the board members are not paid, they receive stipends for attending meetings. He indicated that he has never collected a stipend from the District. He is serving the District because he is also a ratepayer and lives in the Division which he represents. He ran because he felt he could make a difference and has, during his tenure, encouraged the development of the District's Strategic Plan, implementing automation for efficiency, etc. He stated that he listens to customer comments and has asked General Counsel to look into a special tier for retired / fixed income customers. However, it is not legal by State code.

Director Bonilla indicated that he really believes that Otay is the best run District in the County. He stated that the District has won almost every award and does not have a wall large enough to display all the awards it has won in the last ten (10) years. He indicated that he is very proud of this staff.

He stated that the District must provide safe and reliable water service; this is the District's goal. He indicated that the District is committed to desalination and finding other resources. However, the development of new water resources will cost money. The District has budgeted this cost within its Capital Improvement Program. He noted that the District is recognized for looking long term and that there is nothing more expensive than not having water. He stated that the members of the board serve because they have a commitment with the community. He indicated that if he must do something that is not popular, he will do it if it is for the best interest of the District and community. He indicated that the District is not the most expensive in the County, but he can guarantee that it is the most efficient. He stated that the District will fight for its ratepayers as much as it can, but there is only so much that it can do.

Vice President Lopez thanked everyone attending today's meeting and their speaking so eloquently. He stated that some members of the board must take time off from their work to attend board meetings and he understands and empathizes with customers. He stated that everything he wished to say has already been commented upon by his fellow members. He indicated that the cost of water at the wholesale level will continue to increase. The State is

impacted by issues in Sacramento and the Bay Delta. These issues are not in the District's control. He indicated that unfortunately the District will need to continue to pass along those costs as it must sustain a viable, reputable agency. He indicated that the District is a showcase to the industry and Otay has been visited by water officials from around the world as they wish to see how this District operates. The technology is the best for an agency such as this and staff is committed to maintaining the agency in a very productive and efficient manner.

A motion was made by Director Bonilla, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Croucher

to approve staffs' recommendation.

Director Robak indicated that as unpleasant as rate increases are, the District is essentially passing along costs beyond the District's control. He stated that the District runs an efficient operation and administrative costs are something that the board and staff are very cognizant of managing. He stated that there is nothing wrong here, the reality is that water cost more money. He stated it is the board's commitment to keep costs in check and whatever it can to minimize further cost increases.

## 7. ADJOURNMENT

With no further business to come before the Board, Vice President Lopez adjourned the meeting at 5:50 p.m.

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President

ATTEST:

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District Secretary

# AGENDA ITEM 4

## MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT November 4, 2009

1. The meeting was called to order by President Croucher at 3:32 p.m.

2. ROLL CALL

Directors Present: Croucher, Lopez and Robak  
Directors Absent: Larry Breitfelder (arrived at 4:01pm)  
Jaime Bonilla (out-of-town on vacation)

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. APPROVAL OF AGENDA

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes: Directors Croucher, Lopez and Robak  
Noes: None  
Abstain: None  
Absent: Directors Breitfelder and Bonilla

to approve the agenda.

4. 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

No one wished to be heard.

### CONSENT CALENDAR

5. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

Director Robak pulled item 5b, UPDATE REPORT REGARDING THE PREPARATION OF THE DISTRICT'S SUBAREA PLAN FOR THE JOINT WATER AGENCIES NATURAL COMMUNITY CONSERVATION

PLAN/HABITAT CONSERVATION PLAN and item 5c, ACCEPT THE DISTRICT'S AUDITED FINANCIAL STATEMENTS, INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR FISCAL YEAR ENDED JUNE 30, 2009, for discussion.

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Directors Breitfelder and Bonilla

to approve the following consent calendar items:

- a) APPROVE A PROFESSIONAL CORROSION SERVICES AGREEMENT WITH SCHIFF ASSOCIATES FOR FISCAL YEARS 2010 AND 2011 (ENDING JUNE 30, 2011) FOR THE CATHODIC PROTECTION PROGRAM IN AN AMOUNT NOT-TO-EXCEED \$250,000
- d) REJECT GARY AND MARY TIMM CLAIM
- e) APPROVE AN AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY (NEW CINGULAR) FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 832-1&2 RESERVOIR SITE
- f) APPROVE AN AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 1200-1 RESERVOIR SITE

President Croucher presented item 5b and 5c for discussion:

- b) UPDATE REPORT REGARDING THE PREPARATION OF THE DISTRICT'S SUBAREA PLAN FOR THE JOINT WATER AGENCIES NATURAL COMMUNITY CONSERVATION PLAN/HABITAT CONSERVATION PLAN

Staff indicated that the District is moving forward with its Subarea Plan (SAP) with the intention to incorporate it into the Joint Water Agencies (JWA) Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP).

Director Robak inquired if the development of the District's SAP is on track for a timely incorporation into the JWA NCCP/HCP. Staff stated yes and indicated that the District's final SAP is expected to be brought to the committee soon for review.

Staff indicated that they have good information to analyze and study to move forward with the other agencies and everything looks positive in the District becoming a JWA member.

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Directors Breitfelder and Bonilla

to approve staffs' recommendation.

- c) ACCEPT THE DISTRICT'S AUDITED FINANCIAL STATEMENTS, INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR FISCAL YEAR ENDED JUNE 30, 2009

Finance Manager James Cudlip indicated that the District's new auditing firm, Diehl, Evans & Company, LLP (DEC LLP) provided an audit report that resulted in a clean and unqualified opinion for Fiscal Year ended June 30, 2009. DEC LLP had no findings to present in their "Management Letter."

DEC LLP provided the board a review of the District's financial statements in detail. Director Robak inquired with regard to the District's "Cash and Cash Equivalent" in the report, why there was a significant difference in the figures for FY 2008 and 2009 of \$23.4 million and \$50.8 million respectively. Staff indicated that the difference is that the District had invested approximately \$60 million dollars in FY 2008, but only \$20 million in FY 2009.

Director Robak also inquired why the entry "Net OPEB Asset" was identified as a restricted asset. It was indicated that the entry shows assets set aside for the OPEB unfunded liability.

Director Robak further inquired about the difference in the accounts payable totals for FY 2008 (\$13,705,566) and 2009 (\$11,565,953) listed on page 8 of the auditor's report. Staff indicated that the timing of when things are paid is the difference in the totals.

Director Robak asked where the cell site lease revenues are noted in the financial statements and why they are not broken out. Staff indicated that they are noted in miscellaneous revenues as they are not revenues from core business functions. It was indicated that the statements could include the information as a note if it is preferred.

President Gary Croucher commended staff for being prepared to answer questions.

Finance Manager Cudlip stated that the District's first audit will take an additional 2-3 weeks to complete so that the new auditor could get to know the District processes and procedures.

Director Robak stated that the District's former auditor of five years was Teaman Ramirez & Smith and inquired if the new auditor used some of their samples. DEC indicated that they first looked at policies, procedures, and performed some walk-thru and testing to assess any risks. They indicated that the area they looked at was cash flow and stated that they can review and test other areas as well. They will look at different areas each year, but will not inform the District which areas they will focus on. Staff indicated that the District could also ask that the auditors look at a specific area to test it for risk.

Director Robak inquired if the District updates its accounting standards annually. It was indicated that it does keep abreast of updates from the American Institute of Certified Public Accountants Auditing Standards Board (AICPA ASB), the Governmental Accounting Standards Board (GASB), etc. It was indicated that periodically the Governmental Accounting Standards Board (GASB) issues new reporting requirements and have issued GASB 45 which requires governmental entities to disclose liabilities related to retirement benefits which the District has already implemented.

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Croucher, Breitfelder, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve staffs' recommendation.

## ACTION ITEMS

### 6. FINANCE AND ADMINISTRATION

- a) ADOPT RESOLUTION NO. 4150 APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

Chief Financial Office Joe Beachem requested that the Board adopt Resolution No. 4150 to authorize the District to participate in the Proposition 1A Securitization Program, and authorize the General Manager and Chief Financial Officer to execute and deliver related documents and take other related actions to complete this action.

Adoption of Resolution No. 4150 will authorize District staff to sell its respective Proposition 1A taxes receivable to the California Statewide Communities Development Authority (CSCDA). It was indicated that the State is borrowing the District's property tax revenues of \$267,000 and is required to repay the District, plus 2% interest annually, by June 30, 2013.

Chief Financial Officer Beachem indicated the positive aspects of participating in the Program. He indicated that the District would receive its cash reimbursement immediately and that the District's participation in the program sends a message of solidarity with other local agencies and that the monies is material to the District.

Legal Counsel Calderon indicated that a finance company will issue debt and that revenue sources from the state will pay the debt. The District is not obligated to pay the debt back. The State and the California Statewide Communities Development Authority (CSCDA) are responsible for debt.

Chief Financial Officer Beachem indicated that the annual interest of 2% that the District would receive from the State would be comparable to earnings if the District invested the money itself.

Director Mark Robak inquired when the District would receive the monies for selling its State receivable. Chief Financial Officer Beachem indicated that under the securitization program, CSCDA will simultaneously purchase the Proposition 1A receivables, issue bonds ("Prop 1A Bonds"), and provide the District with the cash proceeds in two equal installments on January 15, 2010 and May 3, 2010. However, he indicated that if the bonds cannot be sold by December 31, 2009, all approved documents placed in escrow with Transaction Counsel will be of no force and effect and will be destroyed and the District will still have its receivables from the State. It was noted that the State cannot go bankrupt.

A motion was made by Director Breiffelder, seconded by Director Robak and carried with the following vote:

Ayes:	Directors Breiffelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve staffs' recommendation.

## 7. BOARD

### a) DISCUSSION OF 2009 BOARD MEETING CALENDAR

President Croucher indicated that the December 2, 2009 Board meeting will be cancelled and that the next scheduled Board meeting is January 6, 2010.

## INFORMATIONAL ITEMS

8. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.

- a) UPDATE REPORT REGARDING THE ONGOING MONITORING OF THE WATER RATE FORECAST

Chief Financial Officer Beachem indicated that District staff utilizes a six-year rate model to monitor and review the District's water rates. Rates are projected such that the District's financial strength is maintained in all six years. He discussed the District's sales volume and stated that as of the end of August 2009, the District's water sales have decreased by approximately 13%. In September, water sales moved above budget bringing the sales deficit down to 8% below budget. Based on an update of the rate model, staff is projecting that the necessary rate increase for the District to maintain its financial strength is approximately 19.9%.

Chief Financial Officer Beachem indicated that the District's water purchases from CWA are 19.7% below the District's allocation. Staff feels that it is very unlikely that sales volumes will change dramatically and the District is not at risk of paying the penalty pricing from CWA (2-3 times its normal rate).

It was indicated that staff considered numerous factors for the rate model and believes that they were fairly aggressive in projecting water sales. Staff discussed the influence of upward and downward pressure on water rates and indicated that customer credits were offset by legal settlements received by the District.

Chief Financial Officer Beachem indicated that new Engineering estimates for CIP projects planned for the next two years has reduced the required debt issuance significantly from approximately \$41 million to \$25 million. This funding also will not be required until FY 2011. Staff is reviewing the pros and cons of deferring the debt issuance for one year.

Director Breitfelder inquired what the annual cost of recycled water will be if the cost is increased. According to the City of San Diego's Draft Water Pricing Study the increases will be \$350 (FY 2011), \$700 (FY 2012), \$800 (FY 2013). The District purchases approximately 4000 AF from the City so cost is expected to increase approximately \$1.4 million in FY 2011.

Chief Financial Officer Beachem stated that District staff is focused on the City's proposed water rate increase issue, monitors sales daily and consider various other factors in the rate model. Staff wished the board to know that it is actively reviewing the budget and monitoring sales.

- b) UPDATE REPORT ON CONTRACTING NON-CORE DISTRICT SERVICES

Staff stated that the Board requested further information regarding the contracting out of non-core services and what cost-savings the District has realized. To enhance efficiency and reduce costs, staff has looked for opportunities to out-source non-core functions. Functions that the District has outsourced include, landscaping, meter clean-out, after-hour security, after-hour monitoring of Information Technology Network, credit card payment processing, printing of customer invoices, records room support, and potable/recycled water plan checking and inspection. A list of other services that were outsourced is provided in the staff report. Staff indicated that the District's total cost-savings for outsourcing services is approximately \$900,000.

Director Larry Breitfelder inquired if any of the listed non-core services were capital or operating. Chief Financial Officer Beachem indicated that one or two services may be capital, but the majority are operating expenses.

Director Mark Robak commended staff for researching various alternatives to provide the District savings.

c) UPDATE REPORT ON FISCAL YEAR 2009 STRATEGIC PLAN AND PERFORMANCE MEASURE REPORT AND REPORT ON AWWA SELF-ASSESSMENT SURVEY

Staff indicated that the District completed its first year of the Strategic Plan for FY 2009-2011. The results are positive, with 97% of objectives completed or ahead of schedule (the target was 90%). Staff also provided the Board with information regarding performance measures which monitor day-to-day performance where 91% of the measures are ahead of schedule (the target was 75%), the balance scorecard, and a report on AWWA self-assessment survey.

With regard to the balance scorecard which assesses the District's focus on customer service, financial performance, learning and growth and business processes, there was only one area that did not meet its goal; the Records Management project. The project is delayed as the District is changing the direction of this project. All other areas are on or exceeding target.

Information Technology Chief Stevens indicated that the AWWA self-assessment survey was conducted in August and included approximately 105 questions with an alternative for employees to opt out of answering some questions. It was indicated that 88 of 166 District employees participated in the survey. The average score overall was 4.3 which is a high level of agreement. Compared to ten self assessments completed by agencies previous to Otay's self assessment, the District had the highest level of agreement from its employees. This indicates that employees are open to adopting best management practices and it also points to the stability of the organization.

Director Croucher indicated that he would like to see the correlation between management and staff. Information Technology Chief Stevens indicated that he was surprised to see a uniformity of data from all employees despite their

position, tenure, or department. He indicated that the District's employees have the same level of agreement about how the District's business is performed and the longer an employee has worked with the District the higher his/her agreement. He indicated that staff could ask AWWA for the correlation between management and staff of the other 10 agencies who had completed a self assessment.

Director Mark Robak inquired if a peer review was conducted. Chief of Information Technology Stevens stated that staff met with the management team regarding conducting a peer review. He indicated that the cost associated with conducting a peer review has been included in the budget, but a decision has not yet been made to do so and is still in consideration.

General Manager Watton noted that the District's Strategic Plan is available on the Board's extranet for viewing and is very detailed and transparent.

Director Jose Lopez indicated that the Finance, Administration and Communications Committee appreciates staffs work on the Strategic Plan and stated that it provides an alignment from management to line staff.

Director Gary Croucher stated that he is pleased that the Strategic Plan is an active document with the District.

## REPORTS

### 9. GENERAL MANAGER'S REPORT

General Manager Watton announced that the District's General Counsel Calderon was awarded an Attorney of the Year Award that recognizes him for his work in mentoring upcoming legal stars. He congratulated General Counsel Calderon.

General Manager Watton provided the Board with an update on IEC's anti-SLAPP motion against the District. He indicated that on October 23, 2009, the court held a hearing and ruled that IEC's anti-SLAPP motion was frivolous. The court awarded the District attorney's fees in excess of \$10,000 for having to defend against the anti-SLAPP motion. Legal Counsel Yuri Calderon stated that it is a very unusual victory for a private firm to have to pay a public agency.

He stated that the 36-inch pipeline project was moving along well and pipe is currently being installed along the sensitive habitat area near Cuyamaca College.

He indicated that the Board had approved the Tobacco-Free Campus Policy and the implementation of the policy has been delayed until January 1, 2010 to provide additional time for employees to transition to the new policy.

It was noted that customer credits has been running smoothly. Also noted was the closing of the ID 27 Bond Refunding went smoothly without any incidents. He indicated that the bond refunded had a favorable interest rate.

It was indicated that water sales are down and that staff plans to review CWA rates to see if the lowered water sales throughout the County will impact their rates.

General Manager Watton indicated that two position letter on bonds will be drafted to state the District's position on bonds and to position the District for future activity. The proposed \$11 million bond will include \$2.5 million for local projects. He indicated that the proposed bond passed with 2/3 vote in the legislator and it will still need to go to voters. It is felt that there will be active funded opposition to the bond and it will be on the ballot in March 2010.

#### SAN DIEGO COUNTY WATER AUTHORITY UPDATE:

President Croucher indicated that the Bay Delta is the focus at CWA and the board meeting meeting was pretty routine.

General Manager Watton reported that Poseidon's coastal permit was approved. He stated that a presentation on Poseidon's progress was presented to the Chula Vista Interagency Task Force and it was indicated that they will not have financing for the plant until January 2010. However, they must break ground by next month.

#### 10. DIRECTORS' REPORTS/REQUESTS

Director Breitfelder apologized that he was late to today's board meeting as he was attending the California Coastal Commission meeting which was discussing the City of San Diego's treatment plant permit. He indicated that the comments received at the meeting were focused on the economic impact of the City being required to expend \$2 million on treatment plant enhancements. The Coastal Commission indicated that they were not concerned about economic impacts, but did give the City a two year reprieve and requested that they commit to using more recycled water.

Director Lopez indicated that he attended WAA's October 16, 2009 meeting, and that WAA members considered merging with the Council of Water Utilities because it was felt that duplication of efforts were being performed by both groups. Members also considered several options on what to do with WAA's funds if the association was disbanded.

Director Mark Robak indicated that he spoke to Mr. Keith Lewinger who is the ACWA representative for region 10. He indicated that he does not always agree, but feels the region is getting its money's worth. He also indicated that Padre Dam has implemented a program where they can notify their customers when they are getting near their CWA allocation. He indicated that he would like to see Otay explore doing something similar. He also shared that he has signed up to attend ACWA's conference.

#### 11. PRESIDENT'S REPORT

President Croucher noted that the Districts 2009 Holiday Dinner will be held on December 12, 2009.

He also indicated that Director Robak, General Manager Watton and he attended Ms. Nora Jaeske's Celebration of Life event. President Croucher said she was a leader in championing water conservations and she will be missed.

#### RECESS TO CLOSED SESSION

#### 12. CLOSED SESSION

The board recessed to closed session at 5:25 p.m. to discuss the following items:

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
[GOVERNMENT CODE §54956.9(a)]
  - (I) INFRASTRUCTURE ENGINEERING CORP. v. OTAY WATER DISTRICT, COUNTY OF SAN DIEGO, SUPERIOR COURT, CASE NO. 37-2008-00093876-CU-BC-CTL
  - (II) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-SC

#### RETURN TO OPEN SESSION

#### 7. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION

The board reconvened at 5:47 p.m. General Counsel Calderon indicated that the board took no reportable actions in closed session.

#### 13. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 5:47 p.m.

\_\_\_\_\_  
President

ATTEST:

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



# AGENDA ITEM 6a

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 3, 2010
SUBMITTED BY:	Sean Prendergast,  Payroll/AP Supervisor	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem,  Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez,  Assistant General Manager, Administration and Finance		
SUBJECT:	Director's Expenses for the 2nd Quarter of Fiscal Year 2010		

**GENERAL MANAGER'S RECOMMENDATION:**

This is an informational item only.

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

Please see Attachment A.

**PURPOSE:**

To inform the Board of the Director's expenses for the 2nd quarter of Fiscal Year 2010.

**ANALYSIS:**

The Director's expense information is being presented in order to comply with State law. (See Attachment B for Summary and C-H for Details.)

**FISCAL IMPACT:** 

None.

**STRATEGIC GOAL:**

Prudently manage District funds.

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

Compliance with State law.



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General Manager

Attachments:

- A) Committee Action Form
- B) Director's Expenses and per Diems
- C-H) Director's Expenses Detail



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Director's Expenses for the 2nd Quarter of Fiscal Year 2010
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item in detail at a meeting scheduled on February 19, 2010. In response to a question from Director Breitfelder regarding Chamber registration fees, Director Bonilla requested that staff review Policy 8. Following the review, Director Bonilla directed staff to continue the District's practice to pay for Chamber registration fees. The committee supported presentation to the full board on the consent calendar.

**BOARD OF DIRECTORS'  
EXPENSES AND PER-DIEMS**

**FINANCE, ADMINISTRATION, AND  
COMMUNICATIONS COMMITTEE MEETING  
FEBRUARY 19, 2010**

Policy 8 requires that staff present the Expenses and Per-Diems for the Board of Directors on a Quarterly basis:

- Fiscal Year 2010, 2nd Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance, Administration, and Communications Committee on February 19, 2010.

Board of Directors' Expenses and Per-Diems  
Fiscal Year 2010 Quarter 2 (Oct 09- Dec 09)

• Director Bonilla	\$20.00
• Director Breitfelder	\$1,632.40
• Director Croucher	\$1,300.00
• Director Lopez	\$687.90
• Director Robak	<u>\$1,988.35</u>
• Total	\$5,628.65

Board of Directors' Expenses and Per Diems  
Fiscal Year 2010 to Date (Jul 09- Dec 09)

• Director Bonilla	\$20.00
• Director Breitfelder	\$2,746.30
• Director Croucher	\$2,100.00
• Director Lopez	\$1,867.10
• Director Robak	<u>\$2,890.90</u>
• Total	\$9,624.30

Board of Directors' Expenses and Per Diems  
**\*Projected Fiscal Year 2010 (Jul 09- Jun 10)**

• Director Bonilla	\$ 40.00
• Director Breitfelder	\$ 5,493.00
• Director Croucher	\$ 4,200.00
• Director Lopez	\$ 3,734.00
• Director Robak	<u>\$ 5,782.00</u>
• Total	\$ 19,249.00

- \*Based on actual expenses through 2nd quarter

# Director Bonilla

## Fiscal Year 2010 Quarter 2

	Oct 09	Nov 09	Dec 09
Business Meetings	0.00	20.00	0.00
Director's Fees	0.00	0.00	0.00
Mileage Business	0.00	0.00	0.00
Mileage Commuting	0.00	0.00	0.00
Seminars and Travel	0.00	0.00	0.00
<b>Monthly Totals</b>	<b><u>0.00</u></b>	<b><u>20.00</u></b>	<b><u>0.00</u></b>
<b>Quarterly Total</b>			<b><u>\$20.00</u></b>

<b>Fiscal Year-to-Date 2009 (Jul 09-Dec 09)</b>	<b>\$20.00</b>
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Director Bonilla does not request per diem reimbursements

Meetings Attended			
Meetings Paid			

# Director Breitfelder

## Fiscal Year 2010 Quarter 2

	Oct 09	Nov 09	Dec 09
Business Meetings	0.00	84.00	25.00
Director's Fees	500.00	500.00	200.00
Mileage Business	90.20	112.20	46.20
Mileage Commuting	37.40	18.70	18.70
Seminars and Travel	0.00	0.00	0.00
<b>Monthly Totals</b>	<b><u>627.60</u></b>	<b><u>714.90</u></b>	<b><u>289.90</u></b>
<b>Quarterly Total</b>			<b><u>\$1,632.40</u></b>

<b>Fiscal Year-to-Date 2009 (Jul 09-Dec 09)</b>	<b>\$2,746.30</b>
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Meetings Attended	5	5	2
Meetings Paid	5	5	2

# Director Croucher

## Fiscal Year 2010 Quarter 2

	Oct 09	Nov 09	Dec 09
Business Meetings	0.00	0.00	0.00
Director's Fees	600.00	500.00	200.00
Mileage Business	0.00	0.00	0.00
Mileage Commuting	0.00	0.00	0.00
Seminars and Travel	0.00	0.00	0.00
<b>Monthly Totals</b>	<b><u>600.00</u></b>	<b><u>500.00</u></b>	<b><u>200.00</u></b>
<b>Quarterly Total</b>			<b><u>\$1,300.00</u></b>

<b>Fiscal Year-to-Date 2009 (Jul 09-Dec 09)</b>	<b>\$2,100.00</b>
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Meetings Attended	6	5	2
Meetings Paid	6	5	2

# Director Lopez

## Fiscal Year 2010 Quarter 2

	Oct 09	Nov 09	Dec 09
Business Meetings	45.00	0.00	0.00
Director's Fees	400.00	100.00	100.00
Mileage Business	20.90	0.00	0.00
Mileage Commuting	11.00	11.00	0.00
Seminars and Travel	0.00	0.00	0.00
<b>Monthly Totals</b>	<b><u>476.90</u></b>	<b><u>111.00</u></b>	<b><u>100.00</u></b>
<b>Quarterly Total</b>			<b><u>\$687.90</u></b>

<b>Fiscal Year-to-Date 2009 (Jul 09-Dec 09)</b>	<b>\$1,867.10</b>
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Meetings Attended	4	1	1
Meetings Paid	4	1	1

# Director Robak

## Fiscal Year 2010 Quarter 2

	Oct 09	Nov 09	Dec 09
Business Meetings	200.00	0.00	640.00
Director's Fees	200.00	200.00	500.00
Mileage Business	18.70	101.75	121.30
Mileage Commuting	4.40	2.20	0.00
Seminars and Travel	0.00	0.00	0.00
<b>Monthly Totals</b>	<b><u>423.10</u></b>	<b><u>303.95</u></b>	<b><u>1,261.30</u></b>
<b>Quarterly Total</b>			<b><u>\$1,988.35</u></b>

<b>Fiscal Year-to-Date 2009 (Jul 09-Dec 09)</b>	<b>\$2,890.90</b>
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Meetings Attended	4	2	6
Meetings Paid	2	2	5



**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME: BONILLA, JAIME**

**ATTACHMENT D**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>SECTION D Amount</b>
Business meetings	11/19/2009	MEXICAN AMERICAN PROFESSIONAL ASSOCIATION EVENT	\$ 20.00

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**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>SECTION E Amount</b>
Business meetings	8/18/2009	COUNCIL OF WATER UTILITIES	\$ 25.00
	9/15/2009	COUNCIL OF WATER UTILITIES	25.00
	11/17/2009	COUNCIL OF WATER UTILITIES	25.00
	11/19/2009	CALIFORNIA SPECIAL DISTRICTS	39.00
		MEXICAN AMERICAN PROFESSIONAL ASSOCIATION EVENT	20.00
	12/15/2009	COUNCIL OF WATER UTILITIES	25.00
Business meetings Total			<u>159.00</u>
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/6/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	7/7/2009	INTRA SITE TOUR - DISTRICT FACILITY SITE (1296-3 RESERVOIR)	100.00
	7/10/2009	AD HOC LEGAL MATTERS COMMITTEE MEETING	100.00
	7/20/2009	GM REVIEW - AGENDA BRIEFING	100.00
	7/27/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/15/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	9/28/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	10/5/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	10/7/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/15/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	10/20/2009	COUNCIL OF WATER UTILITIES	100.00
	10/21/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	11/3/2009	CADS BOARD OF DIRECTORS MEETING	100.00
	11/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/9/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	11/17/2009	COUNCIL OF WATER UTILITIES	100.00
	11/19/2009	CADS BOARD OF DIRECTORS MEETING	100.00
	12/2/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	12/15/2009	COUNCIL OF WATER UTILITIES	<u>100.00</u>
Director's Fee Total			<u>2,100.00</u>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME: BREITFELDER, LARRY**

**ATTACHMENT E**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>SECTION E Amount</b>
Mileage - Business	7/31/2009	MEETING - JULY 6, 2009	22.00
	9/28/2009	MEETING - SEPT. 15, 2009	22.00
	10/31/2009	MEETING - OCT. 5, 20 & 21, 2009	90.20
	11/30/2009	MEETING - NOV. 3, 9, 17& 19, 2009	112.20
	12/31/2009	MEETING - DEC. 15, 2009	<u>46.20</u>
Mileage - Business Total			<u>292.60</u>
Mileage - Commuting	7/31/2009	MEETING - JULY 1, 7, 10, 20 & 27, 2009	<u>82.50</u>
	9/28/2009	MEETING - SEPT. 2 & 28, 2009	37.40
	10/31/2009	MEETING - OCT. 7 & 15, 2009	37.40
	11/30/2009	MEETING - NOV. 4, 2009	18.70
	12/31/2009	MEETING - DEC. 2, 2009	<u>18.70</u>
Mileage - Commuting Total			<u>194.70</u>
Grand Total			<u><u>2,746.30</u></u>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME: CROUCHER, GARY**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>ATTACHMENT F SECTION F Amount</b>
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/7/2009	INTRA SITE TOUR - DISTRICT FACILITY SITE (1296-3 RESERVOIR)	100.00
	7/10/2009	LEGAL AD HOC COMMITTEE	100.00
	7/27/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	7/30/2009	AGENDA REVIEW WITH GM AND COUNCIL	100.00
	9/17/2009	GM REVIEW - AGENDA BRIEFING	100.00
	9/28/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	9/30/2009	WATER RATES AD HOC COMMITTEE MEETING	100.00
	10/6/2009	GM - COMMITTEE AGENDA REVIEW	100.00
	10/7/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/8/2009	OWED AUDIT REVIEW	100.00
	10/14/2009	WATER CONSERVATION JAPE MEETING	100.00
	10/15/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	10/30/2009	COMMITTEE AGENDA BRIEFING MEETING WITH GENERAL MANAGER	100.00
	11/2/2009	MEETING WITH STAFF TO SIGN DOCUMENTS FOR BOND REFINANCING CLOSING	100.00
	11/3/2009	CADS BOARD OF DIRECTORS MEETING	100.00
	11/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/19/2009	SAN DIEGO CADS QUARTERLY MEETING	100.00
	11/30/2009	COMMITTEE AGENDA BRIEFING MEETING WITH GENERAL MANAGER	100.00
	12/2/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	12/30/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
Director's Fee Total			<u>\$2,100.00</u>
Grand Total			<u>\$2,100.00</u>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME: LOPEZ, JOSE**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>ATTACHMENT G SECTION G Amount</b>
Business meetings	10/8/2009	WATER AGENCIES ASSOCIATION	\$ 45.00
Business meetings Total			<u>45.00</u>
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/8/2009	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	7/22/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/5/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/10/2009	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	8/24/2009	SPECIAL REGULAR BOARD MEETING	100.00
	8/25/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/31/2009	GM REVIEW - AGENDA BRIEFING	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/14/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/28/2009	CHULA VISTA WATER TASK FORCE	100.00
	10/7/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/14/2009	WATER CONSERVATION JAPE MEETING	100.00
	10/15/2009	WATER AGENCY ASSOCIATION	100.00
	10/19/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	12/14/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	<u>100.00</u>
Director's Fee Total			<u>1,700.00</u>
Mileage - Business	8/31/2009	MEETING - AUG. 10, 2009	13.20
	10/15/2009	MEETING - OCT. 15, 2009	20.90
Mileage - Business Total			<u>34.10</u>
Mileage - Commuting	7/31/2009	MEETING - JULY 1 & 22, 2009	22.00
	8/31/2009	MEETING - AUG. 5, 24, & 25 2009	33.00
	9/30/2009	MEETING - SEPT. 2, 2009	11.00
	10/7/2009	MEETING - OCT. 7, 2009	11.00
	11/4/2009	MEETING - NOV. 4, 2009	<u>11.00</u>
Mileage - Commuting Total			<u>88.00</u>
Grand Total			<u><u>\$ 1,867.10</u></u>

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME:   ROBAK, MARK**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>ATTACHMENT H SECTION H Amount</b>
Business meetings	7/10/2009	THE CHAMBER SAN DIEGO EAST COUNTY	\$   20.00
	8/7/2009	SAN DIEGO EAST COUNTY CHAMBER OF COMMERCE	20.00
	9/11/2009	SAN DIEGO EAST COUNTY CHAMBER OF COMMERCE	20.00
	10/2/2009	SAN DIEGO EAST COUNTY CHAMBER OF COMMERCE	200.00
	12/3/2009	SAN DIEGO EAST COUNTY CHAMBER HOLIDAY MIXER & OPEN HOUSE	15.00
	12/4/2009	REGISTRATION ASSOCIATION OF CALIFORNIA WATER AGENCIES DEC.1-4, 2009	625.00
Business meetings Total			900.00
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/9/2009	SAN VICENTE DAM RAISE CEREMONY	100.00
	8/5/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/19/2009	WATER REUSE SAN DIEGO CHAPTER MEETING	100.00
	8/24/2009	SPECIAL REGULAR BOARD MEETING	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/3/2009	GM REVIEW - DISCUSSION OF GENERAL BUSINESS GOALS & OBJECTIVES FOR NEW YEAR	100.00
	10/7/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	10/29/2009	CELEBRATION OF LIFE - WATER CONSERVATION	100.00
	11/4/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	11/6/2009	WATER REUSE WORKSHOP IRVINE RANCH WATER DISTRICT	100.00
	12/10/2009	WATER REUSE SAN DIEGO CHAPTER MEETING	100.00
	12/31/2009	AQUA BI-YEARLY CONVENTION IN SAN DIEGO DEC. 1- 4, 2009	400.00
Director's Fee Total			1,600.00

**OTAY WATER DISTRICT  
SUMMARY - BOARD OF DIRECTORS EXPENSES  
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

**DIRECTOR'S NAME:   ROBAK, MARK**

**ATTACHMENT H  
SECTION H  
Amount**

<b>Account Name</b>	<b>Date</b>	<b>Descriptions</b>	<b>Amount</b>
Mileage - Business	7/31/2009	MEETING - JULY 6 & 31, 2009	20.35
	8/31/2009	MEETING - AUG. 5, 19 & 24 2009	45.10
	9/2/2009	MEETING - SEPTEMBER 2, 2009	3.30
	10/31/2009	MEETING - OCT. 7, 15 & 26 2009	18.70
	11/30/2009	MEETING - NOV. 4 & 6, 2009	101.75
	12/31/2009	MEETING - DEC. 1 - 4 & 10, 2009	80.30
		PARKING - TOWN & COUNTRY CONVENTION CENTER DEC. 1-4, 2009	41.00
Mileage - Business Total			<u>310.50</u>
Mileage - Commuting	7/31/2009	MEETING - JULY 1, 2009	2.20
	8/31/2009	MEETING - AUG. 5 & 24 2009	4.40
	9/2/2009	MEETING - SEPTEMBER 2, 2009	2.20
	10/31/2009	MEETING - OCT. 7 & 29, 2009	4.40
	11/30/2009	MEETING - NOV. 4, 2009	2.20
Mileage - Commuting Total			<u>15.40</u>
Seminars and conferenc	8/21/2009	SAN DIEGO EAST COUNTY - WATER CONSERVATION POLITICS IN PARADISE	50.00
	9/25/2009	THE RANCHO SAN DIEGO-JAMUL BREAKFAST MEETING	15.00
Seminars and conferences Total			<u>65.00</u>
Grand Total			<u><u>\$ 2,890.90</u></u>



EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

NOV 13 2009

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 10/1/09 To: 10/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	10/5/09	CAC	Conservation Action Committee—Ordinance Work Group		40
2.	10/7/09	OWD Board Meeting	District Business	34	
3.	10/15/09	OWD EO&WR Comm	Engineering, Operations & Water Resources Committee Meeting	34	
4.	10/20/09	CWU	Council of Water Utilities		84
5.	10/21/09	CAC	Conservation Action Committee –Ordinance Workshop/State Presentation		40
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$500.00  
(\$100 per meeting)

Total Mileage Claimed: 232 miles

(Director's Signature)

GM Receipt:

Date: 11.19.2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

*Received  
11/2/09  
from Susan  
Cruz*



AB000-1B1000-2101-5201-1  
 AB000-1B1000-2101-521102

500.00  
 18.70  
 EXHIBIT B

OTAY WATER DISTRICT  
 BOARD OF DIRECTORS  
 PER-DIEM AND MILEAGE CLAIM FORM

JAN 17 2010

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 11/1/09 To: 11/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	11/3/09	CSDA Bdrd Mtg	CSDA Board of Directors Mtg		40
2.	11/4/09	OWD Bdrd Mtg	OWD Board of Directors Mtg	34	
3.	11/9/09	CAC	Conservation Action Committee		40
4.	11/17/09	COWU	Council of Water Utilities		84
5.	11/19/09	CSDA	CSDA Quarterly Mtg		40
6.					
7.					
8.					
9.					
10.				0.*	
11.				100.00x	
12.				5.=	
13.				500.00*	
14.				0.*	
15.				34.x	
16.				0.55=	
17.				18.70*	
18.					

*Per Diem*

*Mileage*

Total Meeting Per Diem: \$ 500.-  
 (\$100 per meeting)

Total Mileage Claimed: 238 miles

*Pres 1303*  
 Receipt  
 GM Approval: \_\_\_\_\_

  
 (Director's Signature)

Date: \_\_\_\_\_

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

10 JAN 27 AM 8:33

*1-27-10*



AB000 · 1B1000 · 2101-52110 EXHIBIT B 18.70

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

JAN 17 2010

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 12/1/09 To: 12/31/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	12/2/09	OWD Committee	OWD Engineering Committee	34	
2.	12/15/09	CONWA	Council of Water Utilities		84
3.					
4.					
5.					
6.					
7.					
8.					
9.				0.*	
10.				100.*	
11.				2.*	
12.				200.00*	
13.				0.*	
14.				34.*	
15.				0.55=	
16.				18.70*	
17.					
18.					

*Per Diem*

*Mileage*

Total Meeting Per Diem: \$ 200.-  
(S100 per meeting)

Total Mileage Claimed: 118 miles

*2/10  
1-27-10*

*Paves MPA Receipt*  
GM Approval: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
(Director's Signature)

Date: \_\_\_\_\_

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_









OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 10/01/09 To: 10/31/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	10/7/09	OWD	BOARD OF DIRECTORS MEETING	20	
✓ 2.	10/14/09	OWD	WATER CONSERVATION GARDEN		0
✓ 3.	10/15/09	WAA	WATER AGENCY ASSOCIATION		38
✓ 4.	10/19/09	OWD	ADMIN & FINANCE MEETING	0	
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$ 400.-  
(\$100 per meeting)

Total Mileage Claimed: 58 miles

  
(Director's Signature)

GM Receipt: 

Date: 11.4.2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

NOV 6 AM 9:39

AB000.1B4000.2101.528101 100.00  
 AB000.1B4000.2101.521102 11.00



EXHIBIT B

OTAY WATER DISTRICT  
 BOARD OF DIRECTORS  
 PER-DIEM AND MILEAGE CLAIM FORM

JAN 15 2010

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 11/01/09 To: 11/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	11/04/09	OWD	Board Meeting	20	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

*Per Diem*

*Mileage*

0.\*  
 100.00x  
 1.=  
 100.00\* ✓  
 0.\*  
 20.x  
 0.55=  
 11.00\* ✓

Total Meeting Per Diem: \$100.00  
 (\$100 per meeting)

Total Mileage Claimed: 20 miles

*[Signature]*  
 (Director's Signature)

GM Receipt: *[Signature]*

Date: 1.20.2010

10 JAN 21 AM 8:40

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

*AD*  
 1-27-10



EXHIBIT B

OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

JAN 15 2010

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 12/01/09 To: 12/31/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.					
2.	12/17/09	OWD	FIN. + ADMIN Committee	φ	
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.				0.*	
11.				100.00*	
12.				1.*	
13.				100.00*	
14.					
15.					
16.					
17.					
18.					

*Per Diem*

Total Meeting Per Diem: \$ 100.00  
(\$100 per meeting)

Total Mileage Claimed: φ miles

*Jose Lopez*  
(Director's Signature)

GM Receipt: *M. J. Lopez*

Date: 1-20-2010

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

10 JAN 21 AM 8:40

*AD*  
1-27-09



OTAY WATER DISTRICT  
BOARD OF DIRECTORS  
PER-DIEM AND MILEAGE CLAIM FORM

AB 000-115500-2101-528101 200.00  
AB 000-115500-2101-521102 4.40  
NOV 13 2009

Pay To: Mark Robak

Period Covered:

Employee Number: 70141009

From: 10-1-09 To: 10-31-09

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	10-7	Monthly Otay Board Meeting	General District Business	4	6
2	10-15	SDCWA – Legislation, Conservation & Outreach Committee Meeting	Discussion of budget re-allocation to the Water Conservation Garden (See Exhibit A – Agenda)	0	22
ok per Pres Cracker ✓ 3	10-26	Otay Water District	Discussion of bill credits with Otay staff	4	6
4	10-29	Celebration of Life – Water Conservation Garden	For Nora Jaeschke – No Charge	0	0
			0.*		
			100.00x		
			2.=		
			200.00*		
			0.*		
			4.00+		
			4.00+		
			8.00*		
			8.00x		
			0.55=		
			4.40*		
				8	34

Total Meeting Per Diem: \$300 200-  
(\$100 per meeting)

Total Mileage Claimed: 42 miles

Mark Robak  
(Director's Signature)

10 JAN 25 AM 9:26 receipt  
GM Approval: [Signature] 1.8.2010

Date: \_\_\_\_\_

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ \_\_\_\_\_

VAD  
1-27-10







STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 3, 2010
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration & Finance		
SUBJECT:	Rate Adjustment for Mexico Agreement to Transfer Water		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Board authorize the General Manager to adjust the wheeling rate for the delivery of Treaty Water to the City of Tijuana, and the refunding of accumulated overpayments for past water deliveries, to return the District to a cost-neutral position with respect to the water transfer agreement with Mexico.

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

See Attachment A.

**BACKGROUND:**

On October 9, 2008, the Board approved the District's portion of Amendment No. 1 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 ("the Agreement"), which extended the existing Agreement for a five-year period beyond November 9, 2008. As a part of this action, the contract price (wheeling rate) that the District charges for water pumped through District facilities was set at \$96 48 per acre-foot for calendar year 2009. This was a reduction from the previous rate of \$118.14 per acre-foot.

Under terms and conditions of the Agreement, charges for water delivered to Mexico will remain constant for the calendar year, except for charges associated with the cost of energy, which may be adjusted on a quarterly basis as appropriate. Any changes to the Schedule of Charges to be paid by Mexico are required to be submitted to the United States Commissioner 45 days prior to the beginning of each quarterly period. To adjust the rate

effective July 1, 2010, the approved new rate is due to the United States Commissioner no later than May 17, 2009.

**ANALYSIS:**

Overall power costs have been coming down over the last 12-18 months, and staff has recalculated the "Unit payment due Otay for delivery charges and other expenses (\$/acre-foot)" to be used by the San Diego County Water Authority (CWA) on their monthly billing invoices to Mexico for water deliveries. This analysis has taken into consideration the full allocation of costs for Operations, Maintenance, and Energy involved in the District's facilities responsible for pumping water between the connections from CWA to the Mexico pipeline at the International Border. Based on actual costs incurred for the first six months of FY-2010 (Jul-Dec 2009), and budgeted costs for the remaining six months (Jan-Jun 2010), staff estimates that the cost of providing water to Mexico during CY-2010 should be approximately \$65.41 per acre-foot. This reduction in costs is an overall reduction in price of 32.2%. This is similar to cost reductions evidenced by Metropolitan Water District of approximately 34.9%.

In addition to quantifying current costs to be used for upcoming water deliveries to Mexico, the analysis has brought to light the fact that the water rates paid by Mexico over the last two years have created a large overage compared to actual costs incurred. During this time Mexico has taken more water than ever before - around 5,000 acre-feet each year - so at 12/31/09 the cumulative overpayments are approximately \$194,000. Based on commitments for 2010, and the contract provisions that specify when pricing adjustments are allowed to be implemented, if pricing is not reduced until the beginning of July this amount is expected to increase to over \$250,000 by 06/30/10.

The contract does not clearly specify how amounts are to be repaid, or even if they are to be repaid. However, it was the District's expectation that this was to be a revenue neutral agreement, so two alternatives are being presented which would accomplish this.

Alternatives for adjusting the rate and repaying Mexico are as follows:

1. Immediately adjust the rate Otay charges Mexico for water delivered to the most current estimated cost of \$65.41 per acre foot. Mexico has not scheduled water deliveries for CY-2010 to begin until April 1. According to CWA, who

administers the Agreement, they can coordinate for Otay to implement this price adjustment effective April 1, and Otay can coordinate a refund of the current amount of the overpayment (\$194,000) through CWA. This would bring Mexico and the District back to a cost-neutral position at 03/31/10.

2. Adjust the rate Otay charges Mexico for water delivered to the most current estimated costs, in accordance with contract designated timelines, beginning July 1. Any water delivered in Apr-Jun will be charged at the current rate of \$96.48 per acre-foot. The rate adjustment would then be implemented as a 2-step process, as only energy costs can be adjusted on a quarterly basis. This would increase the total amount of overpayment to an estimated amount over \$250,000. We would recalculate the overpayment amount based on actual water volumes taken during all of 2010, and make payment through CWA after 12/31/10. This would bring Mexico and the District back to a cost-neutral position through 12/31/10.

**RECOMMENDATION:**

Staff recommends the first alternative, above. This is the most equitable solution from a business standpoint, and is the least complicated and easiest to reconcile and maintain on an ongoing basis.

**FISCAL IMPACT:**



Refund of approximately \$194,000 to Mexico. This adjustment returns the District to a cost neutral position at 03/31/2010.

**STRATEGIC OUTLOOK:**

The District ensures its continued financial health through long-term financial planning, formalized financial policies, enhanced budget controls, fair pricing, debt planning, and improved financial reporting.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



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**General Manager**

Attachments:

- A) Committee Action Form
- B) Rate Calculation Sheet



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Rate Adjustment for Mexico Agreement to Transfer Water
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### COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee on February 19, 2010 and the committee supported staffs' recommendation and presentation to the full board on the consent calendar.

**ATTACHMENT B**

**Mexico Water Transfers - Cost vs Payment**

<b>Unit Cost (per AF)</b>	<b><u>O&amp;M</u></b>	<b><u>Energy</u></b>	<b><u>Subtotal</u></b>	<b><u>Mexico O&amp;M</u></b>	<b><u>Fixed Chgs</u></b>	<b><u>Total</u></b>
FY 2006	\$ 5.37	\$ 63.79	\$ 69.16	\$ 1.75	\$ 43.19	\$ 114.10
FY 2007	10.13	57.68	67.81	1.80	43.19	\$ 112.80
FY 2008	8.13	61.49	69.62	1.85	43.19	\$ 114.66
FY 2009 (Jul - Dec 2008)	14.62	46.99	61.61	1.90	43.19	\$ 106.70
FY 2009 (Jan - Jun 2009)	14.62	46.99	61.61	1.90		\$ 63.51
FY 2010 (annualized)	18.17	45.34	63.51	1.90		\$ 65.41

<b>Current Charges to Mexico</b>	<b><u>O&amp;M</u></b>	<b><u>Energy</u></b>	<b><u>Fixed Chgs</u></b>	<b><u>Total</u></b>
CY 2006	\$ 4.45	\$ 65.89	\$ 43.19	\$ 113.53
CY 2007	4.45	70.50	43.19	118.14
CY 2008	4.45	70.50	43.19	118.14
CY 2009	4.65	91.83		96.48
<b>CY 2010 (Recommended)</b>	<b>20.07</b>	<b>45.34</b>		<b>65.41</b>

<b>Water Deliveries To Mexico</b>	<b>Acre-Ft Water</b>	<b>Rate per Acre-Ft</b>	<b>Cost</b>	<b>Payment Difference</b>		
				<b>Bill vs Cost</b>	<b>Over/(Under)</b>	<b>Cumulative</b>
Oct-06	37.0	113.53	112.80	0.73	\$27.01	27.01
Feb-08	385.1	118.14	114.66	3.48	\$1,340.15	1,367.16
Mar-08	889.5	118.14	114.66	3.48	\$3,095.46	4,462.62
Apr-08	652.2	118.14	114.66	3.48	\$2,269.66	6,732.27
May-08	665.1	118.14	114.66	3.48	\$2,314.55	9,046.82
Jun-08	636.0	118.14	114.66	3.48	\$2,213.28	11,260.10
Sep-08	668.8	118.14	106.70	11.44	\$7,651.07	18,911.17
Oct-08	651.5	118.14	106.70	11.44	\$7,453.16	26,364.33
Dec-08	670.9	118.14	106.70	11.44	\$7,675.10	34,039.43
Jan-09	450.9	96.48	63.51	32.97	\$14,866.17	48,905.60
Feb-09	411.8	96.48	63.51	32.97	\$13,577.05	62,482.65
Mar-09	953.9	96.48	63.51	32.97	\$31,450.08	93,932.73
Apr-09	886.0	96.48	63.51	32.97	\$29,211.42	123,144.15
May-09	558.3	96.48	63.51	32.97	\$18,407.15	141,551.30
Jun-09	458.1	96.48	63.51	32.97	\$15,103.56	156,654.86
Sep-09	540.5	96.48	65.41	31.07	\$16,793.34	173,448.20
Oct-09	223.6	96.48	65.41	31.07	\$6,947.25	180,395.45
Nov-09	213.4	96.48	65.41	31.07	\$6,630.34	187,025.79
Dec-09	227.3	96.48	65.41	31.07	\$7,062.21	194,088.00
Apr-10	630.4	96.48	65.41	31.07	\$19,586.53	213,674.52
May-10	651.4	96.48	65.41	31.07	\$20,239.00	233,913.52
Jun-10	630.4	96.48	65.41	31.07	\$19,586.53	253,500.05
	<b><u>12,092.1</u></b>			<b>Total:</b>	<b><u>\$253,500.05</u></b>	

# AGENDA ITEM 6c



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 3, 2010
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager, Administration and (Asst. GM): Finance		
SUBJECT:	Approve the Appointment of the Auditor for Fiscal Year Ending June 30, 2010		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the appointment of Diehl, Evans & Company, LLP, to provide audit services to the District for the Fiscal Year Ending June 30, 2010.

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

Please see Attachment A.

### PURPOSE:

To retain the services of Diehl, Evans & Company, LLP, to serve as the District's auditors for the fiscal year ending June 30, 2010.

### ANALYSIS:

The District is required to retain the services of an independent accounting firm to perform an audit of the District's financial records each year. At the Board meeting on March 9, 2009, the Board approved Diehl, Evans & Company as the District's auditors for a one-year contract, with four (4) one-year options, with each option year subject to Board review and approval.

Staff is recommending the appointment of Diehl, Evans & Company based on their knowledge of the District's operations and finances, their technical qualifications, and their performance as the District's auditors during the FY-09 audit. Also, at the conclusion of the audit, the Diehl, Evans staff provided significant advice and review of staff's draft Comprehensive Annual Financial Report (CAFR), prior to submission to the Government Finance Officers Association (GFOA) for award consideration.

The following is a tentative planning schedule for the major activities involved in completing the FY-10 financial audit:

- Apr-10: Pre-audit (3 - 4 days).
- Aug-10: Year-end audit (4 - 5 days).
- Oct-10: Board presentation of audited financials.
- Nov-10: Completed CAFR.

The audit will consist of four major components: 1) Standard Audit Services, to provide an audit opinion on the District's financial statements; 2) Review of the District's Investment Policy procedures; 3) A State Controller's Report, required by the State of California; and 4) Assistance in preparation of the District's CAFR.

**FISCAL IMPACT:**



The fee for auditing services for the fiscal year ending June 30, 2010, will not exceed \$33,000. This amount maintains audit fees at the same amount as last year's fees.

**STRATEGIC GOAL:**

Required by law.

**LEGAL IMPACT:**

\_\_\_\_\_

None.

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

Attachments:

- A) Committee Action Form
- B) Diehl, Evans & Company Audit Engagement Letter



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Approve the Appointment of the Auditor for Fiscal Year Ending June 30, 2010
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### COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee on February 19, 2010 and the committee supported staffs' recommendation and presentation to the full board on the consent calendar.



**DIEHL, EVANS & COMPANY, LLP**  
 CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

A PARTNERSHIP INCLUDING ACCOUNTANCY CORPORATIONS

2965 ROOSEVELT STREET  
 CARLSBAD, CALIFORNIA 92008-2389  
 (760) 729-2343 • FAX (760) 729-2234  
 www.diehlevans.com

February 5, 2010

\*PHILIP H. HOLTkamp, CPA  
 \*THOMAS M. PERLOWSKI, CPA  
 \*HARVEY J. SCHROEDER, CPA  
 KENNETH R. AMES, CPA  
 WILLIAM C. PENTZ, CPA  
 MICHAEL R. LUDIN, CPA  
 CRAIG W. SPRAKER, CPA  
 NITIN P. PATEL, CPA  
 ROBERT J. CALLANAN, CPA

\* A PROFESSIONAL CORPORATION

Mr. Joseph R. Beachem  
 Chief Financial Officer  
 Otay Water District  
 2554 Sweetwater Springs Blvd.  
 Spring Valley, CA 91978-2004

Dear Mr. Beachem:

We are pleased to confirm our understanding of the services we are to provide Otay Water District (the District) for the year ending June 30, 2010. We will audit the financial statements of the District as of and for the year ending June 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to accompany Otay Water District's basic financial statements. As part of our engagement, we will apply certain limited procedures to Otay Water District's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Funding Progress for PERS
3. Schedule of Funding Progress for DPHP

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

1. Statistical Section

OTHER OFFICES AT:

613 W. VALLEY PARKWAY, SUITE 330  
 ESCONDIDO, CALIFORNIA 92025-2598  
 (760) 741-3141 • FAX (760) 741-9890

5 CORPORATE PARK, SUITE 100  
 IRVINE, CALIFORNIA 92606-4906  
 (949)-399-0600 • FAX (949) 399-0610

**Audit Objective:**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, and will include tests of the accounting records of Otay Water District, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Governmental Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Otay Water District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

**Management Responsibilities:**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonaudit services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the District and the respective changes in financial position and cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

**Audit Procedures - General:**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

**Audit Procedures - Internal Control:**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

**Audit Procedures - Compliance:**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Otay Water District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

**Audit Administration, Fees and Other:**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the appropriate governmental agency; however management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Diehl, Evans and Company, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to grantor agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carryout oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Diehl, Evans and Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation will be retained for a minimum of five years after the report release date or for any additional period requested by the regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately April 19, 2010 and to issue our reports no later than October 15, 2010. Harvey Schroeder is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our maximum fee for these services for the year ending June 30, 2010 will be \$33,000. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The maximum annual fee stipulated herein contemplates anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Mr. Joseph R. Beachem  
Otay Water District

February 5, 2010  
Page 6

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review accompanies this letter.

\* \* \* \*

We appreciate the opportunity to be of service to the Otay Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

DIEHL, EVANS & COMPANY, LLP

By   
Harvey J. Schroeder CPA  
Engagement Partner

RESPONSE:

This letter correctly sets forth the understanding  
of the Otay Water District.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

# HEIDENREICH & HEIDENREICH, CPAs, PLLC

10201 S. 51<sup>st</sup> Street #170  
Phoenix, AZ 85044  
(480)704-8301 fax 785-4619

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## System Review Report

January 28, 2009

To the Owners of  
Diehl, Evans & Company, LLP  
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Diehl, Evans & Company, LLP (the firm) in effect for the year ended September 30, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Diehl, Evans & Company, LLP in effect for the year ended September 30, 2008, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Diehl, Evans & Company, LLP has received a peer review rating of *pass*.

*Heidenreich & Heidenreich*

Heidenreich & Heidenreich, CPAs, PLLC



# AGENDA ITEM 6d

## STAFF REPORT

TYPE	Regular Board	MEETING DATE:	March 3, 2010
MEETING:			
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):			
SUBJECT:	REJECTION OF TRANSPaC SOLUTIONS CLAIM		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board reject the claim submitted February 10, 2010, by TransPaC Solutions, a subrogation and/or reimbursement agent on behalf of Century National Insurance Company, for \$43,802.05. Century National Insurance Company, paid the claim related to damages to a residence owned by Steven R. and Margo M. Bule, which they claim was caused by the District when the water was turned on at the Bule residence on October 8, 2009.

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

Please see Attachment "A".

### PURPOSE:

To recommend to the Board to reject a claim by TransPaC Solutions on behalf of Century National Insurance Company.

### ANALYSIS:

The claim by TransPaC Solutions is based on a claim paid by Century National Insurance Company for damages to a residence owned by Steven R. and Margo M. Bule, at 1345 Hidden Springs Place, Chula Vista, CA 91915.

The meter at the residence was locked due to non-payment by the tenants on September 16, 2009. On October 5, 2009, Mr. Bule, the owner, called to let the District know the tenants had left and asked that the District change the account into his name and turn the water on. The District received documents confirming Mr. Bule was the owner

on October 8, 2009, and a service order to have the meter unlocked was completed.

District records indicate tenants may still have been in the residence as of September 24, 2009, when Ms. Bule called Customer Service and stated she had talked to the tenants and also stated she will pay today.

The Field Representative followed standard District practice when she went out to unlock the meter. The Field Representative gradually opened the valve at the meter box to make sure the water filled toilets, water heater and other appliances, and to make sure there were not any open faucets running in the house. While the Field Representative continued to open the valve, she noticed water coming from the second floor of the home. The water was shut off immediately. The water was coming from the second floor where the wall meets the roof above the garage. The water was running no more than five (5) minutes from the point the Field Representative began to open the valve to the point she turned it off when she saw the water coming from the second floor. District records indicate the Field Representative was at this residence to handle the service order to unlock the meter for approximately 24 minutes. We are not aware how the damages could have been caused by the water that might have leaked during the time the Field Representative was turning on the water.

A neighbor witnessed the incident and gave our Field Representative an updated phone number for the owner. A Customer Service Representative called the owner the same day and left a message about the leak and that the water was turned off at the valve in the meter in front of the house.

A door hanger was also left at the door for the homeowner indicating: "Water was turned on, however, water was running in the house, so our field representative shut off the valve at... Front of house", and that the customer should "turn the handle slowly to restore the water." A copy of the door hanger left by the District's Field Representative was submitted with the claim documents received by the District.

The District turned on the water at the residence at the request of the owner and is not responsible for water left on in the residence by the owner or tenants. The District, at the time a service order is made, advises the owner of a timeframe of when the water will be turned on and advises to make sure faucets and other appliances supplied with water are closed. Moreover, the District's Field Representative took reasonable steps to turn off the water and notify the owner upon noticing the water leak.

Based on the above, Karen Lafferty, Senior Claims Examiner for the Special District Risk Management Authority, the District's insurance

carrier, has recommended the Board reject the claim by TransPaC Solutions on behalf of Century National Insurance Company.

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

None at this time.

**STRATEGIC GOAL:**

This item supports the District's strategy of:  
"Ensure Full Cost Recovery."

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

None.



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

Attachments: Attachment "A" - Committee Action Report  
Attachment "B" - Claim Against Otay Water District



## ATTACHMENT A

SUBJECT/PROJECT:	REJECTION OF TRANSPaC SOLUTIONS CLAIM
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### COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee on February 19, 2010 and the committee supported staffs' recommendation and presentation to the full board on the consent calendar.



ATTACHMENT B

P.O.Box 36220  
Louisville, KY 40233-6220  
FAX: (800) 723-4869

February 10, 2010

**FAX COVER SHEET**

**FROM:** Wanda Dalhart **PHONE:** (800) 613-5064  
**TO:** SUSAN CRUISE **TPCS FAX:** (800) 723-4869  
**COMPANY:** OTAY WATER DISTRICT  
**FAX:** 619-660-7260

**YOUR CLAIM #:** GC4047  
**INSURED:** STEVEN R & MARGO M BULE  
**EVENT NUMBER:** TPCS 935141-1394649  
**INSURANCE CO:** CENTURY NATIONAL INSURANCE COMPANY  
**DATE SENT:** February 10, 2010  
**TOTAL NUMBER OF PAGES:**

**COMMENTS:** We have mailed this information regular mail along with the color photos in reference to the above captioned claim as well.

**NOTICE OF CONFIDENTIALITY**

*This communication is directed solely to the Addressee and may contain confidential or legally privileged Personal Health Information protected by federal and state law.*

*If you are not the Addressee indicated above:*

1. *DO NOT read the following pages.*
2. *DO NOT retain, copy, distribute, or disseminate the following pages.*
3. *Call the Sender IMMEDIATELY (collect if necessary) and return the original and all copies to the above Sender at TransPaC Solutions, 9390 Bunsen Parkwa, Louisville, KY 40220. The Sender will reimburse all postage paid to return the documents.*

**NEITHER THE TRANSMISSION OF THE ATTACHED PAGES, NOR ANY ERROR IN TRANSMISSION OR MISDELIVERY SHALL CONSTITUTE A WAIVER OF ANY APPLICABLE LEGAL PRIVILEGE.**

# TransPaC Solutions

P.O.Box 36220  
Louisville, KY 40233-6220  
FAX: (800) 723-4869

February 5, 2010

DISTRICT SECRETARY  
OTAY WATER DISTRICT  
2554 SWEETWATER SPRINGS BLVD  
SPRING VALLEY CA 91977-7299

RE: Your Insured:  
Your File Number:  
Our Insured: STEVEN R & MARGO M BULE  
Insurance Company: CENTURY NATIONAL INSURANCE COMPANY  
Date of Incident: 10/8/2009  
Event Number: TPCS - 935141 - 1394649  
Amount Paid: \$43802.05

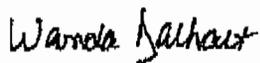
Dear DISTRICT SECRETARY,

TransPaC Solutions is the recovery agent for CENTURY NATIONAL INSURANCE COMPANY. Enclosed is supporting documentation for their insured's claim. The amount paid includes the insured's deductible of \$400.00.

Please forward your check payable to TransPaC Solutions to the address at the top of this letter. Be sure to include the TransPaC Solution's event number and the insured's name on your check.

Please contact me if you have any questions or need further information to evaluate this claim.

Sincerely,



Wanda Dalhart  
(800) 613-5064

935141 - 1394649/T3PINS1

**From:**  
 TransPaC Solutions  
 P.O. Box 36220  
 Louisville, Kentucky 40233-6220

**Contact Information:**  
 Examiner: Wanda Dalhart  
 Phone: (800) 613-5064  
 Fax: (800) 723-4869  
 Email: WandaDalhart@transpacsolutions.com  
 My File #: TPCS-935141-1394649

**Taxpayer ID : 61- 1141758**

**REQUEST FOR PAYMENT  
 CASE STATEMENT FOR DWELLING  
 Date of Loss: 10/8/2009**

<b>Statement sent to : DISTRICT SECRETARY OTAY WATER DISTRICT</b>					
<b>Your Claim # : HO771913-HO77191301-03WA</b>		<b>Instructions:</b>			
<b>Insured : STEVEN R &amp; MARGO M BULE</b>	• Please include TPCS-935141-1394649 on all payments and correspondence to expedite processing.				
<b>Policy # : HC12233141</b>					
<b>Claimant : STEVEN R &amp; MARGO M BULE</b>					
<b>ATTENTION: AMOUNT IS SUBJECT TO CHANGE, PLEASE CONTACT TRANSPAC SOLUTIONS PRIOR TO SETTLEMENT.</b>					
Payment Date	Service Dates		Payee	Check Number	Payment
	Start Date	End Date			

**Type: INDEMNITY PAYMENTS**

Payment Date	Start Date	End Date	Payee	Check Number	Payment
10/26/2009			STEVEN R & MARGO M BULE	00181615	\$27721.47
11/17/2009			STEVEN R & MARGO M BULE	00182494	\$9113.97
01/26/2010			STEVEN R & MARGO M BULE	00185067	\$3592.47

**Total Claims Paid for INDEMNITY PAYMENTS**

\$40427.91

<b>Total Claims Paid</b>	<b>\$40,427.91</b>
<b>Recovered to Date</b>	<b>(\$0.00)</b>
<b>Deductible</b>	<b>\$400.00</b>
<b>Outstanding Amount</b>	<b>\$40,827.91</b>

**FootNote:**

If an insured's deductible or out-of-pocket expenses are listed, we are requesting payment as a courtesy to our client's insured.

Client's Claim #:HO771913-HO77191301-03WA

**From:**  
 TransPaC Solutions  
 P.O. Box 36220  
 Louisville, Kentucky 40233-6220

**Contact Information:**  
 Examiner: Wanda Dalhart  
 Phone: (800) 613-5064  
 Fax: (800) 723-4869  
 Email: WandaDalhart@transpacsolutions.com  
 My File #: TPCS-935141-1394649

**Taxpayer ID :** 61- 1141758

**REQUEST FOR PAYMENT  
 CASE STATEMENT FOR ADDITIONAL LIVING EXPENSE  
 Date of Loss: 10/8/2009**

<b>Statement sent to : DISTRICT SECRETARY OTAY WATER DISTRICT</b>					
<b>Your Claim # :</b> HO771913-HO77191301-03WD		<b>Instructions:</b>			
<b>Insured :</b> STEVEN R & MARGO M BULE	• Please include TPCS-935141-1405221 on all payments and correspondence to expedite processing.				
<b>Policy # :</b> HC12233141					
<b>Claimant :</b> STEVEN R & MARGO M BULE					
<b>ATTENTION:</b> AMOUNT IS SUBJECT TO CHANGE, PLEASE CONTACT TRANSPAC SOLUTIONS PRIOR TO SETTLEMENT.					
Payment Date	Service Dates		Payee	Check Number	Payment
	Start Date	End Date			

**Type: INDEMNITY PAYMENTS**

Payment Date	Service Dates	Payee	Check Number	Payment
11/10/2009		STEVEN R & MARGO M BULE	00182266	\$2779.61
01/26/2010		STEVEN R & MARGO M BULE	00185068	\$194.53

**Total Claims Paid for INDEMNITY PAYMENTS**

\$2974.14

<b>Total Claims Paid</b>	<b>\$2,974.14</b>
<b>Recovered to Date</b>	<b>(\$0.00)</b>
<b>Outstanding Amount</b>	<b>\$2,974.14</b>

**FootNote:**

If an insured's deductible or out-of-pocket expenses are listed, we are requesting payment as a courtesy to our client's insured.  
 Client's Claim #:HO771913-HO77191301-03WD

FEB-03-2010 WED 02:50 PM OWD Admin Svcs

FAX NO. 8196801240

P. 03

CLAIM AGAINST  
OTAY WATER DISTRICT

- 1. Claimant(s) Name(s): Steven & Morgan Bule
- 2. Claimant(s) Address(es): 1345 Hidden Springs Road Chula Vista CA 91915
- 3. Telephone Number(s): \_\_\_\_\_
- 4. Address for Notices (if different from above): TRANSAC SOLUTIONS EVENT # 935141  
PO Box 310232 Louisville KY 40233  
800-613-5044
- 5. Incident or Occurrence which gives rise to claim:

- a) Date: 10/01/09 Time: \_\_\_\_\_
- b) Location: 1345 Hidden Springs Road Chula Vista CA 91915
- c) Name of the person(s) injured and description of personal injury(ies), if any:

d) Describe the property, injury, damage or loss, if any:  
Water damage to ceiling, walls, floor

e) Name(s) of District employees believed to be involved, if any. Specify the particular act or omission you claim caused the injury or damage. Include a statement explaining why you feel the District or its employees were at fault.  
Water company worker on in or vacant house there was a connection that had not been turned off the water caused damage to the residence

6. Name, address and telephone number of witness(es) to the incident:  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Amount claimed, if under \$10,000. Be sure to attach invoices or other documentation reflecting the amount of damage, cost or loss, including medical bills or reports if claiming personal injury costs or losses.

- a) Amount claimed as of date of claim: \$ \_\_\_\_\_
- b) Estimated amount of any prospective injury, damage or loss: \$ \_\_\_\_\_
- c) Total amount claimed: \$ 43802.05

*Please see subrogation  
 documents enclosed*

d) Explain how the claim amount was calculated:

Please see estimates enclosed

If the amount is more than \$10,000, please indicate whether your case would be an unlimited or limited civil case (see Government Code Section 910(f)):

Unlimited Civil (Claim over \$25,000)

Limited Civil (Claim less than \$25,000)

8. Any additional information that might be helpful in considering this claim. If the claim involves medical treatment, please provide the names, address and telephone number of any doctors and/or hospitals providing treatment. If the claim relates to an automobile accident or incident, you may be asked to provide information concerning your vehicle and driver's insurance.

*(If additional space is needed to provide your information, please attach additional sheets indicating the paragraph(s) to which the additional information pertains)*

**Warning:** Presentation of a false claim is a felony (Penal Code Section 72). Pursuant to CCP Sections 128.5 and 1035, the District may seek to recover all costs of defense in the event an action is filed which is later determined not to have been brought in good faith and with reasonable cause.

I have read the statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief, and as to such matters I believe that same to be true. I certify under penalty of perjury that the foregoing is true and correct.

Date: 2/5/2010

Wanda L Albert as Agent of  
Claimant or Authorized Representative Century National  
Also Steven Margo  
Bill

## COURTESY NOTICE

### YOUR WATER HAS BEEN TURNED ON

However, water was running in the house, so our field representative shut off the valve at \_\_\_\_\_

Front of house

Side of house

INSIDE METER BOX, WATER

COMING FROM SECOND FLOOR

AREA - NEED TO SHUT OFF.

TURN HANDLE SLOWLY TO RESTORE WATER



OTAY Water District  
2554 Sweetwater Springs Blvd  
Spring Valley, CA 91978-2004  
Customer Service (619) 670-3777

# RENTAL AGREEMENT AND/OR LEASE

Landlord/Lessor/Agent: Steve and Margo Bule  
Tenant(s)/Lessee: Edwin Oneil Barryman  
Tenant(s)/Lessee: Valerie Shinko  
Home Address: 1345 Hidden Springs Place  
City: Chula Vista, CA 91915

This Rental Agreement and/or Lease shall evidence the complete terms and conditions under which the parties whose signatures appear below have agreed. Landlord/Lessor/Agent (to the left) shall be referred to as "OWNER" and Tenant(s)/Lessee(s) (to the left) shall be referred to as "RESIDENT." As consideration for this agreement, OWNER agrees to rent/lease to RESIDENT and RESIDENT agrees to rent/lease from OWNER for use SOLELY AS A PRIVATE RESIDENCE; the premises listed to the left.

1. TERMS: RESIDENT agrees to pay in advance \$ 2250.00 per month on the 1st day of each month. This agreement shall commence on February 15th, 20 09 and continue (check one)

- A.  Until February 14th, 20 10 as a leasehold. Thereafter it shall become a month-to-month tenancy. If RESIDENT should move from the premises prior to the expiration of this time period, he shall be liable for all rent due until such time that the apartment is occupied by an OWNER approved paying RESIDENT and/or expiration of said time period, whichever period is shorter.
- B.  A month-to-month tenancy, that may be terminated by either party. The OWNER giving 60-day written notice to move (for more than 1 year tenancy), or a 30-day written notice to move (for less than 1 year tenancy) and the RESIDENT giving 30-day written notice of intent to terminate tenancy.

2. PAYMENTS: Rent and/or other charges are to be paid at the office or apartment of the manager of the building or at such other place designated in writing by OWNER. For the safety of the manager, all payments are to be made by check or money order and no cash shall be acceptable. OWNER acknowledges receipt of the first month's rent of: \$ 1125.00 and a Security Deposit of \$ 2250.00 for a total payment of \$ 3375.00. All payments are to be made payable to: Steve Bule and delivered to 14421 East Creek Road, Chula Vista 91916, California, Telephone Number: 619-216-1121 who is usually available on the following days: \_\_\_\_\_ during the following hours: \_\_\_\_\_

3. LATE CHARGE: A late fee of \$ 100 said amount not to exceed 6% of the monthly rent, shall be added to any payment of rent not made before 10 day(s) after the due date or for which a deficient (bounced) check shall have been given.

4. SECURITY DEPOSITS: The Security Deposit shall not exceed two times the monthly rent for unfurnished apartments or three times the monthly rent for furnished apartments. The total of the above deposits shall secure compliance with the terms and conditions of this agreement and shall be refunded to RESIDENT within 21 days after the premises have been completely vacated less any amount necessary to pay OWNER: a) any unpaid rent; b) cleaning costs; c) key replacement costs; d) costs for repair of damages to apartment and/or common areas above ordinary wear and tear; and e) any other amount legally allowable under the terms of this agreement. A written accounting of said charges shall be presented to RESIDENT within 21 days of move-out. If deposits do not cover such costs and damages, the RESIDENT shall immediately pay said additional costs for damages to OWNER. During the term of tenancy, RESIDENT agrees to increase the deposit upon 30 days written notice by an amount equal to any future increases in rent and/or an amount necessary to cover the cost of rectifying any damage or expense for which RESIDENT is responsible. Security deposits are not to be used as last month's rent.

5. UTILITIES: RESIDENT agrees to pay for all utilities and/or services based upon occupancy of the premises except N/A.

6. OCCUPANTS: Guest(s) staying over 14 days cumulative or longer during any 12-month period, without the OWNER'S written consent, shall be considered a breach of this agreement. ONLY the following listed individuals and/or animals, AND NO OTHERS shall occupy the subject apartment for more than 14 days unless the expressed written consent of OWNER is obtained in advance:

RESIDENT shall pay additional rent at the rate of \$100.00 per month or 25% (or the amount allowed under rent control) of the current monthly rent; whichever amount is greater, for the period of time that each additional guest in excess of the above named shall occupy the premises. RESIDENT shall pay the same additional monthly rent for each additional animal in excess of the above named animal(s), which shall occupy the premises. Acceptance of additional rent or approval of a guest shall not waive any requirement of this agreement to convert the status of any "guest" into a RESIDENT.

7. PETS AND FURNISHINGS: Furnishings - No liquid-filled furniture of any kind may be kept on the premises. If the structure was built in 1973 or later RESIDENT may possess a waterbed if he maintains waterbed insurance valued at \$100,000.00 or more; RESIDENT must furnish OWNER with proof of said insurance. RESIDENT must also comply with Civil Code Section 1940.5. Resident shall not keep on premises a receptacle containing more than ten gallons of liquid, highly combustible materials or other items which may cause a hazard or affect insurance rates such as, musical instrument, item(s) of unusual weight or dimension. RESIDENT also agrees to carry insurance deemed appropriate by OWNER to cover possible losses caused by using said items. Pets - No animal, fowl, fish, reptile, and/or pet of any kind shall be kept on or about the premises, for any amount of time, without obtaining the prior written consent and meeting the requirements of the OWNER. Said consent, if granted, shall be revocable at OWNER'S option upon giving a 30-day written notice. In the event laws are passed or permission is granted to have any item prohibited by this agreement or if for any reason such item exists on the premises, there shall be minimum additional rent of \$28.00 a month for each such item if another amount is not stated in this agreement. In the event laws are passed or permission is granted to have a pet and/or animal of any kind, an additional deposit in the amount of \$ 500.00 shall be required along with the signing of OWNER'S "PET AGREEMENT."

8. PARKING/STORAGE: When and if RESIDENT is assigned a parking space on OWNER'S property, the parking space shall be used exclusively for parking of passenger automobiles and/or those approved vehicles listed on RESIDENT'S "Application to Rent/Lease" or attached hereto. RESIDENT is hereby assigned parking space # N/A. RESIDENT may not wash, repair, or paint in this parking space or at any other common areas on the premises. (RESIDENT may not assign, sublet, or allow RESIDENT'S guest(s) to use this or any other parking space.) RESIDENT is responsible for oil leaks and other vehicle discharges for which RESIDENT shall be charged for cleaning if deemed necessary by OWNER. Only vehicles that are operational may park in their assigned space. Resident is assigned storage space # N/A, located N/A.

9. NOISE: RESIDENT agrees not to cause or allow any noise or activity on the premises that might disturb the peace and quiet of another RESIDENT. Said noise and/or activity shall be a breach of this Agreement.

10. LOITERING AND PLAY: Lounging, playing, or unnecessary loitering in the halls, on the front steps, or in the common areas in such a way as to interfere with the free use and enjoyment, passage or convenience of another RESIDENT is prohibited.

11. DESTRUCTION OF PREMISES: If the premises become totally or partially destroyed during the term of this Agreement so that RESIDENT'S use is seriously impaired, RESIDENT or OWNER may terminate this Agreement immediately upon three-day written notice to the other.

12. CONDITION OF PREMISES: RESIDENT acknowledges that he has examined the premises and that said premises, all furnishings, fixtures, furniture, plumbing, heating, electrical facilities, all items listed on the attached inventory sheet, if any, and/or all other items provided by OWNER are all clean, and in good satisfactory condition except as may be indicated elsewhere in this Agreement. RESIDENT agrees to keep the premises and all items in good order and condition and to immediately pay for costs to repair and/or replace any portion of the above damaged by RESIDENT, his guests and/or invitee, except as provided by law. At the termination of this Agreement, all of the above-enumerated items in this provision shall be returned to OWNER in clean and good condition except for reasonable wear and tear; the premises shall be free of all personal property, trash not belonging to OWNER. It is agreed that all dirt, holes, tears, burns, or stains of any size or amount in the carpets, drapes, walls, fixtures, and/or any other part of the premises, do not constitute reasonable wear and tear.



**Disaster Recovery Systems Inc.**

---

10637 Roselle Street Suite C  
San Diego, CA 92121

Client: Mrs. Bule  
Property: 1345 Hidden Springs  
Chula Vista, CA 91945

Home: (619) 274-5275

Operator Info:  
Operator: MICHELLE

Estimator: Michelle Greenfield

Business: (888) 989-2596

Business: 10637 Roselle Street Suite #C  
San Diego, CA 92121

Type of Estimate: Water Damage

Date Entered: 10/20/2009

Date Assigned:

Price List: CASDSB\_SEP09  
Restoration/Service/Remodel

Estimate: 2009-10-20-1215

Emergency services dry down due to a pressurized washing machine hose flooded home. Equipment was capped at 3 days.

**Disaster Recovery Systems Inc.**

10637 Roselle Street Suite C  
San Diego, CA 92121

2009-10-20-1215

2009-10-20-1215

DESCRIPTION	QNTY	UNIT COST	TOTAL
1. Emergency service call - after business hours 8pm- Did walk through and explained what needed to be done. She wanted to wait till the morning until she could contact insurance.	1.00 EA @	243.68 -	243.68
2. Returned the following morning for walk through and authorization form insurance company. Photo document before any demo started.	1.00 EA @		0.00
3. Content Manipulation charge - per hour	1.50 IIR @	45.07 =	67.61
4. Water extraction from floor	160.00 SF @	0.58 -	92.80
5. Tear out wet drywall, cleamp, bag for disposal including ceiling	325.00 SF @	0.83 -	269.75
6. Tear out and bag wet insulation	70.00 SF @	0.66 -	46.20
7. Tear out non-salv wood flr & bag - aller hrs, wood floor was pulled up after hours	600.00 SF @	4.23 =	2,538.00
8. Remove Ceramic tile - Standard grade-Tile upstairs had a vinyl flooring under it	45.00 SF @	1.37 =	61.65
9. Tear out non-salvageable vinyl, cut & bag for disposal	45.00 SF @	1.12 =	50.40
10. Basboard - Detach	197.00 LF @	1.03 -	202.91
11. Air mover (per 24 hour period) - No monitoring 17 for 3 days	51.00 EA @	27.18	1,386.18
12. Dehumidifier (per 24 hour period) - No monitoring 7 for 3 days	21.00 EA @	67.50 =	1,417.50
13. Electrician had to be called to safe off any wet electrical that was a hazard before SDG&E got there.FAXED COPY OF BILL. WITH OUR ESTIMATE.	1.00 EA @	292.50 =	292.50
14. Containment Barrier set up to assist in drying down tile	80.00 SF @	0.71 =	56.80
15. Equipment setup, take down, and monitoring (hourly charge)	8.00 IIR @	58.04 =	464.32
16. Apply anti-microbial agent	1,500.00 SF @	0.26 -	390.00
17. Water Extraction & Remediation Technician - after hours	5.00 HR @	87.15 -	435.75
18. Tear out toe kick and bag for disposal	32.00 LF @	2.66 =	85.12
19. General clean - up, Pull Nails, clean dust, mop floors, hepa vac to clean, general clean up	12.00 IIR @	37.01 =	444.12
20. Haul debris - per pickup truck load - including dump fees	3.00 EA @	123.03 =	369.09
21. Eye protection - plastic goggles - Disposable	10.00 EA @	5.74 -	57.40

Adjustments for Base Service Charges	Adjustment
Cleaning Remediation Technician	116.08
Total Adjustments for Base Service Charges:	116.08
<b>Line Item Totals: 2009-10-20-1215</b>	<b>9,087.86</b>

**Disaster Recovery Systems Inc.**

---

10637 Roselle Street Suite C  
San Diego, CA 92121

**Grand Total Areas:**

0.00 SF Walls	0.00 SF Ceiling	0.00 SF Walls and Ceiling
0.00 SF Floor	0.00 SY Flooring	0.00 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	0.00 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
0.00 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

**Disaster Recovery Systems Inc.**

---

10637 Roselle Street Suite C  
San Diego, CA 92121

**Summary**

Line Item Total				8,971.78
Total Adjustments for Base Service Charges				116.08
Material Sales Tax	@	8.750% x	298.42	26.11
<b>Replacement Cost Value</b>				<b>\$9,113.97</b>
<b>Net Claim</b>				<b>\$9,113.97</b>

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Michelle Greenfield

**Century-National Insurance Company**

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12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule Home: (619) 274-5275  
Property: 1345 Hidden Springs Road  
Chula Vista, CA.91915

Claim Rep.: ROLANDO BAUTISTA Business: (818) 760-1980 x 2553  
Business: 12200 SYLVAN STREET  
NORTH HOLLYWOOD, CA 91606

Estimator: BARBARA GILLETTE Business: (800) 733-1980 x 2412

Claim Number: HC771913 Policy Number: HC12233141 Type of Loss: Water Damage

Date Contacted: 10/9/2009 Date Received: 10/9/2009  
Date of Loss: 10/8/2009 Date Entered: 10/9/2009 11:11 AM  
Date Inspected: 10/13/2009

Price List: CASDSB\_OCT09  
Restoration/Service/Remodel  
Estimate: 2009-10-09-1111

This letter will serve to provide you with the status of my report. As you are aware, I am the property field adjuster for Century National Insurance Company assigned to the claim you submitted for damage to your property. I have forwarded my report and estimate to the home office for their review and consideration.

Enclosed is a copy of the estimate. Should you have any questions regarding the estimate or my participation in the claims adjustment process, please do not hesitate to contact me. Please be reminded that any decision regarding coverage of your claim, or the application of the terms and conditions of your insurance policy, will be made by the internal Century-National Insurance adjuster assigned to your loss.

We occasionally use contractors to assist us in evaluating the cost and/or extent of repairs needed to return your property to its pre-loss condition. You are not obliged to use these contractors. You are responsible for the selection of the contractor who will be repairing your property. Century-National Insurance Company makes no representations or warranties for the work of any repair contractor, therefore, we strongly recommend that you check the background and licensing status of the contractor that you select to repair your property.

Respectfully,

Barbara Gillette  
Property Field Adjuster  
(800) 733-1980 extension 2412

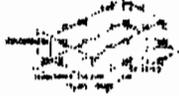
**Century-National Insurance Company**

12200 Sylvan Street  
 North Hollywood, California 91606  
 Phone: (818)760-1980 / Fax: (818)760-1554

2009-10-09-1111

**Laundry Room**

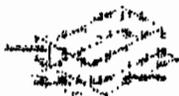
**LxWxH 5' 4" x 5' 2" x 8'**



140.67 SF Walls	27.56 SF Ceiling
168.23 SF Walls & Ceiling	27.56 SF Floor
3.06 SY Flooring	17.58 LF Floor Perimeter
42.67 SF Long Wall	41.33 SF Short Wall
17.58 LF Ceil. Perimeter	

**Subroom 1: Entry Offset**

**LxWxH 3' 5" x 1' 3" x 8'**



29.56 SF Walls	4.27 SF Ceiling
33.83 SF Walls & Ceiling	4.27 SF Floor
0.47 SY Flooring	3.25 LF Floor Perimeter
27.33 SF Long Wall	10.00 SF Short Wall
5.92 LF Ceil. Perimeter	

Missing Wall: 1 - 3'5" X 8'0" Opens into Laundry Room Goes to Floor/Ceiling  
 Missing Wall: 1 - 1'8" X 6'8" Opens into Exterior Goes to Floor

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
1. Shelving - wire (vinyl coated) - Detach & reset	5.33 LF	8.95	47.70	(0.00)	47.70
2. Drywall replacement per LF - up to 2' tall	20.83 LF	8.36	174.14	(0.00)	174.14
3. Seal/prime more than the floor perimeter - one coat	41.67 SF	0.38	15.83	(0.17)	15.66
4. Mask and prep for paint - plastic, paper, tape (per LF)	23.50 LF	0.90	21.15	(0.00)	21.15
5. Paint the walls - two coats	170.23 SF	0.67	114.05	(1.59)	112.46
6. Underlayment - 1/4" luan/mahogany plywood	31.83 SF	1.27	40.42	(0.39)	40.03
7. Vinyl floor covering (sheet goods) - Standard grade	36.60 SF	2.23	81.62	(3.69)	77.93
15 % waste added for Vinyl floor covering (sheet goods) - Standard grade.					
8. Mortar bed for tile floors	31.83 SF	3.90	124.14	(2.18)	121.96
9. Tile floor covering	31.83 SF	7.52	239.36	(3.95)	235.41
10. Grout sealer	31.83 SF	0.98	31.19	(0.99)	30.20
11. Baseboard - 2 1/4"	20.83 LF	2.57	53.53	(0.47)	53.06
12. Paint baseboard - two coats	20.83 LF	0.98	20.41	(0.12)	20.29
13. Casing - 2 1/4"	17.00 LF	1.70	28.90	(0.34)	28.56
14. Paint door or window opening - 2 coats (per side)	1.00 EA	21.04	21.04	(0.20)	20.84
15. Interior door - Detach & reset - slab only	1.00 EA	21.49	21.49	(0.00)	21.49

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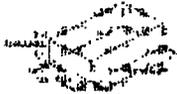
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**CONTINUED - Laundry Room**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
16. Paint door slab only - 1 coat (per side)	1.00 EA	13.58	13.58	(0.21)	13.37
17. Door lockset - Detach & reset	1.00 EA	18.87	18.87	(0.00)	18.87
<b>Totals: Laundry Room</b>			<b>1,067.42</b>	<b>14.30</b>	<b>1,053.12</b>

**Bathroom**

**LxWxH 7' 4" x 4' 11" x 8'**



170.61 SF Walls	36.06 SF Ceiling
206.67 SF Walls & Ceiling	36.06 SF Floor
4.01 SY Flooring	17.25 LF Floor Perimeter
58.67 SF Long Wall	39.33 SF Short Wall
19.58 LF Ceil. Perimeter	

Missing Wall: 1 - 2'4" X 6'8" Opens into Exterior Goes to Floor

**Subroom 1: Tub walls**

**LxWxH 4' 11" x 2' 7" x 3'**



20.17 SF Walls	12.70 SF Ceiling
32.87 SF Walls & Ceiling	12.70 SF Floor
1.41 SY Flooring	10.08 LF Floor Perimeter
9.83 SF Long Wall	5.17 SF Short Wall
10.08 LF Ceil. Perimeter	

Missing Wall: 1 - 4'11" X 2'0" Opens into Bathroom Goes to Floor/Ceiling

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
18. Window blind - horizontal or vertical - Detach & reset	1.00 EA	28.28	28.28	(0.00)	28.28
19. Window drapery - hardware - Detach & reset	1.00 EA	28.56	28.56	(0.00)	28.56
20. Toilet paper holder - Detach & reset	1.00 EA	14.69	14.69	(0.00)	14.69
21. Towel bar - Detach & reset	2.00 EA	14.15	28.30	(0.00)	28.30
22. Light fixture - Detach & reset	1.00 EA	41.30	41.30	(0.00)	41.30
23. Mirror - plate glass - Detach & reset	16.33 SF	5.08	82.96	(0.00)	82.96
24. Bat. insulation - 4" - R13	2.75 SF	0.59	1.62	(0.00)	1.62

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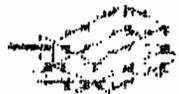
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**CONTINUED - Bathroom**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
25. Drywall replacement per LF - up to 2' tall	6.75 LF	8.36	56.43	(0.00)	56.43
26. Drywall Installer / Finisher - per hour, additional allowance to repair drywall inside cabinet*	1.00 HR	76.53	76.53	(0.00)	76.53
27. Spot seal / prime	1.00 EA	17.68	17.68	(0.12)	17.56
28. Mask and prep for paint - plastic, paper, tape (per LF)	29.67 LF	0.90	26.70	(0.00)	26.70
29. Paint the walls - two coats	190.78 SF	0.67	127.82	(1.78)	126.04
30. R&R Wallpaper border	29.67 LF	2.90	86.04	(5.09)	80.95
31. Trim board - 1" x 4" - installed (pine), toekick repair*	4.58 LF	3.21	14.70	(0.17)	14.53
32. Re-skin toe kick	4.58 LF	10.61	48.59	(2.64)	45.95
33. Seal & paint cabinetry - lower - faces only	6.33 LF	14.34	90.77	(0.97)	89.80
34. Baseboard - 4 1/4"	10.58 LF	3.59	37.98	(0.49)	37.49
35. Paint baseboard - two coats	10.58 LF	0.98	10.37	(0.06)	10.31
36. Casing - 2 1/4"	17.00 LF	1.70	28.90	(0.34)	28.56
37. Paint door or window opening - 2 coats (per side), door and window*	2.00 EA	21.04	42.08	(0.39)	41.69
38. Paint door slab only - 1 coat (per side)	1.00 EA	13.58	13.58	(0.21)	13.37
39. Door lockset - Derach & reset	1.00 EA	18.87	18.87	(0.00)	18.87
40. Clean floor - tile	36.06 SF	0.48	17.31	(0.00)	17.31
<b>Totals: Bathroom</b>			<b>946.86</b>	<b>13.26</b>	<b>927.80</b>

**BACK BDRM**

LxWxH 10' x 10' x 8'



229.32 SF Walls	100.00 SF Ceiling
329.32 SF Walls & Ceiling	100.00 SF Floor
11.11 SF Flooring	30.50 LF Floor Perimeter
80.00 SF Long Wall	80.00 SF Short Wall
30.50 LF Ceil. Perimeter	

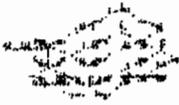
Missing Wall: I - 3'10" X 3'10"

Opens into Exterior

Goes to neither Floor/Ceiling

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**Subroom 1: Entry Offset**

**LxWxH 3' 8" x 2' 4" x 8'**

50.01 SF Walls	8.56 SF Ceiling
58.56 SF Walls & Ceiling	8.56 SF Floor
0.95 SY Flooring	5.83 LF Floor Perimeter
29.33 SF Long Wall	18.67 SF Short Wall
8.33 LF Ceil. Perimeter	

Missing Wall:	1 -	3'8" X 8'0"	Opens into BACK HDRM	Goes to Floor/Ceiling
Missing Wall:	1 -	2'6" X 6'3"	Opens into Exterior	Goes to Floor



**Subroom 2: Closet**

**LxWxH 5' 10" x 7' x 8'**

78.67 SF Walls	11.67 SF Ceiling
90.34 SF Walls & Ceiling	11.67 SF Floor
1.30 SY Flooring	9.83 LF Floor Perimeter
46.67 SF Long Wall	16.00 SF Short Wall
9.83 LF Ceil. Perimeter	

Missing Wall:	1 -	5'10" X 8'0"	Opens into BACK HDRM	Goes to Floor/Ceiling
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DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
41. Window blind - horizontal or vertical - Detach & reset	1.00 EA	28.28	28.28	(0.00)	28.28
42. Closet Organizer - Melamine or Wire - Detach & reset	5.83 LF	63.58	370.67	(0.00)	370.67
43. Remove Engineered wood flooring, remove from closet floor*	11.67 SF	2.84	33.14	(0.00)	33.14
44. Remove Add for glued down application over wood substrate, remove from closet floor*	11.67 SF	2.29	26.72	(0.00)	26.72
45. Batt insulation - 4" - R13	20.00 SF	0.59	11.80	(0.00)	11.80
46. Drywall replacement per LF - up to 2' tall	32.83 LF	8.36	274.46	(0.00)	274.46
47. Seal/prime the surface area - one coat	65.66 SF	0.38	24.95	(0.26)	24.69
48. Mask and prep for paint - plastic, paper, tape (per LF)	48.67 LF	0.90	43.80	(0.00)	43.80
49. Paint the walls - two coats	357.99 SF	0.67	239.85	(3.34)	236.51
50. Paint door or window opening - 2 coats (per side), at window*	1.00 EA	21.04	21.04	(0.20)	20.84
51. Underlayment - 1/4" lauan/mahogany plywood	120.22 SF	1.27	152.68	(1.47)	151.21
52. Engineered wood flooring	120.22 SF	10.38	1,247.88	(85.88)	1,162.00
53. Add for glued down application over wood substrate	120.22 SF	0.93	111.80	(1.51)	110.29
54. Baseboard - 4 1/4"	46.17 LF	3.59	165.75	(2.12)	163.63

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**CONTINUED - BACK BDRM**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
55. Paint baseboard - two coats	46.17 LF	0.98	45.25	(0.28)	44.97
56. Casing - 2 1/4"	17.00 LF	1.70	28.90	(0.34)	28.56
57. Paint door or window opening - 2 coats (per side) door opening*	1.00 EA	21.04	21.04	(0.20)	20.84
58. Interior door - Detach & reset - slab only	1.00 EA	21.49	21.49	(0.00)	21.49
59. Paint door slab only - 1 coat (per side)	1.00 EA	13.58	13.58	(0.21)	13.37
60. Door lockset - Detach & reset	1.00 EA	18.87	18.87	(0.00)	18.87
<b>Totals: BACK BDRM</b>			<b>1,901.95</b>	<b>75.81</b>	<b>2,826.14</b>

**MIDDLE BDRM**

LxWxH 10' x 10' x 8'



247.31 SF Walls	100.00 SF Ceiling
347.31 SF Walls & Ceiling	100.00 SF Floor
11.11 SY Flooring	31.92 LF Floor Perimeter
80.00 SF Long Wall	80.00 SF Short Wall
36.92 LF Ceil. Perimeter	

Missing Wall: 1 - 3'10" X 3'10" Opens into Exterior Goes to neither Floor/Ceiling

**Subroom 1: Entry Offset**

LxWxH 3' 1" x 3' 3" x 8'



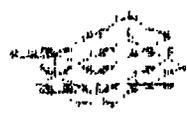
44.01 SF Walls	6.94 SF Ceiling
50.94 SF Walls & Ceiling	6.94 SF Floor
0.77 SY Flooring	5.08 LF Floor Perimeter
24.67 SF Long Wall	18.00 SF Short Wall
7.58 LF Ceil. Perimeter	

Missing Wall: 1 - 3'1" X 3'0" Opens into MIDDLE BDRM Goes to Floor/Ceiling

Missing Wall: 1 - 2'6" X 6'8" Opens into Exterior Goes to Floor

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**Subroom 2: Closet**

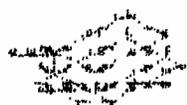
**La:WxH 5' x 2' x 8'**

78.67 SF Walls	10.00 SF Ceiling
88.67 SF Walls & Ceiling	10.00 SF Floor
1.11 SY Flooring	9.00 LF Floor Perimeter
40.00 SF Long Wall	16.00 SF Short Wall
14.00 LF Ceil. Perimeter	

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
Mixing Wall: 1 - 5'0" X 6'8"		Opens into MIDDLE BDRM		Goes to Floor	
61. Window blind - horizontal or vertical - Detach & reset	1.00 EA	28.28	28.28	(0.00)	28.28
62. Closet Organizer - Melamine or Wire - Detach & reset	5.00 LF	63.58	317.90	(0.00)	317.90
63. Batt insulation - 4" - R13	10.00 SF	0.59	5.90	(0.00)	5.90
64. Drywall replacement per LF - up to 2' tall	10.00 LF	8.36	83.60	(0.00)	83.60
65. Seal/prime the surface area - one coat	20.00 SF	0.38	7.60	(0.08)	7.52
66. Mask and prep for paint - plastic, paper, tape (per LF)	58.50 LF	0.90	52.65	(0.00)	52.65
67. Paint part of the walls - two coats	276.89 SF	0.67	185.52	(2.58)	182.94
68. Paint door or window opening - 2 coats (per side), window opening*	1.00 EA	21.04	21.04	(0.20)	20.84
69. Paneling	30.00 SF	2.31	69.30	(0.50)	68.80
70. Paneling - Detach and reset	30.00 SF	3.05	91.50	(0.00)	91.50
71. Seal & paint paneling	99.84 SF	0.81	80.87	(0.93)	79.94
72. Quarter round - 3/4" trim at top of paneling*	10.00 LF	1.44	14.40	(0.17)	14.23
73. Underlayment - 1/4" lanan/mahogany plywood	116.94 SF	1.27	148.51	(1.43)	147.08
74. Engineered wood flooring	116.94 SF	10.38	1,213.84	(64.08)	1,149.76
75. Adh for glued down application over wood substrate	116.94 SF	0.93	108.75	(1.47)	107.28
76. Baseboard - 4 1/4"	37.00 LF	3.59	132.83	(1.70)	131.13
77. Baseboard - 2 1/4"	9.00 LF	2.57	23.13	(0.20)	22.93
78. Paint baseboard - two coats	46.00 LF	0.98	45.08	(0.28)	44.80
79. Paint door or window opening - 2 coats (per side), door opening*	1.00 EA	21.04	21.04	(0.20)	20.84
80. Interior door - Detach & reset - slab only	1.00 EA	21.49	21.49	(0.00)	21.49
81. Paint door slab only - 1 coat (per side)	1.00 EA	13.58	13.58	(0.21)	13.37
82. Door lockset - Detach & reset	1.00 EA	18.87	18.87	(0.00)	18.87
<b>Totals: MIDDLE BDRM</b>			<b>2,705.68</b>	<b>74.83</b>	<b>2,631.65</b>

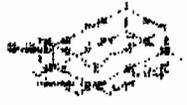
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FRONT BDRM		LxWxH 10' x 10' x 8'
247.87 SF Walls		100.00 SF Ceiling
347.87 SF Walls & Ceiling		100.00 SF Floor
11.11 SY Flooring		32.00 LF Floor Perimeter
80.00 SF Long Wall		80.00 SF Short Wall
36.92 LF Ceil. Perimeter		

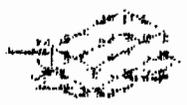
Missing Wall: 1 - 3'10" X 3'10" Opens into Exterior Goes to neither Floor/Ceiling



Subroom 1: Entry offset		LxWxH 3' 1" x 2' 4" x 8'
45.34 SF Walls		7.19 SF Ceiling
52.53 SF Walls & Ceiling		7.19 SF Floor
0.80 SY Flooring		5.25 LF Floor Perimeter
24.67 SF Long Wall		18.67 SF Short Wall
7.75 LF Ceil. Perimeter		

Missing Wall: 1 - 3'1" X 8'6" Opens into FRONT BDRM Goes to Floor/Ceiling

Missing Wall: 1 - 2'6" X 6'8" Opens into Exterior Goes to Floor



Subroom 2: Closet		LxWxH 4' 11" x 2' x 8'
77.89 SF Walls		9.83 SF Ceiling
87.73 SF Walls & Ceiling		9.83 SF Floor
1.09 SY Flooring		8.92 LF Floor Perimeter
39.33 SF Long Wall		16.00 SF Short Wall
13.83 LF Ceil. Perimeter		

Missing Wall: 1 - 4'11" X 6'8" Opens into FRONT BDRM Goes to Floor

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
83. Window blind - horizontal or vertical - Detach & reset	1.00 EA	28.28	28.28	(0.00)	28.28
84. Closet Organizer - Melamine or Wire - Detach & reset	4.93 LF	63.58	312.81	(0.00)	312.81
85. Remove Engineered wood flooring, remove remainder at closet*	9.83 SF	2.84	27.92	(0.00)	27.92
86. Remove Add for glued down application over wood substrate, remove at closet floor*	9.83 SF	2.29	22.51	(0.00)	22.51
87. Batt insulation - 4" - R13	10.00 SF	0.59	5.90	(0.00)	5.90
88. Drywall replacement per LF - up to 2' tall	24.67 LF	8.36	206.24	(0.00)	206.24
89. Seal/prime the surface area - one coat	49.34 SF	0.38	18.75	(0.20)	18.55

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**CONTINUED - FRONT BDRM**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
90. Mask and prep for paint - plastic, paper, tape (per LF)	52.50 LF	0.90	52.65	(0.00)	52.65
91. Paint the walls - two coats	371.10 SF	0.67	248.64	(3.46)	245.18
92. Paint door or window opening - 2 coats (per side), window opening*	1.00 EA	21.04	21.04	(0.20)	20.84
93. Underlayment - 1/4" luan/multiparty plywood	117.03 SF	1.27	148.63	(1.44)	147.19
94. Engineered wood flooring	117.03 SF	10.38	1,214.77	(64.13)	1,150.64
95. Add for glued down application over wood substrate	117.03 SF	0.93	108.84	(1.47)	107.37
96. Baseboard - 4 1/4"	46.17 LF	3.59	165.75	(2.12)	163.63
97. Paint baseboard - two coats	46.17 LF	0.98	45.25	(0.28)	44.97
98. Casing - 2 1/4"	17.00 LF	1.70	28.90	(0.34)	28.56
99. Paint door or window opening - 2 coats (per side), door opening*	1.00 EA	21.04	21.04	(0.20)	20.84
100. Interior door - Detach & reset - slab only	1.00 EA	21.49	21.49	(0.00)	21.49
101. Paint door slab only - 1 coat (per side)	1.00 EA	13.58	13.58	(0.21)	13.37
102. Door lockset - Detach & reset	1.00 EA	18.87	18.87	(0.00)	18.87
103. (Install) Bypass (sliding) door set - slabs only - Detach & reset	1.00 EA	28.34	28.34	(0.00)	28.34
<b>Totals: FRONT BDRM</b>			<b>2,760.20</b>	<b>74.63</b>	<b>2,686.15</b>

**LOFT**

**LxWxH 13' 4" x 10' 1" x 8'**



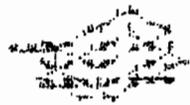
203.96 SF Walls  
 338.39 SF Walls & Ceiling  
 14.94 SY Flooring  
 106.66 SF Long Wall  
 32.58 LF Ceil. Perimeter

134.43 SF Ceiling  
 134.43 SF Floor  
 27.58 LF Floor Perimeter  
 80.66 SF Short Wall

Missing Wall:	1 -	4'10" X 4'10"	Opens into Exterior	Goes to neither Floor/Ceiling
Missing Wall:	2 -	2'6" X 6'8"	Opens into Exterior	Goes to Floor
Missing Wall:	1 -	3'0" X 8'0"	Opens into Exterior	Goes to Floor/Ceiling

**Century-National Insurance Company**

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**Subroom 1: Offset desk** LxWxH 4' 7" x 2' 4" x 8'

74.01 SF Walls	10.69 SF Ceiling
84.70 SF Walls & Ceiling	10.69 SF Floor
1.19 SY Flooring	9.25 LF Floor Perimeter
36.67 SF Long Wall	18.67 SF Short Wall
9.25 LF Ceil. Perimeter	

Missing Wall: 1 - 4'7" X 8'0" Opens into LOFT Goes to Floor/Ceiling



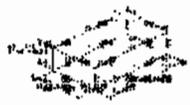
**Subroom 2: Offset** LxWxH 9' 9" x 6' 8" x 8'

122.10 SF Walls	65.00 SF Ceiling
187.10 SF Walls & Ceiling	65.00 SF Floor
7.22 SY Flooring	20.75 LF Floor Perimeter
78.00 SF Long Wall	53.33 SF Short Wall
13.42 LF Ceil. Perimeter	

Missing Wall: 1 - 6'8" X 8'0" Opens into LOFT Goes to Floor/Ceiling

Missing Wall: 1 - 9'9" X 4'10" Opens into Exterior Goes to Ceiling

Missing Wall: 1 - 2'5" X 6'8" Opens into Exterior Goes to Floor



**Subroom 3: Offset hall** LxWxH 5' 8" x 3' x 8'

64.67 SF Walls	17.00 SF Ceiling
81.67 SF Walls & Ceiling	17.00 SF Floor
1.89 SY Flooring	6.83 LF Floor Perimeter
45.33 SF Long Wall	24.00 SF Short Wall
14.33 LF Ceil. Perimeter	

Missing Wall: 1 - 3'0" X 8'0" Opens into Offset Goes to Floor/Ceiling

Missing Wall: 1 - 2'6" X 6'8" Opens into Exterior Goes to Floor

Missing Wall: 1 - 2'8" X 6'8" Opens into Exterior Goes to Floor

Missing Wall: 1 - 2'4" X 6'8" Opens into Exterior Goes to Floor

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
104. Window blind - horizontal or vertical - Detach & reset	1.00 EA	28.28	28.28	(0.00)	28.28
105. Batt insulation - 4" - R13	12.42 SF	0.59	7.33	(0.00)	7.33
106. Drywall replacement per LF - up to 2' tall	64.42 LF	8.36	538.55	(0.00)	538.55
107. Seal/prime more than the floor perimeter - one coat	128.83 SF	0.38	48.96	(0.52)	48.44
108. Mask and prep for paint - plastic, paper, tape (per LF)	69.58 LF	0.90	62.62	(0.00)	62.62

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**CONTINUED - LOFT**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
109. Paint the walls - two coats	464.73 SF	0.67	311.37	(4.34)	307.03
110. Paint door or window opening - 2 coats (per side), window*	1.00 EA	21.04	21.04	(0.20)	20.84
111. Underlayment - 1/4" luan/mahogany plywood	227.12 SF	1.27	288.44	(2.79)	285.65
112. Engineered wood flooring	227.12 SF	10.38	2,357.51	(124.46)	2,233.05
113. Add for glued down application over wood substrate	227.12 SF	0.93	211.22	(2.85)	208.37
114. Baseboard - 4 1/4"	58.17 LF	3.59	208.83	(2.67)	206.16
115. Paint baseboard - two coats	58.17 LF	0.98	57.01	(0.35)	56.66
116. (Install) Cabinetry - lower (base) units - Detach & reset	4.25 LF	62.20	264.35	(0.00)	264.35
117. Seal & paint cabinetry - lower - faces only, and side panel, and top surface*	10.50 LF	14.34	150.57	(1.62)	148.95
118. Casing - 2 1/4"	102.00 LF	1.70	173.40	(2.07)	171.33
119. Paint door or window opening - 2 coats (per side), door openings*	6.00 EA	21.04	126.24	(1.18)	125.06
120. Paint door slab only - 1 coat (per side)	6.00 EA	13.58	81.48	(1.27)	80.21
121. Paint wood shelving, 12"- 24" width - 1 coat, top of pony wall*	9.83 LF	1.64	16.12	(0.15)	15.97
<b>Totals: LOFT</b>			<b>4,953.32</b>	<b>144.47</b>	<b>4,808.85</b>

**MSTR BDRM**

**Formula Sloped Ceiling 15' 9" x 11' 2" x 11' 1"**



472.33 SF Walls  
 651.54 SF Walls & Ceiling  
 19.54 SY Flooring  
 51.35 LF Ceil. Perimeter

179.21 SF Ceiling  
 175.88 SF Floor  
 48.25 LF Floor Perimeter

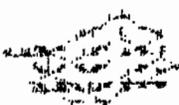
**Missing Wall: 1 - 2'6" X 6'8"**

**Opens into Exterior**

**Goes to Floor**

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**Subroom 1: Hall** LxWxH 5' 6" x 3' 1" x 8'

46.89 SF Walls	16.96 SF Ceiling
63.85 SF Walls & Ceiling	16.96 SF Floor
1.88 SY Flooring	4.83 LF Floor Perimeter
44.00 SF Long Wall	24.67 SF Short Wall
11.00 LF Ceil. Perimeter	

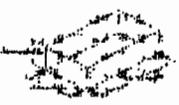
Missing Wall:	1 -	3'1" X 8'0"	Opens into MSTR BDRM	Goes to Floor/Ceiling
Missing Wall:	1 -	3'1" X 8'0"	Opens into Exterior	Goes to Floor/Ceiling



**Subroom 2: Closet 1** LxWxH 3' x 5' 5" x 8'

199.11 SF Walls	43.33 SF Ceiling
242.44 SF Walls & Ceiling	43.33 SF Floor
4.81 SY Flooring	24.50 LF Floor Perimeter
64.00 SF Long Wall	43.33 SF Short Wall
26.83 LF Ceil. Perimeter	

Missing Wall:	1 -	2'4" X 6'8"	Opens into Hall	Goes to Floor
---------------	-----	-------------	-----------------	---------------



**Subroom 3: Closet 2** LxWxH 3' 11" x 2' x 8'

69.11 SF Walls	7.83 SF Ceiling
76.94 SF Walls & Ceiling	7.83 SF Floor
0.87 SY Flooring	8.00 LF Floor Perimeter
31.33 SF Long Wall	16.00 SF Short Wall
11.83 LF Ceil. Perimeter	

Missing Wall:	1 -	3'10" X 6'8"	Opens into Hall	Goes to Floor
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DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
122. R&R Engineered wood flooring	244.00 SF	13.22	3,225.68	(133.71)	3,091.97
123. R&R Acid for glued down application over wood substrate	244.00 SF	3.22	785.68	(3.06)	782.62
124. Underlayment - 1/4" luan/mahogany plywood	244.00 SF	1.27	309.88	(2.99)	306.89
125. R&R Baseboard - 4 1/4"	85.58 LF	3.94	337.18	(3.93)	333.25
126. Paint baseboard - two coats	85.58 LF	0.98	83.87	(0.51)	83.36
127. Interior door - Detach & reset - slab only	2.00 EA	21.49	42.98	(0.00)	42.98
128. Bypass (sliding) door set - slabs only - Detach & reset	1.00 EA	28.34	28.34	(0.00)	28.34
129. Paint door or window opening - 2 coats (per side)	3.00 EA	21.04	63.12	(0.59)	62.53

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**CONTINUED - MSTR BDRM**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
<b>Totals: MSTR BDRM</b>			<b>4,876.73</b>	<b>144.79</b>	<b>4,731.94</b>



**STAIRWELL**

**Formula Stairway 7" x 3' x 16' 1.15/16"**

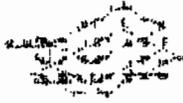
75.12 SF Walls	1.75 SF Ceiling
76.87 SF Walls & Ceiling	33.24 SF Floor
3.69 SY Flooring	12.38 LF Floor Perimeter
7.17 LF Ceil. Perimeter	

Missing Wall:	1 -	0'7" X 0'0"	Opens into Exterior	Goes to Floor
Missing Wall:	1 -	0'7" X 5'0"	Opens into Exterior	Goes to Floor

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
130. Mask and prep for paint - plastic, paper, tape (per LF)	7.17 LF	0.90	6.45	(0.00)	6.45
131. Paint the walls - two coats	75.12 SF	0.67	50.33	(0.70)	49.63
132. Paint handrail - wall mounted	15.92 LF	0.76	12.10	(0.12)	11.98
133. R&R Engineered wood flooring	33.24 SF	13.22	439.43	(18.22)	421.21
134. R&R Add for glued down application over wood substrate	33.24 SF	3.22	107.03	(0.42)	106.61
135. Underlayment - 1/4" lauan/mahogany plywood	33.24 SF	1.27	42.21	(0.41)	41.80
136. Stair nosing - for wood flooring	45.00 LF	8.93	401.85	(56.81)	345.04
<b>Totals: STAIRWELL</b>			<b>1,059.40</b>	<b>76.61</b>	<b>982.71</b>

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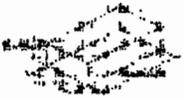
Family Room		LxWxH 14' x 12' 4" x 9'	
280.44 SF Walls		172.67 SF Ceiling	
453.11 SF Walls & Ceiling		172.67 SF Floor	
19.19 SY Flooring		36.58 LF Floor Perimeter	
126.00 SF Long Wall		111.00 SF Short Wall	
40.67 LF Ceil. Perimeter			

Missing Wall:	4 -	2'11" X 4'10"	Opens into Exterior	Goes to neither Floor/Ceiling
Missing Wall:	1 -	4'1" X 8'0"	Opens into Exterior	Goes to Floor



Subroom 1: Hall offset		LxWxH 9' 6" x 7' x 8'	
26.67 SF Walls		7.00 SF Ceiling	
33.67 SF Walls & Ceiling		7.00 SF Floor	
0.78 SY Flooring		2.50 LF Floor Perimeter	
28.00 SF Long Wall		16.00 SF Short Wall	
7.50 LF Ceil. Perimeter			

Missing Wall:	1 -	3'6" X 8'0"	Opens into Family Room	Goes to Floor/Ceiling
Missing Wall:	1 -	2'4" X 6'8"	Opens into Exterior	Goes to Floor
Missing Wall:	1 -	2'8" X 6'8"	Opens into Exterior	Goes to Floor



Subroom 2: Offset		LxWxH 8' 6" x 6' x 9'	
108.00 SF Walls		51.00 SF Ceiling	
159.00 SF Walls & Ceiling		51.00 SF Floor	
5.67 SY Flooring		12.00 LF Floor Perimeter	
76.50 SF Long Wall		54.00 SF Short Wall	
12.00 LF Ceil. Perimeter			

Missing Wall:	1 -	8'6" X 9'0"	Opens into Family Room	Goes to Floor/Ceiling
Missing Wall:	1 -	8'6" X 9'0"	Opens into Exterior	Goes to Floor/Ceiling

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
137. Window blind - horizontal or vertical - Detach & reset	4.00 EA	28.28	113.12	(0.00)	113.12
138. Ceiling fan - Detach & reset	1.00 EA	139.01	139.01	(0.00)	139.01
139. Batt insulation - 4" - R13	32.33 SF	0.59	19.07	(0.00)	19.07
140. Drywall replacement per LF - up to 2' tall	46.08 LF	8.36	385.23	(0.00)	385.23
141. Seal/prime more than the floor perimeter - one coat	97.17 SF	0.38	36.92	(0.39)	36.53
142. Mask wall - plastic, paper, tape (per LF)	60.17 LF	0.95	57.16	(0.00)	57.16

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**CONTINUED - Family Room**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
143. 5/8" drywall - hmg, taped, floated, ready for paint, repair at ceiling*	230.67 SF	1.73	399.06	(0.00)	399.06
144. Drywall - General Laborer - per hour, additional allowance to repair at ceiling*	2.00 HR	45.29	90.58	(0.00)	90.58
145. Texture drywall - smooth / skim coat	230.67 SF	0.98	226.06	(0.00)	226.06
146. Texture drywall - machine	230.67 SF	0.34	78.43	(0.00)	78.43
147. Mask and prep for paint - plastic, paper, tape (per LF)	60.17 LF	0.90	54.15	(0.00)	54.15
148. Seal/prime the ceiling - one coat	230.67 SF	0.38	87.65	(0.92)	86.73
149. Paint the walls and ceiling - two coats	645.78 SF	0.67	432.67	(6.03)	426.64
150. Paint door or window opening - 2 coats (per side), window openings*	4.00 EA	21.04	84.16	(0.79)	83.37
151. Baseboard - 4 1/4"	46.08 LF	3.59	165.43	(2.11)	163.32
152. Paint baseboard - two coats	46.08 LF	0.98	45.16	(0.28)	44.88
153. Casing - 2 1/4"	34.00 LF	1.70	57.80	(0.69)	57.11
154. Paint door or window opening - 2 coats (per side), door openings*	2.00 EA	21.04	42.08	(0.39)	41.69
155. Paint door slab only - 1 coat (per side)	2.00 EA	13.58	27.16	(0.42)	26.74
156. Door lockset - Detach & reset	2.00 EA	18.87	37.74	(0.00)	37.74
157. Clean floor - tile	230.67 SF	0.48	110.72	(0.00)	110.72
<b>Totals: Family Room</b>			<b>2,689.36</b>	<b>12.02</b>	<b>2,677.34</b>

**Kitchen**

LxWxH 14' 0" x 12' x 9'



301.61 SF Walls	176.00 SF Ceiling
477.61 SF Walls & Ceiling	176.00 SF Floor
19.56 SY Flooring	32.00 LF Floor Perimeter
132.00 SF Long Wall	108.00 SF Short Wall
37.83 LF Ceil. Perimeter	

Missing Wall:	1 -	8'6" X 9'0"	Opens into Exterior	Goes to Floor/Ceiling
Missing Wall:	1 -	5'10" X 6'8"	Opens into Exterior	Goes to Floor
Missing Wall:	1 -	7'0" X 9'0"	Opens into Exterior	Goes to Floor/Ceiling

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DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
158. Recessed light fixture - Detach & reset trim only	5.00 EA	3.43	17.15	(0.00)	17.15
159. Window blind - horizontal or vertical - Detach & reset	2.00 EA	28.28	56.56	(0.00)	56.56
160. Drywall replacement per LF - up to 2' tall	6.00 LF	8.36	50.16	(0.00)	50.16
161. Seal/prime the surface area - one coat	12.00 SF	0.38	4.56	(0.05)	4.51
162. 5/8" drywall - hung, taped, floated, ready for paint, repair at ceiling*	14.00 SF	1.73	24.22	(0.00)	24.22
163. Drywall - General Laborer - per hour, additional allowance for repair at ceiling*	1.00 HR	45.29	45.29	(0.00)	45.29
164. Mask wall - plastic, paper, tape (per LF)	37.83 LF	0.95	35.94	(0.00)	35.94
165. Texture drywall - smooth / skim coat	176.00 SF	0.98	172.48	(0.00)	172.48
166. Texture drywall - machine	176.00 SF	0.34	59.84	(0.00)	59.84
167. Mask and prep for paint - plastic, paper, tape (per LF)	37.83 LF	0.90	34.05	(0.00)	34.05
168. Seal/prime the ceiling - one coat	176.00 SF	0.38	66.88	(0.70)	66.18
169. Paint the walls and ceiling - two coats	477.61 SF	0.67	320.00	(4.46)	315.54
170. Trim board - 1" x 4" - installed (pine), toe/kick repair*	12.00 LF	3.21	38.52	(0.45)	38.07
171. Re-skin toe kick	12.00 LF	10.01	127.32	(6.91)	120.41
172. Stain & finish toe-kick	12.00 LF	1.11	13.32	(0.15)	13.17
173. Baseboard - 4 1/4"	12.67 LF	3.59	45.49	(0.58)	44.91
174. Paint baseboard - two coats	12.67 LF	0.98	12.42	(0.08)	12.34
175. Paint baseboard - one coat	1.50 LF	0.65	0.98	(0.01)	0.97
176. Clean floor - tile	176.00 SF	0.48	84.48	(0.00)	84.48
<b>Totals: Kitchen</b>			<b>1,209.66</b>	<b>13.39</b>	<b>1,196.27</b>

**Living Room**

**LxWxH 19' x 11' 2" x 9'**



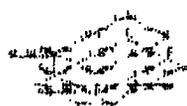
376.28 SF Walls	212.17 SF Ceiling
588.45 SF Walls & Ceiling	212.17 SF Floor
23.57 SF Flooring	47.00 LF Floor Perimeter
171.00 SF Long Wall	100.50 SF Short Wall
47.00 LF Ceil. Perimeter	

Missing Wall: 1 - 3'6" X 9'0" Opens into Exterior  
 Missing Wall: 2 - 4'10" X 4'10" Opens into Exterior

Goes to Floor/Ceiling  
 Goes to neither Floor/Ceiling

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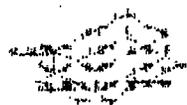
Subroom 1: Offset	LxWxH 9' 10" x 3' 4" x 9'
111.84 SF Walls	32.78 SF Ceiling
144.62 SF Walls & Ceiling	32.78 SF Floor
3.64 SY Flooring	11.00 LF Floor Perimeter
88.50 SF Long Wall	30.00 SF Short Wall
16.50 LF Ceil. Perimeter	

Mixing Wall:	1 - 9'10" X 9'0"	Opens into Living Room	Goes to Floor/Ceiling
Missing Wall:	1 - 2'6" X 6'8"	Opens into Exterior	Goes to Floor
Missing Wall:	1 - 3'0" X 6'8"	Opens into Exterior	Goes to Floor

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
177. Light fixture - Detach & reset	1.00 EA	41.30	41.30	(0.00)	41.30
178. Window blind - horizontal or vertical - Detach & reset	2.00 EA	28.28	56.56	(0.00)	56.56
179. Drywall replacement per LF - up to 2' tall	8.50 LF	8.36	71.06	(0.00)	71.06
180. Seal/prime the surface area - one coat	17.00 SF	0.38	6.46	(0.07)	6.39
181. Mask and prep for paint - plastic, paper, tape (per LF)	63.50 LF	0.90	57.15	(0.00)	57.15
182. Paint the walls and ceiling - two coats	733.07 SF	0.67	491.16	(6.84)	484.32
183. Baseboard - 4 1/4"	8.50 LF	3.59	30.52	(0.39)	30.13
184. Paint baseboard - two coats	8.50 LF	0.98	8.33	(0.05)	8.28
185. Paint baseboard - one coat	49.50 LF	0.65	32.18	(0.20)	31.98
186. Paint door or window opening - 2 coats (per side) 2 window, 2 door*	4.00 EA	21.04	84.16	(0.79)	83.37
187. Paint door slab only - 1 coat (per side)	2.00 EA	13.58	27.16	(0.42)	26.74
188. Door lockset - Detach & reset	2.00 EA	18.87	37.74	(0.00)	37.74
189. Clean floor - tile	244.94 SF	0.48	117.57	(0.00)	117.57
<b>Totals: Living Room</b>			<b>1,061.36</b>	<b>8.76</b>	<b>1,052.59</b>

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Garage		LxWxH 19' 3" x 19' x 9'	
576.50 SF Walls		365.75 SF Ceiling	
942.25 SF Walls & Ceiling		365.75 SF Floor	
40.64 SY Flooring		60.50 LF Floor Perimeter	
173.25 SF Long Wall		171.00 SF Short Wall	
76.50 LF Ceil. Perimeter			

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
190. 5/8" drywall - hung, taped, floated, ready for paint	39.00 SF	1.73	67.47	(0.00)	67.47
191. Seal/prime the surface area - one coat	39.00 SF	0.38	14.82	(0.16)	14.66
192. Paint the surface area - two coats, damaged back half of ceiling only*	169.42 SF	0.67	113.51	(1.58)	111.93
<b>Totals: Garage</b>			<b>195.80</b>	<b>1.74</b>	<b>194.06</b>

**GENERAL**

DESCRIPTION	QUANTITY	UNIT COST	RCV	DEPREC.	ACV
193. Haul debris - per pickup truck load - including dump fees	1.00 EA	123.05	123.05	(0.00)	123.05
194. General clean - up	8.00 HR	37.01	296.08	(0.00)	296.08
<b>Totals: GENERAL</b>			<b>419.13</b>	<b>0.00</b>	<b>419.13</b>

Line Item Subtotals: 2009-10-09-1111 26,840.86      652.30      26,187.76

Adjustments for Base Service Charges	Adjustment
Carpenter - Finish, Trim/Cabinet	168.08
Drywall Installer/Finisher	306.12
Wood Flooring Installer	174.42
Insulation Installer	128.34
Painter	110.84
Tile/Cultured Marble Installer	143.62
Wallpaper Hanger	127.74
<b>Total Adjustments for Base Service Charges:</b>	<b>1,159.16</b>

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Adjustments for Base Service Charges			Adjustment
Line Item Totals: 2009-10-09-1111	27,999.22	652.30	27,346.91

**Grand Total Areas:**

4,568.72 SF Walls	1,928.34 SF Ceiling	6,497.07 SF Walls and Ceiling
1,956.50 SF Floor	217.39 SY Flooring	560.47 LF Floor Perimeter
1,784.41 SF Long Wall	1,290.33 SF Short Wall	634.61 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
0.00 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

**Century-National Insurance Company**

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**Summary for Dwelling**

Line Item Total				26,840.06
Total Adjustments for Base Service Charges				1,159.16
Material Sales Tax	@	8.750% x	9,504.39	831.63
Subtotal				28,830.85
Overhead	@	10.0% x	28,830.85	2,883.09
Profit	@	10.0% x	28,830.85	2,883.09
Replacement Cost Value				\$34,597.03
Less Depreciation				(709.38)
Actual Cash Value				\$33,887.65
Less Deductible				(400.00)
Net Claim				\$33,487.65
Total Recoverable Depreciation				709.38
Net Claim if Depreciation is Recovered				\$34,197.03

**BARBARA GILLETTE**

**Century-National Insurance Company**

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**Recap by Category with Depreciation**

O&P Items	RCV	Deprec.	ACV
CABINETS	440.26	9.55	430.71
CLEANING	626.16		626.16
GENERAL DEMOLITION	1,702.44		1,702.44
DOORS	185.62		185.62
DRYWALL	3,172.93		3,172.93
FLOOR COVERING - CERAMIC TILE	394.69	7.12	387.57
FLOOR COVERING - VINYL	1,212.39	14.61	1,197.78
FLOOR COVERING - WOOD	10,112.04	538.07	9,573.97
FINISH CARPENTRY / TRIMWORK	2,799.97	21.69	2,778.28
FINISH HARDWARE	212.82		212.82
INSULATION	51.62		51.62
LIGHT FIXTURES	238.76		238.76
MIRRORS & SHOWER DOORS	82.96		82.96
PANELING & WOOD WALL FINISHES	160.30	0.50	160.30
PAINTING	4,981.27	55.67	4,925.60
WINDOW TREATMENT	396.20		396.20
WALLPAPER	69.13	5.09	64.04
<b>Subtotal</b>	<b>26,846.06</b>	<b>652.30</b>	<b>26,187.76</b>
Base Service Charges	1,159.16		1,159.16
Material Sales Tax @	8.750%	57.08	774.55
Overhead @	10.0%	2,883.09	2,883.09
Profit @	10.0%	2,883.09	2,883.09
<b>O&amp;P Items Subtotal</b>	<b>34,597.03</b>	<b>709.38</b>	<b>33,887.65</b>

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



DSC00001  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Front of risk.



DSC00002  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Most all EMS equipment being picked up on Tuesday, Oct 13.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00003**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Origia at the second floor laundry room.



**DSC00004**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor laundry room.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bufe  
Claim #: HO771913  
Policy #: HC12233141



**DSC00005**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor hall bathroom, toe kick repairs.



**DSC00006**

Date Taken: 10/13/2009

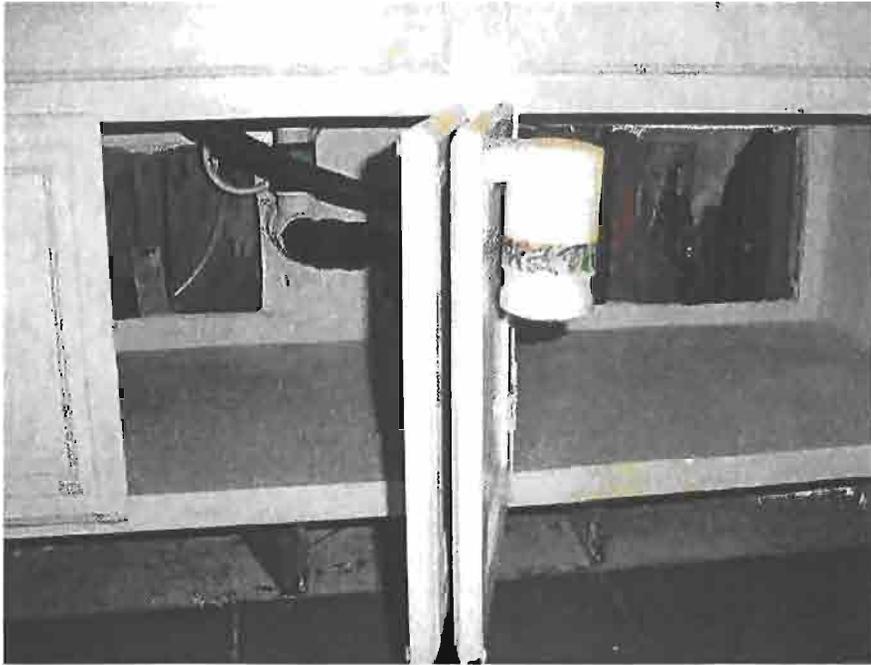
Taken By: BARBARA GILLETTE

Toe kick repair and drywall repairs inside the bathroom vanity cabinet.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1900 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00007**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Drywall repairs inside the second floor bathroom vanity cabinet.



**DSC00008**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor hall bathroom, drywall repair.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



**DSC00009**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor hall bathroom looking out into the hall.



**DSC00010**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Bathroom doorway to the second floor loft. Laundry room doorway on the left.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00011

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor, back bedroom.



DSC00012

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor, back bedroom.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00013**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor loft, total loss glue down laminate flooring. Removal has taken up part of the subfloor.



**DSC00014**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor loft, reset built in cabinet.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00015**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Tiles from the laundry room.



**DSC00016**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Second floor, middle bedroom.

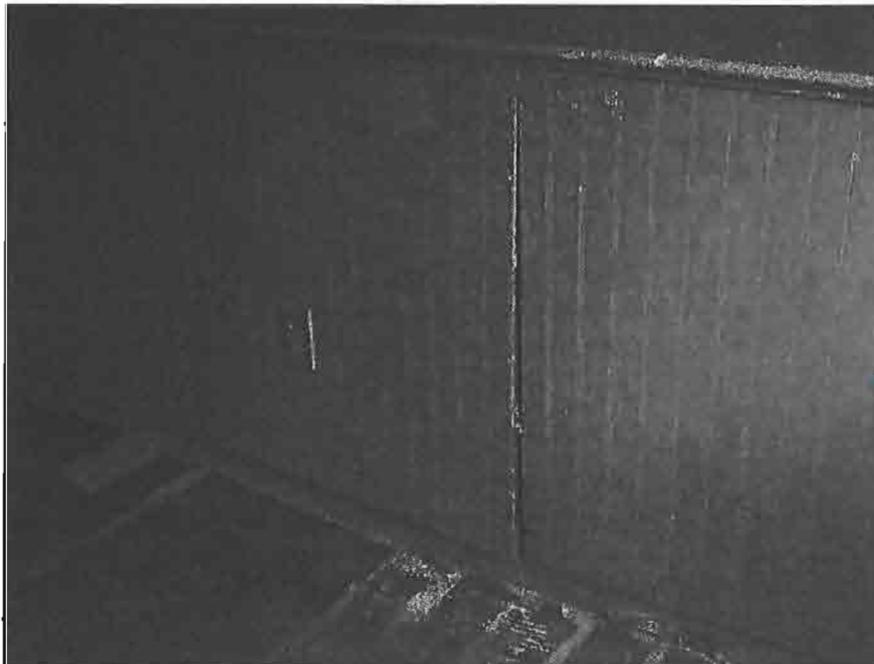
# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00017**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Second floor, middle bedroom.



**DSC00018**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Reset some of the bead board paneling  
at the second floor middle bedroom.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00019**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor loft towards Master Bedroom. Continuous wood flooring into the master bedroom. The master is the only room not affected at the second floor.



**DSC00020**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor, front bedroom.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00021

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Second floor front bedroom.



DSC00022

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Built in desk at the second floor loft.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00023

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Master bedroom at the second floor.



DSC00024

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Master bedroom.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



DSC00025  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Master bedroom.



DSC00026  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Master bedroom, one of two closets.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00027**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Continuous wood flooring at the stairs.



**DSC00028**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00029**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room ceiling.



**DSC00030**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room, reset canned light trim.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



**DSC00031**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room.



**DSC00032**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room, detach and reset ceiling fan for drywall repairs.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00033

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room offset.



DSC00034

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Family room repairs.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00035**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Powder room located next to family room, no damage.



**DSC00036**

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Garage, impacted with tenant personal property.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



DSC00037  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Garage ceiling repairs.



DSC00038  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Garage ceiling repairs.

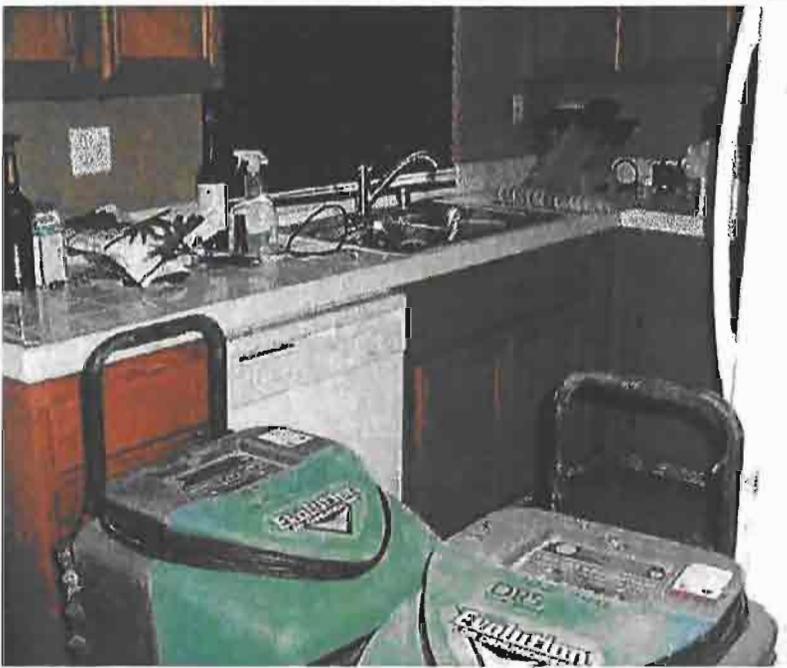
# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00039**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Kitchen.

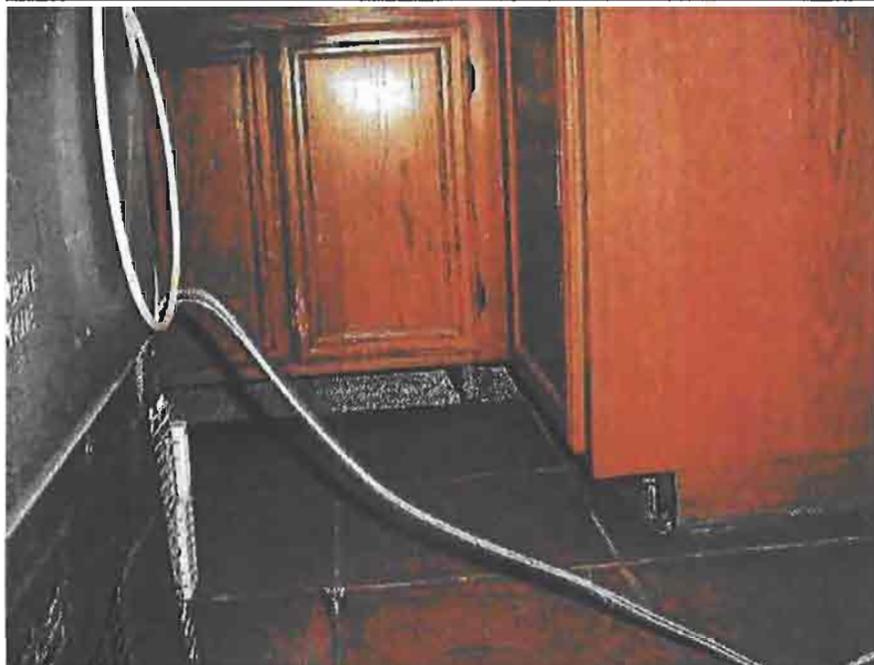


**DSC00040**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Kitchen.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



DSC00041  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Kitchen toe kicks repair.

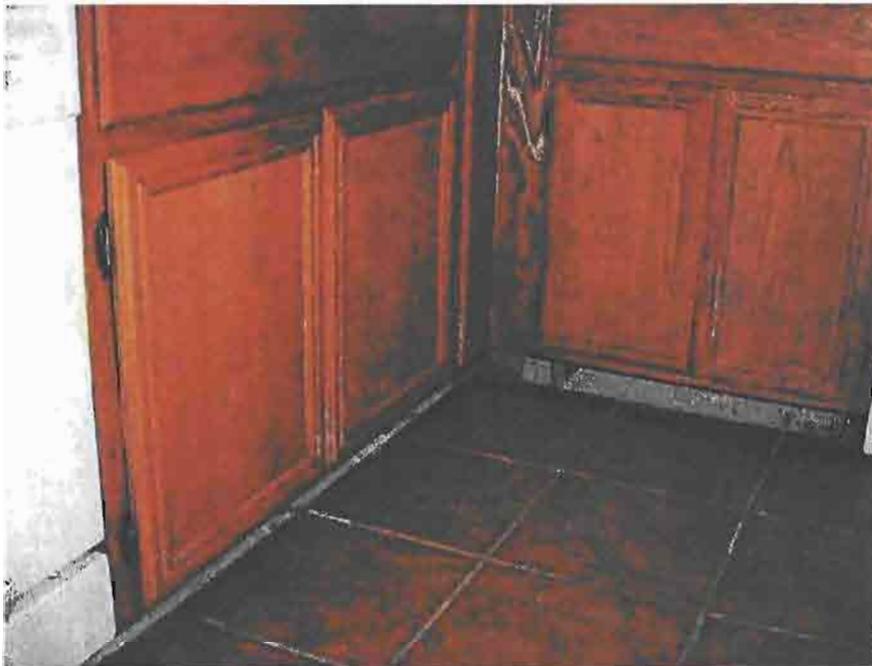


DSC00042  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Kitchen repairs at toe kicks.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule  
Claim #: HO771913  
Policy #: HC12233141



**DSC00043**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Kitchen repairs.



**DSC00044**  
Date Taken: 10/13/2009  
Taken By: BARBARA GILLETTE  
Living room towards kitchen.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00045

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Living room.



DSC00046

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Living room.

# Photo Sheet

Century-National Insurance Company  
12200 Sylvan Street  
North Hollywood, California 91606  
Phone: (818)760-1980 / Fax: (818)760-1554

Insured: Steven & Margo Bule

Claim #: HO771913

Policy #: HC12233141



DSC00047

Date Taken: 10/13/2009

Taken By: BARBARA GILLETTE

Living room.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 3, 2010
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	P2434 - DIV. NO. 2 001101
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Adoption of a Mitigated Negative Declaration for the Rancho del Rey Groundwater Well Project		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) approves the adoption of a Mitigated Negative Declaration (MND) for the Rancho del Rey Groundwater Well Project (see Exhibit A for project location).

**COMMITTEE ACTION:**

Please see Attachment A.

**PURPOSE:**

To obtain Board authorization for approval of a Mitigated Negative Declaration for the Rancho del Rey Groundwater Well Project.

**ANALYSIS:**

The project is the installation and operation of a potable water well and the construction of a water-treatment facility on an approximately 0.2-acre property owned by the District in the Rancho del Rey neighborhood in the City of Chula Vista. A non-operating water well is currently located on the site; installation of the new well will be accomplished by drilling a new borehole at some other

location on the property. The existing well will remain and be used for monitoring or testing purposes. The new well will be drilled to a depth of approximately 860-feet, will be approximately 18-inches in diameter and will be constructed of steel well casing and screening materials.

The onsite water treatment facility will be located in a structure located in the southeast corner of the site. It will feature a water storage tank, chemical treatment tanks, pumps, a fuel vault, and an electrical generator. The treatment facility will feature architecture and materials that mirror the appearance and character of the existing structures in the vicinity of the site.

ICF International (formerly Jones & Stokes) was issued a Task Order to prepare the Initial Study and MND for the project under their As-Needed Environmental Services contract with the District. Based on the findings of these documents, and with proper mitigation measures taken as outlined in the draft MND (see Attachment B), the project will not have a significant effect on the environment. The Initial Study and Draft MND were submitted for a 20-day review period on January 28, 2010. The findings and mitigation measures will be finalized and the final MND will be available after the public review period is complete and any changes are made based on comments received during this period.

**FISCAL IMPACT:**



None.

**STRATEGIC GOAL:**

This project supports the District Strategic Goal of designing and constructing new infrastructure to satisfy current and future water needs for potable, recycled, and wastewater services.

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

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



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

P:\WORKING\CIP P2434\Planning\Environmental\BD 03-03-10, Staff Report, RDR Well MND Adoption, LCB-RR.doc

LC-B/RR:jf

Attachments: Attachment A  
Attachment B  
Exhibit A

QA/QC Approved:

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

DATE: 2/5/10



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> P2434-001101	Adoption of a Mitigated Negative Declaration for the Rancho del Rey Groundwater Well Project
---	--

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 22, 2010 and the following comments were made:

- Staff is requesting that the Board adopt a Mitigated Negative Declaration (MND) for the District's Rancho del Rey Groundwater Well Project.
- Staff provided a report to the Committee and indicated that the attached vicinity map (Exhibit A) displays the land owned by the Otay Water District and the location of the Project.
- Staff stated that under their As-Needed Environmental Services Contract, ICF International (formerly Jones & Stokes) prepared the Initial Study and Draft MND for the Rancho del Rey Groundwater Well Project.
- Staff indicated that ICF International identified six (6) specific impacts and that their mitigation measures are detailed in the MND. The impacts include Aesthetics, Biological Resources, Cultural and Paleontological Resources, Hydrology and Water Quality, Noise, and Transportation/Traffic. It was noted by staff that based on the findings of the documents, and with proper mitigation measures taken as outlined in the draft MND, the project will not have a significant impact on the environment.
- Staff stated that the Initial Study and Draft MND were submitted for a 20-day review period on January 28, 2010.
- Individual letters providing information about the Project, and notification that the Initial Study and Draft MND were available for review, were sent to surrounding property owners of the site project (ie. childcare facility, church, residents) and interested parties. Staff stated that the District received one (1)

## ATTACHMENT B

## **Mitigated Negative Declaration for the Otay Water District Rancho del Rey Groundwater Well**

The Otay Water District (District) has reviewed the project described below to determine whether it could have a significant effect on the environment as a result of project completion. "Significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance.

**Name of Project:** Rancho del Rey Groundwater Well

**Project Description:** The project entails installation and operation of a potable water well and observation well, and construction and operation of a water-treatment facility on an approximately 0.2-acre property owned by the District. A non-operating water well is currently located on the site; installation of the new well would either entail removing the existing well casing and enlarging the well's borehole diameter, or drilling a new borehole at some other location on the property and abandoning the existing well.

**Project Location and Assessor's Parcel Number:** The project would be located on an approximately 0.20-acre site located southeast of the intersection of Rancho del Rey Parkway and Terra Nova Drive, in the community of Rancho del Rey, City of Chula Vista, California. The APN for the site is 59338240.

**Mailing Address and Phone Number of Applicant Contact Person:**

Otay Water District  
Attn: Lisa Coburn-Boyd  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978-2004  
(619) 670-2219  
[Lisa.Coburn-Boyd@otaywater.gov](mailto:Lisa.Coburn-Boyd@otaywater.gov)

**Authority to Prepare a Mitigated Negative Declaration**

As provided in the California Environmental Quality Act (CEQA) Section 15070 (Title 14 – California Code of Regulations), a Mitigated Negative Declaration (MND) may be prepared for a project subject to CEQA when an initial study has identified potentially significant effects on the environment, but when revisions to the project have been made so that no significant effect on the environment will result from project implementation. The District is the lead agency and is responsible for the planning, construction and operation of the well and treatment facility. Based on the findings of the initial study/environmental checklist form that was prepared for this project and attached hereto, the District has determined that an MND is the appropriate means of presenting the CEQA-compliant environmental review of the project.

## **Findings**

The District finds the project described above will not have a significant effect on the environment in that the attached initial study identifies one or more potentially significant effects on the environment for which the project applicant, before public release of this Draft Mitigated Negative Declaration, has made or agrees to incorporate measures that clearly mitigate the effects to a less-than-significant level. The District further finds that, with incorporation of these measures, there is no substantial evidence that this project may have a significant effect on the environment. The mitigation measures that will be incorporated into the project are listed below.

## **Impacts and Mitigation Measures**

***Aesthetics: Exterior lighting required during construction may be visible from adjacent residences on a temporary basis.***

**Mitigation Measure 1: Prepare a Community Awareness Program for Project Construction.** In consultation with representatives of the City of Chula Vista, the District will prepare and maintain a program to enhance community awareness of project construction issues, including noise, vibration, nighttime noise, and nighttime lighting. At least two weeks prior to the initiation of project construction, information packets will be prepared and mailed to all residences within a 1,500-foot radius of project construction. The information packets will include information on the purpose of the project, the estimated construction schedule, and the types of machinery to be used on the site. The packet will also identify the name and phone number of a District representative who will serve as a project liaison to the community. The project liaison will be available to respond to community concerns regarding noise, vibration, and light; provide additional explanation of the extent and duration of the issues of concern; and work to resolve these issues to the greatest extent possible.

***Biological Resources: Trees and other ornamental vegetation in the vicinity of the site could provide suitable nesting habitat for raptors and other birds protected by the Federal Migratory Bird Treaty Act, and project construction could result in direct and indirect impacts on nesting birds.***

**Mitigation Measure 2a: Avoid Impacts on Vegetation During the Nesting Bird Season.** In order to avoid all potential impacts on nesting migratory birds and raptors, construction activities involving the removal of vegetation shall be restricted during the breeding season for migratory birds/raptors (approximately January 15 through August 31).

If construction activities are proposed within the identified breeding season, Mitigation Measure 2b would be employed.

**Mitigation Measure 2b: Preconstruction Nesting Bird Surveys.** If construction activities involving the removal of vegetation occur between January 15 and August 31, a

preconstruction nesting bird survey shall be conducted (within three days prior to construction activities) by a qualified biologist to determine if active nests are present within or adjacent to the project site in order to avoid the nesting activities of breeding birds/raptors. If nesting activities within 200 feet of the proposed work area are not detected, construction activities would be allowed to proceed. If nesting activities are confirmed within this radius, construction activities shall be delayed within an appropriate buffer from the active nest until the young birds have fledged and left the nest or until the nest is no longer active as determined by a qualified biologist. The size of the appropriate buffer shall be determined by a qualified biologist, but shall be at least 25 feet.

***Cultural and Paleontological Resources:*** *Well drilling has the potential to disturb previously unidentified paleontological resources or unique geologic features beneath the surface of the site.*

**Mitigation Measure 3: Halt Work if Paleontological Resources or Unique Geologic Features Are Encountered.** If paleontological resources or unique geologic features are discovered by the project geologists during drilling, the drilling work will be halted immediately and the San Diego Museum of Natural History (Natural History Museum) will be contacted. In consultation with the Natural History Museum and the project geologist, the District will determine the proper steps for documenting, removing, or otherwise managing the resources or features.

***Hydrology and Water Quality:*** *The project entails discharge of brine into the San Diego Metropolitan Wastewater Department sewer system that may exceed wastewater treatment requirements.*

**Mitigation Measure 4: Comply with Industrial User Discharge Permit Requirements.** The District will obtain an Industrial User Discharge Permit from San Diego Metropolitan Wastewater Department and will comply with all limitations and requirements stated therein with respect to the discharge salt content, quantity, or other aspects.

***Noise:*** *Project construction would result in a temporary increase in ambient noise that would be received by adjacent receptors.*

**Mitigation Measure 1: Prepare a Community Awareness Program for Project Construction** (see description above)

***Transportation/Traffic:*** *The project would construct a driveway along a curved street with little site visibility.*

**Mitigation Measure 5: Provide Ample Signage and Safe Design of Project Driveway.** The District will coordinate with the City Department of Public Works, Engineering

Division to ensure that the project driveway is designed to meet all relevant City code and features adequate signage to the satisfaction of the Department of Public Works.

**Public Review of the Mitigated Negative Declaration**

Before February 16, 2010, any person may:

- (1) Review the MND; and
- (2) Submit written comments regarding the information, analysis, and mitigation measures in the MND. Written comments should be directed to the contact person listed above.

Name: Lisa Coburn-Boyd

Title: Environmental Compliance Specialist

Signed: 

Circulated on: January 28, 2010

Adopted on: \_\_\_\_\_

# Initial Study/Environmental Checklist

---

1. **Project Title:** Rancho del Rey Groundwater Well
2. **Lead Agency Name and Address:** Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978-2004
3. **Contact Person and Phone Number:** Lisa Coburn-Boyd,  
Environmental Compliance Specialist  
(619) 670-2219
4. **Project Location:** The project site consists of an approximately 0.20-acre site owned by the District and located southeast of the intersection of Rancho del Rey Parkway and Terra Nova Drive, in the community of Rancho del Rey, City of Chula Vista, California. The site's regional location is shown in Figure 1, and an aerial of the site is shown in Figure 2.
5. **Project Sponsor's Name and Address:** Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978-2004
6. **General Plan Designation:** Chula Vista: Public and Quasi-Public
7. **Zoning:** Chula Vista: Public and Quasi-Public
8. **Description of Project:**

The project entails installation and operation of a potable water well and nested piezometer groundwater well (referred to as an "observation well" throughout this document) and a related water-treatment facility on an approximately 0.2-acre property owned by Otay Water District (District). A non-operating water well is currently located on the site; installation of the new well would be accomplished by drilling a new borehole at some other location on the property. The existing well would likely remain and be used for monitoring or testing purposes. The new well would be drilled to a depth of approximately 860 feet, would be 18 inches in diameter (enlarged from the existing 12-inch diameter), and would be constructed of stainless steel well casing and screening materials.

After drilling the well, the District would test the well to assess the feasibility of operating the well for the intended purpose. If the testing indicates that the water is not suitable for treatment and usage as potable water, the treatment facility would not be constructed. For purposes of environmental review pursuant to CEQA, the District assumes that the well will be suitable and the treatment facility would be constructed. The facility would feature an approximately 70,000-gallon water-storage tank, three chemical treatment tanks (a hypochlorite tank, caustic tank, and sulfuric acid tank), a cleaning tank, a neutralization tank, pumps, a fuel vault, and an electrical generator. The well head would be located outside the treatment facility, and all treatment-related facilities would be housed inside an approximately 3,600-square-foot, 15-foot-high structure located in the southeast corner of the site. The treatment facility would be equipped with automatic indoor fire-suppression sprinklers to minimize the potential for structure fire. Underground plumbing and electrical connections between the well head and the treatment facility would be installed. The treatment facility would feature architecture and materials to mirror the appearance and character of the residential and institutional structures in the vicinity of the site.

New connections to existing water and sewer facilities in Rancho del Rey Parkway would be installed as part of the project. Two new connections to a District water main would be installed, including one inlet for blending well water with potable water currently running through the system, and one outlet for distribution of well-produced and blended water into the system. A new

connection to the City's sewer system in Rancho del Rey Parkway would also be installed, enabling discharge of byproduct (brine) from the water treatment facility's reverse osmosis process. This discharge would be conveyed through the City's sewer mains and into the City of San Diego Metropolitan Sewerage System (Metropolitan Sewer) for treatment. This discharge to the Metropolitan Sewer would rely on the District's capacity in the system rather than the City's. Power and telephone lines connecting the treatment facility to existing facilities in Rancho del Rey Parkway would also be installed as part of the project.

A new vehicle access would be constructed off Rancho del Rey Parkway, consisting of a concrete driveway and a locked gate. Approximately 3,000 square feet of the site surrounding the treatment facility would be paved with asphalt for parking and circulation for plant employees, chemical-delivery trucks, and other equipment. The site would be designed to convey storm water to the City's system, and would conform to City specifications for storm water facilities. A 6- to 8-foot-high concrete block wall would be constructed around the northern and eastern perimeter of the project site. A concrete block wall is currently located along the site's southern boundary; this wall would not be affected by project construction, and would remain after project completion. A decorative fence would be constructed on the site's western perimeter. Landscaping would be planted around the perimeter of the site as a visual buffer to the site and the proposed walls.

Preliminary analysis of the well's production indicates that the well is anticipated to yield approximately 400 gallons per minute, equating to 645.2 acre feet per year, and is anticipated to have a lifespan of 20–30 years, based on preliminary estimates. The project would draw water from a deep, confined alluvial groundwater aquifer known as the San Diego Formation, which underlies a large portion of southwestern San Diego County.

The treatment facility is anticipated to employ one part-time worker, working approximately 20 hours per week to perform regular operational, maintenance, and oversight duties. Chemical deliveries to the site would occur approximately twice monthly.

Permanent lighting on the site would consist only of security lighting, which would be low level, downward facing, and limited the extent necessary to provide adequate security for the treatment facility, similar in scale to that which exists on the adjacent daycare center.

#### Project Construction

Project construction would entail site clearing, trenching, grading, drilling the observation well and new water well; paving; erecting the treatment facility structure and perimeter walls; and installing the components of the treatment facility.

Well drilling and well casing installation would be conducted by a truck-mounted hydraulic drill rig. The drill rig will be enclosed at all times by a 10-foot high noise wall placed approximately 20 feet from the rig. Other heavy equipment to be used during the well construction period would include one fork lift, one front loader, and hauling trucks. The drilling work would last for a six-week duration, with work conducted from 7 a.m. to 7 p.m., Monday through Friday. Installation of the well casing would be conducted over two, two-day periods of 24-hour work. These short periods of 24-hour work are required during casing installation because halting the installation of the casings would risk having the walls of the well shaft close, which would require re-drilling. The noisiest aspects of the casing installation, which include moving the casing parts and opening/closing roll-off bins, would be limited to occurring during daylight hours, to the greatest extent possible. Construction lighting would be required on the site during nighttime work, but would be shielded by the presence of the noise wall enclosing the drilling operation.

During drilling, groundwater would be pumped out, separated from the dirt and mud, and pumped back into the ground. During the testing phase, groundwater would be pumped out and discharged to the local sewer system to the extent possible, as described above for project operations.

Construction of the treatment facility would occur an undetermined amount of time after the well drilling, following an investigative testing phase in which the District will assess the feasibility of operating the well for the intended purpose. Site grading, paving, trenching, pipeline installation, and construction of the treatment facility would occur between 8:00 a.m. and 4:00 p.m., Monday through Friday. Installation of water, sewer, telephone, and electric lines from the proposed water

treatment facility to connections in Rancho del Rey Parkway would require trenching. Most of this would occur on site, but some off-site trenching would be required within the roadway. Only a small part of the road would be affected, and the project would not require full closure of Rancho del Rey Parkway. The District would prepare a traffic plan indicating the timing of in-road construction and specifying measures to control traffic during the construction, including alerts to drivers of the construction

Construction-related equipment and materials storage and worker parking would mostly be accommodated in an onsite staging area, though it is possible that a small area adjacent to the site would be required for materials staging. The number of construction workers on site would range from 4 to 12, depending on the phase of construction, with the largest number working during treatment-plant construction.

**9. Surrounding Land Uses and Setting:**

The project site is located in a developed area in the central portion of the City characterized by a mixture of single-family residential and open space uses, with some institutional uses in the vicinity of the project site, including a child daycare facility immediately east of the site and a church farther to the east. The site is bordered on the west by Rancho del Rey Parkway (buffered by an approximately 10-foot-wide landscaped area), on the north and east by an asphalt parking lot associated with the adjacent daycare facility, and on the south by single-family residences. Figure 2 shows the site and surrounding uses.

The project site is a 0.2-acre, irregularly shaped parcel that is entirely disturbed and covered in non-native grass (turf). The site is currently accessed via the paved parking lot associated with the adjacent daycare center. The site sits on a graded terrace that separates the site from the adjacent residences to the south. A decorative wooden fence is located on the site's southern boundary to separate the site from the residential development. The existing groundwater well is located in the north-central portion of the site. This well is 865 feet deep with a submersible pump and a 5-foot-tall, 2-foot diameter aboveground well head. It was installed in 1991 to supply dust-control water used during nearby residential construction. Use of the well was discontinued in 1994, after which the District purchased the property but never reinstated the onsite well.

**10. Other Public Agencies Whose Approval is Required:**

- City of Chula Vista: Encroachment Permit, Wastewater Disposal Permit
- County of San Diego Department of Environmental Health: Water Well Permit
- San Diego Metropolitan Wastewater District: Industrial User Discharge Permit

## Environmental Factors Potentially Affected

The environmental factors checked below would potentially be affected by this project (i.e., the project would involve at least one impact that is a "Potentially Significant Impact"), as indicated by the checklist on the following pages.

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Aesthetics                      | <input type="checkbox"/> Agricultural Resources             | <input type="checkbox"/> Air Quality            |
| <input type="checkbox"/> Biological Resources            | <input type="checkbox"/> Cultural Resources                 | <input type="checkbox"/> Geology/Soils          |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality            | <input type="checkbox"/> Land Use/Planning      |
| <input type="checkbox"/> Mineral Resources               | <input type="checkbox"/> Noise                              | <input type="checkbox"/> Population/Housing     |
| <input type="checkbox"/> Public Services                 | <input type="checkbox"/> Recreation                         | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Utilities/Service Systems       | <input type="checkbox"/> Mandatory Findings of Significance |   |

## Determination

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions to the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have an impact on the environment that is "potentially significant" or "potentially significant unless mitigated" but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards and (2) has been addressed by mitigation measures based on the earlier analysis, as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.

Lisa Coburn Boyd  
Signature

1/28/10  
Date

Lisa Coburn Boyd  
Printed Name

Otay Water District  
For

## Evaluation of Environmental Impacts

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained if it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including offsite as well as onsite, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an Environmental Impact Report (EIR) is required.
4. “Negative Declaration: Less than Significant with Mitigation Incorporated” applies when the incorporation of mitigation measures has reduced an effect from a “Potentially Significant Impact” to a “Less-than-Significant Impact”. The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less-than-significant level. (Mitigation measures from Section XVII, “Earlier Analyses”, may be cross-referenced.)
5. Earlier analyses may be used if, pursuant to tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration [Section 15063(c)(3)(D)]. In this case, a brief discussion should identify the following:
  - a. Earlier Analysis Used. Identify and state where earlier analyses are available for review.
  - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c. Mitigation Measures. For effects that are “Less than Significant with Mitigation Incorporated,” describe the mitigation measures that were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, when appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.

I. Aesthetics	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings along a scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**a. Have a substantial adverse effect on a scenic vista?**

**Less-than-Significant Impact.** As shown in Figure 3, the project site consists of an approximately 0.20-acre disturbed, fenced area surrounded by commercial and residential development. The project includes the installation of wells and the construction of an associated treatment facility, which would be housed in a structure measuring approximately 15 feet high and located within the existing fenced site that houses the existing well. Construction of the proposed facilities would represent an extension of the visual character of the area, which includes the well site and the existing childcare facility and associated parking lot. The perimeter of the 0.20-acre site currently contains ornamental landscaping, and the project would also include landscaping around the perimeter of the site, which would serve to screen the site from the adjacent childcare facility and from motorists on Rancho del Rey Parkway. As a result, construction of the project would result in a less-than-significant impact to the visual character of the surrounding area.

**b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings along a scenic highway?**

**No Impact.** There are no scenic highways within the vicinity of the project site. Therefore, the project would not substantially damage scenic resources along a scenic highway. Additionally, there are no other scenic resources on the site. Therefore, there would be no impact.

**c. Substantially degrade the existing visual character or quality of the site and its surroundings?**

**Less-than-Significant Impact.** See 1.a above. The project is located on a disturbed parcel of land owned by the District that contains an existing well. Construction of the project would involve the presence of equipment and earth disturbance on a temporary basis. This activity would be visible from the adjacent daycare facility, but would primarily be screened from view by existing vegetation surrounding the project site. Activity would not be directly visible from adjacent residences due to topographic changes because the project site is at a higher elevation than the nearby residences. Therefore, the project's temporary construction impact would be less than significant. Permanent

features on the site include an approximately 15-foot-high structure to house the treatment facility and a concrete-block wall surrounding the site. The structure would be designed to be consistent with the existing structures in the area and would represent an extension of the visual character of the existing uses within and surrounding the project site. Landscaping currently surrounds the 0.20-acre project site, and the project would also include landscaping around the perimeter of the site. As a result, implementation of the project would result in a less-than-significant impact to the visual character of the area surrounding the project site.

**d. Create a new source of substantial light or glare that would adversely affect daytime or nighttime views in the area?**

**Less-than-Significant with Mitigation Incorporated.** The project site is located in a previously developed area with existing sources of light and glare. Interior and exterior lighting would be required for security and operational purposes during both construction and operation of the project. Construction lighting would be required during night work activities, which are estimated to occur until 7:00 p.m. nightly for approximately six weeks and around the clock for two periods of one or two nights during the casing installation. This lighting mostly be contained by the noise attenuation system built around the well-installation area and would be downward directed and shielded, but may be partially visible from adjacent residences on a temporary basis during construction. The mitigation measure listed below would reduce this impact by fostering community understanding of the project construction process and providing a project liaison to field complaints from the community and provide resolution to these complaints to the greatest extent feasible.

**Mitigation Measure 1: Prepare a Community Awareness Program for Project Construction.**

In consultation with representatives of the City of Chula Vista, the District will prepare and maintain a program to enhance community awareness of project construction issues, including noise, vibration, nighttime noise, and nighttime lighting. At least two weeks prior to the initiation of project construction, information packets will be prepared and mailed to all residences within a 1,500-foot radius of project construction. The information packets will include information on the purpose of the project, the estimated construction schedule, and the types of machinery to be used on the site. The packet will also identify the name and phone number of a District representative who will serve as a project liaison to the community. The project liaison will be available to respond to community concerns regarding noise, vibration, and light; provide additional explanation of the extent and duration of the issues of concern; and work to resolve these issues to the greatest extent possible.

Operational lighting associated with the project would be low level, downward facing, and limited to the extent necessary to provide adequate security for the treatment facility. Lighting within the City is regulated by the City's Municipal Code. Construction and operational lighting associated with the project would be designed to minimize spill light in accordance with Section 17.28.020 of the City's Municipal Code, which requires shielding for onsite lighting. Shielding the lights would focus light on site to avoid spillover onto neighboring properties, while only using lighting necessary for safety and security purposes. In addition, the project will comply with Section 19.66.100 of the City's Municipal Code, which regulates direct and sky-reflected glare from floodlights and high-temperature processes such as combustion or welding. The project would not entail combustion- or welding-related lighting, and any security floodlights would be downward facing and shielded, as described above. Finally, project lighting would be similar in

scale to that which exists on the adjacent daycare center. As a result, the project would not adversely affect daytime or nighttime views in the area by creating a significant new source of light and glare. Impacts would be less than significant.

II. Agricultural Resources	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<p>In determining whether impacts on agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation. Would the project:</p>				
<p>a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>b. Conflict with existing zoning for agricultural use or conflict with a Williamson Act contract?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>c. Involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland to non-agricultural use?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?**

**No Impact.** The project would be located on land that is entirely disturbed and covered in turf and features scattered ornamental landscaping. According to the San Diego County Important Farmland Map (CDC 2006), the project site is designated as Urban and Built-Up Lands under the Farmland Mapping and Monitoring Program (FMMP); therefore, the proposed site does not contain any designated Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Thus, no Prime, Unique, or Farmland of Statewide Importance would be converted to non-agricultural use as a result of the project.

**b. Conflict with existing zoning for agricultural use or conflict with a Williamson Act contract?**

**No Impact.** See 2.a above. The project site and adjacent areas are not designated with agricultural zoning, and the project would not conflict with existing zoning for agricultural use since it would be located on land that is currently disturbed and designated as Urban and Built-Up Lands under the FMMP. According to the San Diego County Williamson Act Lands Map, the project site is designated as Built-up Lands under the Williamson Act (CDC 2008). Thus, no Williamson Act contracts exist for the site. In addition, no agricultural lands are located in the project vicinity. Therefore, implementation of the project would not conflict with existing agricultural zoning or Williamson Act contracts. No impact would occur.

**c. Involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland to non-agricultural use?**

**No Impact.** See 2.a and 2.b above. There are no agricultural land uses located within or adjacent to the project site. The project would not involve any other changes to the existing environment that could result in the conversion of Farmland to non-agricultural use. Therefore, no impact to Farmland would result from implementation of the project.

III. Air Quality	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
When available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**a. Conflict with or obstruct implementation of the applicable air quality plan?**

**Less-than-Significant Impact.** The project site is located in the San Diego Air Basin (SDAB), which is contiguous with San Diego County. The San Diego Air Pollution Control District (SDAPCD) is required, pursuant to the federal and state Clean Air Acts, to reduce emissions of criteria pollutants for which the Basin is in nonattainment. The SDAB is currently classified as a nonattainment area for the federal ozone (8-hour O<sub>3</sub>) standard and a maintenance area for the federal carbon monoxide (CO) standard. In addition, the SDAB is classified as a serious nonattainment area for state ozone (O<sub>3</sub>) and a nonattainment area for the state particulate matter less than 2.5 microns (PM<sub>2.5</sub>) and particulate matter less than 10 microns (PM<sub>10</sub>) standards (SDAPCD 2008).

All areas designated as nonattainment are required to prepare plans showing how the area would meet the state and federal air quality standards by its attainment dates. The San Diego Regional Air Quality Strategy (RAQS) is the region's plan for improving air quality in the region. It addresses the state and federal requirements and demonstrates attainment with ambient air quality standards.

The applicable air quality plans within the SDAB rely on information from California Air Resources Board (CARB) and the San Diego Association of Governments, including projected growth in the county, which is based in part on local general plans. Therefore, projects that propose development that is consistent with the land use designations and growth anticipated by the general plan would be consistent with applicable air quality plans. As described in response 9.b, the project would be consistent with the City of Chula Vista's General Plan Quasi-Public land use designation since it would construct and operate a well and water treatment facility intended to serve the public's

demand for water resources. The project does not feature any long-term aspects that would be substantial pollutant emission sources. Project-related traffic generation is limited to vehicle trips from one part-time employee and truck trips from bi-monthly chemical deliveries. This small amount of vehicle activity would not be a considerable source of air pollutant emissions. Therefore, construction of the proposed project would be consistent with the general plan and operation would not conflict with any local air quality plan or result in violation of air quality standards. This impact is considered less than significant.

The project entails temporary construction activity, including well drilling, clearing, trenching, grading, paving, erecting the treatment facility structure and perimeter walls, and installing the components of the treatment facility. The primary construction-related pollutant in terms of the SDAB air quality plan is PM10. Grading and construction activities would be subject to SDAPCD rules and regulations, including Rule 50 (Visible Emissions), Rule 51 (Nuisance), and Rule 55 (Fugitive Dust Control) (SDAPCD 2009). The principal source of PM10 emissions would be fugitive dust from earthmoving activities and vehicle travel on unpaved and paved surfaces. The requirements of Rules 50, 51, and 55 can be met by the implementation of standard construction best management practices (BMPs) for dust control. The standard construction measures utilized by the District during recent construction projects that will be included as part of the project include:

- dust prevention to eliminate amounts of dust that could damage property, cultivated vegetation, or domestic animals, or cause a nuisance to persons living in or occupying buildings in the vicinity of the site;
- measures to enclose, cover, water (as needed), or apply non-toxic soil binders according to manufacturer's specifications on material piles (i.e., gravel, sand, dirt) with a silt content of 5% or greater; and
- the application of water or non-toxic soil stabilizers to maintain adequate dust control for active or inactive construction areas.

The construction and grading activities for the project would also be required to adhere to these dust control measures, and would thereby be in adherence with applicable SDAPCD rules and regulations.

**b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?**

**Less-than-Significant Impact.** See response to 3a. A discussion of the project's potential construction-period air quality impacts is provided below.

**Construction Impacts**

Construction of the Rancho del Rey Groundwater Well would result in emissions as a result of ground disturbance, off-road construction vehicle exhaust, emissions from employee and delivery travel, and as a result of off-gassing from paving activities. Emissions would vary from day to day, depending on the level of activity, the specific type of construction activity occurring, and, for fugitive dust, prevailing weather conditions. The project's construction emissions were estimated and compared to SDAPCD air quality impact analysis (AQIA) trigger levels, as shown in SDAPCD Rule 20.2. An adverse impact on air quality would result if the emission levels from the project were to exceed any of the AQIA trigger levels. As shown in Table 2, project construction is not anticipated to exceed any AQIA trigger levels.

Emissions were calculated using the URBEMIS2007 emissions model. A detailed project construction schedule and inventory of construction equipment that would be used for the project's drilling phase was provided by the client. URBEMIS defaults were used to estimate schedule and inventory of equipment for the remaining phases of project construction. The assumed construction schedule, hours of construction per day, and types of construction equipment for each phase of construction is presented in Table 1 below. For purposes of analysis, it was assumed that project construction would occur in seven separate phases. Drilling the production well would occur first, followed by installation of the casings for the production well. Next, the observation well would be drilled and then cased. For modeling input purposes, it was assumed that building construction, trenching for utilities, and asphalt paving would take place simultaneously after completion of the drilling and installation, though the treatment-plant-related construction would actually occur an undetermined amount of time after the well is drilled, following an investigative testing phase.

**Table 1.** Assumed Construction Inputs

Construction Phase	Start Date	End Date	Hours Per Day	Equipment Assumptions
Well Drilling, water well (15 work days) <sup>1</sup>	2/1/2010	2/19/2010	12	drill, compressor, backhoe, generator, light, tractor
Well Casing, water well (2 days) <sup>1</sup>	2/22/2010	2/23/2010	24	drill (casing), compressor, backhoe, generator, light, tractor
Well Drilling, observation well (15 work days) <sup>1</sup>	2/24/2010	3/16/2010	12	drill, compressor, backhoe, generator, light, tractor
Well Casing, observation well (2 days) <sup>1</sup>	3/17/2010	3/18/2010	24	drill (casing), compressor, backhoe, generator, light, tractor
Building Construction (18 work days) <sup>2</sup>	3/19/2010	4/13/2010	8	forklift, backhoe, compressor, generator
Trenching for Utilities (18 work days) <sup>2</sup>	3/19/2010	4/13/2010	8	excavator, crusher, loader, backhoe, trencher, welder
Paving (7 work days) <sup>2</sup>	4/6/2010	4/14/2010	8	4 cement/mortar mixers, paver, roller, backhoe

<sup>1</sup> Construction equipment, horsepower, and hours of operation for well drilling and well casing were provided by the client's drilling contractor (personal communication with Bill Stuckey, WDC Exploration & Wells, January 2010).

<sup>2</sup> Building construction, trenching, and paving were based on URBEMIS default construction assumptions.

As shown in Table 2, construction of the project would be below applicable SDAPCD thresholds for criteria pollutants. Construction of the project would not result in an impact on air quality in that emissions would not exceed SDAPCD applicable air quality standards or contribute to existing air quality violations.

**Table 2. Estimated Construction Emissions**

Construction Phase	Pounds per day						Metric Tons per year
	ROG	NO <sub>x</sub>	CO	SO <sub>x</sub>	PM10	PM2.5	CO <sub>2</sub> e
Well Drilling, water well (15 days)	8.72	76.99	38.18	<1	8.4	4.88	60.5
Well Casing, water well (2 days)	14.36	143.91	59.44	<1	10.61	6.91	16.9
Well Drilling, observation well (15 days)	8.72	76.99	38.18	<1	8.4	4.88	60.5
Well Casing, observation well (2 days)	14.36	143.91	59.44	<1	10.61	6.91	16.9
Building Construction (18 days) <sup>2</sup>	3.36	35.45	12.99	<1	1.55	1.42	31.1
Trenching for Utilities (18 days) <sup>2</sup>	3.91	26.29	16.44	<1	1.7	1.56	20.9
Paving (7 days) <sup>2</sup>	2.04	12.11	8.86	<1	1.05	0.96	3.9
<b>Maximum Emissions</b>	<b>14.36</b>	<b>143.91</b>	<b>59.44</b>	<b>&lt;1</b>	<b>10.61</b>	<b>6.91</b>	<b>210.7</b>
<i>SDAPCD Significance Threshold</i>	<i>75</i>	<i>250</i>	<i>550</i>	<i>250</i>	<i>100</i>	<i>55</i>	<i>-</i>
<b>Exceed Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>N/A</b>

ROG = reactive organic gas.

CO = carbon monoxide.

PM10 = particulate matter equal to or less than 10 microns.

CO<sub>2</sub>e = carbon dioxide equivalent

NO<sub>x</sub> = oxides of nitrogen.

SO<sub>x</sub> = sulfur oxides.

PM2.5 = particulate matter less than 2.5 microns.

Note: URBEMIS emission output sheets and GHG calculation worksheets are provided in Appendix A.

**Operational Impacts**

Operation of the project would result in minimal emissions as a result of vehicle trips from one part-time employee and bi-monthly chemical delivery trucks. Onsite use of electricity for the groundwater well, lights, and ancillary equipment would be provided by a connection to the local electrical grid. Therefore, operational emissions are expected to be minimal and are not anticipated to exceed SDAPCD thresholds. Operation of the project would not result in an impact on air quality and emissions would not exceed applicable air quality standards or contribute to existing air quality violations.

**Greenhouse Gas Emissions**

Project construction would result in greenhouse gas (GHG) emissions as a result of off-road diesel equipment exhaust and emissions from employee and material delivery travel. The primary emissions occur as carbon dioxide (CO<sub>2</sub>) from gasoline and diesel combustion, with more limited vehicle tailpipe emissions of nitrous oxide and methane as well as other GHG emissions related to vehicle cooling systems. Construction period CO<sub>2</sub> emissions were obtained from the URBEMIS2007 model, and construction period methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions were calculated based on the methodology found in the Climate Registry General Reporting Protocol, Version 3.1, for construction diesel-fuel emission estimates (California Climate Action Registry 2009). GHG emissions were presented as CO<sub>2</sub>equivalent (CO<sub>2</sub>e) using the methodology for calculating CO<sub>2</sub>e found in the Climate Registry General Reporting Protocol, Version 3.1 (California Climate Action

Registry 2009). As shown in Table 2, project construction would result in approximately 211 metric tons of CO<sub>2</sub>e over the entire construction period. The relative quantity of project-related GHG emissions during short-term construction is negligible in comparison to statewide and worldwide daily emissions. The project's amount of emissions, without considering other cumulative global emissions, would be insufficient to cause substantial climate change directly. Thus, project emissions in isolation are considered less than significant. However, climate change is a global cumulative impact, and thus the proper context for analysis of this issue is not a project's emissions in isolation, but rather as a contribution to cumulative GHG emissions, which is discussed in the response to 3.c below.

Because quantitative GHG guidelines, including thresholds, have not been developed by the SDAPCD, these emissions are provided for information purposes only.

**c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is a nonattainment area for an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?**

**Less-Than-Significant Impact.** See response to 3a and 3b. Cumulative construction impacts on nearby receptors may occur if the project is constructed at the same time as other development projects in the area, thereby exposing sensitive receptors to cumulative emission concentrations (See response 3.d below). However, it is anticipated that with the incorporation of the standard SDAPCD dust control measures, the contribution of the project to cumulative impacts related to PM<sub>10</sub> and PM<sub>2.5</sub> emissions would be less than significant.

Operation of the project would not contribute to any significant cumulative impacts related to non-attainment status for ozone, PM<sub>10</sub>, or PM<sub>2.5</sub>. The proposed facilities would involve one part-time worker and bi-monthly truck trips for chemical deliveries. In addition, as shown in response 3.a, the project is consistent with applicable air quality management plan because it proposes a land use consistent with the local general plan.

Construction and operation of the proposed project would not result in significant impacts related to climate change and greenhouse gas emissions. Construction of the project would short-term in nature and the net-increase in emissions that would result from construction would be negligible when compared to state and worldwide emissions. In term of operations, water imported from other parts of the state and/or region require the use of energy, and GHG emissions associated with water supply result from the indirect consumption of electricity to pump water throughout the state and region. The purpose of this project is to provide potable water supply to nearby residents and businesses which may reduce the need for water from other parts of the state and/or region. Therefore, it can be assumed that long-term operation of the project would result in a reduction in indirect energy consumption, thereby reducing the amount of GHG emissions related to water supply. As a result the project would result in a less than significant contribution to cumulative conditions related to climate change and GHG emissions.

**d. Expose sensitive receptors to substantial pollutant concentrations?**

**Less-Than-Significant Impact.** See response to 3a and 3b. Construction of the project could potentially expose sensitive receptors to pollution concentrations as on-road vehicles and off-road construction equipment operate on the project site for approximately 2 months. Diesel engines (including construction equipment) emit toxic air contaminants (TACs), which are known to

increase the risk of developing cancer and have acute and chronic health risks in the case of excessive human exposure. Of particular importance is diesel particulate matter (DPM), which is identified by the California Air Resources Board (CARB) as a toxic air contaminant and is a known carcinogen (CARB 1998). Due to the temporary operation of diesel engines in proximity to sensitive receptors, including the daycare facility east of the site and residences surrounding the site, the project's TAC emissions were quantified and incorporated into a health-risk analysis for project construction. For TACs including DPM that can cause cancer, a unit risk factor can be developed to evaluate cancer risk. For non-cancer health risks, a similar factor called a Hazard Index (HI) is used to evaluate risk. The HI is calculated by summing the hazard quotients for substances that affect the same target organ or organ system (e.g., respiratory system). The hazard quotient is the ratio of potential exposure to the substance and the level at which no adverse health effects are expected. An increased cancer risk of 1 in one million is considered potentially significant while an increased cancer risk of 10 in one million is considered significant. An HI of less than one indicates no adverse health effects are expected from exposure, while an HI greater than one indicates adverse health effects are possible.

Potential sources of DPM include exhaust emissions from on-road vehicles, off-road vehicles (such as trucks, loaders, backhoes, and excavators), and portable equipment (such as compressors, drills, and generators). The DPM of greatest health concern are those in the categories of fine (PM10) and ultra-fine (PM2.5). These fine and ultra-fine particles are respirable, which means that they can avoid many of the human respiratory system defense mechanisms and enter deeply into the lungs. Therefore, and as discussed below, the use of diesel-powered engines for project construction could expose nearby sensitive receptors to substantial pollutant concentrations, potentially resulting in adverse health effects.

The nearest sensitive land uses to the project area are a daycare facility to the immediate east of the project site as well as residences to the north, west, and south. Therefore, a health risk screening analysis was conducted using the EPA's SCREEN3 dispersion model to determine if elevated health risks would result from construction activities at these locations in the vicinity of the project area. The screening analysis assumes that sensitive receptors are exposed to the approximately 2 months (59 days) of construction exhaust for 9 hours per day, which is the assumed total daily operating hours for the daycare facility, the nearest receptor. Receptors were placed at distances ranging from zero to 4,920 feet (1,500 meters) away from construction activities. These sensitive receptor locations were selected for the screening analysis to represent the locations where sensitive receptors at the daycare facility and nearby residences could be exposed to the maximum levels of DPM from construction equipment activities. This analysis considers the total construction DPM emissions that would be emitted at the project site over the length of the construction period. The DPM screening analysis results are presented in Table 3.

**Table 3.** Summary of Potential Health Risk from Project Construction DPM Emissions at the Daycare Facility

Estimated Health Impact for Receptors Adjacent to Construction Activities	Cancer Risk (per 1,000,000)	Chronic Hazard Index
Maximum health impact (154 feet from construction activities)	0.2	0.98
10 feet from construction activities	0.08	0.3
25 feet from construction activities	0.11	0.5
65 feet from construction activities	0.2	0.7
100 feet from construction activities	0.2	0.9
250 feet from construction activities	0.2	0.7
500 feet from construction activities	0.07	0.3
<i>SDAPCD Significance Threshold</i>	<i>10</i>	<i>1</i>

Note: SCREEN3 model outputs and health risk calculations are provided in Appendix A.

Table 3 summarizes the modeled project-generated construction-related health risk (potential cancer and chronic health risks) from DPM at various distances from construction activities. The doorstep of the daycare facility is approximately 25 feet from the edge of construction activities, while the parking areas and playgrounds range from 10 feet to 250 feet away from construction activities. The nearest residence south of the project area is approximately 35 feet away. This worst-case analysis assumes the nearest receptors (at the daycare facility) are directly downwind of construction activities with little to no elevation difference between the source and the receptor. The highest DPM concentrations and health risks occur between 3 to 250 feet from construction activities and reduce significantly beyond 250 feet. The maximum health impact would occur at approximately 154 feet from construction activities. This distance represents the middle of the daycare facility property as well as the distance to nearby residences. However, as shown in Table 3, construction-related DPM emissions would not exceed SDAPCD thresholds for increased cancer risk and chronic hazard index. DPM emissions would represent a minimal impact to receptors at both the daycare facility and nearby residences. Therefore, the project’s construction would not expose sensitive receptors to substantial pollutant concentrations, and the construction impact would be less than significant.

Beyond the construction phase, the project would not result in considerable pollutant emissions because operation would entail operations would only include a part-time employee and bi-monthly material deliveries. Therefore, the project’s operational phase would not expose sensitive receptors to substantial pollutant concentrations, and the operational impact would be less than significant.

**e. Create objectionable odors affecting a substantial number of people?**

**Less-Than-Significant Impact.** Project-related odor emission would be limited to the construction period, where emissions from the construction equipment may be evident in the immediately surrounding area on a temporary basis. Potential sources that may emit odors during construction activities include asphalt paving. In addition, material deliveries from heavy-duty truck trips could create an occasional “whiff” of diesel exhaust for nearby receptors along roadways. These odors would not affect a substantial number of people, as the scale of construction is small, the frequency of permanent trips is very low, and the potentially affected area is limited due to the localized evidence of these odors. In terms of operations, there would be no permanent impacts because the

water treatment processing would be conducted in an enclosed area. Therefore, the project's odor impact would be less than significant.

IV. Biological Resources	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marshes, vernal pools, coastal wetlands, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Conflict with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?**

**Less than Significant with Mitigation Incorporated.** ICF Jones & Stokes staff conducted a site visit on June 11, 2009, to determine existing biological resources conditions on the site and to analyze potential effects of the project on sensitive biological resources. The project site consists of an existing disturbed, fenced area that supports bare ground and some scattered non-native species and is surrounded by developed areas and some associated ornamental landscaping. The project footprint would be limited to the existing disturbed/fenced area and some of the surrounding

ornamental plantings. The project site and immediately surrounding areas do not provide suitable habitat for listed species. However, the project site is near open space areas and, as a result, onsite and adjacent ornamental plantings, including pine trees, could provide suitable nesting habitat for raptors and other birds protected by the Federal Migratory Bird Treaty Act (MBTA). The MBTA, enacted in 1918, is a federal statute whose purpose is to prohibit the kill or transport of native migratory birds, or any part, nest, or egg of any such bird unless allowed by another regulation adopted in accordance with the MBTA. Direct impacts (through loss of habitat) and indirect impacts (through increased noise and dust during construction) on nesting birds/raptors resulting from implementation of the project would be considered significant. Implementation of either Mitigation Measure 2a or Mitigation Measure 2b would reduce this impact to less than significant.

**Mitigation Measure 2a: Avoid Impacts on Vegetation During the Nesting Bird Season.**

In order to avoid all potential impacts on nesting migratory birds and raptors, construction activities involving the removal of vegetation shall be restricted during the breeding season for migratory birds/raptors (approximately January 15 through August 31).

If construction activities are proposed within the identified breeding season, Mitigation Measure 2b would be employed.

**Mitigation Measure 2b: Preconstruction Nesting Bird Surveys.**

If construction activities involving the removal of vegetation occur between January 15 and August 31, a preconstruction nesting bird survey shall be conducted (within three days prior to construction activities) by a qualified biologist to determine if active nests are present within or adjacent to the project site in order to avoid the nesting activities of breeding birds/raptors. If nesting activities within 200 feet of the proposed work area are not detected, construction activities would be allowed to proceed. If nesting activities are confirmed within this radius, construction activities shall be delayed within an appropriate buffer from the active nest until the young birds have fledged and left the nest or until the nest is no longer active as determined by a qualified biologist. The size of the appropriate buffer shall be determined by a qualified biologist, but shall be at least 25 feet.

**b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?**

**No Impact.** The project site consists of an existing disturbed area surrounded by development and associated ornamental landscaping. No riparian habitat or other sensitive natural community is located within or adjacent to the project site. Therefore, no impacts to riparian habitats or other sensitive natural communities would occur as a result of the project.

**c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marshes, vernal pools, coastal wetlands, etc.) through direct removal, filling, hydrological interruption, or other means?**

**No Impact.** The project site consists of an existing disturbed area surrounded by development. No jurisdictional wetlands or waterways occur within or immediately adjacent to the project site. Therefore, the project would not have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act. No impacts would occur.

**d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?**

**Less than Significant Impact.** See 4.a above. Construction and operation of the project would not interfere with the movement of any native resident or migratory fish or impede the use of native wildlife nursery sites because no waterways with the ability to support fish exist on the site and no native wildlife nursery sites occur in the project area. The project site consists of a disturbed area surrounded by commercial and residential development and associated ornamental landscaping. Removal of ornamental landscaping could disturb potentially suitable nesting habitat for birds/raptors, as described above in 4.a, but the scattered ornamental plantings and roadside vegetation in the project area do not serve as a wildlife corridor because they do not link areas of native habitat. Therefore, impacts to wildlife movement from the project would be less than significant.

**e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?**

**Less than Significant Impact.** The project site is located within the City of Chula Vista's Multiple Species Conservation Program (MSCP) Subarea. The project site is within an area mapped as "Development Area" and within a "Major Projects Boundaries" area. Therefore, the project would not conflict with the City's MSCP Subarea Plan. Impacts would be less than significant.

**f. Conflict with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan?**

**Less than Significant Impact.** See 4.e above. The project would be consistent with provisions identified in the City's MSCP. Impacts would be less than significant.

V. Cultural Resources	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?**

**No Impact.** The site is a previously disturbed and graded parcel that is part of a residential and public facilities master development that occurred in the 1990s. No historical resources are located within or immediately adjacent to the project site. Therefore, the project would not cause a substantial adverse change in the significance of a historic resource.

**b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?**

**No Impact.** The site is a previously disturbed and graded parcel and, therefore, is not likely to contain subsurface archaeological resources. Therefore, there would be no impact.

**c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?**

**Less Than Significant with Mitigation Incorporated.** The presence or absence of paleontological resources or unique geologic features beneath the surface of the site cannot be determined. The well-drilling aspect of the project has a very low potential to disturb any resources or features that may be present due to the limited scope of the ground disturbance (i.e., an 18-inch well shaft). Because the absence of these resources and features cannot be confirmed, this is a significant impact, and mitigation is identified below that would reduce this impact to a less-than-significant level. As a standard practice of well drilling, one or more qualified geologists would be present during the project-related drilling for geologic monitoring and testing purposes. As part of their regular monitoring process, these geologists would be checking the earth material that is displaced by the drilling and would be vigilant of unusual circumstances such as the presence of paleontological resources or unique geologic features. The following mitigation would be implemented on the project to ensure that the project would not substantially destroy any such resources or features.

**Mitigation Measure 3: Halt Work if Paleontological Resources or Unique Geologic Features Are Encountered.**

If paleontological resources or unique geologic features are discovered by the project geologists during drilling, the drilling work will be halted immediately and the San Diego Museum of Natural History (Natural History Museum) will be contacted. In consultation with the Natural History Museum and the project geologist, the District will determine the proper steps for documenting, removing, or otherwise managing the resources or features.

**d. Disturb any human remains, including those interred outside of formal cemeteries?**

**No Impact.** Please see 5.b above.

VI. Geology and Soils	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
<b>a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:</b>				
1. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Strong seismic groundshaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b. Result in substantial soil erosion or the loss of topsoil?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>c. Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project and potentially result in an onsite or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems in areas where sewers are not available for the disposal of wastewater?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:**

**1. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map or based on other substantial evidence of a known fault?**

**Less-than-Significant Impact.** The Alquist-Priolo Earthquake Fault zoning Map shows the nearest fault from this system, the Point Loma Earthquake Fault Zone, located approximately 6 miles west of the site. The project would not be subject to rupture along this fault. Figure 9-7 of the Chula Vista General Plan shows potentially active traces of the La Nacion fault approximately 0.5 miles east of the site. The greatest magnitude earthquake expected on the La Nacion fault is estimated to be 6.0. The project would not experience ground rupture from a quake along this fault system, but may be

subject to strong seismic ground shaking, as discussed below. The rupture-related impact would be less than significant.

## 2. Strong seismic ground shaking?

**Less-than-Significant Impact.** As with most areas throughout southern California, the project site would be subject to strong ground shaking in the event of a major earthquake along a nearby fault. Adverse affects on construction due to ground shaking are routinely addressed by standard measures set forth in the Uniform Building Code. As described above in the response to 6.a.1, the project is approximately 0.5 miles east of potentially active traces of the La Nacion fault system, which is estimated as producing up to a 6.0 earthquake. This could produce ground shaking on the site, but not to the extent that would be out of the ordinary and that could not be dealt with by implementing standard UBC measures. The "Geology and Soils Information Report" prepared for the project by Southern California Soils & Testing, Inc. (Appendix B of this MND) includes seismic design recommendations in accordance with the 2007 California Building Code, which would be incorporated into the site. Therefore, this impact would be less than significant.

## 3. Seismic-related ground failure, including liquefaction?

**No Impact.** Figure 9-7 of the Chula Vista General Plan identifies areas within the City that are subject to hazards due to liquefaction. The project site is not shown as a liquefaction hazard area on this map. Furthermore, the Geology and Soils Information Report (Appendix B) did not identify the potential for liquefaction to occur on the site. Therefore, there would be no impact.

## 4. Landslides?

**No Impact.** Figure 9-7 of the Chula Vista General Plan identifies areas within the City that are subject to hazards due to landslides. The project site is not shown as a landslide hazard area on this map. Therefore, there would be no impact.

## b. Result in substantial soil erosion or the loss of topsoil?

**Less-than-Significant Impact.** The project site is situated on approximately 0.20 acres of level terrain that has been previously graded and disturbed and is surrounded by developed areas. The project would entail a minor amount of grading on the project site that, due to the limited size of the site and the limited scope of grading, would not result in substantial soil erosion or loss of topsoil. Therefore, this impact would be less than significant.

## c. Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project and potentially result in an onsite or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse?

**Less-than-Significant Impact.** The project would withdraw approximately 645 acre-feet per year of groundwater from the San Diego Formation, a deep, confined alluvial aquifer. The total storage capacity of the San Diego Formation has been estimated to approach or exceed 2 million acre feet (SDCWA 1997, SDCWA 2003).

In 1996, the San Diego County Water Authority formed the San Diego Formation Task Force to assess issues associated with groundwater supply development from the San Diego Formation. To avoid water quality impacts associated with seawater intrusion and to avoid subsidence impacts, the San Diego Formation Task Force concluded that groundwater production from the San Diego Formation may be limited to approximately 40,000 to 90,000 acre-feet per year (SDCWA 2003).

Current and proposed pumping from the middle portion of the San Diego Formation is projected to be significantly below this threshold. Sweetwater Authority is the only entity currently pumping water from the San Diego Formation aquifer in the general project area. Sweetwater Authority's total pumping from the San Diego Formation is currently approximately 6,000 acre-feet per year (Sweetwater Authority 2009). Ultimate Sweetwater Authority groundwater pumping from the San Diego Formation is projected at approximately 11,000 acre-feet per year (Sweetwater Authority 2009).

Sweetwater Authority has developed an Interim Groundwater Management Plan (2001) that, in part, establishes a goal of maintaining long-term groundwater levels in the San Diego Formation aquifer. By maintaining long-term static groundwater levels, the interim plan seeks to ensure that San Diego Formation pumping does not lead to such adverse effects such as seawater intrusion or subsidence (Sweetwater Authority 2001).

Land subsidence or geologic instability could occur when a confined groundwater aquifer is excessively pumped to the point where groundwater aquifer piezometric heads (groundwater aquifer pressures) are significantly reduced. The projected groundwater pumping rate (645 acre-feet per year) is a tiny fraction of 1% of the total San Diego Formation groundwater storage. Total ultimate groundwater pumping from the middle portion of the San Diego Formation (existing Sweetwater Authority pumping, proposed ultimate Sweetwater Authority pumping, and the proposed Otay Water District project) would also represent a small fraction of the San Diego Formation groundwater storage. Because the proposed project involves small groundwater pumping volumes compared to the available aquifer storage, the project (by itself or in combination with other regional groundwater pumping projects) would not result in significant changes in groundwater piezometric heads. As a result, the project is not projected to not result in geologic instability or discernible subsidence, and these impacts would be less than significant.

**d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?**

**Less-than-Significant Impact.** The Geology and Soils Report prepared for the project (Appendix B) indicated that the site is on land that may partially be expansive, but concludes that the site is capable of supporting a light structure, such as the proposed treatment plant. The report includes recommended specifications for constructing foundations on the site, and these recommendations would be incorporated into the site design. Therefore, this impact would be less than significant.

**e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems in areas where sewers are not available for the disposal of wastewater?**

**No Impact.** The project does not propose the use of septic tanks or alternative wastewater disposal systems; therefore, no impacts would occur.

VII. Hazards and Hazardous Materials	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Be located within an airport land use plan area or, where such a plan has not been adopted, be within two miles of a public airport or public use airport, and result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Be located within the vicinity of a private airstrip and result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?**

**Less-than-Significant Impact.** Like nearly all construction projects, project equipment would use diesel fuel and other common petroleum-based products, but not in quantities that would be considered beyond that of any standard construction project and not of the quantities that would present any danger to the public. All materials would be transported and used in accordance with standard practices. Therefore, these construction-related impacts would be less than significant.

Ongoing operation of the treatment facility would entail transport, storage, and usage of chemicals, including hypochlorite, caustic soda, and sulfuric acid. Transport of these chemicals would occur via bi-monthly truck deliveries. Transport of these materials is regulated by the California Health and Safety Code, and project-related transport would comply with all mandatory regulations to ensure prevention of hazardous conditions. Once on the site, these materials would be stored in double-walled tanks and bins constructed for the specific purpose of properly containing the chemicals and preventing spills or leaks. No chlorine gas would be used on the site. The District has set forth standard and mandatory safety procedures for the delivery, storage, and use of hypochlorite in HMS 101.21, "Sodium and Calcium Hypochlorite Safety Procedure," which lays out safe work practices to protect employees and container, delivery, and disposal procedures to protect the environment and other people who may be in proximity to these chemicals.

Additionally, the site would be required to prepare a Hazardous Materials Business Plan, in accordance with California Health and Safety Code Section 6.95 and County Department of Environmental Health (DEH) regulations. These mandatory plans document procedures for use and storage of these materials, precautions to prevent spills, and response procedures in case of a spill so as to prevent substantial risk to human health or the environment. The project-related plan must be submitted to DEH and approved prior to operation of the project, and must be reviewed and revised annually for recertification with DEH. Mandatory preparation of and ongoing compliance with this plan and adherence to HMS 101.21 would ensure that the project's impacts due to the project-related presence of hazardous materials would be less than significant.

**b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?**

**Less-than-Significant Impact.** See response to 7.a, above.

**c. Emit hazardous emissions or involve handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?**

**Less-than-Significant Impact.** The project is located adjacent to (within 0.25-mile of) a daycare facility. The project does not entail the routine emission of hazardous substances. As described in 7.a, above, the project would use and store chemicals necessary to treat the groundwater before adding it to the potable water system, but these chemicals will be properly and securely stored within the enclosed treatment facility, in accordance with the Hazardous Materials Business Plan that will be prepared for the site. Therefore, the on-site chemicals would not pose a significant hazard to the adjacent daycare facility, and this impact would be less than significant.

**d. Be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?**

**No Impact.** A review of the EnviroStar database of hazardous materials sites pursuant to Government Code Section 65962.5 maintained by the California Department of Toxic Substances Control ([http://www.dtsc.ca.gov/SiteCleanup/Cortese\\_List.cfm](http://www.dtsc.ca.gov/SiteCleanup/Cortese_List.cfm)) shows that the project site is not included in this listing. Therefore, there would be no impact.

**e. Be located within an airport land use plan area or, where such a plan has not been adopted, be within two miles of a public airport or public use airport, and result in a safety hazard for people residing or working in the project area?**

**No Impact.** The project site is not located within 2 miles of an airport land use plan, public airport, or public use airport; therefore, no impacts would occur.

**f. Be located within the vicinity of a private airstrip and result in a safety hazard for people residing or working in the project area?**

**No Impact.** The project site is not located within the vicinity of a private airstrip; thus, no impacts would occur.

**g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?**

**Less-than-Significant Impact.** The project would not result in road closures or otherwise physically obstruct any roads or access points. The project would result in a very minor amount of construction traffic and a lesser amount of permanent operational traffic, which would likely access the site via I-805, H Street, Del Rey Boulevard, and Rancho del Rey Parkway. This small amount of project-related traffic would not be substantial enough to interfere with emergency response or evacuation. Therefore, this impact would be less than significant.

**h. Expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?**

**Less-than-Significant Impact.** The project is located in the vicinity of wildland canyons but is buffered by development on all sides. Therefore, the project would not have the potential for causing a wildland fire. The project features a very small structure and minimal human presence on the site on an ongoing basis, and therefore would not expose a significant amount of structures or people to wildland fires that may occur in nearby canyons. Therefore, this impact is less than significant.

<b>VIII. Hydrology and Water Quality</b>	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge, resulting in a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation onsite or offsite?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding onsite or offsite?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year flood hazard area structures that would impede or redirect floodflows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Contribute to inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Violate any water quality standards or waste discharge requirements?**

**Less-than-Significant Impact with Mitigation Incorporated.** Project construction is small-scale and not located adjacent to any natural water bodies. Runoff from the project site does enter the City's storm drain system, specifically gutters along Rancho del Rey Parkway. Project construction would entail a minor amount of stormwater discharge that, due to the nature of construction, has the potential to include sediment and pollutants associated with the construction process. Project construction will comply with the City of Chula Vista's Development Storm Water Manual, which spells out compliance with the City's requirements for projects to comply with their National Pollutant Discharge Elimination System (NPDES) permit and Standard Urban Storm Water Mitigation Plan. The project would be required to prepare and implement a project-specific Stormwater Pollution Prevention Plan (SWPPP), which includes a site map and a description of proposed construction activities, demonstration of compliance with relevant local ordinances and regulations, and description of BMPs that would be implemented to prevent soil erosion and discharge of other construction-related pollutants that could contaminate nearby water resources. Permittees are further required to ensure that BMPs are correctly implemented and effective in controlling the discharge of stormwater-related pollutants. Adherence to these mandatory criteria would ensure that project construction would have a less-than-significant impact with respect to water quality standards and waste discharge requirements.

Project operation entails discharge of brine from the water treatment facility into the City's sewer system, and ultimately into the Metropolitan Sewer system for treatment and disposal. Unchecked discharge from this source could result in a significant impact on waste discharge requirements maintained by the San Diego Metropolitan Wastewater Department. However, the project requires an Industrial User Discharge Permit from that agency, and the permit may place limits on the salt content or quantity of discharge to minimize the project's environmental impacts. Permit specifics cannot be determined at this time, but compliance with all requirements set forth in the permit would ensure that this impact would be less than significant.

**Mitigation Measure 4: Comply with Industrial User Discharge Permit Requirements.**

The District will obtain an Industrial User Discharge Permit from San Diego Metropolitan Wastewater Department and will comply with all limitations and requirements stated therein with respect to the discharge salt content, quantity, or other aspects.

**b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge, resulting in a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level that would not support existing land uses or planned uses for which permits have been granted)?**

**Less-than-Significant Impact.** The project would entail drawing groundwater from the San Diego Formation, a deep, confined, alluvial groundwater aquifer that underlies a large portion of southwestern San Diego County. The San Diego Formation underlies a large portion of southwestern San Diego County. Based on recent information developed as part of the San Diego County Water Authority San Diego Formation Task Force, the San Diego Formation is believed to be at least 1,000 feet thick in an area that extends from the International Border to Mission Bay, approximately 2 miles inland from the La Nación and Rose Canyon Fault Zones (Huntley et al. 1996, SDCWA 1997, SDCWA 2003). The western extent of the San Diego Formation is not well defined, but it is believed to extend to and under San Diego Bay (Huntley et al. 1996, SDCWA 2003).

The total storage capacity of the San Diego Formation has been estimated to approach or exceed 2 million acre feet (SDCWA 1997, SDCWA 2003). While the groundwater storage volume within the

San Diego Formation is large, usable storage within the aquifer may be limited by water quality or hydrogeologic factors. To prevent the potential for inducing land subsidence and/or seawater intrusion, the San Diego Formation Task Force estimates that the total water supply development potential of the San Diego Formation is approximately 40,000 to 90,000 acre-feet per year (SDCWA 2003). Within the middle portions of the aquifer (e.g. mid-bay and Otay River area), the annual production potential of the San Diego Formation may approach 35,000 acre-feet per year (SDCWA 2003).

Only a limited number of existing wells withdraw from this aquifer due to its depth and the salinity levels. Sweetwater Authority operates several wells that largely (or in part) derive supply from the San Diego Formation. For decades, Sweetwater Authority's National City well field has historically produced approximately 1,500 to 2,500 acre-feet per year of supply (Sweetwater Authority 2009). In 1999, Sweetwater Authority implemented additional groundwater pumping from San Diego Formation wells to feed the Sweetwater Authority Richard A. Reynolds Groundwater Desalination Facility. Since this time, Sweetwater Authority groundwater pumping to the desalination facility has ranged from approximately 2,000 to 4,400 acre-feet per year (Sweetwater Authority 2009). Sweetwater Authority is proposing to expand the capacity of its desalination facility to a production capacity of approximately 8 million gallons per day. With this proposed expansion, Sweetwater Authority estimates that its total groundwater pumping from the San Diego Formation may ultimately reach approximately 11,000 acre-feet per year.

The project may extract approximately 645 acre-feet or greater per year. This minor pumping volume would represent a tiny fraction of the potential storage volume of the San Diego Formation. The proposed pumping capacity would also represent a small percentage of the estimated groundwater production capacity of the San Diego Formation. Further, the projected 645 acre-feet per year production would represent less than 6% of the total ultimate pumping proposed by Sweetwater Authority. Because of the limited amount of project-related groundwater extraction and the separation distance between the project and Sweetwater Authority's San Diego Formation wells, the project would have a negligible effect on groundwater production in other wells and would have no effect on the water service capabilities of the Sweetwater Authority. Therefore, this impact would be less than significant.

**c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation onsite or offsite?**

**Less-than-Significant Impact.** The project site is a small, irregularly shaped parcel that is entirely disturbed and covered in turf and ornamental vegetation. The site has relatively level terrain and is not located on a major drainage system. The project would increase the site's impervious surface area by constructing an approximately 3,600 square-foot building and paving approximately 3,000 square feet of the site surrounding the treatment facility with asphalt to accommodate parking and circulation for plant employees, chemical-delivery trucks, and other equipment. Construction period impacts that may result in on- or offsite erosion or siltation would be minimized to less-than-significant levels by the implementation of BMPs set forth in the SWPPP (see 8.a above). Operational impacts related to siltation or erosion would be minimized to less-than-significant levels by the development and use of standard stormwater drainage features. Additionally, no waterways flow through the project site so the alteration of a stream or river would not occur. Therefore, the project would not substantially alter the existing drainage pattern of the project area,

including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off site. Impacts would be less than significant.

**d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding onsite or offsite?**

**Less-than-Significant Impact.** See 8.a and 8.c above. Although the project would increase the site's impervious surface area, implementation of standard stormwater drainage features would be sufficient to handle the increase in stormwater runoff and would not result in flooding on or off site. Therefore, impacts would be less than significant.

**e. Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?**

**Less-than-Significant Impact.** See 8.a and 8.c above.

**f. Otherwise substantially degrade water quality?**

**Less-than-Significant Impact.** See 8.a and 8.c above.

**g. Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?**

**No Impact.** The project consists of the construction/development of a well and associated treatment facility and does not propose the construction of any housing. Therefore, no impact associated with the placement of housing within a 100-year flood hazard area would occur.

**h. Place within a 100-year flood hazard area structures that would impede or redirect floodflows?**

**No Impact.** The project site is mapped as being outside of the 100-year and 500-year floodplain (FEMA 1997). Thus, no impact would occur.

**i. Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam?**

**No Impact.** As discussed above, the project area is not located in an area that is prone to flooding events. The project would not expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam because there are no levees or dams located in the project vicinity. No impact would occur.

**j. Contribute to inundation by seiche, tsunami, or mudflow?**

**No Impact.** The project site is located approximately 6 miles east of the Pacific Ocean. The closest body of water is the Sweetwater River, located approximately 1 mile northwest of the project site. No impacts associated with inundation by seiche, tsunami, or mudflow would occur.

IX. Land Use and Planning	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Physically divide and established community?**

**No Impact.** The project is located on a small, fenced site that is not connected to the surrounding community. Therefore, the project would not divide an established community.

**b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?**

**Less-than-Significant Impact.** The project site has the General Plan land use designation Public & Quasi-Public (P-Q), as defined by the Land Use Element of the City’s General Plan. The P-Q designation for the site depicts the possible location of future public facilities. The project would be consistent with the site’s P-Q designation since it would construct and operate a well and water treatment facility intended to serve the public’s demand for water resources. The project site has the P-Q—Public/Quasi-Public zone designation, as defined by the City’s Zoning Ordinance. Permitted uses in the P-Q zone include agricultural uses, including grazing and livestock raising; water reservoirs; and public parks. Uses that are conditionally permitted in the P-Q zone include utility substations and unclassified uses, which would be consistent with the well and water treatment facility proposed by the project. The Because the project does not conflict with the General Plan or the Zoning Ordinance, impacts would be less than significant.

**c. Conflict with any applicable habitat conservation plan or natural community conservation plan?**

**No Impact.** The project site is located within the City of Chula Vista’s MSCP Subarea. The project site is within an area mapped as “Development Area” and within a “Major Projects Boundaries” area. The project would occur on a disturbed graded site and would not result in direct or indirect impacts to sensitive biological resources. The project would not conflict with the City’s MSCP Subarea Plan. Impacts would be less than significant.

X. Mineral Resources	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?**

**No Impact.** Figure 9-4 of the Chula Vista General Plan shows the project site as not being within an Aggregate Resource Area. Therefore, the site does not contain known mineral resources, and there would be no impact.

**b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?**

**No Impact.** See 10.a above.

XI. Noise	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Expose persons to or generate noise levels in excess of standards established in a local general plan or noise ordinance or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Expose persons to or generate excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Be located within an airport land use plan area, or, where such a plan has not been adopted, within two miles of a public airport or public use airport and expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Be located in the vicinity of a private airstrip and expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Expose persons to or generate noise levels in excess of standards established in a local general plan or noise ordinance or applicable standards of other agencies?**

**No Impact.** Chapter 19.68 of the Chula Vista Municipal Code (Noise Ordinance) establishes rules regarding noise in the city limits. The District is an independent agency that is not subject to the Noise Ordinance, and does not operate under its own adopted noise ordinance. Furthermore, Section 19.68.060 of the Noise Ordinance exempts construction activities from complying with the decibel-level standards set forth in the Noise Ordinance. Therefore, the project would not generate noise levels exceeding applicable noise standards, and there would be no impact. (Additional discussion of the noise generated by the project is provided below in the response to 11.d.)

**b. Expose persons to or generate excessive ground-borne vibration or ground-borne noise levels?**

**Less-than-Significant Impact.** The project would not generate ground-borne noise. The well-drilling and construction aspects of the project may generate a very small amount of ground-borne vibration, but not of the level that is likely to be perceptible to off-site receptors or cause building damage. Therefore, this impact is less than significant.

**c. Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?**

**Less-than-Significant Impact.** The project would not result in a permanent increase in ambient noise. Permanent features of the project-related treatment facility would be encased inside a building, which would prevent any treatment-equipment noise from being heard from neighboring residences and the daycare center. Permanent project-related traffic is limited to approximately one vehicle trip per day for the onsite operator and approximately one bi-monthly delivery trip. This increase in traffic would not increase the ambient noise perceived by residences in the project area. As a result, this impact would be less than significant. Construction noise is temporary, and is addressed below in the response to 11.d.

**d. Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?**

**Less-than-Significant Impact with Mitigation Incorporated.** Project construction would entail an increase in ambient noise emitted from the project site and received by surrounding residences and the daycare center. Construction noise sources would include operation of the drill rig engine, which would likely run throughout the construction day (7 a.m. to 7 p.m.) Monday through Friday for two estimated three-week periods; well pipe installation, which would be limited to two 1–2 day period, including overnight work; trenching and installation of the onsite utility lines, which would occur within the stated daytime construction hours; and construction of the treatment facility structure, which would also occur within the stated daytime construction hours. Well drilling and well pipe installation—the noisiest aspects of project construction—would be contained on all sides day and night by a noise curtain, which would reduce the noise perceived off site. However, these and other aspects of construction noise would be received by adjacent receptors throughout the project, including the daycare center and church east of the site (daytime only, as these facilities does not operate during the night) and by adjacent residences. As referenced in the discussion of 11.b above, Mitigation Measure 1 has been incorporated into the project to increase community understanding of the project and to provide a project liaison to receive, respond to, and resolve noise complaints to the greatest extent possible. This mitigation measure would reduce this impact to a less-than-significant level.

**e. Be located within an airport land use plan area, or, where such a plan has not been adopted, within two miles of a public airport or public use airport and expose people residing or working in the project area to excessive noise levels?**

**No Impact.** The project site is not located within an airport land use plan or within 2 miles of an airport land use plan, public airport, or public use airport; therefore, no impacts would occur.

**f. Be located in the vicinity of a private airstrip and expose people residing or working in the project area to excessive noise levels?**

**No Impact.** There are no private airstrips located in the project vicinity, so no one residing or working in the project area would be exposed to excessive noise levels. No impact would occur.

XII. Population and Housing	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
Would the project:				
a. Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Displace a substantial number of existing housing units, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace a substantial number of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?**

**Less-Than-Significant Impact.** The project would increase the amount of potable water available to existing and future planned District customers. The purpose of the project is to reduce District reliance on expensive imported water to serve these customers, and the project is not intended to expand the District's service area or increase its customer base above that which is currently planned. Therefore, the project would not indirectly induce population growth, and this impact would be less than significant.

**b. Displace a substantial number of existing housing units, necessitating the construction of replacement housing elsewhere?**

**No Impact.** There are no housing units located on the project site, and the project would not entail any removal of housing units. Therefore, there would be no impact.

**c. Displace a substantial number of people, necessitating the construction of replacement housing elsewhere?**

**No Impact.** No people reside on site, and the project would not otherwise displace people. Therefore, there would be no impact.

<b>XIII. Public Services</b>	Potentially Significant Impact	Less-than- Significant with Mitigation Incorporated	Less-than- Significant Impact	No Impact
<b>Would the project:</b>				
<b>a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or a need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:</b>				
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities or a need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:**

**Fire protection?**

**Less-Than-Significant Impact.** Fire protection service for the site is provided by the Chula Vista Fire Department (CVFD) Fire Station 4, which is located at 850 Paseo Ranchero. Emergency response times for the project area are currently timed at less than 7 minutes. The project would neither increase response times nor necessitate additional firefighters for the project area because it would be limited to the installation and operation of an existing potable water well and construction of a water-treatment facility in a previously developed area. The water-treatment facility would consist of a small structure in a developed area that would not present a considerable new fire risk such that existing response times or performance objectives services would be affected. The site is anticipated to employ one part-time worker, working approximately 20 hours per week to perform regular operational, maintenance, and oversight duties. In addition, chemical deliveries would occur on a bi-monthly basis. Therefore, human presence at the site would be limited and the increased need for emergency response would be negligible. The project would not result in a considerable demand on fire-protection services resulting in the requirement for new or altered fire-protection services, and this impact would be less than significant.

**Police protection?**

**No Impact.** See above. Police protection for the site is provided by the Chula Vista Police Department. Priority 1 emergency response times for the project area are currently timed at 4 minutes and 19 seconds, and Priority 2 emergency response times for the area are timed at 9 minutes and 18 seconds. As described above, implementation of the project would install a small permanent building in a developed area and would not result in a substantial increase in onsite human occupation. The project would not create any security concerns necessitating additional police patrol. Therefore, the project would not increase the demand for or impact response times to police protection services. No impacts would occur.

**Schools?**

**No Impact.** The project would not generate a demand for public school services. No impacts would occur.

**Parks?**

**No Impact.** The project would not increase residential or occupational population; therefore, there would be no project-related demand on parks, and there would be no impact.

**Other public facilities?**

**No Impact.** No other public facilities would be affected by the project. No impact would occur.

<b>XIV. Recreation</b>	Potentially Significant Impact	Less-than- Significant with Mitigation Incorporated	Less-than- Significant Impact	No Impact
<b>Would the project:</b>				
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?**

**No Impact.** The project would not increase the use of existing neighborhood parks, regional parks, or other recreational facilities; thus, substantial physical deterioration of these facilities would not occur or be accelerated. No impact would occur.

**b. Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?**

**No Impact.** The project does not include the construction of new recreational facilities or the expansion of existing recreational facilities. The construction or expansion of recreational facilities would not be required. No impact would occur.

XV. Transportation/Traffic	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Cause, either individually or cumulatively, exceedance of a level-of-service standard established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards because of a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)?**

**Less-than-Significant Impact.** The project would not generate a considerable amount of traffic during the temporary construction period or during ongoing operation. Construction traffic would likely access the site via the I-805 H Street exit, Del Rey Boulevard, and Rancho del Rey Parkway. Because of the small size of the proposed facilities, the small scale of project-related grading, and the limited equipment required for well drilling, construction would require a very limited amount of materials and workers and, accordingly, would not entail much material or equipment delivery or worker traffic. Therefore, construction traffic would not result in a substantial increase in volume-to-capacity ratio on local roads or a substantial increase in intersection congestion. Ongoing project operation and facility maintenance would entail one part-time employee on a regular basis and bi-monthly chemical delivery visits. Therefore, the project would generate an average of fewer than one trip per day on an ongoing basis. This would not result in a substantial increase in volume-to-capacity ratio on local roads or a substantial increase in intersection congestion. This impact would be less than significant.

**b. Cause, either individually or cumulatively, exceedance of a level-of-service standard established by the county congestion management agency for designated roads or highways?**

**Less-than-Significant Impact.** See the response to 15.a above. The project would not generate traffic of a great enough volume to affect level-of-service standards, and this would be a less-than-significant impact.

**c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?**

**No Impact.** The project is not located near an airport and does not feature any components that would in any way affect air traffic. Therefore, there would be no impact.

**d. Substantially increase hazards because of a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?**

**Less-than-Significant Impact with Mitigation Incorporated.** The project entails constructing a new driveway to access the project site from Rancho del Rey Parkway. This driveway would be approximately 150 feet south of Terra Nova Drive and the driveway to the adjacent daycare center. The access would be gated and only available to authorized District personnel. As explained above in the response to 15.a, the project would generate a very minor amount of traffic during construction and on a permanent basis, limiting the amount of trips into and out of this driveway. However, the driveway would be located on a curve and near another intersection along Rancho del Rey Parkway, and would have the potential to result in conflicts between project-related vehicles and other vehicles travelling Rancho del Rey Parkway. Proper design and signage of the driveway would ensure safe conditions at this location, and this has been incorporated into mitigation explained below.

**Mitigation Measure 5: Provide Ample Signage and Safe Design of Project Driveway.**

The District will coordinate with the City Department of Public Works, Engineering Division to ensure that the project driveway is designed to meet all relevant City code and features adequate signage to the satisfaction of the Department of Public Works.

Implementation of this measure would ensure that safe conditions would be maintained in the vicinity of the project, and would reduce this traffic-hazards impact to a less-than-significant level.

**e. Result in inadequate emergency access?**

**No Impact.** The project would not block existing roads, generate a substantial amount of traffic on existing roads, or otherwise obstruct existing emergency access. Therefore, there would be no impact on emergency access.

**f. Result in inadequate parking capacity?**

**No Impact.** Worker parking would be accommodated at an onsite construction staging area and would not utilize any offsite parking lots or street-parking areas. Permanent parking demand of the facility would entail space for one part-time worker and for chemical delivery and maintenance trucks, which would be fully accommodated on site. Therefore, the project would not result in no impact with respect to parking.

**g. Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?**

**No Impact.** Transit service to the general project area is provided by the San Diego Metropolitan Transit Service (MTS). The project is not located along an MTS route. Rancho del Rey Parkway contains bike lanes, but the project would not remove or obstruct these bike lanes either during construction or operation. The project would not remove or adversely affect bike racks or any other alternative transportation facilities. Therefore, there would be no impact.

<b>XVI. Utilities and Service Systems</b>	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>Would the project:</b>				
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or would new or expanded entitlements be needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?**

**Less-than-Significant Impact with Mitigation Incorporated.** Project construction is small in scale and not located adjacent to any natural water bodies. Runoff from the project site does enter the City's storm drain system, specifically gutters along Rancho del Rey Parkway. Project construction would entail a minor amount of stormwater discharge that, due to the nature of construction, has the potential to include sediment and pollutants associated with the construction process. Project construction will comply with the City of Chula Vista's Development Storm Water Manual, which spells out compliance with the City's NPDES permit and Standard Urban Storm Water Mitigation Plan. The project would be required to prepare and implement a project-specific SWPPP to demonstrate compliance with relevant local ordinances and regulations, and describes BMPs that would be implemented to prevent soil erosion and discharge of other construction-related pollutants that could contaminate nearby water resources. Permittees are further required to ensure that BMPs are correctly implemented and effective in controlling the discharge of

stormwater-related pollutants. Adherence to these mandatory criteria would ensure that project construction would have a less-than-significant impact with respect to water quality standards and waste discharge requirements.

Project operation entails discharge of brine from the water treatment facility into the City's sewer system, and ultimately into the Metropolitan Sewer system for treatment in the Point Loma Wastewater Treatment Plant and ultimate disposal in the Pacific Ocean. The Point Loma facility uses a chemical process to treat sewage before discharge. Unchecked discharge from this source could result in a significant impact on waste discharge requirements maintained by the San Diego Metropolitan Wastewater Department. However, the project requires an Industrial User Discharge Permit from that agency, and the permit may place limits on the salt content or quantity of discharge to minimize the project's environmental impacts. Permit specifics cannot be determined at this time, but compliance with all requirements set forth in the permit would ensure that this impact would be less than significant.

**Mitigation Measure 4: Comply with Industrial User Discharge Permit Requirements.**

The District will obtain an Industrial User Discharge Permit from San Diego Metropolitan Wastewater Department and will comply with all limitations and requirements stated therein with respect to the discharge salt content, quantity, or other aspects.

**b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?**

**Less-than-Significant Impact.** The project entails installing new connections to the District's existing water conveyance system and the City's sewer conveyance system. The project would receive potable water from the existing system to mix with the well-related groundwater, but this usage would not be great enough to require the expansion or construction of water-treatment facilities. As explained above in the discussion of 16.a, the project would discharge wastewater into the City system for conveyance to the Metropolitan Sewer treatment system. This would require a permit from the San Diego Metropolitan Wastewater Department, but the volume of discharge would not be of a volume that would require expansion of the existing treatment facilities because the existing Point Loma Wastewater Treatment Plant has adequate capacity to handle project-related volume. Therefore, this impact would be less than significant.

**c. Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?**

**Less-than-Significant Impact.** The project would entail paving a portion of the site and installing onsite storm water drainage facilities that would connect to the City system via a gutter drain in Rancho del Rey Parkway. The increased amount of stormwater flow from the site would not be of the scale that would require expansion of existing City facilities. Therefore, this impact would be less than significant.

**d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or would new or expanded entitlements be needed?**

**No Impact.** The project would entail using existing District water supplies to allow blending of water treated on site with potable water currently running through the system. The project would not consume water; therefore, no impact would occur.

**e. Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?**

**Less-than-Significant Impact.** See the responses to 16.a and 16.b above. The project would discharge wastewater into the City system for conveyance to Metropolitan Sewer's Point Loma Wastewater Treatment Plant. The plant has adequate capacity to handle project-related volume. Additionally, the District has an agreement with Metropolitan Sewer whereby they pay for a certain amount of discharge into the system, and there is adequate capacity in the District's agreed-upon volume. Therefore, this impact would be less than significant.

**f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?**

**Less-than-Significant Impact.** The project would not generate solid waste on an ongoing basis. Closure of the existing well, if it occurs, may require disposal of a small amount of material, likely in the Otay Landfill. The small amount of project-related solid waste would not be of a scale that would affect the landfill. Therefore, this impact would be less than significant.

**g. Comply with federal, state, and local statutes and regulations related to solid waste?**

**No Impact.** Project construction and operation would not entail any features that would preclude compliance with solid waste regulations. No impact would occur.

XVII. Mandatory Findings of Significance	Potentially Significant Impact	Less-than-Significant with Mitigation Incorporated	Less-than-Significant Impact	No Impact
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Does the project have impacts that are individually limited but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?**

**Less-than-Significant Impact.** Discussion of the project's impacts with respect to a full range of environmental issue areas is provided above. The project would not result in any impacts on the environment, fish/wildlife habitat, or fish/wildlife/plant species that are not discussed above in Section 4. The project would not result in any impacts on the cultural resources that are not discussed above in Section 5. These impacts are less than significant.

**b. Does the project have impacts that are individually limited but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)**

**Less-than-Significant Impact.** The project site is located in a developed area that is not planned to support additional development. There are three cumulative projects listed on the City's website—the the Eastlake III Senior Housing Project (Draft EIR in April 2006); the High Tech High University Park project (MND in November 2007); and the Target project (MND in March 2009). The first two of these projects are located more than 5 miles east of the project site, and the third project is located more than 3 miles west of the project site; due to the distance between the project site and

the cumulative project sites, these projects would not combine to create any cumulative construction-phase or operational impacts. The Eastlake III and High Tech High projects are within the service area of the Otay Water District, and the project-related increase in availability of potable water would improve the water service to these cumulative projects. The Target project is in the service area of the Sweetwater Authority, and the project would have no cumulative effect on providing water to the Target project.

**c. Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?**

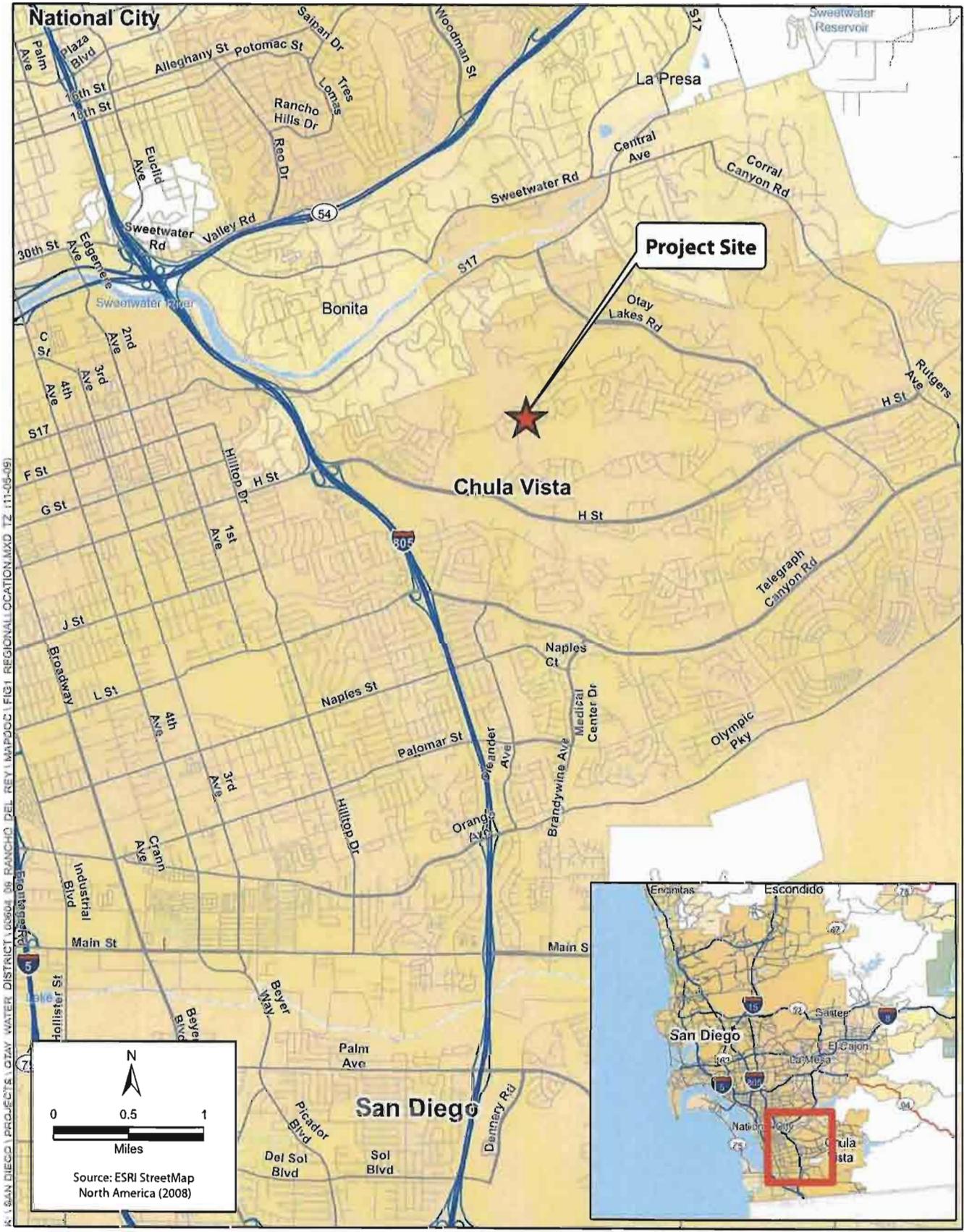
**Less-than-Significant Impact.** The project's human-health impacts have been fully evaluated and discussed above, including impacts related to air quality, hazards, and noise. A significant impact with respect to temporary increases in ambient noise was identified, and mitigation is provided that reduces this impact to a less-than-significant level, but this impact is community-nuisance related, rather than human-health related. Project construction would not produce noise received off site that would be physically hazardous to people's hearing; therefore, this impact is not a substantial adverse effect on human beings.

## **XVIII. Earlier Analysis**

This initial study does not rely on earlier analyses.

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**Figure 1**  
**Regional Location**



\\SAN DIEGO\PROJECTS\OTAY WATER DISTRICT\08064\_09\_RANCHO DEL REY\MAPDOC\FIG2\_PROJECTSITE.MXD TZ (17-05-08)

**Figure 2**  
**Project Site**

Appendix A  
**Air Quality Data**

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Urbemis 2007 Version 9.2.4

Combined Summer Emissions Reports (Pounds/Day)

File Name: G:\San Diego\10\_Staff\Air Quality Staff\OWD\_rancho del rey\Urbemis runs\Construction.urb924

Project Name: OWD Rancho del Rey

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
2010 TOTALS (lbs/day unmitigated)	14.36	143.91	59.44	0.00	4.01	6.60	10.61	0.84	6.07	6.91	18,429.42
2010 TOTALS (lbs/day mitigated)	14.36	143.91	59.44	0.00	4.01	6.60	8.40	0.84	6.07	6.27	18,429.42

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Unmitigated

<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
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Time Slice 2/1/2010-2/19/2010	8.72	76.99	38.18	0.00	<u>4.01</u>	4.39	8.40	<u>0.84</u>	4.04	4.88	8,809.17
Active Days: 15											
Mass Grading 02/01/2010-02/19/2010	8.72	76.99	38.18	0.00	4.01	4.39	8.40	0.84	4.04	4.88	8,809.17
Mass Grading Dust	0.00	0.00	0.00	0.00	4.00	0.00	4.00	0.84	0.00	0.84	0.00
Mass Grading Off Road Diesel	8.68	76.90	36.61	0.00	0.00	4.38	4.38	0.00	4.03	4.03	8,622.57
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59
Time Slice 2/22/2010-2/23/2010	<u>14.36</u>	<u>143.91</u>	<u>59.44</u>	0.00	<u>4.01</u>	<u>6.60</u>	<u>10.61</u>	<u>0.84</u>	<u>6.07</u>	<u>6.91</u>	<u>18,429.42</u>
Active Days: 2											
Mass Grading 02/22/2010-02/23/2010	14.36	143.91	59.44	0.00	4.01	6.60	10.61	0.84	6.07	6.91	18,429.42
Mass Grading Dust	0.00	0.00	0.00	0.00	4.00	0.00	4.00	0.84	0.00	0.84	0.00
Mass Grading Off Road Diesel	14.31	143.81	57.86	0.00	0.00	6.60	6.60	0.00	6.07	6.07	18,242.82
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59
Time Slice 2/24/2010-3/10/2010	7.27	61.74	29.44	0.00	0.01	3.24	3.25	0.00	2.98	2.98	6,297.41
Active Days: 11											
Building 02/24/2010-03/21/2010	3.36	35.45	12.99	0.00	0.00	1.55	1.55	0.00	1.42	1.42	3,771.95
Building Off Road Diesel	3.34	35.25	12.68	0.00	0.00	1.54	1.54	0.00	1.42	1.42	3,716.31
Building Vendor Trips	0.02	0.20	0.14	0.00	0.00	0.01	0.01	0.00	0.01	0.01	34.74
Building Worker Trips	0.01	0.01	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.90
Trenching 02/24/2010-03/21/2010	3.91	26.29	16.44	0.00	0.01	1.69	1.70	0.00	1.56	1.56	2,525.46
Trenching Off Road Diesel	3.86	26.20	14.87	0.00	0.00	1.69	1.69	0.00	1.55	1.55	2,338.87
Trenching Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59

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Time Slice 3/11/2010-3/19/2010	9.32	73.86	38.30	<u>0.00</u>	0.02	4.28	4.30	0.01	3.93	3.94	7,509.54
Active Days: 7											
Asphalt 03/11/2010-03/21/2010	2.04	12.11	8.86	0.00	0.01	1.04	1.05	0.00	0.95	0.96	1,212.13
Paving Off-Gas	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paving Off Road Diesel	1.95	11.89	6.98	0.00	0.00	1.03	1.03	0.00	0.94	0.94	979.23
Paving On Road Diesel	0.01	0.11	0.04	0.00	0.00	0.00	0.01	0.00	0.00	0.00	15.21
Paving Worker Trips	0.06	0.11	1.83	0.00	0.01	0.01	0.02	0.00	0.00	0.01	217.69
Building 02/24/2010-03/21/2010	3.36	35.45	12.99	0.00	0.00	1.55	1.55	0.00	1.42	1.42	3,771.95
Building Off Road Diesel	3.34	35.25	12.68	0.00	0.00	1.54	1.54	0.00	1.42	1.42	3,716.31
Building Vendor Trips	0.02	0.20	0.14	0.00	0.00	0.01	0.01	0.00	0.01	0.01	34.74
Building Worker Trips	0.01	0.01	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.90
Trenching 02/24/2010-03/21/2010	3.91	26.29	16.44	0.00	0.01	1.69	1.70	0.00	1.56	1.56	2,525.46
Trenching Off Road Diesel	3.86	26.20	14.87	0.00	0.00	1.69	1.69	0.00	1.55	1.55	2,338.87
Trenching Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59

Phase Assumptions

Phase: Mass Grading 2/1/2010 - 2/19/2010 - Well drilling

Total Acres Disturbed: 0

Maximum Daily Acreage Disturbed: 0.2

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Air Compressors (350 hp) operating at a 0.65 load factor for 12 hours per day

1 Bore/Drill Rigs (500 hp) operating at a 0.2 load factor for 12 hours per day

1 Generator Sets (325 hp) operating at a 0.62 load factor for 12 hours per day

1 Signal Boards (10 hp) operating at a 0.8 load factor for 12 hours per day

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1 Skid Steer Loaders (500 hp) operating at a 0.7 load factor for 12 hours per day

1 Tractors/Loaders/Backhoes (85 hp) operating at a 0.88 load factor for 12 hours per day

Phase: Mass Grading 2/22/2010 - 2/23/2010 - Well pulling pipe

Total Acres Disturbed: 0

Maximum Daily Acreage Disturbed: 0.2

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Air Compressors (350 hp) operating at a 0.65 load factor for 24 hours per day

1 Bore/Drill Rigs (500 hp) operating at a 0.6 load factor for 24 hours per day

1 Generator Sets (325 hp) operating at a 0.62 load factor for 24 hours per day

1 Signal Boards (10 hp) operating at a 0.8 load factor for 24 hours per day

1 Skid Steer Loaders (500 hp) operating at a 0.7 load factor for 12 hours per day

1 Tractors/Loaders/Backhoes (85 hp) operating at a 0.88 load factor for 12 hours per day

Phase: Trenching 2/24/2010 - 3/21/2010 - Trenching for Utilities

Off-Road Equipment:

1 Crushing/Processing Equip (142 hp) operating at a 0.78 load factor for 8 hours per day

1 Excavators (168 hp) operating at a 0.57 load factor for 8 hours per day

1 Rubber Tired Loaders (164 hp) operating at a 0.54 load factor for 8 hours per day

1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 0 hours per day

1 Trenchers (63 hp) operating at a 0.75 load factor for 8 hours per day

1 Welders (45 hp) operating at a 0.45 load factor for 8 hours per day

Phase: Paving 3/11/2010 - 3/21/2010 - paving

Acres to be Paved: 0.07

Off-Road Equipment:

4 Cement and Mortar Mixers (10 hp) operating at a 0.56 load factor for 6 hours per day

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- 1 Pavers (100 hp) operating at a 0.62 load factor for 7 hours per day
- 1 Rollers (95 hp) operating at a 0.56 load factor for 7 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 7 hours per day

Phase: Building Construction 2/24/2010 - 3/21/2010 - Building Construction

Off-Road Equipment:

- 1 Air Compressors (106 hp) operating at a 0.48 load factor for 8 hours per day
- 1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day
- 1 Generator Sets (549 hp) operating at a 0.74 load factor for 8 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

Construction Mitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Summer Pounds Per Day, Mitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
Time Slice 2/1/2010-2/19/2010 Active Days: 15	8.72	76.99	38.18	0.00	<b>4.01</b>	4.39	<b>8.40</b>	<b>0.84</b>	4.04	4.88	8,809.17
Mass Grading 02/01/2010- 02/19/2010	8.72	76.99	38.18	0.00	4.01	4.39	8.40	0.84	4.04	4.88	8,809.17
Mass Grading Dust	0.00	0.00	0.00	0.00	4.00	0.00	4.00	0.84	0.00	0.84	0.00
Mass Grading Off Road Diesel	8.68	76.90	36.61	0.00	0.00	4.38	4.38	0.00	4.03	4.03	8,622.57
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59

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Time Slice 2/22/2010-2/23/2010	<b><u>14.36</u></b>	<b><u>143.91</u></b>	<b><u>59.44</u></b>	0.00	0.92	<b><u>6.60</u></b>	7.52	0.19	<b><u>6.07</u></b>	<b><u>6.27</u></b>	<b><u>18,429.42</u></b>
Active Days: 2											
Mass Grading 02/22/2010-02/23/2010	14.36	143.91	59.44	0.00	0.92	6.60	7.52	0.19	6.07	6.27	18,429.42
Mass Grading Dust	0.00	0.00	0.00	0.00	0.91	0.00	0.91	0.19	0.00	0.19	0.00
Mass Grading Off Road Diesel	14.31	143.81	57.86	0.00	0.00	6.60	6.60	0.00	6.07	6.07	18,242.82
Mass Grading On Road Diesel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mass Grading Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59
Time Slice 2/24/2010-3/10/2010	7.27	61.74	29.44	0.00	0.01	3.24	3.25	0.00	2.98	2.98	6,297.41
Active Days: 11											
Building 02/24/2010-03/21/2010	3.36	35.45	12.99	0.00	0.00	1.55	1.55	0.00	1.42	1.42	3,771.95
Building Off Road Diesel	3.34	35.25	12.68	0.00	0.00	1.54	1.54	0.00	1.42	1.42	3,716.31
Building Vendor Trips	0.02	0.20	0.14	0.00	0.00	0.01	0.01	0.00	0.01	0.01	34.74
Building Worker Trips	0.01	0.01	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.90
Trenching 02/24/2010-03/21/2010	3.91	26.29	16.44	0.00	0.01	1.69	1.70	0.00	1.56	1.56	2,525.46
Trenching Off Road Diesel	3.86	26.20	14.87	0.00	0.00	1.69	1.69	0.00	1.55	1.55	2,338.87
Trenching Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59

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Time Slice 3/11/2010-3/19/2010	9.32	73.86	38.30	<u>0.00</u>	0.02	4.28	4.30	0.01	3.93	3.94	7,509.54
Active Days: 7											
Asphalt 03/11/2010-03/21/2010	2.04	12.11	8.86	0.00	0.01	1.04	1.05	0.00	0.95	0.96	1,212.13
Paving Off-Gas	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paving Off Road Diesel	1.95	11.89	6.98	0.00	0.00	1.03	1.03	0.00	0.94	0.94	979.23
Paving On Road Diesel	0.01	0.11	0.04	0.00	0.00	0.00	0.01	0.00	0.00	0.00	15.21
Paving Worker Trips	0.06	0.11	1.83	0.00	0.01	0.01	0.02	0.00	0.00	0.01	217.69
Building 02/24/2010-03/21/2010	3.36	35.45	12.99	0.00	0.00	1.55	1.55	0.00	1.42	1.42	3,771.95
Building Off Road Diesel	3.34	35.25	12.68	0.00	0.00	1.54	1.54	0.00	1.42	1.42	3,716.31
Building Vendor Trips	0.02	0.20	0.14	0.00	0.00	0.01	0.01	0.00	0.01	0.01	34.74
Building Worker Trips	0.01	0.01	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.90
Trenching 02/24/2010-03/21/2010	3.91	26.29	16.44	0.00	0.01	1.69	1.70	0.00	1.56	1.56	2,525.46
Trenching Off Road Diesel	3.86	26.20	14.87	0.00	0.00	1.69	1.69	0.00	1.55	1.55	2,338.87
Trenching Worker Trips	0.05	0.09	1.57	0.00	0.01	0.01	0.01	0.00	0.00	0.01	186.59

Construction Related Mitigation Measures

The following mitigation measures apply to Phase: Mass Grading 2/22/2010 - 2/23/2010 - Well pulling pipe

For Soil Stabilizing Measures, the Apply soil stabilizers to inactive areas mitigation reduces emissions by:

PM10: 84% PM25: 84%

For Soil Stabilizing Measures, the Replace ground cover in disturbed areas quickly mitigation reduces emissions by:

PM10: 5% PM25: 5%

For Soil Stabilizing Measures, the Water exposed surfaces 2x daily watering mitigation reduces emissions by:

PM10: 55% PM25: 55%

For Soil Stabilizing Measures, the Equipment loading/unloading mitigation reduces emissions by:

PM10: 69% PM25: 69%

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Urbemis 2007 Version 9.2.4

Combined Annual Emissions Reports (Tons/Year)

File Name: G:\San Diego\10\_Staff\Air Quality Staff\OWD\_rancho del rey\Urbemis runs\Construction.urb924

Project Name: OWD Rancho del Rey

Project Location: South Coast AQMD

On-Road Vehicle Emissions Based on: Version : Emfac2007 V2.3 Nov 1 2006

Off-Road Vehicle Emissions Based on: OFFROAD2007

Summary Report:

CONSTRUCTION EMISSION ESTIMATES

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
2010 TOTALS (tons/year unmitigated)	0.15	1.32	0.64	0.00	0.03	0.07	0.11	0.01	0.07	0.07	145.42
2010 TOTALS (tons/year mitigated)	0.15	1.32	0.64	0.00	0.03	0.07	0.10	0.01	0.07	0.07	145.42
Percent Reduction	0.00	0.00	0.00	0.00	9.04	0.00	2.90	9.00	0.00	0.88	0.00

Construction Unmitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Unmitigated

	<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
2010	0.15	1.32	0.64	0.00	0.03	0.07	0.11	0.01	0.07	0.07	145.42



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Phase Assumptions

Phase: Mass Grading 2/1/2010 - 2/19/2010 - Well drilling

Total Acres Disturbed: 0

Maximum Daily Acreage Disturbed: 0.2

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Air Compressors (350 hp) operating at a 0.65 load factor for 12 hours per day

1 Bore/Drill Rigs (500 hp) operating at a 0.2 load factor for 12 hours per day

1 Generator Sets (325 hp) operating at a 0.62 load factor for 12 hours per day

1 Signal Boards (10 hp) operating at a 0.8 load factor for 12 hours per day

1 Skid Steer Loaders (500 hp) operating at a 0.7 load factor for 12 hours per day

1 Tractors/Loaders/Backhoes (85 hp) operating at a 0.88 load factor for 12 hours per day

Phase: Mass Grading 2/22/2010 - 2/23/2010 - Well pulling pipe

Total Acres Disturbed: 0

Maximum Daily Acreage Disturbed: 0.2

Fugitive Dust Level of Detail: Default

20 lbs per acre-day

On Road Truck Travel (VMT): 0

Off-Road Equipment:

1 Air Compressors (350 hp) operating at a 0.65 load factor for 24 hours per day

1 Bore/Drill Rigs (500 hp) operating at a 0.6 load factor for 24 hours per day

1 Generator Sets (325 hp) operating at a 0.62 load factor for 24 hours per day

1 Signal Boards (10 hp) operating at a 0.8 load factor for 24 hours per day

1 Skid Steer Loaders (500 hp) operating at a 0.7 load factor for 12 hours per day

1 Tractors/Loaders/Backhoes (85 hp) operating at a 0.88 load factor for 12 hours per day

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Phase: Trenching 2/24/2010 - 3/21/2010 - Trenching for Utilities

Off-Road Equipment:

- 1 Crushing/Processing Equip (142 hp) operating at a 0.78 load factor for 8 hours per day
- 1 Excavators (168 hp) operating at a 0.57 load factor for 8 hours per day
- 1 Rubber Tired Loaders (164 hp) operating at a 0.54 load factor for 8 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 0 hours per day
- 1 Trenchers (63 hp) operating at a 0.75 load factor for 8 hours per day
- 1 Welders (45 hp) operating at a 0.45 load factor for 8 hours per day

Phase: Paving 3/11/2010 - 3/21/2010 - paving

Acres to be Paved: 0.07

Off-Road Equipment:

- 4 Cement and Mortar Mixers (10 hp) operating at a 0.56 load factor for 6 hours per day
- 1 Pavers (100 hp) operating at a 0.62 load factor for 7 hours per day
- 1 Rollers (95 hp) operating at a 0.56 load factor for 7 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 7 hours per day

Phase: Building Construction 2/24/2010 - 3/21/2010 - Building Construction

Off-Road Equipment:

- 1 Air Compressors (106 hp) operating at a 0.48 load factor for 8 hours per day
- 1 Forklifts (145 hp) operating at a 0.3 load factor for 8 hours per day
- 1 Generator Sets (549 hp) operating at a 0.74 load factor for 8 hours per day
- 1 Tractors/Loaders/Backhoes (108 hp) operating at a 0.55 load factor for 8 hours per day

Construction Mitigated Detail Report:

CONSTRUCTION EMISSION ESTIMATES Annual Tons Per Year, Mitigated

<u>ROG</u>	<u>NOx</u>	<u>CO</u>	<u>SO2</u>	<u>PM10 Dust</u>	<u>PM10 Exhaust</u>	<u>PM10</u>	<u>PM2.5 Dust</u>	<u>PM2.5 Exhaust</u>	<u>PM2.5</u>	<u>CO2</u>
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Construction Related Mitigation Measures

The following mitigation measures apply to Phase: Mass Grading 2/22/2010 - 2/23/2010 - Well pulling pipe

For Soil Stabilizing Measures, the Apply soil stabilizers to inactive areas mitigation reduces emissions by:

PM10: 84% PM25: 84%

For Soil Stabilizing Measures, the Replace ground cover in disturbed areas quickly mitigation reduces emissions by:

PM10: 5% PM25: 5%

For Soil Stabilizing Measures, the Water exposed surfaces 2x daily watering mitigation reduces emissions by:

PM10: 55% PM25: 55%

For Soil Stabilizing Measures, the Equipment loading/unloading mitigation reduces emissions by:

PM10: 69% PM25: 69%

OWD Rancho del Rey Construction GHG Calculations

0.000453592

Construction Phase	CO2 lbs/day (from URBEMIS)		CO2 lbs total		CO2 MT/yr		days of construction
	Off Road Emissions	on-road emissions	Off Road Emissions	on-road emissions	Off Road Emissions	on-road emissions	
Well Drilling	8,622.6	186.6	129,338.6	2,798.9	58.7	1.3	15
Well Casing	18,242.8	186.6	36,485.6	373.2	16.5	0.2	2
Building Construction	3,716.3	55.6	66,893.6	1,061.5	30.3	0.5	18
Trenching for Utilities	2,338.9	186.6	42,099.7	3,358.6	19.1	1.5	18
Paving	979.2	232.9	6,854.6	1,630.3	3.1	0.7	7
<i>total</i>	<i>33,899.8</i>	<i>848.3</i>	<i>281,672.0</i>	<i>9,162.5</i>	<i>127.8</i>	<i>4.2</i>	

Construction Phase	Off Road Emissions			On road Emissions and Worker Trips		CO2e (metric tons/yr)
	CO2 (metric tons/yr)	CH4 (metric tons/yr)	N2O (metric tons/yr)	CO2 (metric tons/yr)	Other (metric tons/yr)	
Well Drilling	58.7	0.003332	0.001503	1.3	0.066818	61.5
Well Casing	16.5	0.000946	0.000424	0.2	0.008909	16.7
Building Construction	30.3	0.001734	0.000777	0.5	0.023910	31.1
Trenching for Utilities	19.1	0.001091	0.000489	1.5	0.080181	20.9
Paving	3.1	0.000178	0.000080	0.7	0.038921	3.9
<i>Total Construction Emissions</i>	<i>127.8</i>	<i>0.007301</i>	<i>0.003273</i>	<i>4.2</i>	<i>0.218738</i>	<i>134.3</i>

Sources: URBEMIS 2007; CCAR 2009.

3.3

Diesel Fuel	CO2	CH4	N2O
kg CO2/gal diesel	10.15	0.00058	0.00026
g/gal diesel construction equip		0.58	0.26
ratio	1	5.71429E-05	2.58158E-05

Table C.6, GRP

Source: CH4 and N2O from Construction

tons/metric ton	Percent other GHGs (on road)	GAS	CH4	N2O
0.90718474	5.00%	GWP	21	310

Gasoline Fuel	CO2	CH4	N2O
kg CO2/gal diesel	8.81	0.0014	0.0001
ratio	1	0.00015891	1.19507E-05

Table C.9, GRP

\*\*\* SCREEN3 MODEL RUN \*\*\*  
\*\*\* VERSION DATED 96043 \*\*\*

owd

SIMPLE TERRAIN INPUTS:

SOURCE TYPE = AREA  
EMISSION RATE (G/(S-M\*\*2)) = .709456E-05  
SOURCE HEIGHT (M) = 3.5000  
LENGTH OF LARGER SIDE (M) = 28.4500  
LENGTH OF SMALLER SIDE (M) = 28.4500  
RECEPTOR HEIGHT (M) = .0000  
URBAN/RURAL OPTION = URBAN

THE REGULATORY (DEFAULT) MIXING HEIGHT OPTION WAS SELECTED.  
THE REGULATORY (DEFAULT) ANEMOMETER HEIGHT OF 10.0 METERS WAS ENTERED.

MODEL ESTIMATES DIRECTION TO MAX CONCENTRATION

BUOY. FLUX = .000 M\*\*4/S\*\*3; MOM. FLUX = .000 M\*\*4/S\*\*2.

\*\*\* FULL METEOROLOGY \*\*\*

\*\*\*\*\*  
\*\*\* SCREEN AUTOMATED DISTANCES \*\*\*  
\*\*\*\*\*

\*\*\* TERRAIN HEIGHT OF 0. M ABOVE STACK BASE USED FOR FOLLOWING DISTANCES \*\*\*

DIST (M)	CONC (UG/M**3)	STAB	U10M (M/S)	USTK (M/S)	MIX HT (M)	PLUME HT (M)	MAX DIR (DEG)
1.	9.129	1	1.0	1.0	320.0	3.50	45.
100.	16.20	5	1.0	1.0	10000.0	3.50	45.
200.	5.572	5	1.0	1.0	10000.0	3.50	43.
300.	2.803	5	1.0	1.0	10000.0	3.50	42.
400.	1.718	5	1.0	1.0	10000.0	3.50	44.
500.	1.180	5	1.0	1.0	10000.0	3.50	32.
600.	.8726	5	1.0	1.0	10000.0	3.50	39.
700.	.6792	5	1.0	1.0	10000.0	3.50	2.
800.	.5482	5	1.0	1.0	10000.0	3.50	4.
900.	.4549	5	1.0	1.0	10000.0	3.50	21.
1000.	.3859	5	1.0	1.0	10000.0	3.50	24.
1100.	.3333	5	1.0	1.0	10000.0	3.50	32.
1200.	.2920	5	1.0	1.0	10000.0	3.50	29.
1300.	.2589	5	1.0	1.0	10000.0	3.50	13.
1400.	.2319	5	1.0	1.0	10000.0	3.50	9.
1500.	.2096	5	1.0	1.0	10000.0	3.50	5.

MAXIMUM 1-HR CONCENTRATION AT OR BEYOND 1. M:  
47. 30.25 5 1.0 1.0 10000.0 3.50 45.

\*\*\*\*\*  
\*\*\* SCREEN DISCRETE DISTANCES \*\*\*  
\*\*\*\*\*

\*\*\* TERRAIN HEIGHT OF 0. M ABOVE STACK BASE USED FOR FOLLOWING DISTANCES \*\*\*

DIST (M)	CONC (UG/M**3)	STAB	U10M (M/S)	USTK (M/S)	MIX HT (M)	PLUME HT (M)	MAX DIR (DEG)
3.	10.64	1	1.0	1.0	320.0	3.50	44.
8.	13.94	3	1.0	1.0	320.0	3.50	45.
20.	22.43	3	1.0	1.0	320.0	3.50	45.
30.	28.30	4	1.0	1.0	320.0	3.50	45.
76.	22.45	5	1.0	1.0	10000.0	3.50	45.
152.	8.690	5	1.0	1.0	10000.0	3.50	45.

\*\*\*\*\*  
\*\*\* SUMMARY OF SCREEN MODEL RESULTS \*\*\*  
\*\*\*\*\*

CALCULATION PROCEDURE	MAX CONC (UG/M**3)	DIST TO MAX (M)	TERRAIN HT (M)
SIMPLE TERRAIN	30.25	47.	0.

\*\*\*\*\*  
\*\* REMEMBER TO INCLUDE BACKGROUND CONCENTRATIONS \*\*  
\*\*\*\*\*

OWD Rancho del Rey Daycare HRA Health Risk Inputs and Calculations  
0.375 9 hrs/24 hrs

\*assume all PM10 exhaust is DPM  
\*assumption is that emissions are constant over the acres disturbed

Emission Calcs	
0.00635	Urban's PM tons/yr (x) children at site 9hrs/day
907184.7	grams/ton
3600	seconds/hour
24	hours/day
1.00	percent of day
48	days/yr
0.005742091	grams/second

Area Calcs	
0.2	Max area disturbed (acres)
4046.825	meters <sup>2</sup> /acre
809.365	meters <sup>2</sup>
28.4411034	meters x meters

Screen 3 assumptions  
0m receptor height  
3.5 m stack height  
use discrete distances as well as array from 0 to 1500 m urban setting

SCREEN3 Emission Rate	
7.09456E-05	grams/second * meter <sup>2</sup>

0.3048			
ft	m		
SCREEN3 Distances			
10	3.048	receptor 1	* middle of daycare facility/playground
25	7.62	receptor 2	* daycare parking area
65	19.812	receptor 3	* daycare doorstep
100	30.48	receptor 4	* daycare parking area
250	76.2	receptor 5	* daycare playground
500	152.4	receptor 6	* corner to corner playground
154.199	47	highest concentration	* residences

0.3048 Daycare Center

Highest Concentration (47 ft)	
HRA Calcs	
30.3	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
3.03E+00	SCREEN3 annual concentration (micrograms/meter <sup>3</sup> )
8.45E-08	Calculated dose (mg/kg-day)
0.1	Cancer risk (per million)
0.1	Hazard Index
4.23E-07	
5	Chronic inhalation REI (micrograms/meter <sup>3</sup> )
48	days of construction
0.375	lines at daycare center (% of day)
18	Exposure frequency (EF)
0.11506549	Exposure duration (ED)
25550	Averaging time (AT)
302	Daily breathing rate (DBR)
1	Inhalation absorption factor (A)
1.00E-03	Micrograms to milligrams conversion
1.00E-03	liters to cubic meters conversion
1.1	Cancer potency factor
1.00E+06	risk per million people
days/year	# of construction days
Years	# of days/365
days	
L/kg body weight	
None	
1	microgram
liters	
mg/kg-day	
None	

10 feet (3m)	
HRA Calcs	
10.7	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
1.07E+00	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
2.99E-08	Calculated dose (mg/kg-day)
0.03	Cancer risk (per million)
0.3	Hazard Index

25 feet (7.6m)	
HRA Calcs	
14.0	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
1.40E+00	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
3.90E-08	Calculated dose (mg/kg-day)
0.04	Cancer risk (per million)
0.3	Hazard Index

65 feet (19.8m)	
HRA Calcs	
21.4	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
2.24E+00	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
6.28E-08	Calculated dose (mg/kg-day)
0.1	Cancer risk (per million)
0.8	Hazard Index

100 feet (30.48m)	
HRA Calcs	
26.3	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
2.83E+00	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
7.92E-08	Calculated dose (mg/kg-day)
0.1	Cancer risk (per million)
0.6	Hazard Index

250 feet (76.2m)	
HRA Calcs	
22.5	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
2.25E+00	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
6.28E-08	Calculated dose (mg/kg-day)
0.1	Cancer risk (per million)
0.9	Hazard Index

500 feet (152.4m)	
HRA Calcs	
18.7	SCREEN3 1-hour concentration (micrograms/meter <sup>3</sup> )
0.1	1-hour -> annual conversion
8.69E-01	SCREEN3 24-hour concentration (micrograms/meter <sup>3</sup> )
2.43E-08	Calculated dose (mg/kg-day)
0.03	Cancer risk (per million)
0.2	Hazard Index

Appendix B  
**Geology and Soils Report**

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### San Diego Office

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www.scst.com

January 20, 2010

Project # 1011001  
Report # 1

**Lisa Coburn-Boyd**  
**Otay Water District**  
**2554 Sweetwater Springs Blvd.**  
**Spring Valley, CA 91978-2004**

Subject: REPORT  
GEOLOGY AND SOILS INFORMATION  
RANCHO DEL REY WELL SITE  
CHULA VISTA, CALIFORNIA  
OTAY WATER DISTRICT

Dear Ms. Lisa Coburn-Boyd.

### INTRODUCTION

In accordance with your request, Southern California Soil & Testing developed geology and soils information for the new well and future small water treatment system at the existing Rancho Del Rey well site in Chula Vista, California. The site is located on the southeast corner of the intersection of Terra Nova Drive and Rancho Del Rey Parkway. The location is shown on Figure 1.

The scope of work consisted of:

- Notifying Underground Service Alert to locate underground utilities in the area.
- Drilling 1 exploratory test boring 20 feet deep at the location shown on Figure 1 to develop information on shallow soil conditions.
- Logging the boring and obtaining samples of the materials encountered for examination and laboratory testing. The log of the test boring is on Figure I-2.
- Performing laboratory tests to evaluate pertinent engineering properties. Results of a direct shear test on a relatively undisturbed sample are on Figure II-1. Representative grain size distributions are shown on Figure II-2.

- Reviewing available logs of the existing well to evaluate subsurface conditions at greater depths.
- Preparing a final letter report summarizing the results of the field and laboratory program.

### **SURFACE AND SUBSURFACE CONDITIONS**

The surface of the site is relatively flat, with a few sparse weeds. Otay Formation is exposed on the ground surface and continued to the maximum depth explored, 19.5 feet. Formational materials consist of dense clayey sandstone in the upper 10 feet; hard claystone between a depth of 10 feet and a depth of 14 feet; and dense clayey sandstone below this depth. No groundwater was encountered in the test boring.

### **CONCLUSIONS**

The site is underlain by dense and hard sandstone and claystone of the Otay Formation. The formational materials will provide good support for relatively light structures with foundations at shallow depths below the bottom of the structure. The formational materials also will provide good support for new fills. Settlements are expected to be small. Portions of the formational materials can be expansive and recommendations for minimizing the effects of expansive soils on structures are contained in the following section.

### **RECOMMENDATIONS**

#### **Earthwork**

Existing vegetation and debris should be stripped and removed from the site. Near surface soils containing organic materials can be stockpiled for later use in landscaping. The depth of stripping is expected to be three to four inches.

Where structures will be supported at or near existing grades, the upper soils should be excavated to a depth of at least three feet below planned footing bottom grades. Existing materials should be excavated to a depth of at least two feet below subgrade beneath slabs-on-grade. The excavated materials and the surface exposed by excavation should be checked by the geotechnical engineer to evaluate their expansion potential and suitability for use as compacted fill.

The surface exposed by excavation should be scarified to a depth of 8 inches, moisture conditioned to approximately 2 to 4 percentage points above optimum moisture content and compacted to at least 90% relative compaction based on the ASTM D 1557 laboratory test method. All references to relative compaction and optimum moisture content in this report are based on this test method. The geotechnical engineer should observe materials exposed during earthwork and evaluate whether they are suitable based on the observed expansion potential.



### **Fill and Backfill Placement and Compaction**

Generally, the excavated soil will be suitable for use as new compacted fill and backfill except for expansive materials as determined by the geotechnical engineer. Fill and backfill should be placed in lifts 8 inches or less in loose thickness, moisture conditioned to approximately 2 to 4 percentage points above optimum moisture content and compacted to at least 90% relative compaction.

### **Imported Soil**

Imported fill should consist of predominately granular soils free of organic material and rocks greater than 6 inches in maximum dimension. Imported soils should have an Expansion Index of 20 or less. Imported soils should be inspected and, if appropriate, tested by SCS&T prior to transport to the site.

### **Surface Drainage**

Final surface grades around the improvements should be designed to collect and direct surface water away from the structures and toward appropriate drainage facilities. The ground around the structures should be graded so that surface water flows rapidly away from the structures without ponding. In general, we recommend that the ground adjacent to the structures slope away at a gradient of at least 2%. Densely vegetated areas where runoff can be impaired should have a minimum gradient of at least 5% within the first 5 feet from the structure.

Drainage patterns established at the time of fine grading should be maintained throughout the life of the structures. Site irrigation should be limited to the minimum necessary to sustain landscape growth. Should excessive irrigation, impaired drainage, or unusually high rainfall occur, saturated zones of perched groundwater can develop.

### **Seismic Design**

The site coefficients and adjusted maximum considered earthquake spectral response acceleration parameters in accordance with the 2007 California Building Code are presented below:

Site Coordinates: Latitude 32° 33' 43"

Longitude 117° 01' 58"

Site Class: D

Site Coefficient  $F_a = 1.078$

Site Coefficient  $F_v = 1.622$

Spectral Response Acceleration at Short Periods  $S_s = 1.055$

Spectral Response Acceleration at 1-Second Period  $S_1 = 0.389$

$S_{MS} = F_a S_s = 1.137$



$$S_{M1}=F_v S_1=0.631$$
$$S_{DS}=2/3 * S_{MS}=0.758$$
$$S_{D1}=2/3 * S_{M1}=0.421$$

### Structure Foundation Design

New structures can be supported on spread footings with bottom levels in the formational materials if the bottom level of the structure is more than 5 feet below the lowest adjacent outside final grade, or in new compacted fill. Footings should have bottom levels at a minimum depth of 18 inches below the lowest adjacent finished grade. A minimum width of 12 inches is recommended for continuous footings for single story structures and 15 inches for 2-story structures. Isolated footings should be at least 24 inches wide. A bearing capacity of 3000 pounds per square foot (psf) can be used. This value can be increased by 1/3 when considering the total of all loads, including wind or seismic forces.

Lateral loads will be resisted by friction between the bottoms of footings and passive pressure on the faces of footings and other structural elements below grade. A friction factor of 0.35 can be used. Passive pressure can be computed using a lateral pressure value of 350 psf per foot of depth below the ground surface. The upper 1 foot of soil should not be relied on for passive support unless the ground is covered with pavements or slabs.

Total footing settlements are expected to be less than 1/2 inch. Differential settlements between adjacent footings, and between the middle and ends of continuous footings, are expected to be less than 1/2 inch. Settlement should occur rapidly and be essentially complete shortly after construction is complete.

### Concrete Slabs-on-Grade

Concrete slabs-on-grade should have a thickness of at least 5 inches and be reinforced with at least No. 4 reinforcing bars placed at 12 inches on-center each way. Slab reinforcement should be placed approximately at mid-height of the slab and extend at least 6 inches down into the footings.

Slabs-on-grade should be underlain by a 4-inch thick blanket of clean, poorly graded, coarse sand or crushed rock. A moisture vapor retarder/barrier should be placed beneath slabs where floor coverings will be installed. Typically, plastic is used as a vapor retardant. If plastic is used, a minimum 10-mil is recommended. The plastic should comply with ASTM E 1745. Plastic installation should comply with ASTM E 1643.

Current construction practice typically includes placement of a two-inch thick sand cushion between the bottom of the concrete slab and the moisture vapor retarder/barrier. This cushion can provide some protection to the vapor retarder/barrier during construction, and may assist in reducing the potential for edge curling in the slab during curing. However, the sand layer also provides a source of moisture vapor to the underside of the slab that can increase the



time required to reduce moisture vapor emissions to limits acceptable for the type of floor covering placed on top of the slab. The floor covering manufacturer should be contacted to determine the volume of moisture vapor allowable and any treatment needed to reduce moisture vapor emissions to acceptable limits for the particular type of floor covering installed.

### **Temporary Excavations**

Temporary excavations should not be steeper than ¾:1 in the formational materials. Steeper slopes will require shoring. SCS&T can provide recommendations for temporary shoring if needed.

The contractor's Competent Person should inspect slopes twice daily while they are exposed. Any raveling, sloughing, or evidence for instability should be brought to the attention of the engineer. Personnel should not be allowed access in front of the slope until the observed condition is evaluated and mitigated if necessary.

### **Retaining Walls**

Retaining wall foundations should be designed in accordance with the recommendations above for structure foundation design. The active soil pressure for the design of unrestrained earth retaining structures with level backfills can be taken as equivalent to the pressure of a fluid weighing 40 pounds per cubic foot (pcf). Walls that are restrained against movement at the top should be designed for at-rest pressures. The at-rest pressure can be taken as equivalent to the pressure of a fluid weighing 65 pcf.

A granular and drained backfill condition has been assumed. If any surcharge loads are anticipated, SCS&T should be contacted for the appropriate increase in lateral pressure. Retaining walls should be provided with backdrains. A typical wall backdrain detail is shown on Figure 2.

### **Seismic Earth Pressure**

Seismic earth pressure can be computed using an inverted triangular distribution with a maximum pressure at the top equal to 18H pounds per square foot (with H being the height of the retained earth in feet). This pressure is in addition to the un-factored static design wall load. The allowable passive pressure and bearing capacity can be increased by ⅓ for determining the stability of the wall.

### **Backfill**

All backfill soils should be compacted to at least 90% relative compaction at 2 to 4 percentage points above optimum. Expansive or clayey soils should not be used for backfill material. The wall should not be backfilled until the grout has reached an adequate strength.

## **CLOSURE**



In the performance of our professional services, we comply with that level of care and skill ordinarily exercised by members of our profession currently practicing under similar conditions and in the same locality. Subsurface conditions can vary from those encountered at the boring locations, and our data, interpretations, and recommendations are based solely on the information obtained by us. We will be responsible for those data, interpretations, and recommendations, but will not be responsible for interpretations by others of the information developed. Our services consist of professional consultation and observation only, and no warranty of any kind whatsoever, express or implied, is made or intended in connection with the work performed or to be performed by us, or by our proposal for consulting or other services, or by our furnishing of oral or written reports or findings.

If you have any questions, please call me at (619) 280-4321.

Respectfully submitted,  
**SOUTHERN CALIFORNIA SOIL AND TESTING, INC.**

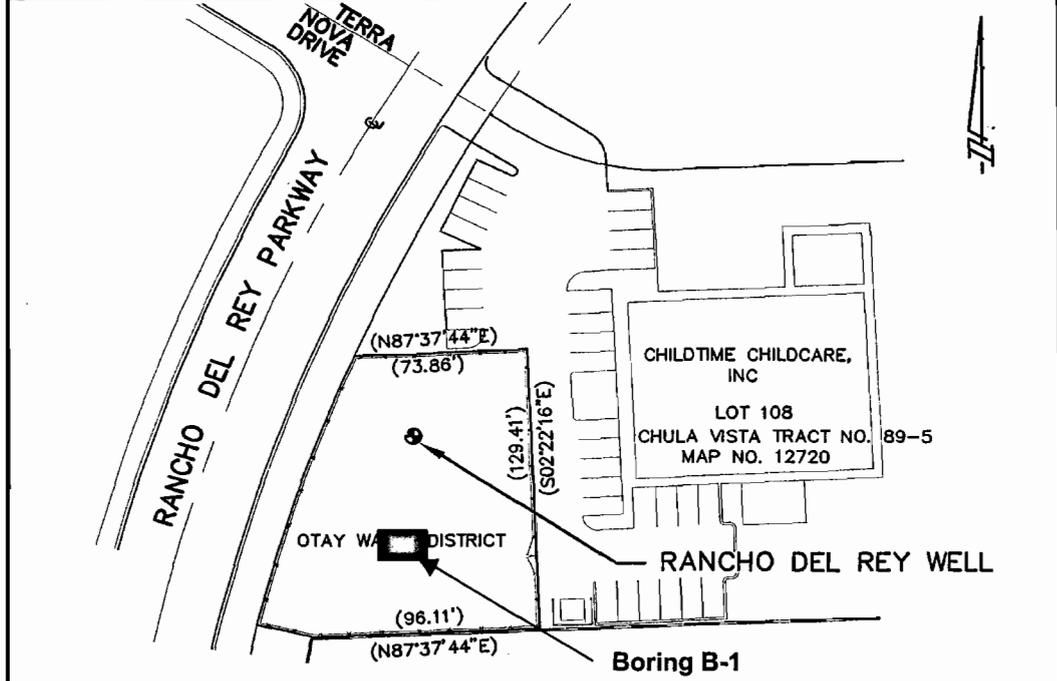
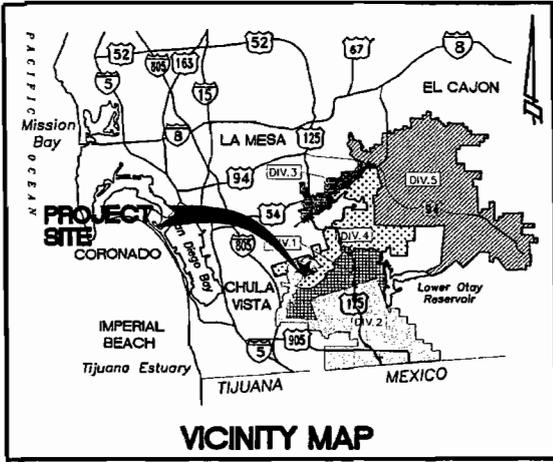


James J. Stone, RGE 808  
Principal Geotechnical Engineer

JJS:js  
(1) Addressee

Attachments:  
Figure 1 – Boring Location  
Figure 2 – Backdrain  
Figures I-1 and I-2: - Unified Soil Classification System and Boring Log  
Figures II-1 and II-2 – Laboratory Test Results





**OTAY WATER DISTRICT**  
RANCHO DEL WAY PARKWAY, CHULA VISTA, CA  
RANCHO DEL REY GROUND WATER DEVELOPMENT

CIP P2434

**EXHIBIT A**

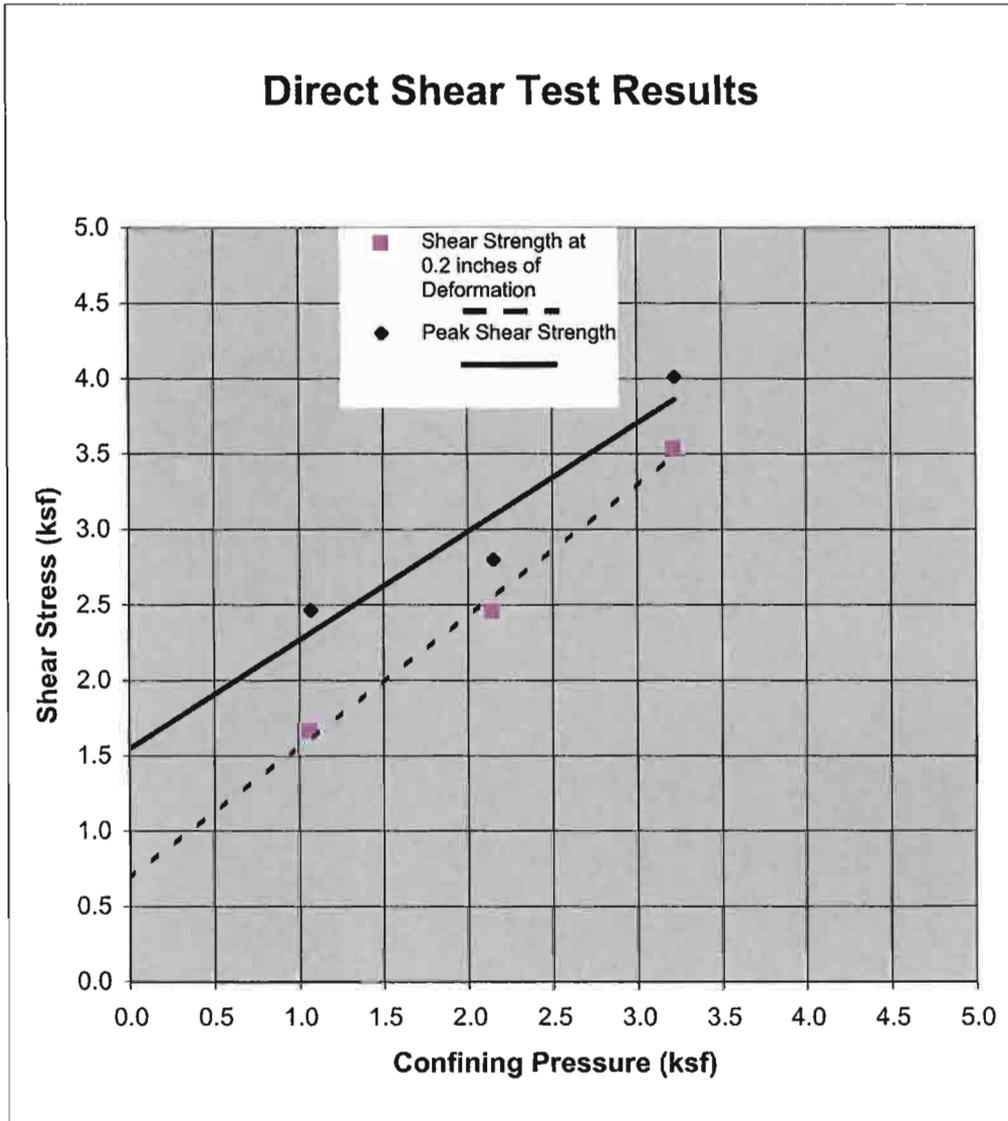


**SOUTHERN CALIFORNIA**  
**SOIL & TESTING, INC.**

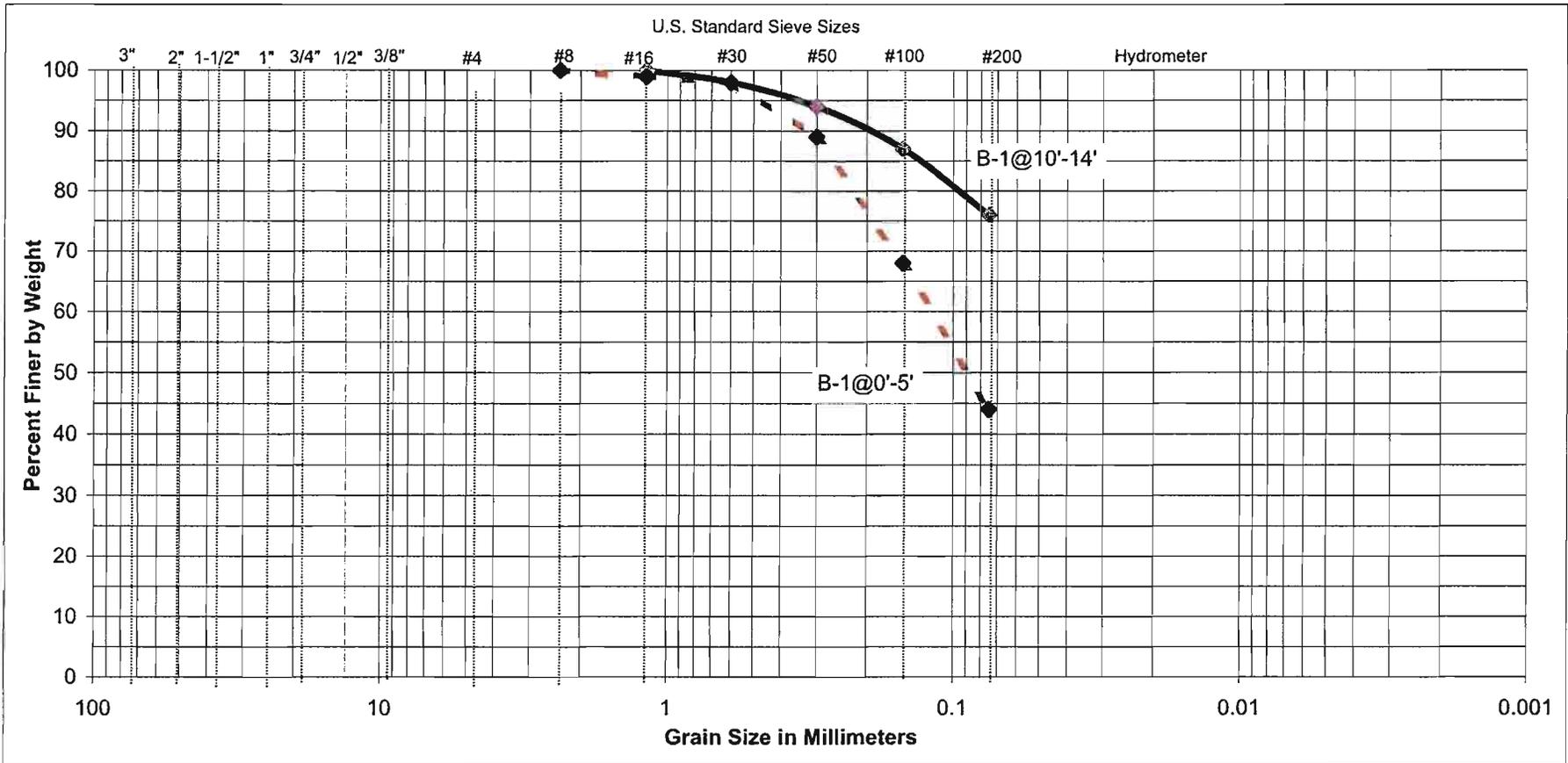
**RANCHO DEL REY WELL SITE**

BY: JJS	DATE: 1/21/2010
JOB NUMBER: 1011001-1	FIGURE: 1

## Direct Shear Test Results



SAMPLE	DESCRIPTION	ANGLE OF INTERNAL FRICTION	COHESION INTERCEPT (PSF)
TP-2@8-10'	UNDISTURBED		
	<u>Peak</u>	36	1550
	<u>Shear Strength at 0.2 inches of Deformation</u>	41	690
 <b>SOUTHERN CALIFORNIA SOIL &amp; TESTING</b>		<b>RANCHO DEL REY WELL SITE</b>	
		BY: JJS	DATE: 1/21/2010
		JOB NUMBER: 1011001-1	FIGURE II - 1



COARSE	FINE	COARSE	MEDIUM	FINE	SILT AND CLAY
GRAVEL		SAND			

<b>SAMPLE</b>
TEST PIT NO.:
SAMPLE DEPTH:

<b>DESCRIPTION:</b>
---------------------

<b>SAND EQUIVALENT</b>
------------------------

 <b>SOUTHERN CALIFORNIA SOIL &amp; TESTING, INC.</b>	<b>RANCHO DEL REY WELL SITE</b>	
	BY: JJS	DATE: 1/21/2010
	JOB NUMBER: 1011001-1	FIGURE: II-2

## LOG OF EXPLORATORY BORING NUMBER B-1

Date Excavated: 1/13/2010  
 Equipment: 6" hollow stem auger  
 Surface Elevation (ft): N/A

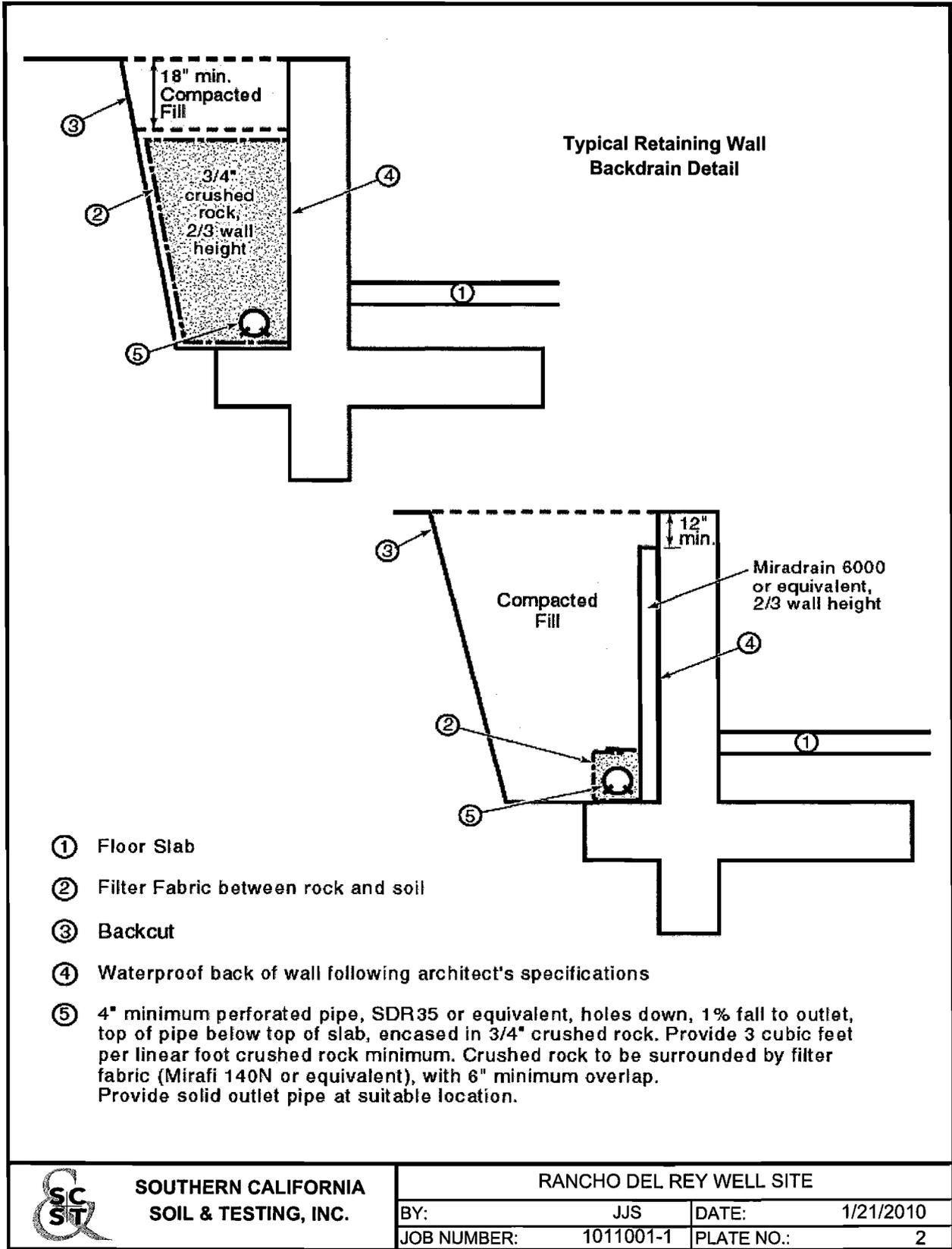
Logged by: AKN  
 Project Manager: JS  
 Depth to Water (ft): N/A

DEPTH (ft)	USCS	SUMMARY OF SUBSURFACE CONDITIONS	SAMPLES		PENETRATION (blows/ ft. of drive)	MOISTURE (%)	DRY UNIT WT. (pcf)	LABORATORY TESTS
			UNDISTURBED	BULK				
2		<b>OTAY FORMATION (To)</b> - Light brownish gray, moist, dense to very dense, medium-grained, massive, CLAYEY SANDSTONE. Disturbed upper 18 inches.		X				SA
4			CAL		50/5"	15.87	112	DS
6								
8								
10		Medium maroon gray, moist, hard, waxy, CLAYSTONE.	CAL	X	71			SA
12								
14	SC	Medium maroon gray, moist, dense to very dense, medium-grained, massive, CLAYEY SANDSTONE.	CAL	X	50/6"			
16								
18		Becomes light gray at 18 feet.						
20			CAL		50/5"			

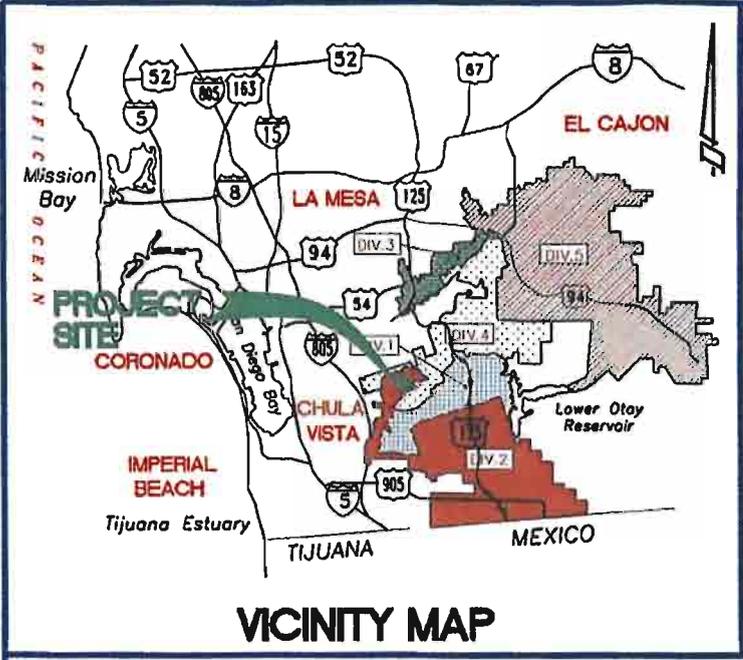
## SUBSURFACE EXPLORATION LEGEND

### UNIFIED SOIL CLASSIFICATION CHART

<u>SOIL DESCRIPTION</u>	<u>GROUP SYMBOL</u>	<u>TYPICAL NAMES</u>
<b>I. COARSE GRAINED, more than 50% of material is larger than No. 200 sieve size.</b>		
<u>GRAVELS</u> More than half of coarse fraction is larger than No. 4 sieve size but smaller than 3".	CLEAN GRAVELS	GW Well graded gravels, gravel-sand mixtures, little or no fines
		GP Poorly graded gravels, gravel sand mixtures, little or no fines.
	GRAVELS WITH FINES (Appreciable amount of fines)	GM Silty gravels, poorly graded gravel-sand-silt mixtures.
		GC Clayey gravels, poorly graded gravel-sand-clay mixtures.
<u>SANDS</u> More than half of coarse fraction is smaller than No. 4 sieve size.	CLEAN SANDS	SW Well graded sand, gravelly sands, little or no fines.
		SP Poorly graded sands, gravelly sands, little or no fines.
	SANDS WITH FINES (Appreciable amount of fines)	SM Silty sands, poorly graded sand and silty mixtures.
		SC Clayey sands, poorly graded sand and clay mixtures.
<b>II. FINE GRAINED, more than 50% of material is smaller than No. 200 sieve size.</b>		
SILTS AND CLAYS (Liquid Limit less than 50)	ML	Inorganic silts and very fine sands, rock flour, sandy silt or clayey-silt-sand mixtures with slight plasticity.
	CL	Inorganic clays of low to medium plasticity, gravelly clays, sandy clays, silty clays, lean clays.
	OL	Organic silts and organic silty clays of low plasticity.
SILTS AND CLAYS (Liquid Limit greater than 50)	MH	Inorganic silts, micaceous or diatomaceous fine sandy or silty soils, elastic silts.
	CH	Inorganic clays of high plasticity, fat clays.
	OH	Organic clays of medium to high plasticity.
<b>III. HIGHLY ORGANIC SOILS</b>	PT	Peat and other highly organic soils.
<u>FIELD SAMPLE SYMBOLS</u>		<u>LABORATORY TEST SYMBOLS</u>
 - Bulk Sample CAL - Modified California penetration test sampler CK - Undisturbed chunk sample MS - Maximum Size of Particle  - Water seepage at time of excavation or as indicated SPT - Standard penetration test sampler ST - Shelby Tube  - Water level at time of excavation or as indicated		AL - Atterberg Limits CON - Consolidation COR - Corrosivity Test - Sulfate - Chloride - pH and Resistivity DS - Direct Shear EI - Expansion Index MAX - Maximum Density RV - R Value SA - Sieve Analysis UC - Unconfined Compression
 SOUTHERN CALIFORNIA SOIL & TESTING, INC.	<b>RANCHO DEL REY WELL SITE</b>	
	By: AKN	Date: 1/21/2010
Job Number: 1011001P-1	Figure: I-1	



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**OTAY WATER DISTRICT**  
 RANCHO DEL WAY PARKWAY, CHULA VISTA, CA  
 RANCHO DEL REY GROUND WATER DEVELOPMENT

CIP P2434

**EXHIBIT A**



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 3, 2010
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Engineer	PROJECT/ SUBPROJECT:	R2058-001103    DIV.NO. 1,2 R2077-001103 R2087-001103
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Management Services Contract for the Otay Mesa Recycled Water Supply Link Project to RBF Consulting		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) awards a professional services contract to RBF Consulting (RBF), for providing professional construction management services for the Otay Mesa Recycled Water Supply Link (Supply Link) project and to authorize the General Manager to execute an agreement with RBF in a not-to-exceed amount of \$708,560 (see Exhibits A, B, and C for project locations).

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

Please see Attachment A.

**PURPOSE:**

To obtain Board Authorization for the General Manager to enter into a Construction Management Agreement with RBF. The contract amount is not-to-exceed \$708,560 for providing Construction Management Services for the Supply Link project.

**ANALYSIS:**

The Supply Link is primarily a transmission pipeline that will provide recycled water to the Otay Mesa area. The Supply Link consists of constructing approximately 3.5 miles of 24-inch steel pipe, 3 miles of 16-Inch PVC pipe, 900 linear feet of 8-Inch PVC pipe, and a pressure reducing station.

The Supply Link is currently being designed in-house by staff. The design is 60% complete and staff is currently working towards 90% design. The design is anticipated to be completed in March 2010 with construction award in May 2010. The Supply Link is critical, in providing recycled water to the Otay Mesa.

As part of the process to improve the design, staff's goal is to engage the services of a Construction Manager (CM) during the 90% design phase of the project. Utilizing the services of a CM during the design process will allow fresh input regarding constructability and provide an opportunity for the design staff to include these new ideas into the final design. Consistent with the District's practice, a CM firm is used on larger projects that have a variety of complex construction activities. The CM augments District staff and provides the fulltime inspection and monitoring that is required.

In accordance with Board Policy No. 21, staff solicited professional construction management services from engineering consulting firms by placing an advertisement on the District's website and with various publications including the Union Tribune and San Diego Daily Transcript.

The Pre-Proposal Meeting for the project was held on December 16, 2009. Thirty-five (35) people from various consulting groups attended the meeting. Twenty-nine (29) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal was sent to all twenty-nine (29) construction management and engineering firms resulting in the following eleven (11) proposals received on January 8, 2010:

- Civiltec
- Butier
- Parsons Brinkerhoff
- RBF
- URS
- MWH Constructors
- Harris & Associates
- Dudek

- J.T. Krueer & Company
- Vanir Construction Management
- Richard Brady & Associates

The remaining eighteen (18) firms that chose not to propose are Red Zone, Valley CM, Southern California Soils & Testing, Christian Wheeler, MTGL, PBS&J, Lee & Ro, KDG Development and Construction Consulting, JAS Consultants, G-Force, Aecom, HDR, Pacifica Services, Kaufman Consultation, R.W. Beck, Professional Service Industries, Malcom Pirnie, and Ninyo and Moore.

A District review panel evaluated the written proposals and selected the following firms for a formal interview:

<u>CONSULTING FIRMS</u>	<u>PROPOSED FEE</u>
Civiltec	\$327,057
URS	\$406,518
RBF	\$708,560
Harris & Associates	\$772,076
MWH	\$831,693

The Engineer's Estimate is \$750,000.

The interview selection panel was comprised of four (4) staff members and one (1) outside member from the City of Coronado (Scott Huth). The oral interviews were conducted on January 26, 2010. After conducting the interviews, the panel completed the consultant ranking process and concluded that RBF was the most qualified consultant and provided the best overall value. A summary of the complete evaluation is shown in Attachment B.

The range in the proposed fees was due primarily to the approach presented by each consultant. Their proposed method to accomplish the work was a direct reflection on their approach to the major scope items presented in the RFP. The major scope items were constructability review, inspection, construction management, and public outreach. Each discipline is clearly identified in the RFP, however some consultants chose to consolidate these disciplines. This consolidation approach resulted in lower fees. The interview panel discussed this approach and determined that it could overload an individual and create inefficiencies within the project delivery. These inefficiencies would result in extra costs throughout the project. The engineer's estimate was determined based on an approach where one or two individuals are assigned a specific discipline. The consultants who presented this approach were within the engineer's estimate. The higher fees were generally due to higher hourly rates,

a higher number of hours for upper level positions, and higher overhead expenses.

RBF's proposal and interview demonstrated that they will provide the proper resources needed to complete each discipline in the scope of work. After a fee negotiation meeting was held with RBF on January 28, 2010, staff was satisfied with their proposed fee and no changes were made.

This project is very similar to the 30-Inch Recycled Pipeline project and the 36-Inch Jamacha Road Pipeline project in which RBF was the CM for both projects. The 30-Inch Recycled Pipeline project was very successful while the 36-Inch Jamacha Road project is on-going and progressing well. RBF was also the CM on the District's 640 Reservoir project which was a very successful project as well. Additional reference checks also verified that RBF is a highly rated consultant.

**FISCAL IMPACT:**



Funding for the overall project comes from three CIP projects, R2058-Airway Road, R2077-Alta Road, and R2087-Wueste Road.

The total budget for CIP R2058, as approved in the FY 2010 budget is \$3,000,000. Total expenditures, plus outstanding commitments and forecast is \$1,081,235. See Attachment C for budget detail.

The total budget for CIP R2077, as approved in the FY 2010 budget is \$4,100,000. Total expenditures, plus outstanding commitments and forecast, is \$878,844. See Attachment D for budget detail.

The total budget for CIP R2087, as approved in the FY 2010 budget is \$4,500,000. Total expenditures, plus outstanding commitments and forecast, is \$902,657. See Attachment E for budget detail.

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

For the three CIPs, the Finance Department has determined that 100% of the funding is available from the Expansion Fund.

**STRATEGIC GOAL:**

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner..." This project fulfills the District's Strategic

Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing that the District will provide for current and future water needs.

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

None.



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

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DK/RR:jf

- Attachments      Attachment A
- Attachment B
- Attachment C
- Attachment D
- Attachment E
- Exhibit A
- Exhibit B
- Exhibit C

QA/QC Approved:      NAME: Lisa Colman-Boyd

DATE: 2/11/10



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> R2058-001103 R2077-001103 R2087-001103	Award of a Construction Management Services Contract for the Otay Mesa Recycled Water Supply Link Project to RBF Consulting
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### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 22, 2010 and the following comments were made:

- Staff is requesting that the Board award a professional services contract to RBF Consulting (RBF) for providing professional construction management services for the Otay Mesa Recycled Water Supply Link (Supply Link) project and to authorize the General Manager to execute an agreement with RBF in an amount not-to-exceed \$708,560.
- Staff indicated that the Supply Link is approximately a 6.5 mile transmission pipeline consisting of steel and PVC pipes that will provide recycled water to the Otay Mesa area.
- Staff indicated that the Supply Link is currently being designed in-house by staff and is currently working towards 90% design. Staff stated that the District's goal is to engage the services of a Construction Manager (CM) during the 90% design phase of the project in order to improve the design. The services of a CM will also include constructability review.
- In accordance with Board Policy No. 21, staff solicited professional construction management services from engineering firms. A pre-proposal meeting was held on December 16, 2009. Thirty-five (35) individuals from various consulting firms attended the meeting. Twenty-nine (29) firms submitted a letter of interest and a statement of qualifications, which the District's Request for Proposal was sent to those firms. Eleven (11) proposals were received by the District on January 8, 2010.

- Staff stated that the interview selection panel was comprised of four (4) District staff members and one (1) outside member, Scott Huth, Director of Public Services for the City of Coronado.
- The District's panel members reviewed and evaluated the written proposals and selected five firms to participate in a formal interview on January 26, 2010.
- Staff is recommending that RBF be awarded the professional construction management services contract as the most qualified consultant providing the best overall value.
- The District has worked with with RBF on the 30-Inch Recycled Pipeline project and the 36-Inch Jamacha Road Pipeline project, and both projects were delivered on time and were similar inscope to the proposed Supply Link project.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full Board as a consent item.

## ATTACHMENT B

### SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS

		WRITTEN					ORAL				TOTAL SCORE	AVERAGE SCORE	References		
		Qualifications of Staff	Understanding of scope, schedule, resources	Soundness and Viability of Proposed Project Plan	Proposed Fee	Consultant's commitment to DBE	SUBTOTAL	AVERAGE SUBTOTAL SCORE	Additional creativity, insight to issues	Strength of project manager				Presentation, communication skills	Quality of response to questions
SCORE		20	20	25	35	Y/N	100		15	15	10	10	150 *		Pass/Fail
Civiltec	Ron Ripperger	14	14	15	35		78		8	8	7	7	108	108	
	Scott Huth	15	16	16	35		82		8	8	3	5	106		
	Jake Vaclavek	13	13	12	35	Y	73	79	10	8	7	8	106		
	David Charles	16	15	20	35		80		9	8	7	6	116		
	Daniel Kay	12	12	16	35		76		10	10	5	6	105		
Butler	Ron Ripperger	18	18	16	25		75						75	71	
	Scott Huth	15	16	16	25		72						72		
	Jake Vaclavek	15	12	12	25	Y	64	71					64		
	David Charles	16	15	19	25		75						75		
	Daniel Kay	15	15	16	25		71						71		
Parsons Brinkerhoff	Ron Ripperger	16	16	16	14		62						62	65	
	Scott Huth	17	18	22	14		71						71		
	Jake Vaclavek	16	13	16	14	Y	59	65					59		
	David Charles	17	16	20	14		67						67		
	Daniel Kay	17	17	20	14		68						68		
RBF	Ron Ripperger	19	19	18	23		76		13	14	9	9	124	125	Pass
	Scott Huth	19	18	22	23		82		13	14	9	10	128		
	Jake Vaclavek	17	17	17	23	Y	74	80	15	15	9	9	122		
	David Charles	18	18	22	23		81		12	13	9	8	123		
	Daniel Kay	19	19	22	23		83		14	14	9	9	129		
URS	Ron Ripperger	13	15	15	32		75		12	12	7	7	113	113	
	Scott Huth	16	16	15	32		79		11	12	7	8	117		
	Jake Vaclavek	13	12	12	32	Y	69	75	13	12	9	8	111		
	David Charles	16	15	19	32		82		8	10	6	5	111		
	Daniel Kay	13	12	15	32		72		12	13	8	8	113		
MWH	Ron Ripperger	19	19	18	19		75		12	13	8	8	116	117	
	Scott Huth	17	18	21	19		75		12	12	6	8	113		
	Jake Vaclavek	17	17	18	19	Y	71	75	14	13	9	8	115		
	David Charles	17	17	22	19		76		12	12	8	8	115		
	Daniel Kay	19	19	23	19		80		13	14	9	9	125		
Harris & Associates	Ron Ripperger	16	18	16	21		71		12	8	8	7	106	108	
	Scott Huth	17	18	22	21		78		10	10	6	6	110		
	Jake Vaclavek	15	16	16	21	Y	68	74	12	9	5	7	101		
	David Charles	17	17	20	21		75		10	10	7	6	108		
	Daniel Kay	17	18	21	21		77		12	11	8	8	116		
Dudek**	Ron Ripperger	15	15	15	-		45						45	46	
	Scott Huth	16	16	17	-		49						49		
	Jake Vaclavek	17	13	12	-	Y	42	46					42		
	David Charles	16	16	19	-		51						51		
	Daniel Kay	15	13	14	-		42						42		
J.T.Kruer & Company	Ron Ripperger	16	14	14	27		71						71	70	
	Scott Huth	12	12	13	27		64						64		
	Jake Vaclavek	12	12	12	27	Y	63	70					63		
	David Charles	17	17	19	27		80						80		
	Daniel Kay	15	15	15	27		72						72		
Vanir Construction Management	Ron Ripperger	16	16	16	16		64						64	62	
	Scott Huth	12	12	14	16		54						54		
	Jake Vaclavek	13	13	15	16	Y	57	62					57		
	David Charles	17	16	19	16		66						66		
	Daniel Kay	17	16	18	16		67						67		
Richard Brady & Associates	Ron Ripperger	15	16	16	17		64						64	61	
	Scott Huth	13	12	13	17		55						55		
	Jake Vaclavek	12	12	12	17	Y	53	61					53		
	David Charles	17	17	20	17		71						71		
	Daniel Kay	16	12	15	17		60						60		

\*Oral Interviews are for projects over \$200,000.

\*\* Dudek did not submit a fee, therefore their score is zero (0)

See Next Sheet for Fee Evaluation

PM Signature: 

QC: 

Engineering Manager: 

## ATTACHMENT B (CONT.) FEE EVALUATION

Firm	Civiltec	Butier	Parsons Brinkerhoff	RBF	URS	MWH	Harris & Associates	Dudek*	J.T.Kruer & Company	Vanir Construction Management	Richard Brady & Associates
<b>Proposed Fee</b>	\$327,057	\$645,961	\$1,027,021	\$708,560	\$406,518	\$831,693	\$772,076	?	\$586,911	\$949,849	\$905,319
<b>Score</b>	<b>35</b>	<b>25</b>	<b>14</b>	<b>23</b>	<b>32</b>	<b>19</b>	<b>21</b>	<b>0</b>	<b>27</b>	<b>16</b>	<b>17</b>

\*Dudek Scored Zero (0) because they did not submit a fee

Proposed Fee Scoring Chart		
% Higher	Score	Amount
Lowest Fee	35	\$327,057
0-10%	34	\$ 359,762.15
11-20%	33	\$ 392,467.80
21-30%	32	\$ 425,173.45
31-40%	31	\$ 457,879.10
41-50%	30	\$ 490,584.75
51-60%	29	\$ 523,290.40
61-70%	28	\$ 555,996.05
71-80%	27	\$ 588,701.70
81-90%	26	\$ 621,407.35
91-100%	25	\$ 654,113.00
101-110%	24	\$ 686,818.65
111-120%	23	\$ 719,524.30
121-130%	22	\$ 752,229.95
131-140%	21	\$ 784,935.60
141-150%	20	\$ 817,641.25
151-160%	19	\$ 850,346.90
161-170%	18	\$ 883,052.55
171-180%	17	\$ 915,758.20
151-160%	16	\$ 981,169.50
161-170%	15	\$ 1,013,875.15
171-180%	14	\$ 1,046,580.80

PM Signature:  \_\_\_\_\_

QC:  \_\_\_\_\_

Engineering Manager:  \_\_\_\_\_



## ATTACHMENT C

<b>SUBJECT/PROJECT:</b>	Award of a Construction Management Services Contract for the Otay Mesa Recycled Water Supply Link Project to RBF Consulting
R2058-001103	
R2077-001103	
R2087-001103	

Otay Water District

Date Updated: February 1, 2010

R2058-RecPL - 16-Inch, 860 Zone, Alrway Road - Otay Mesa/Alta

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
3,000,000					
<b>WO 30088</b>					
Reimbursement	123,911	123,911		123,911	ORIX OTAY LLC
<b>Total WO 30088</b>	123,911	123,911	-	123,911	
<b>Planning</b>					
<b>Add subprojects</b>					
Labor	57,825	57,825	-	57,825	
Business Meetings	17	17	-	17	PETTY CASH CUSTODIAN
Professional Legal Fees	343	343	-	343	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	111,645	44,491	67,154	111,645	JONES & STOKES ASSOCIATES
	10,127	10,127	-	10,127	LEE & RO INC
<b>Total Planning</b>	179,957	112,803	67,154	179,957	
<b>Design</b>					
Labor	300,000	155,515	144,485	300,000	
Consultant Contracts	30,450	30,450	-	30,450	HDR ENGINEERING INC
	10,500	10,500	-	10,500	SAN-LO AERIAL SURVEYS
	11,842	11,842	-	11,842	SOUTHERN CALIFORNIA SOIL
	350	350	-	350	MWH CONSTRUCTORS INC
Service Contracts	2,000	2,000	-	2,000	FIRST AMERICAN TITLE INS CO
	14,790	3,100	11,690	14,790	SAN-LO AERIAL SURVEYS
	138	138	-	138	UNION TRIBUNE PUBLISHING CO
Office Supplies	32	32	-	32	US BANK CORPORATE PAYMENT
<b>Total Design</b>	370,102	213,927	156,175	370,102	
<b>Construction</b>					
Labor	736	736	-	736	
Consultant Contracts	193,173	193,173	-	193,173	J GARY BURKE CORPORATION
Construction Management	203,357	-	203,357	203,357	RBF CONSULTING
Acceptance/Closeout	10,000	-	10,000	10,000	
<b>Total Construction</b>	407,266	193,909	203,357	397,266	
<b>Grand Total</b>	1,081,235	644,550	436,686	1,081,235	

QA/QC Approved:

Name: Lisa Colum-Boyd Date: 2-5-10



## ATTACHMENT D

<b>SUBJECT/PROJECT:</b>	Award of a Construction Management Services Contract for
R2058-001103	the Otay Mesa Recycled Water Supply Link Project to RBF
R2077-001103	Consulting
R2087-001103	

Otay Water District  
R2077-RecPL-24-Inch, 860 Zone, Alta Road - Alta Gate/Airway

Date Updated: February 1, 2010

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
4,100,000					
<b>WO 30017</b>					
Closed to Fixed Assets	20,651	20,651		20,651	
<b>Total WO 30088</b>	20,651	20,651	-	20,651	
<b>Planning</b>					
Labor	48,776	48,776	-	48,776	
Professional Legal Fees	697	697		697	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	55,956	23,560	32,396	55,956	JONES & STOKES ASSOCIATES
	38,003	38,003	-	38,003	LEE & RO INC
<b>Total Planning</b>	143,432	111,036	32,396	143,432	
<b>Design</b>					
Labor	400,000	212,744	187,256	400,000	
Mileage Reimbursement	21	21	-	21	PETTY CASH CUSTODIAN
Other Agency Fees	6	6	-	6	PETTY CASH CUSTODIAN
Consultant Contracts	8,925	8,925	-	8,925	HDR ENGINEERING INC
	8,000	8,000	-	8,000	SAN-LO AERIAL SURVEYS
	640	640	-	640	SWINERTON MANAGEMENT
	20,002	20,002	-	20,002	SOUTHERN CALIFORNIA SOIL
Service Contracts	1,800	1,800	-	1,800	SAN-LO AERIAL SURVEYS
	138	138	-	138	UNION TRIBUNE PUBLISHING CO
Office Supplies	64	64	-	64	PETTY CASH CUSTODIAN
<b>Total Design</b>	439,596	252,340	187,256	439,596	
<b>Construction</b>					
Labor	1,726	1,726	-	1,726	
Consultant Contracts	21,808	21,808	-	21,808	JC HEDEN AND ASSOCIATES INC
	700	700	-	700	HDR ENGINEERING INC
Service Contracts	21	21	-	21	SAN DIEGO DAILY TRANSCRIPT
Construction Management	240,910	-	240,910	240,910	RBF CONSULTING
Acceptance/Closeout	10,000	-	10,000	10,000	
<b>Total Construction</b>	275,165	24,255	250,910	275,165	
<b>Grand Total</b>	878,844	408,282	470,563	878,844	

QA/QC Approved:

Name: Lisa Colman Boyd Date: 2-5-10



## ATTACHMENT E

<b>SUBJECT/PROJECT:</b>	Award of a Construction Management Services Contract for
R2058-001103	the Otay Mesa Recycled Water Supply Link Project to RBF
R2077-001103	Consulting
R2087-001103	

Otay Water District  
R2087-RecPL - 20-Inch 944 Zone, Wueste Road - Olympic/Otay WTP

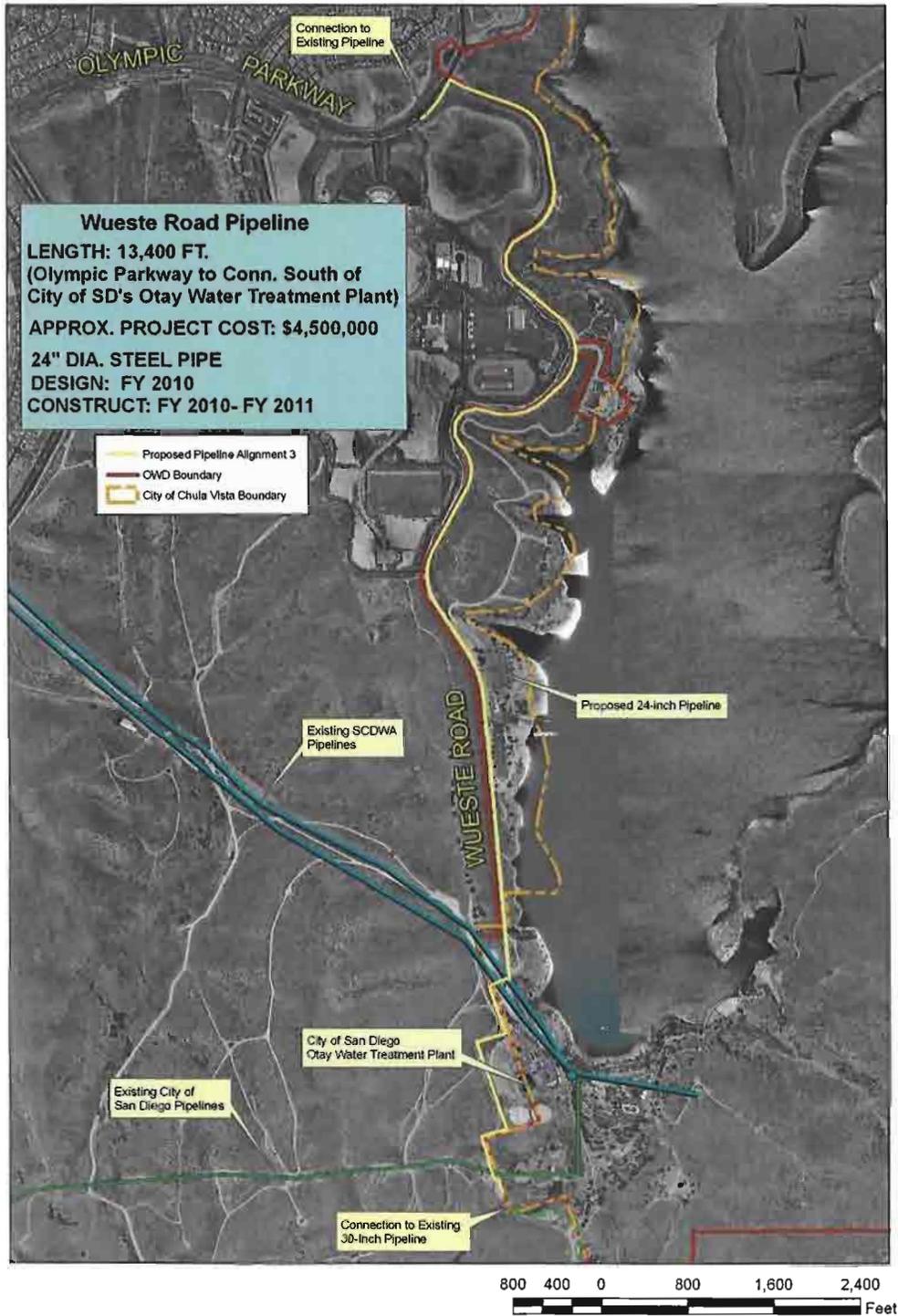
Date Updated: February 1, 2010

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
4,500,000					
<b>Planning</b>					
Labor	43,103	43,103		43,103	
Consultant Contracts	60,970	41,163	19,807	60,970	JONES & STOKES ASSOCIATES
	11,100	11,100	-	11,100	HARRIS & ASSOCIATES INC
	47,846	47,846	-	47,846	LEE & RO INC
Service Contracts	234	234	-	234	UNION TRIBUNE PUBLISHING CO
	60	60	-	60	SAN DIEGO DAILY TRANSCRIPT
<b>Total Planning</b>	163,312	143,506	19,807	163,312	
<b>Design</b>					
Labor	400,000	240,006	159,994	400,000	
Business Meetings	205	205	-	205	US BANK CORPORATE PAYMENT
Other Agency Fees	4	4	-	4	PETTY CASH CUSTODIAN
Consultant Contracts	5,000		5,000	5,000	CPM PARTNERS INC
	7,870	7,870	-	7,870	MORENO AERIAL PHOTO
	5,000	2,581	2,419	5,000	WRA & ASSOCIATES INC
	11,842	11,842	-	11,842	SOUTHERN CALIFORNIA SOIL
	525	525	-	525	MWH CONSTRUCTORS INC
Service Contracts	2,750	2,750	-	2,750	FIRST AMERICAN TITLE INS CO
	13,750		13,750	13,750	KEAGY REAL ESTATE
	138	138	-	138	UNION TRIBUNE PUBLISHING CO
	12	12	-	12	US BANK CORPORATE PAYMENT
	1,600	1,100	500	1,600	CABLE PIPE & LEAK DETECTION
For Ops Only - Contracted Services	5,118	5,118	-	5,118	KIRK PAVING INC
Cameras, Survey Equipment	96	96	-	96	LEWIS & LEWIS ENTERPRISES
<b>Total Design</b>	453,910	272,247	181,663	453,910	
<b>Construction</b>					
Labor	6,078	6,078	-	6,078	
Consultant Contracts	4,960		4,960	4,960	RBF CONSULTING
Service Contracts	103	103	-	103	SAN DIEGO DAILY TRANSCRIPT
Accpt/close-out	10,000		10,000	10,000	
Construction Management	264,293	103	264,190	264,293	RBF CONSULTING
<b>Total Construction</b>	285,434	6,284	279,150	285,434	
<b>Grand Total</b>	902,657	422,037	480,820	902,657	

QA/QC Approved:

Name: Lisa Colman-Boyd Date: 2-5-10

# WUESTE ROAD 24" TRANSMISSION MAIN PROJECT



P:\Working\CIP 2087\Graphics\Exhibits-Figures\Wueste Exhibit

Scale: 1"=800'

## EXHIBIT A



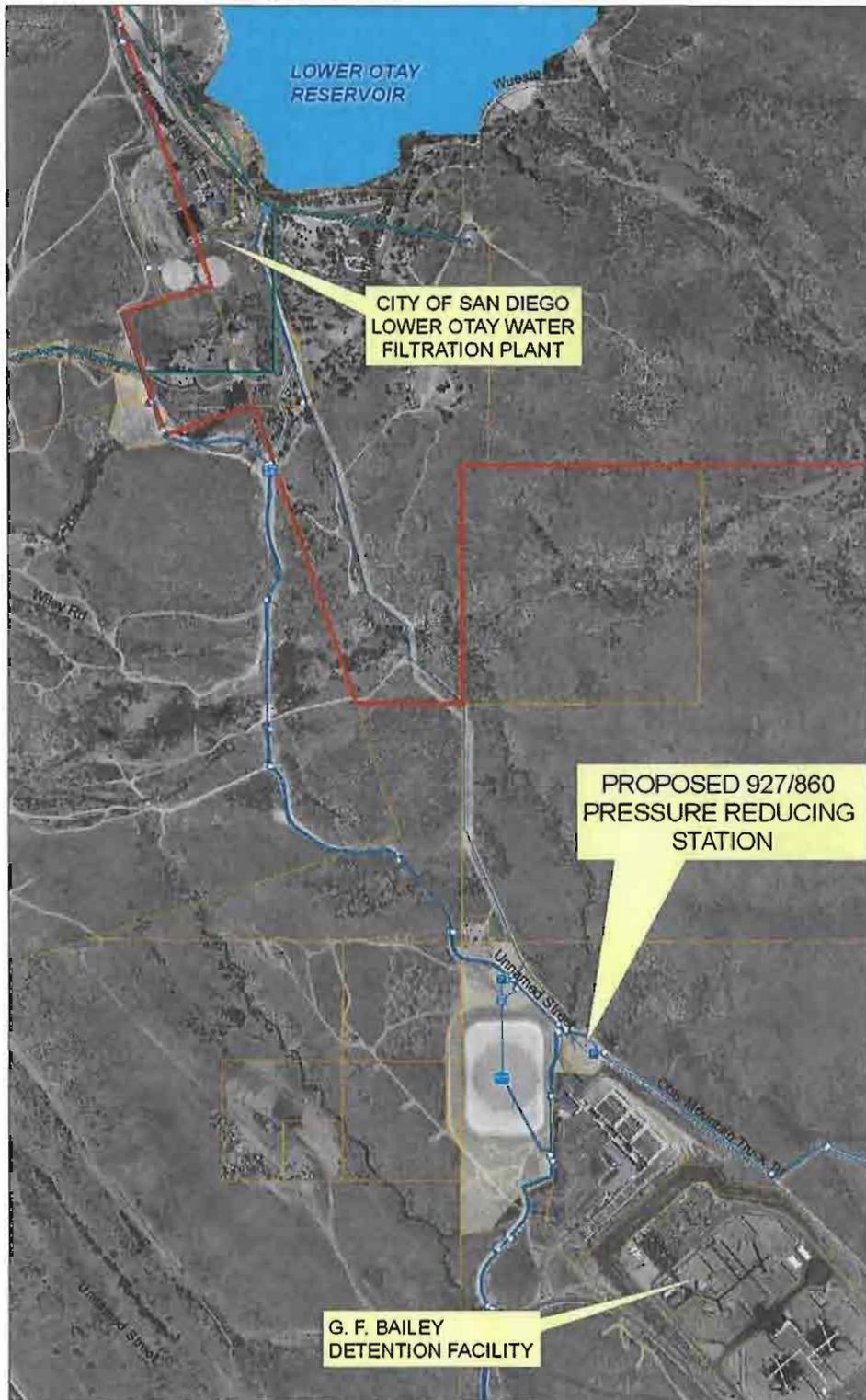
CIP - R2058 AND R2077 Overall Pipeline Layout  
( Revised July 2009)

EXHIBIT 'B'



# EXHIBIT B

# 927/860 PRV



## EXHIBIT C