

OTAY WATER DISTRICT BOARD OF DIRECTORS MEETING

DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
October 5, 2011
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 1, 2011 AND SPECIAL MEETING OF MAY 9, 2011
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) APPROVE ADJUSTING THE WHEELING RATE FOR THE DELIVERY OF TREATY WATERS TO THE CITY OF TIJUANA TO \$65.39 PER ACRE-FOOT FOR THE CALENDAR YEAR 2012
 - b) AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH ABLEFORCE, INC. IN THE AMOUNT OF \$161,500 TO COVER THE COST OF 1900 HOURS OF PROGRAMMING SERVICES THROUGH JUNE 30, 2012
 - c) AUTHORIZE THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT WITH HARTFORD, WHICH MAY BE EXTENDED UP TO THREE YEARS, TO PROVIDE SHORT TERM AND LONG TERM DISABILITY (STD/LTD) INSURANCE BASED ON THE RATE OF \$0.043 PER \$100 OF MONTHLY PAYROLL FOR STD AND \$0.51 FOR LTD FROM JANUARY 1, 2012 THROUGH/UP TO DECEMBER 2014

- d) ADOPT RESOLUTION NO. 4190 TO REVISE AND UPDATE THE FOLLOWING DISTRICT BOARD POLICIES:
 - USE OF DISTRICT VEHICLES AND CAR ALLOWANCE (POLICY NO. 14)
 - STAFF TRAVEL AND BUSINESS RELATED EXPENSES (POLICY NO. 34)
 - POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE (POLICY NO. 47)

- e) CONSIDER CASTING VOTES FOR AN ALTERNATE SPECIAL DISTRICT MEMBER ON LAFCO'S COMMISSION AND EIGHT (8) SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBERS IN THE LAFCO SPECIAL DISTRICTS 2011 ELECTION

- f) APPROVE A CONSTRUCTION CONTRACT WITH 3-D ENTERPRISES, INC. IN AN AMOUNT NOT-TO-EXCEED \$53,500 FOR HVAC IMPROVEMENTS AT THE 803-1 AND 850-2 PUMP STATIONS

- g) APPROVE AN AS-NEEDED ENGINEERING DESIGN SERVICES CONTRACT WITH ATKINS IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR FISCAL YEARS 2012 AND 2013

- h) APPROVE AN AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES CONTRACT WITH VALLEY CONSTRUCTION MANAGEMENT IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR FISCAL YEARS 2012 AND 2013

- i) APPROVE AN AS-NEEDED TRAFFIC ENGINEERING SERVICES CONTRACT WITH INFRASTRUCTURE ENGINEERS IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR FISCAL YEARS 2012 AND 2013

ACTION ITEMS

7. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE WATER SUPPLY ASSESSMENT REPORT DATED JULY 2011 FOR THE PIO PICO ENERGY CENTER PROJECT AS REQUIRED BY SENATE BILL 610 (KENNEDY)

8. BOARD

- a) DISCUSSION OF 2011 BOARD MEETING CALENDAR
- b) DISCUSSION OF RETIREE HEALTHCARE BENEFITS

INFORMATIONAL ITEMS

9. THIS ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:
- a) REVIEW OF THE DISTRICT'S REGIONAL POWER OUTAGE REPORT (PORRAS)
 - b) INFORMATIONAL REPORT REGARDING CUSTOMER NOTICES OF THE APPROVED WATER AND SEWER RATE INCREASES EFFECTIVE JANUARY 1, 2012 (MENDEZ-SCHOMER)

REPORTS

10. GENERAL MANAGER'S REPORT
- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE
11. DIRECTORS' REPORTS/REQUESTS
12. PRESIDENT'S REPORT/REQUESTS

RECESS TO CLOSED SESSION

13. CLOSED SESSION
- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE §54956.9]
 - (I) SALT CREEK GOLF, LLC, UNITED STATES BANKRUPTCY COURT, CASE NO. 11-13898-LA11

2 CASES

RETURN TO OPEN SESSION

14. 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.

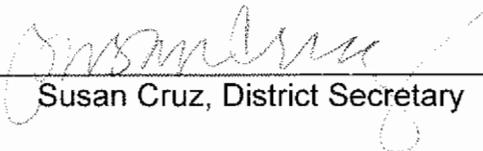
The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are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

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at (619) 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on September 30, 2011, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on September 30, 2011.



Susan Cruz, District Secretary

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
June 1, 2011**

1. The meeting was called to order by President Bonilla at 3:31 p.m.

2. ROLL CALL

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

Directors Absent: None

Staff Present: General Manager Mark Watton, Asst. General Manager of Administration and Finance German Alvarez, Asst. General Manager of Engineering and Water Operations Manny Magana, Attorney Richard Romero, 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. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 3, 2010

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

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

to approve the minutes of the regular meeting of November 3, 2010.

6. 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.

7. PRESENTATION OF AWARDS

Assistant General Manager Magana announced that the Engineering and Water Operations Divisions received the following awards from several organizations:

- a) AMERICAN PUBLIC WORKS ASSOCIATION:
 - i. PROJECT OF THE YEAR AWARD FOR THE JAMACHA ROAD PIPELINE PROJECT
 - ii. HONOR AWARD FOR THE 1296-3 RESERVOIR PROJECT
- b) AMERICAN SOCIETY OF CIVIL ENGEERS
 - i. AWARD OF EXCELLENCE IN WATER QUALITY FOR THE JAMACHA ROAD PIPELINE PROJECT
 - ii. AWARD OF EXCELLENCE IN WATER TREATMENT FOR THE 1296-3 RESERVOIR PROJECT
- c) CONSTRUCTION MANAGEMENT ASSOCIATION OF AMERICA
 - i. ACHIEVEMENT AWARD FOR THE JAMACHA ROAD 36-INCH PIPELINE FOR PUBLIC WORKS PROJECST
 - ii. DISTINGUISHED OWNER HONOREE AWARD

He stated that these are very prestigious awards and was the result of team effort. Director Croucher noted that Mr. Frank Biehl of Lee & Ro, Inc. had contributed to the success of the Jamacha Road 36-inch Pipeline Project and he also wished to recognize him and his firm for their contributions to the project.

CONSENT CALENDAR

8. 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 motion was made by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

Ayes: Directors Bonilla, Croucher, Gonzalez, Lopez and Robak

Noes: None
Abstain: None
Absent: None

to approve the following consent calendar items:

- a) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO PROPULSION CONTROLS ENGINEERING IN THE AMOUNT OF \$103,356 FOR THE REMANUFACTURE OF MOTORS FOR THE 803-1 AND 850-2 PUMP STATIONS
- b) APPROVE AN INCREASE TO THE FISCAL YEAR 2011 BUDGET FOR CIP P2490 FOR THE 1296-1 RESERVOIR INTERIOR/EXTERIOR COATING PROJECT FROM \$350,000 TO \$475,000
- c) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$200,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM JULY 1, 2011 THROUGH JUNE 30, 2012
- d) APPROVE A REIMBURSEMENT AGREEMENT WITH MS. DEVELOPMENT COMPANY (MSDC) LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT-TO-EXCEED \$162,305.85 AND TO REIMBURSE MSDC FOR THE COMPLETION OF THE CONSTRUCTION OF A PORTION OF THE CAPITAL IMPROVEMENT PROJECT FOR AIRWAY BUSINESS CENTER – RECPL-16-INCH 860 ZONE RECYCLED PIPELINE ON AIRWAY ROAD
- e) APPROVE A REIMBURSEMENT AGREEMENT WITH ASPIRE-ENCORE AT RANCHO DEL REY HOMEOWNER'S ASSOCIATION FOR UP TO 50% OF THE CONSTRUCTION COSTS, NOT-TO-EXCEED \$25,500, FOR THE CONVERSION OF AN EXISTING MULTI-FAMILY DEVELOPMENT FROM A POTABLE WATER IRRIGATION SYSTEM TO A RECYCLED WATER IRRIGATION SYSTEM
- f) APPROVE RESOLUTION NO. 4176 DECLARING AN END TO WATER SHORTAGE RESPONSE PLAN LEVEL I
- g) AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE AND EXECUTE TWO-YEAR AGREEMENTS WITH THREE ONE-YEAR OPTION RENEWALS WITH GREENRIDGE LANDSCAPE, INC. FOR LANDSCAPE MAINTENANCE SERVICES, AND PRIORITY BUILDING SERVICES, LLC, FOR JANITORIAL SERVICES
- h) NOMINATE DISTRICT DIRECTOR, GARY CROUCHER, TO THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION'S (LAFCO) SPECIAL DISTRICTS ADVISORY COMMITTEE AND CONSIDER NOMINATING A DISTRICT REPRESENTATIVE FOR A REGULAR DISTRICT MEMBER ON LAFCO'S COMMISSION

ACTION ITEMS

9. ENGINEERING AND WATER OPERATIONS

a) PUBLIC HEARING TO RECEIVE COMMENTS FROM THE PUBLIC REGARDING OTAY WATER DISTRICT'S 2010 URBAN WATER MANAGEMENT PLAN

Associate Civil Engineer Bob Kennedy indicated that the California Urban Water Management Planning Act requires urban water purveyors to prepare an Urban Water Management Plan (UWMP) every five years. In accordance with the Act, Otay has prepared its plan and is presenting it for adoption by the District's board so it may be submitted to the California Department of Water Resources (DWR) by the deadline of July 31, 2011. He noted that the presented plan is the third prepared by the District. He stated that legal notices were published in the Union-Tribune, Daily Transcript, The Star News and the East County Californian and letters were forwarded to local business groups, local public agencies, water agencies and community planning groups notifying them of today's public hearing. He noted that the plan has also been posted on the District's website and copies were forwarded to thirteen local libraries.

He indicated that the plan includes detailed information about future supply development and elements of drought management planning. He reviewed in detail the preparation of the UWMP and indicated that the benefit of preparing the plan is it documents existing and future supplies available to meet demands. The plan is also required for the District to be eligible to receive funding for drought assistance from the State and is the supporting document in the preparation of Water Supply Assessment and Verification Reports required under SB 610 and 221. The UWMP also addresses and the District is prepared to meet the goal of SBX 7-7 to reduce California's urban per capita water use by 20 percent by December 31, 2020 with an incremental goal of reducing per capita water use by 10 percent by December 31, 2015. He stated that after July 1, 2016, water purveyor will not be eligible for State water grants or loans unless they comply with SBX 7-7.

Associate Civil Engineer Kennedy indicated that since the draft plan was distributed for comment, staff has updated/added the following to the plan:

- The Public noticing section will be updated.
- Financial Data on water shortage contingency was added.
- Added the data entered into DWR's website along with the target compliance coverage report from DWR that states that the District is on-track. This information will also be added to Appendix I of the plan.

The plan will also be updated with comments received today during the public hearing.

He further shared that this item was reviewed by the District's Engineering, Operations and Water Resources Committee and the notes from the committee's discussion is included in staffs' report. Staff is presenting a Resolution for the board's consideration to adopt the District's 2010 UWMP.

Director Croucher indicated that he wished to recognize staff for their work on the UWMP and stated that staff was able to answer the Engineering Operations and Water Resources Committee member's questions. Director Lopez indicated that the committee also discussed the on-going issue with the City of San Diego with regard to their water rate study. General Manager Watton indicated that staff is developing an issue paper with the City of San Diego and will be meeting on the issue very soon.

Director Robak inquired about the District's per capita water use. Water Conservation Manager William Granger indicated that in 2010 the District's per capita water use was 140 gallons per day (GPD). It was noted that the District utilizes 190 GPD as a baseline. This figure was based on the period before recycled water was delivered to the District from the City of San Diego's South Bay Water Reclamation Plant and there has been a drastic change since 2007 on water demand as a result of the recycled water from the South Bay plant. Because of this, the District's baseline is much higher than what we see today. General Manager Watton further explained that the District is provided a choice of utilizing four different methodologies to determine water use and is utilizing Methodology 1 as it is most applicable to the District's situation. Based on the methodology, the baseline is determined to be 190 GPD which is a bit higher than current average consumption; however, it is the methodology that most closely fits the District's situation. Director Croucher indicated that there is different consumption criterion that affects the District in different ways, such as, the three-year rolling average or the Tier I and II CWA rate structure, etc. The District could be more restrictive in determining its water use baseline, but it is utilizing the provided methodologies and, in this particular situation, it puts the District in a good position.

The floor was opened for members of the public to comment on the District's draft UWMP. General Manager Watton asked if there was anyone from the public that would like to comment on this item. No one wished to be heard.

- i. ADOPT RESOLUTION NO. 4175 APPROVING THE DISTRICT'S 2010 URBAN WATER MANAGEMENT PLAN

A motion was made by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

Ayes: Directors Bonilla, Croucher, Gonzalez, Lopez and Robak

Noes: None
Abstain: None
Absent: None

to approve staffs' recommendation.

10. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY

- a) ADOPT RESOLUTION NO. 4172 APPROVING THE FORM OF DOCUMENTS REQUIRED FOR A SUBSTITUTION OF THE LETTER OF CREDIT FOR THE OUTSTANDING VARIABLE RATE DEBT, APPROVE THE BOND COUNSEL AGREEMENT, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE DOCUMENTS (BEACHEM)

Chief Financial Officer Beachem introduced the District's Financial Advisor, Ms. Suzanne Harrell of Harrell & Associates, and Mr. Bob Whalen, the District's Bond and Disclosure Counsel. He stated that staff had presented background materials and information regarding this item at the District's special board meeting held on May 16, 2011 (a couple weeks ago). He stated that the information is the same and provided a review. He shared that the District has evaluated this debt and the proposed substitution of the Letter of Credit is the least expensive option. The interest rate is very low and it is favorable for the District to maintain this debt. He explained that the form of the documents is ready and staff is requesting that the board approve the documents and the contract for the Bond and Disclosure Counsel. Following today's action, the rating agencies will rate these bonds and bond holders will be asked to submit their bonds back to the Trustee. The bonds will then be remarketed on June 3, 2011.

General Manager Watton clarified that this is not a new debt issuance. This is an existing debt (Certificate of Participation) that was issued in 1996 for \$15.4 million. The debt is now at \$1.3 million. He stated that this action provides for a substitution of the Letter of Credit which allows the marketing of this variable interest debt.

Director Robak commented that the District would save \$750,000 over the next 15 years on this debt. In response to an inquiry from Director Lopez, Chief Financial Officer Beachem indicated that the District's current financial rating is "AA." He stated that these bonds would have a single "A" rating, which is the same as the bank's rating.

Director Croucher indicated that the District Finance Administration and Communications Committee reviewed this item at a meeting held on April 21, 2011. He stated that the committee felt assured that staff had reviewed all options, including whether to keep the debt on a variable rate, fixed rate or pay it off. It was determined that the recommended option was the best option for the District. The committee recommends approval of staffs' recommendation.

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

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

to approve staffs' recommendation.

11. ADJOURN OTAY WATER DISTRICT BOARD MEETING AND CONVENE OTAY SERVICE CORPORATION SPECIAL BOARD MEETING

President Bonilla adjourned the Otay Water District board meeting and convened a special meeting of the Otay Service Corporation at 4:06 p.m..

12. ADOPT RESOLUTION NO. 1006 APPROVING THE FORM OF DOCUMENTS REQUIRED FOR A SUBSTITUTION OF THE LETTER OF CREDIT FOR THE OUTSTANDING VARIABLE RATE DEBT AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO EXECUTE THE DOCUMENTS

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

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

to approve staffs' recommendation.

13. ADJOURN OTAY SERVICE CORPORATION SPECIAL BOARD MEETING AND CONVENE OTAY WATER DISTRICT BOARD MEETING

President Bonilla adjourned the Otay Service Corporation special board meeting and reconvened the Otay Water District board meeting at 4:07 p.m.

14. BOARD

a) DISCUSSION OF 2011 BOARD MEETING CALENDAR

District Secretary Susan Cruz indicated that the August board meeting had been rescheduled to August 10, 2011.

INFORMATIONAL ITEMS

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

a) CAPITAL IMPROVEMENT PROGRAM 3RD QUARTER OF FISCAL YEAR
2011 UPDATE

Associate Civil Engineer Daniel Kay presented the third quarter CIP update in which he highlighted the status of CIP expenditures, significant issues and progress milestones on major projects.

He noted that the Fiscal Year 2011 CIP consists of 82 projects totaling \$28.5 million. He stated that overall expenditures through the second quarter of Fiscal Year 2011 totaled approximately \$12.3 million, which is approximately 43% of the District's fiscal year budget.

He presented a slide depicting a map showing the District's major CIP projects, their status and their location within the District's service area. He stated, of the 23 projects depicted, one is in the planning stage, fifteen are in design, five are in construction and two have been completed and are in service during the fiscal year. He reviewed the status of the District's flagship projects which included the 1296-1 and 2 Reservoirs Coating Project, the 657-1 and 2 Coating and Upgrades Project, Del Rio Road & Gillispie Drive Emergency Interconnections Project.

Associate Civil Engineer Kay also presented slides which provides the status of the various consultant contracts for planning, design, public services, construction/inspection and environmental. He also presented slides providing a listing of all CIP projects planned in Fiscal Year 2011 and the status of each.

Director Robak inquired what the issue was with regard to the 1296-1 and 2 Reservoirs Coating Project and if the issue is now resolved. General Manager Watton indicated that there were issues with Volatile Organic Compounds (VOC's) which required the tanks to be drained and corrective action to be taken. The increase in cost was due to additional inspections, etc., as a result of the VOC's and delay. The contractor is now on a path to resolve the VOC issue and complete the project.

REPORTS

16. GENERAL MANAGER'S REPORT

GENERAL MANAGER'S REPORT

General Manager Watton highlighted information from his report that included an update on water conservation outreach, wireless network, alternative bill payments, USBR Title XVI Funding, the Rancho del Rey groundwater well development and number of meters sold this past month. He also indicated that a copy of the *San Diego Business Journal's* article announcing that the District's Information Technology Officer, Geoff Stevens, has been awarded their *Information Technology Executive of the Month Award*, a copy of the *Union-Tribune's* article regarding students who have created their own Waterwise Garden at their school after visiting the Water Conservation Garden, a copy of a letter to Mr. John Laird, Secretary of

the California Natural Resources Agency, and a copy of the San Diego County Grand Jury's report on water rates are on the dias for each member of the board.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that CWA held its first "Water Talk" event and the presentations paralleled the San Diego County Grand Jury's investigation on what is driving the increase in the cost of water. The presentations provided detailed information on the various projects that would provide for the development of local water supplies to diversify our region's water supply resources and reduce reliance on MWD and also discussed CWA's lawsuit with MWD. He stated that the presentation is available on CWA's website and that copies will be forwarded to members of the board. He stated that conservation will still be encouraged and will continue to be an important message.

17. DIRECTORS' REPORTS/REQUESTS

Director Robak provided an update on Water Conservation Garden (WCG) matters and indicated that he had presented the award for the best waterwise landscape within the District's services area at an awards ceremony held at the WCG. He also shared that he attended an event hosted by the organization, California Forward, a State-wide organization who has an ambitious program that includes the consolidation of government entities, specifically special districts. He stated that they had so many things they were working on that they did not actually spend much time focusing on this issue. Where this issue goes is not certain at this point.

Director Lopez congratulated Director Croucher on his nomination to LAFCO's Advisory committee. He stated that it is rewarding to have representation of his caliber on the committee. He stated that he was pleased that the District had adopted its budget for the next fiscal year at the recent special board meeting and that he had the fullest confidence that the District would work through any challenges in the upcoming year.

Director Gonzalez indicated that he discussed with General Manager Watton the interest of a community group within Division 1 who has an interest in conservation and water recycling. They are currently working with an individual from the City's Park and Recreation to see if they can move their project forward.

Director Croucher reported that he attended CSDA's Quarterly meeting. He shared that CSDA has moved away from providing grants to individuals and, instead, are awarding grants to organizations. He stated that due to this change, a local school, Loma Elementary, received a grant of \$486. He stated that it was very gratifying to hear how the \$486 grant had made a large positive impact to the school and to a number of their students. He stated that it was a pleasure to hear the difference such grants make in the community. He also announced that Director Bonilla will be speaking at the Grand Opening of the joint training facility with San Miguel Consolidated Fire Protection District on June 8, 2011. He stated that he looked forward to seeing members of the board at the Opening.

18. PRESIDENT'S REPORT

President Bonilla encouraged all Directors to report on all meetings that they attend each month in a similar fashion to Director Croucher report. He stated that the reports are for the benefit of the public and employees and it helps them understand the activities of the Directors and the important issues that are being discussed. He reported on meetings he attended during the month of May 2011 and indicated that on May 3 he attended an Ad Hoc Redistricting Committee meeting to discuss the reapportionment of the District's divisional boundaries as required following a census. He stated that the Ad Hoc Committee will meet once more and will then present the boundary alternatives to the full board for consideration. On May 4 he met with General Manager Watton and General Counsel Shinoff and discussed various legal matters. He stated on May 9 he attended a meeting of the Ad Hoc Legal Matters Committee where the Fenton Business Center matter was discussed. On the same day he also attended the District's special board meeting to review the Economic Study. He indicated on May 16 he met with General Manager Watton to discuss items to be presented at the May committee meetings and following this meeting he attended the special board meeting to review the District's FY 2012 budget. On April 1 he met with General Manager Watton and General Counsel Dan Shinoff to discuss the June board agenda.

19. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 4:39 p.m.

President

ATTEST:

District Secretary

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OTAY WATER DISTRICT
May 9, 2011**

1. The meeting was called to order by President Bonilla at 3:34 p.m.

2. ROLL CALL

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

Director Absent: None

Staff Present: General Manager Mark Watton, Assistant General Manager of Administration and Finance German Alvarez, Assistant General Manager of Engineering and Water Operations Manny Magana, General Counsel Richard Romero, 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. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Gonzalez, seconded by Director Croucher and carried with the following vote:

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

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

No one wished to be heard.

INFORMATIONAL ITEM

6. REPORT AND DISCUSSION OF THE ECONOMIC OUTLOOK FOR THE DISTRICT AND THE EXPECTED HOUSING GROWTH RATE THROUGH 2040

General Manager Watton indicated that the purpose of this Special Board meeting is to receive a report on the Economic Outlook of our region which will be utilized to develop the District's budget. President Bonilla felt, because of the recession, it would be helpful to the District to get a good understanding of where the economy is headed. General Manager Mark Watton introduced Mr. Alan Nevin, Director of Economic Research for MarketPointe Realty Advisors, who was engaged for this purpose and is present to provide a review of his report to the full Board.

Mr. Nevin stated that the Economic Report provides an outlook of where the Otay Water District is going in the next couple decades with a concentration in the next six years. He indicated that the process to develop the report began with an over-all look at the world scene and then the view was narrowed down to San Diego.

Mr. Nevin discussed some of the positive economic outlook in the future and stated that according to SANDAG, the income level in San Diego is anticipated to rise from \$83,000 to \$113,000 which is good from a retail perspective. He stated that the unemployment rate is better than it appears which was reported to be at approximately 7% to 7.5%. He indicated that stocks are rising and interest rates are decreasing, and that many homeowners who have mortgage loans through LIBOR have additional spending money as a result of LIBOR's interest rates decreasing due to the recession. He stated that the GDP is growing and indicated that retail sales and spending are rising. Mr. Nevin also discussed the economic outlook for the supply and demand of gas, gold and commodities. He indicated that he believes the price for these supplies continue to increase not due to the actual supply of the goods, but because of the futures market and what is being betted on in the London and New York stock exchanges (speculation buying).

Mr. Nevin discussed the importance of long term growth which is an important factor when considering the economic outlook for the future. He provided several growth statistics that are occurring throughout the world and compared it to the United States and indicated that 30 of 50 states in the mid-west and north east areas are experiencing a decrease in population due to the loss of many jobs. States that have available jobs are experiencing an increase in population. He stated that 40% of the population growth over the last decade occurred in Florida, Texas and California. San Diego's population continues to increase approximately 300,000 every decade, according to SANDAG. Mr. Nevin believes most of the population growth in San Diego is in the Otay Mesa area which is growing four (4) times greater than the County as a whole. He noted that about 20% of continued growth will be in the Otay Water District's service area.

Mr. Nevin stated that business development in the Otay Mesa area will continue to increase as growth in Baja California is positive. He indicated that the Maquiladoras in Mexico will expand in growth and stated that 50% of all businesses operating there have a presence in the San Diego area. He noted that also planned for the Otay Mesa area is the development of a Cross-Border crossing for Mexico's International Airport and the development of hotels. In addition, Mr. Nevin indicated that there will be an expansion of residential development in the east Tijuana. He also stated that upon completion of SR-125, the east side of it will be earmarked for commercial

development for technology firms. It was also noted that medical tourism is anticipated to take place across the border which will impact the Otay Mesa area.

In response to a question from Director Gonzalez, Mr. Nevin stated that there are fewer foreclosure and short-sale homes in San Diego which he believes most of those homes were bought and are currently being rented until the housing market improves. It is anticipated that the housing prices will increase in the next five to seven years.

In response to a question from Director Robak, Mr. Nevin stated that a report from Key Schiller indicated that prices for condos and small homes have dropped 11%, but their report also indicates that prices for larger homes have gone up 2% in the past decade.

At the request of Director Robak, Mr. Nevin provided additional information regarding San Diego's unemployment rate and indicated that unemployment claims have dropped and job growth in San Diego has risen. He said that approximately 20,000 new jobs in 2011 are anticipated as development and construction are beginning to increase in San Diego.

Director Lopez inquired if educational institutions in San Diego were considered in the report. Mr. Nevin said yes and noted that the south county has been short changed over the years, but indicated that expansion of the area will eventually occur. He indicated that there is enough retail space in the south county area for the next 10 years and it's just a matter of time when growth will occur.

President Bonilla commended Mr. Nevin for his work on the Economic Report as it not only included the economic forecast and growth for the Otay Mesa area, but also the growth in other areas that surround Otay Mesa, specifically the expansion that is occurring south of the border. President Bonilla stated that San Diego is sustaining growth and it appears that the economic growth in the south bay area is promising. He believes that new resources of water supply should be explored to prepare for the anticipated growth.

In response to a question regarding potential developments east of the Otay Mesa area, Mr. Nevin stated that he does not believe growth will occur in that area because elected officials in San Diego will not approve development in the area. However, Mr. Nevin did indicate that SANDAG is requesting 11,000 new homes every year and stated that the only way to build new homes is for housing developments to be more densely built.

General Manager Mark Watton thanked Mr. Nevin for his presence and for providing the Economic Report to the District. He noted that Mr. Nevin's background information was handed out to the Board members at the beginning of the meeting and indicated that he is well known for providing economic forecasts. General Manager Watton stated that the Economic Report is foundational and was used in the development of the proposed budget which will be presented for the full Board's consideration at the May 16, 2011 Special Board Meeting.

7. With no further business to come before the Board, President Bonilla adjourned the meeting at 4:49 p.m.

President

ATTEST:

District Secretary



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	James Cudlip, Finance Manager <i>J. Cudlip</i>	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer <i>J. Beachem</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration and Finance <i>G. Alvarez</i>		
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 Waters to the City of Tijuana to \$65.39 per acre-foot for Calendar Year 2012.

COMMITTEE ACTION: _____

See Attachment A.

BACKGROUND:

The District's contract to deliver water to Mexico is currently in effect through November 9, 2013. Under terms and conditions of the contract, the District's pricing for energy and O&M costs attributable to water delivered to Mexico is due no later than 45 days prior to the start of each calendar year (CY) and will remain constant for the calendar year. To meet this required timing and adjust the rate effective January 1, 2012, the Board's approval of the new rate is due to the United States Commissioner no later than November 16, 2011.

Deliveries of water to Mexico are based on a purchase schedule provided by Mexico to the United States Commissioner on a calendar year basis, and each year's deliveries are priced based on the most current calculation of prior fiscal years' costs. On November 3, 2010, staff presented the results of their review and the Board approved a rate for CY-2011 of \$68.45 per acre-foot. Although Mexico had initially requested water deliveries totaling 1,610.9 acre-feet for CY-2011, ultimately they requested all deliveries to be cancelled due to sufficient rainfall.

ANALYSIS:

Water is pumped to the Mexico connection from the District's 870-1 Pump Station, which also pumps water to the District's 870-1 Reservoir in the Otay Mesa area. There are a total of 4 energy bills (SDG&E) attributable to the pump station and these bills are used in the calculations for the energy portion of the rate the District charges Mexico. The water volumes pumped to both Mexico and the reservoir are added together, and the energy costs for Mexico are allocated based on the respective percentage of the total water volume. Similarly, maintenance costs for the District's distribution infrastructure from CWA to the Mexico border connection are computed based on Mexico's percentage of the total water volume pumped through that portion of the District's infrastructure. The energy costs are then added to the maintenance and repair costs and expressed as an overall rate per acre-foot.

Energy and operations & maintenance rates per acre-foot have remained relatively stable since the last pricing update, with slight savings achieved due to overall reduced usage volumes. Based on the methodology described above, staff has recalculated the "unit payment due OWD 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. Effective January 1, 2012, the proposed rate is \$65.39 per acre-foot which is a decrease of 4.5% from calendar year 2011 to 2012.

FISCAL IMPACT:

None

None. This adjustment maintains the District in a projected cost neutral position.

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.



General Manager

Attachments:

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



ATTACHMENT A

SUBJECT/PROJECT: Rate Adjustment for Mexico Agreement to Transfer Water

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 19, 2011. The following comments were made:

- Staff indicated that this item is presented annually to the board.
- It was indicated that Mexico had scheduled three (3) water deliveries for calendar year 2011. However, due to the rain, Mexico canceled all three deliveries, which they may do at their option.
- The cost for the water deliveries is based on the cost to maintain the delivery systems. Because Mexico canceled the requested deliveries, the District's cost was reduced as the system did not require the same level of operation and maintenance.
- Last calendar year, the District had increased its rate by \$4.00 and, due to the reduced operational and maintenance costs during this calendar year, the District is proposing that the rate be reduced by \$4.00 (back to the previous rate of \$65.39 per acre foot two years ago).
- It was noted that the water is Mexican Colorado River water, which is treaty water that is wheeled through Metropolitan Water District, San Diego County Water Authority and Otay Water District per the International Treaty. Each agency sets their wheeling rate to deliver the water to Mexico and are then reimbursed for their costs.
- It was noted that the cost to deliver water in the 870-1 pressure zone was \$299,351.71 in FY2010. The cost was reduced to \$160,941.66 in FY2011 as Mexico canceled its water deliveries through the system and overall consumption was down considerably due to the amount of rainfall this past season.

The committee supported staffs' recommendation and presentation to the full board on the consent calendar.

O&M Costs

870/571 Reservoirs / Pump Stations

Fiscal Years 2010 - 2011

Calculation of Costs, Based on Audited Fiscal Year Expenses

<u>Costs</u>	<u>O&M</u>	<u>Energy</u>	<u>Total</u>
FY 2010	89,083.57	210,268.14	299,351.71
FY 2011	36,194.23	124,747.43	160,941.66
Totals	\$ 125,277.80	\$ 335,015.57	\$ 460,293.37

<u>Consumption or Sales (In AF)</u>	<u>PZ 871</u>	<u>Mexico</u>	<u>Total</u>
FY 2010	3,168.47	1,204.80	4,373.27
FY 2011	2,669.95	0.00	2,669.95
Totals	5,838.42	1,204.80	7,043.22

<u>Unit Cost (per AF)</u>	<u>O&M</u>	<u>Energy</u>	<u>Total</u>
FY 2010	20.37	48.08	68.45
FY 2011	19.09	46.30	65.39

Mexico Water Rates, on a Calendar Year Basis

<u>CY Charges to Mexico</u>	<u>O&M</u>	<u>Energy</u>	<u>Total</u>
CY 2011	20.37	48.08	68.45
CY 2012	19.09	46.30	65.39



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Geoff Stevens Chief Information Officer	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Asst. GM):	German Alvarez Assistant General Manager, Finance and Administration		
SUBJECT:	AGREEMENT WITH ABLEFORCE INC. FOR AS-NEEDED PROGRAMMING SERVICES		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors authorize the General Manager to negotiate and enter into an agreement with Ableforce Inc. in the amount of \$161,500 to cover the cost of 1900 hours of programming services through June 30, 2012.

COMMITTEE ACTION: _____

See "Attachment A".

PURPOSE:

To provide business application programming and data related consulting services.

BACKGROUND:

Otay Water District has regularly contracted for technical business applications programming services. These services are utilized to modify off-the-shelf software to support enhancements and streamlining of core business processes. Modification of the District's software often includes complex integration issues, which can be delivered in a cost-efficient manner with the use of contract programming services.

Specific projects and applications that are currently underway are the continued modification of our collecting and storage of staff reports, adding new ways to receive information electronically from our vendors, enhancing SharePoint's functionality, and proposed modifications to our capital budget and tracking systems. Staff also anticipates that the Business Process Review instituted in the 2012-2014 Strategic Plan will

need supporting programming support. It is estimated that 1900 hours of programming services will be needed for this work.

In accordance with the District's purchasing requirements, four quotes were obtained.

Bids Received

Vendor	Per Hour Fee
AbleForce Inc.	\$85
CenterBeam	\$97
McCinta Svs.	\$134
Lan Solutions	\$135

It is recommended that the Board authorize the General Manager to negotiate and enter into an agreement with AbleForce Inc., the lowest cost provider in the amount of \$161,500, to cover the cost of providing 1900 hours of programming services. The District has a three (3) year history of working with Ableforce Inc. and has been very satisfied with the quality of work they provide.

FISCAL IMPACT:

CCB

This project will utilize funds not-to-exceed \$161,500 specifically itemized in the FY 2012 Capital Budget for CIP P2470. The current authorized budget for FY 2012 for this CIP is \$430,000 The year-to-date expenses total \$94,400, this agreement will leave a balance of \$174,100.

STRATEGIC GOALS:

These items are in support of the District's Strategic Plan, including the following strategic objectives for business process improvement: 3.1.2.1 and 3.1.2.3, process improvements of financial and accounting systems.

LEGAL IMPACT:

None.



Mark Watton
General Manager

ATTACHMENT A

SUBJECT/PROJECT: AGREEMENT WITH ABLEFORCE INC. FOR AS-NEEDED PROGRAMMING SERVICES

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 19, 2011. The following comments were made:

- Staff is requesting approval of a contract for as-need programming services in an amount not-to-exceed \$161,500.
- Staff indicated that in past the District has been funding such services through a labor account, but upon closer review, it was felt that such costs should be presented for the board's approval so they may be aware of the expenditures for programming services.
- The contract would provide for special programming services for new business process changes wherein business systems are modified to match new processes, such as, the automation of the employee open enrollment process and the staff report process.
- The programming to automate such business processes is tied to items within the District's Strategic Plan under *Business Process Improvements*.
- It was discussed that the contract is for the programming of business applications as opposed to network services.
- The service contact was competitively bid and the lowest cost provider, AbleForce, Inc., was selected. It was noted that the District has, in the past, worked with all the vendors who had bid on the contract.
- The contract will provide for programming services from very skilled individuals at a very competitive cost. Staff has worked with AbleForce, Inc. and has been satisfied by the services they have provided.

The committee supported staffs' recommendation and presentation to the full board on the consent calendar.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Kelli Williamson <i>[Signature]</i> Human Resources Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez <i>[Signature]</i> , Assistant General Manager, Finance and Administration		
SUBJECT:	To Request Board Approval to Change Short Term and Long Term Disability Insurance Carriers.		

GENERAL MANAGER'S RECOMMENDATION:

To authorize the General Manager to enter into up to a three-year agreement with Hartford to provide Short Term and Long Term Disability (STD/LTD) Insurance based on the rate of \$0.043 per \$100 of monthly payroll for STD and \$0.51 for LTD from January 1, 2012 through up to December 2014.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To provide information to the Board regarding proposed changes in carriers for our Short Term Disability and Long Term Disability (STD/LTD) Insurance.

ANALYSIS:

The Short Term and Long Term Disability insurance provides protection for employees when they are unable to work due to an injury or illness by providing 66 2/3% of the base salary. There is a 30-day elimination period before an employee would be eligible to receive disability payment (meaning an employee would need to be disabled for 30 consecutive days before Short-Term Disability insurance would begin). The District currently offers STD/LTD insurance through UNUM.

Periodically, the District reviews insurance plans to ensure that it is receiving the highest level service at the most cost-effective prices. Staff recently reviewed various benefit plans

that we offer which included our STD/LTD plan. The District solicited and received bids from the following STD/LTD carriers: UNUM, Standard, UHC and the Hartford (Attachment B). In reviewing all four plans, Hartford provides the same level of benefit as our current provider at a reduced cost, has a great reputation for customer service, and comes to us with a strong recommendation from our benefit consultant. In addition, The Hartford is providing a two-year rate guarantee for STD and a three-year rate guarantee on LTD, while others are providing a rate guarantee for one or two years. As such, Staff proposes that the Board approve changing carriers to The Hartford effective January 1, 2012. In addition to changing carriers, the costs include an increase in the weekly maximum from \$2,770 to \$3,000 for Short Term Disability and the maximum monthly benefit from \$12,000 to \$13,000 for Long Term Disability to maintain equal benefits for all employees.

FISCAL IMPACT:



The current estimated annual cost of STD/LTD insurance is \$76,552 based on the District's payroll provided to our benefit consultant and has been budgeted through our budget process. By changing carriers the estimated annual cost is \$67,196, a saving of \$9,356 per year (12.2%). Over the two or three-year rate guarantees, the District will save approximately \$25,000.

LEGAL IMPACT:

None.



General Manager

Attachment A - Committee Action
Attachment B - Disability Rate Summary Rate



ATTACHMENT A

SUBJECT/PROJECT: Approve changing Short Term and Long Term Disability Insurance Carriers.

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 19, 2011. The following comments were made:

- Periodically, staff works with the District's benefits consultant to review the health plans and ancillary life coverages to assure that the District is receiving the best services at the most cost-effective prices.
- Staff solicited bids for Short Term and Long Term Disability insurance and received four bids. Staff selected Hartford who provided the lowest bid.
- Hartford is a large well rated firm, as is, the District's current firm. The difference is the premium cost. The premium cost bid by Hartford is \$67,196 per year which would provide an overall savings of approximately \$25,000 (12%) over the next three years. Hartford has also offered the District a two-year rate guarantee for Short Term Disability and a three-year rate guarantee for Long Term Disability.
- In addition to changing carriers, staff reviewed and increased the weekly and monthly cap to ensure that the District is maintaining equal benefits. As salaries are increasing, the District needs to adjust the cap to match salary changes.
- It was discussed that the carrier change would be transparent to employees. Any employee currently on disability would stay with the same carrier. Any new claims would be filed with the new carrier.
- The change also will not impact the level of benefit. Employees will receive the same benefit, only a different carrier will provide the benefit.

- Staff indicated that prior to bidding the insurance service, the District's current carrier/provider had indicated that they would be increasing the District's premium cost by 10%. The carrier decided to maintain their rate when the District decided to solicit bids for the insurance services. Through the bid process, the District was able to obtain a lower premium rate than its current provider.

The committee supported staffs' recommendation and presentation to the full board on the consent calendar.



Disability Combined Rate Summary
January 1, 2012 - December 31, 2012

	Volume ¹	UNUM Current	UNUM Renewal	Standard	UHC	Hartford
Short Term Disability	1,012,592	\$0.070	\$0.070	\$0.054	\$0.070	<u>\$0.043</u>
Total Annual Cost:		\$8,506	\$8,506	\$6,562	\$8,506	\$5,225
Rate Guarantee			1 year	2 years	1 year	2 years
Long Term Disability	1,012,592	\$0.56	\$0.56	\$0.51	\$0.64	<u>\$0.51</u>
Total Annual Cost:		\$68,046	\$68,046	\$61,971	\$77,767	\$61,971
Rate Guarantee			1 year	2 years	2 years	3 years
Combined STD/LTD		\$76,552	\$76,552	\$68,532	\$86,273	\$67,196
\$ Increase/Decrease vs. Current			\$0	-\$8,020	\$9,721	-\$9,356
% Increase/Decrease vs. Current			0.0%	-10.5%	12.7%	-12.2%

¹Volume assumptions based on June, 2011 census.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Kelli Williamson <i>[Signature]</i> Human Resources Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief <i>[Signature]</i> Administrative Services		
APPROVED BY: (Asst. GM):	German Alvarez <i>[Signature]</i> , Assistant General Manager Finance and Administration		
SUBJECT:	ADOPT RESOLUTION #4190 TO REVISE AND UPDATE DISTRICT BOARD POLICIES #14, #34, AND #47		

GENERAL MANAGER' S RECOMMENDATION:

That the Board adopt Resolution #4190 to revise and update the following District Board Policies:

- Use of District Vehicles and Car Allowance (Policy #14)
- Staff Travel and Business Related Expenses (Policy #34)
- Policy Against Discrimination and Harassment and Complaint Procedure (Policy #47)

COMMITTEE ACTION: _____

Please see "Attachment A".

PURPOSE:

To request that the Board approve revisions and updates to the following three (3) District Board Policies: Use of District Vehicles and Car Allowance (Policy #14), Staff Travel and Business Related Expenses (Policy #34), and Policy Against Discrimination and Harassment and Complaint Procedure (Policy #47).

ANALYSIS:

All departments are responsible for the periodic review of their respective policies and procedures. This review is necessary to ensure departments adhere to their policies and procedures, and to streamline business processes within the department.

After consultation with General Counsel, District staff is recommending minor revisions to the attached policies. These policies were also reviewed with the OWD Employees' Association. The Association has agreed to the policies as presented. Revisions deemed appropriate at this time are shown in the attached strike-through versions of the policies (Attachments B1 through B3). The proposed changes mainly indicate a change in procedure and a refinement of language.

The District will receive credit towards the District's Workers' Compensation premium from the Special District Risk Management Authority (SDRMA) for having the Policy Against Discrimination and Harassment and Complaint Procedure and for having reviewed it on a bi-annual basis. The District participates in the SDRMA's Credit Incentive Program (CIP) for both the Workers' Compensation and Property/Liability Insurance Programs.

Based on the above, it is requested that the Board of Directors adopt Resolution #4190 (Attachment B) in support of the proposed revisions and updates to District Board Policies #14, #34, and #47.

FISCAL IMPACT: _____

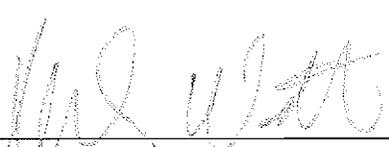
None.

STRATEGIC GOAL:

Optimize the District's Operating Efficiency.

LEGAL IMPACT: _____

None.



Mark Watton
General Manager

Attachments: Attachment A - Committee Action Report
Attachment B - Resolution #4190
Attachment B1 - Revisions to Policy #14
Attachment B2 - Revisions to Policy #34
Attachment B3 - Revisions to Policy #47



ATTACHMENT A

SUBJECT/PROJECT: ADOPT RESOLUTION #4190 TO REVISE AND UPDATE DISTRICT BOARD POLICIES #14, #34, AND #47

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on September 19, 2011. The following comments were made:

- It was indicated that periodically, the District reviews its policies to assure that they are up-to-date and are consistent with current practice.
- Staff worked with the District's attorney who provided suggested updates to the following policies. Changes included clarifications and language changes to mirror State law:
 - Policy 14, Use of district Vehicles and Car Allowance
 - Policy 34, Staff Travel and Business Related Expenses
 - Policy 47, Policy Against Discrimination and Harassment and Complaint Procedure
- Staff noted that Policy 47 is one of a number of policies reviewed on a bi-annual basis to qualify for credit incentives from the District Workers' Compensation and liability insurer, Special District Risk Management Authority.
- It was discussed that staff travel reimbursements are consistent with the Federal reimbursement guidelines. There is a slight modification, in that, the District does allow a higher reimbursement in areas where the cost for hotel accommodations is higher, such as, Monterey California. Such exceptions are limited.
- It was discussed with regard to Policy 14, that the District has only one vehicle issued for personal and

business use due to job necessity. There are also vehicles that are assigned to Operations managers and staff, for non-personal use, who respond to breaks/emergencies during off hours. With the exception of the Chief of Water Operations, Executives do not drive District vehicles, but are provided car allowances.

- District vehicles are also equipped with GPS tracking devices. The devices provide data that can be helpful when there is an accident or an issue involving a vehicle. The data can confirm if a particular District vehicle was/was not speeding or was/was not in a particular area in question. There are other features that the GPS tracking system can provide, such as, alerts if a vehicle travels outside the District's service area or is sitting idle for over a particular amount of time. These features are not currently utilized by the District, but supervisors and managers can review the GPS data at any time as a check and balance.
- The GPS provides efficiencies by allowing the District to locate and dispatch District vehicles that are closest to a customer or facility requiring attention.
- It was noted that the public may view the District's policies and procedures on the Otay website at any time.

The committee supported staffs' recommendation and presentation to the full Board on the consent calendar.

RESOLUTION NO. 4190

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT TO REVISE AND
UPDATE DISTRICT BOARD POLICIES #14, #34, AND #47

WHEREAS, the Board of Directors of Otay Water District have established policies, procedures, ordinances, and resolutions for the efficient operation of the District; and

WHEREAS, it is the policy of the District to establish procedures to review policies, procedures, ordinances, and resolutions periodically to ensure they are current and relevant; and

WHEREAS, District staff has identified policy numbers 14, 34, and 47, as requiring minor revisions as per the attached strike-through copies; updates include language refinement to mirror current practices.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District amends policy numbers 14, 34, and 47, in the form presented to the Board at this meeting.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 5th of October, 2011.

President

ATTEST:

Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT VEHICLES AND CAR ALLOWANCE	14	7/1/85	<u>10/5/11</u> 10/7/09

PURPOSE

To prescribe rules and regulations for the use of District vehicles by Directors and employees of the District and the provision of a car allowance for certain executive employees.

BACKGROUND

Certain District vehicles are made available for ~~the~~ use by designated employees and Directors during business hours and in some instances during off-duty hours. Executive staff may be provided a vehicle allowance in lieu of the availability and use of District vehicles.

POLICY

The following rules shall apply to the use of District vehicles:

1. Executive Management

Certain District vehicles are assigned to specific executive management employees on a 24-hour basis, including personal use. These vehicles are provided pursuant to employment agreements authorized by the Board of Directors or General Manager. A list of District vehicles assigned to District employees is maintained by Human Resources.

2. Automobile Allowance

Executive staff consisting of Department Chiefs and Assistant General Managers may be provided a vehicle allowance, in lieu of a District vehicle, as determined by the General Manager. These employees shall be required to maintain automobile insurance ~~at least~~ at the minimum levels required by state law. These employees shall use their personal vehicles to conduct District business within San Diego County and may only use District vehicles for business trips out of San Diego County, or in unusual circumstances (i.e., 4-wheel drive necessary).

When using their personal vehicles, all operating expenses are to be borne by these employees, ~~except employees may receive reimbursement for mileage at established rates for portions of any trips that are taken on District business outside San Diego County.~~

3. Certain District service vehicles are assigned to specific management, supervisory, and crew leader positions on a 24-

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT VEHICLES AND CAR ALLOWANCE	14	7/1/85	10/5/11 10/7/09

hour per day basis for emergency purposes. A list of District service vehicles assigned to District employees is maintained by Human Resources. Such personnel are authorized to use the vehicles assigned to them day or night to respond to District business requirements.

Each person is also authorized to use the vehicle for transportation to and from his residence and to store the vehicle at his residence when the vehicle is not being used for District business. ~~The above personnel~~ Certain management, supervisory and crew leaders may also use the vehicle for educational activities, personal errands during lunch breaks and on their way to and from work, and for medical appointments occurring during work hours. Other use of such vehicles is not authorized. Transportation of non-district personnel for non-district business requires the approval of the General Manager or designee. Employees must comply with all District policies, procedures and must remain sensitive to the public's perception of them while using District vehicles. The transportation of firearms, ammunition, explosives, hazardous materials, alcoholic beverages or illegal drugs is strictly prohibited.

Each employee assigned a District vehicle is responsible for Social Security and income taxes relating to the commuting value and will comply with Internal Revenue Service regulations relating to de minimis use.

4. Use of other District vehicles (i.e., pool vehicle) outside of normal business hours may be made only upon prior approval of the General Manager or designee.
5. Use of any District vehicle outside of San Diego County may be made only with the prior approval of the General Manager or designee.
6. District employees may use District pool vehicles only for transportation required to perform their official District duties. Authorization must be obtained from General Manager or designee to transport non-District personnel in pool vehicle while on District Business.
7. Only when a District pool vehicle is not available, may District employees, other than those mentioned in paragraph "1" above, use their own private vehicles for transportation required to perform their official District duties, and only if the employee maintains automobile insurance in at least the minimum amounts required by state law and a valid California driver's license. Private motor vehicles may not

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT VEHICLES AND CAR ALLOWANCE	14	7/1/85	<u>10/5/11</u> 10/7/09

be used for any business purpose if the above insurance and license requirements are not in place. In such instances, the employee shall receive reimbursement for mileage at the established IRS rate. Authorization must be obtained from the General Manager or a designee to transport non-District personnel in one's own private vehicle while on District Business.

8. The use of tobacco products, as defined in Board Policy No. 19, is prohibited in all District vehicles, including those assigned to an employee and all vehicles available to employees for general District business such as pool vehicles, utility trucks, Vactor trucks, heavy equipment, etc.

9. While driving, all activities that would distract an employee from driving a District vehicle safely are prohibited (i.e., eating and drinking). The use of a cell phone, while driving, must comply with state law. Text messaging, ~~Message texting~~ isemail, and other forms of electronic communication are prohibited in a moving vehicle. Passengers are also discouraged from the above activities when they are needed to assist a driver to safely maneuver a vehicle. Occasional snacks are acceptable as long as it does not distract the driver or passenger from the primary task of driving or assisting the driver.

OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY			
Subject	Policy Number	Date Adopted	Date Revised
STAFF TRAVEL AND BUSINESS RELATED EXPENSES POLICY	34	5/3/2000	12/5/07 10/5/11

Purpose

To provide guidelines for compensation, ~~expenses,~~ and the advancement and reimbursement of ~~such~~ expenses when work duties require Otay Water District ("District") Staff ("Staff") to conduct District business away from their regular work site(s) and outside of San Diego County.

Background

Employees of the ~~Otay Water~~ District are called upon to travel or conduct business related meetings, conferences, training or functions away from their regular work site(s) and outside of ~~the~~ San Diego County, in conjunction with their job functions. Federal and State ~~codes~~ laws permit and provide guidance for reimbursement of expenses and compensation to employees while traveling out of San Diego County on District business.

Policy

The District will reimburse ~~Otay Water District~~ Staff for reasonable expenses incurred while out of San Diego County at District business related meetings, functions, conferences, training or traveling on District business, ~~to including~~ lodging, meals, transportation, and related incidentals. The District will compensate non-exempt employees while traveling in accordance with District policy, ~~and~~ applicable Memorandums of Understanding ("MOU's"), and federal and state laws.

Procedures

A. Advances and Pre-payment of Otherwise Reimbursable Expenses

Employees may request pre-payment of registration, transportation, and lodging, and may request an advance upon expected costs for meals, fuel for District or rental vehicles, public ground transportation, and taxis using the "Staff Travel Authorization Request" form (Exhibit A). Pre-payments and advances shall be limited to the employee's expenses only. Advances for per diem meals shall not exceed the per diem allowance anticipated for the trip plus known costs of ground transportation. Advances should be requested in a timely manner to allow normal processing through accounts payable.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
STAFF TRAVEL AND BUSINESS RELATED EXPENSES POLICY	34	5/3/2000	10/5/11 12/5/07

B. Reimbursement of Expenses

Each employee shall be reimbursed for travel expenses incurred while at authorized District business related meetings, functions, conferences, or training ~~or traveling on authorized District business~~ outside of San Diego County as follows:

1. Accountability

Travel Expenses shall be budgeted by Staff as a part of the annual budget process. Any travel expenses approved with the budget shall be considered authorized for that fiscal year only. Travel expenses included in Capital Improvements Program ("CIP") budgets are also considered authorized. Before the District expends any funds for authorized travel that involves lodging or public transportation expenses, the employee must complete a "Staff Travel Authorization Request" form (Exhibit A). The employee's Department Chief shall approve the authorization form. When a Department Chief is traveling, the Assistant General Manager shall approve the authorization form.

2. Transportation

The District will pay for reasonable transportation costs. Employees should endeavor to use the most appropriate mode of transportation given the purpose and nature of the trip. If for personal preference or for non-business related reasons the employee incurs additional travel expenses, the employee will be responsible for the additional expenses.

a. Air Transportation

The District will reimburse employees or pre-pay costs for economy (coach) class airfares. The District will endeavor to purchase airline tickets in advance, taking advantage of discounts and low airfares. Whenever possible, airline reservations shall be made to permit travel during normal business hours.

b. Automobile

1. District Vehicle: Whenever travel by vehicle

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is most cost effective or practical, Staff shall endeavor to use a District vehicle. Staff must have a valid California driver's license to operate a District vehicle. The District will reimburse employees for gasoline purchases with receipts while using a District vehicle; however, employees should ensure that the vehicle has sufficient fuel to reach the desired destination and return, or a full tank of fuel, before departing from the District offices. Employees must comply with the provisions of Board of Directors Policy No. #14, "Use of District Vehicles and Car Allowance" whenever an employee chooses to use a District vehicle while traveling.

2. Personal Vehicle: Employees must obtain permission from their Department Chief before using a personal vehicle in conjunction with District business.

In situations where an employee uses a personal vehicle on District business, the employee must maintain a valid California Driver's License and at least the minimum automobile insurance coverage required by the State of California, or make arrangements for a driver who meets the above requirements. ~~The Administrative Services Staff will verify that the employee or drivers have a valid California driver's license. Employees may not use a personal vehicle that is not insured according to the policy. be reimbursed for travel in a personal vehicle if either the license or insurance requirements are not met.~~ Employees shall attest to meeting the license and insurance requirements by completing an "Authorization to Drive a Privately Owned Vehicle on District Business" form upon hire or as required.

If a personal vehicle is used, the employee will be reimbursed at the current maximum allowable tax-exempt reimbursement rate

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provided by the IRS ~~regardless of the actual operating costs of the vehicle.~~

Employees who receive a monthly mileage allowance are not eligible to receive reimbursement for mileage ~~within San Diego County.~~

3. Rental Cars: The District will cover the expenses required for use of a rental car on District business. The maximum reimbursement for rental cars shall be based on the rate provided for a standard mid-sized car, unless there is a clear business need and it is approved by the General Manager or designee. Upgrades or additional cost features are the employee's responsibility.

c. Miscellaneous Transportation
Whenever practicable, bus, taxi, rail, shuttle, etc. transportation may be used in lieu of, or in conjunction with, the modes listed above.

3. Meals and Lodging

a. Meals and Beverages
Whenever travel outside of San Diego County requires meals, an employee may receive the per diem allowance at the current ~~rate established by the Meals and Incidental Expenses ("M&IE") rate for San Diego as determined, as updated by the U.S. General Services Administration.~~

1. Per diem:

a. Full Day Allowance
When an employee is traveling for a full day and no meals are provided ~~for~~ by other sources, such as pre-paid registration, the per diem meal allowance shall be at the current Domestic Per Diem ~~Rate provided by for M&IE per day,~~ or an amount that the General Manager deems reasonable for the occasion or circumstances. Taxes and gratuities are inclusive.

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b. Single Meal Allowance

When an employee requires an allowance for a single meal while traveling, the per diem meal allowance shall be at the M&IE rate provided by M&IE for breakfast, lunch, ~~and~~ or dinner as determined by the U.S. General Services Administration, or amounts that the General Manager deems reasonable for the occasion or circumstances. Taxes and gratuities are inclusive.

c. Partial Day Allowance

When an employee will be traveling for a partial day or where a single meal is provided for by other sources such as pre-paid registration, the per diem allowance amount shall be at the M&IE rate provided by M&IE for ~~dinner~~ breakfast, lunch, ~~and breakfast~~ or dinner as determined by the U.S. General Services Administration, or amounts that the General Manager deems reasonable for the occasion or circumstances.

d. Receipts do not have to be submitted for per diem allowances.

b. Lodging

The District will reimburse employees or pre-pay accommodations in single rooms at conference facilities or in close proximity when applicable. In the absence of conference accommodations, normal single-room business, government or commercial class accommodation may be obtained. Under normal circumstances, lodging will not be reimbursed for the night before a conference starts ~~and~~ or the night after it ends. However, in situations where available travel schedules would require the employee to leave home before 6:00 AM or return home after 12:00 AM, lodging for the night before or the night after will be reimbursable. With prior supervisory approval, if staying overnight, an extra night or over a weekend at a destination allows for a reduction of travel expenses, and the cost of accommodations is less than the savings realized by the documented

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reduced transportation expenses, the District may pre-pay or reimburse the employee for the extra night's lodging. Only lodging expenses ~~may~~ will be reimbursed in these situations.

4. Entertainment

The District will not cover expenses incurred for recreation or entertainment.

5. Incidental Expenses

Unavoidable, necessary and reasonable authorized expenses will be fully reimbursed by the District. Some examples of allowable expenses are:

- a. Telephone Calls (Business): Calls placed by the employee to the District office or for the purpose of conducting District business. Business related calls should be itemized on the "Staff Expense Claim Form" (Exhibit B).
- b. Telephone Calls (Personal): One (1) brief personal call each day away from home, up to a \$10 maximum per day.
- c. Telephone Calls (Local): Charges for local calls, for meal or transportation reservations, or for area information related to travel.
- d. Reasonable transportation to local restaurants and to optional functions that are a part of conference events.
- e. Reasonable gratuities.
- f. Parking fees.
- g. The following expenses are not reimbursable:
 - 1. Alcoholic beverages;
 - 2. Parking or traffic violations;
 - 3. In-room movies;
 - 4. Laundry service; and
 - 5. Expenses incurred by spouses, family members, or guests.

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6. Compensation for Non-Exempt employees

Non-exempt employees traveling and staying overnight are normally authorized to work only the total number of hours they were regularly scheduled to work, exclusive of applicable travel time. However, all employees traveling and staying overnight are considered by the District to be on flexible schedules.

During flexible schedules, employees' starting time, meal period, rest periods, etc. are adjusted to accomplish work with minimal overtime.

Should business require a non-exempt employee to travel, function attendance and travel hours are compensable pursuant to state law. These hours are considered regular work hours for purposes of calculating overtime. During ~~any~~ all compensable hours, an employee is subject to any and all provisions of ~~Otay Water~~ District Policies and Procedures.

The following hours are compensable:

- a. Actual hours spent at meetings, conferences, or functions, excepting meals and special events of an entertainment nature held in conjunction with a function.
- b. Actual ~~h~~ hours spent in transit, excepting hours spent in travel between the employee's residence and the District. Any time spent in layover at a public transportation facility is also compensable as transit time, unless the employee chooses to participate in recreational activities during the layover.

~~b.~~ On the other hand, time spent taking a break from travel in order to eat a meal, sleep or engage in other personal pursuits not connected with traveling or making necessary travel connections, such as sightseeing, visiting friends and family, or other activities of a recreational or entertainment nature, are not compensable.

7. Employees' Responsibility

- a. In situations~~7~~ where an employee can use the Petty

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Cash procedures for reimbursement of travel expenses, the employee may submit a "Petty Cash Order" form (Exhibit B) to be reimbursed. If expenses to be reimbursed are beyond the scope of the Petty Cash procedures, employees must submit a detailed "Staff Expense Claim Form" (Exhibit C). Petty Cash Orders and Expense Claim Forms should be supported by vouchers and itemized receipts of expenditures for which reimbursement is being requested. Receipts must be attached for all expenses with the exception of per diem meal allowance. If a receipt required for reimbursement is lost, the lost receipt must be noted on the "Staff Expense Claim Form" and approved for reimbursement before any payment can be made. Claim forms ~~shall~~ must be submitted within 14 calendar days after the expense was incurred.

- b. Expenses will not be reimbursed for meetings that have been pre-paid and not attended. Employees may be required to reimburse the District for any pre-paid expenses for any unexcused absence. The General Manager will determine if an absence from a pre-paid meeting is excused or unexcused.
- c. When two (2) or more employees combine an expense on one receipt, the employee requesting reimbursement should indicate on the "Staff Expense Claim Form" the identity of the other persons sharing expenses.
- d. Expenses incurred by spouses, family members, or guests are the responsibility of the employee.
- ~~d~~-e. Any misrepresentation in connection with the petty cash order or reimbursement process will be grounds for discipline up to and including termination of employment.

Attachments

Exhibit A: "Staff Travel Authorization Request"

Exhibit B: "Petty Cash Order"

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Exhibit C: "Staff Expense Claim Form"

**OTAY WATER DISTRICT
STAFF TRAVEL AUTHORIZATION REQUEST**

Employee Name: _____ Date of Request: _____

Name and Location of Function: _____

Is Travel out of San Diego County? Yes No* (*not eligible for staff travel)

Note: If you will be driving a District vehicle out of San Diego County or driving non-District personnel in a District vehicle or your private vehicle, you must obtain authorization by completing the "Vehicle Use Authorization Form Out of County and Transport Non-District Personnel" form.

Date(s) function to be held: _____ - _____

Purpose of function: _____

Sponsoring Organization: _____

Request for Pre-Payment or Advance of Fees Related to the Function:

Expense Type	Not Needed	Pre-Payment Requested	Advance Requested
Registration	<input type="checkbox"/>	\$	N/A
Airline	<input type="checkbox"/>	\$	N/A
Auto Rental	<input type="checkbox"/>	\$	N/A
Fuel - for District or Rental Cars only**	<input type="checkbox"/>	N/A	\$
Taxi / Shuttle**	<input type="checkbox"/>	N/A	\$
Lodging	<input type="checkbox"/>	\$	N/A
Meals - See Below	<input type="checkbox"/>	N/A	\$
Other Expenses - Explain Below	<input type="checkbox"/>	\$	\$
		Total Pre-Payment Requested:	
		Total Advance Requested:	

(**Advanced through petty cash. Please request these expenses at the conclusion of the trip if possible.)

Lodging Preference: _____

Explanation of Other Expenses: _____

MEALS CALCULATOR

Personal funds may be used in lieu of requesting advancement for meals. Meal per diem amounts are the same regardless of travel destination out of the County.

How many meals does the function provide? _____ (do not include in calculation below)

(_____ x \$36 = \$ _____) + (_____ x \$18 = \$ _____) + (_____ x \$12 = \$ _____) = \$ _____
 Expected dinners Expected lunches Expected breakfasts Total meal advancement

Employee Signature

Date of Request

(Staff Expense Claim form must be completed within 14 calendar days after return from travel.)

For Office Use Only Below This Line

Total Pre-Paid: \$ _____

Total Advanced: \$ _____

Travel Approved by: _____

Date: _____



INSTRUCTIONS FOR PREPARATION OF
STAFF TRAVEL AUTHORIZATION REQUEST FORM

The District will reimburse for necessary expenses incurred while traveling **outside of San Diego County** at District business and related meetings, functions, training or traveling on District business including common carrier fares (economy class), automobile rental charges, District business telephone calls, one personal telephone call home each day (\$10 maximum per day), lodging, baggage handling, parking fees, meals, gratuities, etc. Please review the "Staff Travel and Business Related Expenses Policy" to familiarize yourself with the District's requirements.

- **Transportation**
Employees should endeavor to use the most appropriate mode of transportation given the purpose and nature of the trip. The District will reimburse or pre-pay costs for economy (coach) class air transportation. Employees must obtain permission from their Department Chief or AGM before using a personal vehicle in conjunction with District business and complete the "Vehicle Use Authorization Form Out of County and Transport Non-District Personnel" form.

- **Advances and Pre-payments**
Employees may request pre-payment of registration, transportation, and lodging, and may request an advance for expected costs for meals, fuel for District or rental vehicles, public ground transportation, and taxis using the "Staff Travel Authorization Request" form. It is recommended that expenses for fuel, taxi and shuttle be reimbursed at the conclusion of the trip if possible.

Pre-payments and advances shall be limited to the employee's expenses only. Advances should be requested in a timely manner to allow normal processing through accounts payable.

- **Meals**
Advances for per diem meals shall not exceed the per diem allowance anticipated for the trip. Receipts should not be submitted for per diem meal allowances. If advancement for meal allowance is not requested, employee may use their personal funds to pay for meals and request the per diem allowance after the travel is completed by submitting the "Staff Expense Claim Form." It is recommended that per diems for meals be reimbursed at the conclusion of the trip if possible. CalCard may not be used for meal per diems.

Per diem meal allowance shall be at the ~~rate provided by the~~ Meals Incidental Expenses ("M&IE") rate determined by the U.S. General Services Administration for San Diego, or amounts that the General Manager deems reasonable for the occasion or circumstances. Partial day's per diem allowance shall be at the M&IE rate provided by M&IE for breakfast, lunch and dinner, or amounts that the General Manager deems reasonable for the occasion or circumstances. The per diem meal allowance is inclusive of and assumes expenses for taxes and gratuities. Where pre-paid registration includes meals, only meals that are not included in the registration will be provided as per diem meal allowance.

- **Receipts**
Receipts must be attached for all expenses with the exception of per diem meal allowances. If a receipt required for reimbursement is lost, the lost receipt should be noted next to the expense, submitted to the Department Chief, and approved by the Department Chief before any reimbursement can be made. **All receipts must have the nature of the expense and the business purpose noted on the receipt.** Any receipts that include costs of personal travel (e.g., hotel receipt for employee and spouse) should identify what the cost would have been without personal travel (e.g., single room rate as opposed to double room rate).
- **Staff Expense Claim Form**
Upon return from travel, if expenses were incurred that need to be reimbursed, the "Staff Expense Claim Form" ~~must~~ be submitted **within 14 calendar days** after the expense was incurred. Advances and pre-payments shall be deducted from expenses and reconciled with travel authorization forms where applicable.

Department Chiefs, Assistant General Managers or the General Manager may authorize Travel Authorization Request Forms.

No information on the "Staff Travel Authorization Request Form" may be designated as confidential in nature. All expenses must be fully disclosed on the form.

The following expenses are not reimbursable:

- | | |
|----------------------------------|--|
| a. Alcoholic beverages | d. Laundry service |
| b. Parking or traffic violations | e. Entertainment or recreation |
| c. In-room movies | f. Expenses incurred by spouses, family members, or guests |

The Staff Travel Policy does not apply to meetings, conferences, training or functions attended in the County of San Diego. For expenses in the County of San Diego please coordinate reimbursements with your department.



PETTY CASH ORDER

DATE _____

NAME _____

DEPT _____

REQUEST REIMBURSEMENT FOR THE FOLLOWING EXPENSES:

Project	Subproject	Activity	Cost Type	DESCRIPTION	AMOUNT
Total:					0.00

PURPOSE OF EXPENDITURES

DEPARTMENTAL APPROVAL _____

CASH RECEIVED BY _____

DATE _____

NOTE: RECEIPTS MUST BE ATTACHED. FORM IS NOT TO BE USED FOR OVERNIGHT TRAVEL.



**OTAY WATER DISTRICT
STAFF EXPENSE CLAIM FORM**

Vendor #: _____ Date: _____

Pay to: _____ Period Covered: _____

Employee Number _____ From: _____ To: _____

ITEMIZED REIMBURSEMENTS CLAIMED

(Attach receipts for all expenses, except for per diem meal and beverage allowances.)

DATE	DESCRIPTION OF REIMBURSEMENT	TOTAL REIMBURSABLE AMOUNT	LESS AMOUNT PREPAID	LESS AMOUNT ADVANCED	TOTAL AMOUNT CLAIMED

ACCOUNT CODINGS: Project Subproject Activity Code Cost Type Department

- 1)
- 2)
- 3)
- 4)

For Travel Reimbursements:

Nature of Travel: _____ Date Travel Commenced _____

Destination: _____ Date Travel Terminated _____

Total Mileage Claimed = _____ Miles x \$. _____ Rate = \$ _____

Total Reimbursements Claimed: \$ _____

Employee Signature _____
Date

Approved by _____
Date



**INSTRUCTIONS FOR PREPARATION OF
STAFF EXPENSE CLAIM FORM**

The necessary expenses incurred while traveling outside of San Diego County at District business related meetings, functions, training or traveling on District business including common carrier fares (economy class), automobile rental charges, District business telephone calls, one personal telephone call home each day (\$10 maximum per day), lodging, baggage handling, parking fees, meals, gratuities, etc. will be reimbursed when documented on the Staff Expense Claim Forms. Receipts must be attached for all expenses with the exception of per diem meal allowances. If a receipt required for reimbursement is lost, the lost receipt should be noted next to the expense, submitted to the Department Chief, and approved by the Department Chief before any reimbursement can be made. **All receipts must have the nature of the expense and the business purpose noted on the receipt.**

The District will not reimburse the cost of travel of a personal nature taken in conjunction with travel on official business. Per diem meal allowance shall be at the rate provided by the Meals Incidental Expenses (M&IE), or amounts that the General Manager deems reasonable for the occasion or circumstances. Partial day's per diem allowance shall be at the rate provided by M&IE for breakfast, lunch and dinner, or amounts that the General Manager deems reasonable for the occasion or circumstances. The per diem meal allowance is inclusive of and assumes expenses for taxes and gratuities of up to 15%. Where pre-paid registration includes meals, only meals that are not included in the registration will be provided as per diem meal allowance.

Any receipts that include costs of personal travel (e.g., hotel receipt for employee and spouse) should identify what the cost would have been without personal travel (e.g., single room rate as opposed to double room rate).

Mileage will be reimbursed for travel using personal vehicles only if a District vehicle is not available. In order to be reimbursed for mileage, employees must have a valid Driver's License and current automobile insurance that meets or exceeds State minimum insurance requirements.

Advances and pre-payments shall be deducted from expenses and reconciled with travel authorization forms where applicable.

Department Chiefs or the General Manager may authorize Expense Claim Forms.

Claim forms ~~must~~ be submitted within 14 calendar days after the expense was incurred.

No information on the Expense Claim Form may be designated as confidential in nature. All expenses must be fully disclosed on the form.

The following expenses are not reimbursable:

- | | |
|----------------------------------|--|
| a. Alcoholic beverages | d. Laundry service |
| b. Parking or traffic violations | e. Entertainment or recreation |
| c. In-room movies | f. Expenses incurred by spouses, family members, or guests. |
| | g. Meetings, conferences, training or functions attended in the County of San Diego. |

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<u>10/5/11</u> 9/2/09

PURPOSE

The purpose of this policy ~~are~~ is to (i) advise all employees that the Otay Water District ("District") disapproves of and will not tolerate unlawful discrimination or harassment of its employees, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, pregnancy, childbirth or related medical condition), race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other ~~protected class (as recognized by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing)~~ basis protected by federal, state or local law is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, and to all vendors conducting business with the District. Similarly, the District will not tolerate discrimination or harassment by its employees of non-employees with whom the District employees have a business, service or professional relationship. The District will also attempt to protect employees from harassment by non-employees in the workplace.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	9/2/09 10/5/11

DEFINITIONS

Discrimination - Any decision or action that is based on an individual's status as a member of a protected class that adversely affects a District employee or the employee's work conditions, terms of employment, or work environment.

Harassment - Any decision or action that is based on a District employee's status as a member of a protected class, made for the purpose or having the effect of adversely affecting that employee's work conditions, terms of employment, or work environment. Harassment may include, but is not limited to:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Protected Class - Any class of persons who share a common sex, race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other "protected class" recognized by ~~the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing~~ federal, state or local laws. For purposes of this definition, "sex" includes gender, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
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Retaliation - Any decision or action that is based on the fact that a District employee has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee's complaint under this Policy, made for the purpose of adversely affecting the employee's conditions of employment, terms of employment, or work environment.

Sexual Harassment - A form of harassment that is based on an employee's gender but which objectively and subjectively creates an adverse impact on the employee regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by a District employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District's Discrimination and Harassment Complaint Form. An employee may make a complaint to any of the following:

- Human Resources;
- Any supervisor, manager, Department Chief, Assistant General Manager, or General Manager;
- Complaints against the General Manager should be directed to the President of the Board of Directors.

Applicants may make a complaint to any of the following:

- Human Resources or;
- General Manager.

Any person described above shall forward each written discrimination complaint to the General Manager or designee immediately of receiving the complaint or having knowledge of the complaint. If a complaint is made verbally, the person receiving the complaint shall notify Human Resources immediately.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE

Policy Number

Date Adopted

Date Revised

47

10/11/05

10/5/11
~~9/2/09~~

Every reported complaint of discrimination, harassment or retaliation will be investigated thoroughly and promptly. If any manager, supervisor, Department Chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee or applicant, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. This shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her, however. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
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including termination for an employee who has violated this Policy or sanctions for a vendor who has violated this Policy.

Every District employee has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees are encouraged to report in good faith discrimination, harassment, or retaliation. The District will not tolerate retaliation against any employee making a good faith complaint of discrimination, harassment or retaliation, or for cooperating in an investigation. However, reports made maliciously or in bad faith may subject an employee to disciplinary action appropriate to the circumstances up to and including termination.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate State or Federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at www.eeoc.gov or (213) 894-1000 or the Department of Fair Employment and Housing at www.dfeh.ca.gov or (800) 884-1684.

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993.
Board Policy adopted October 11, 2005.



STAFF REPORT

TYPE MEETING:	Special Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:			
SUBJECT:	Local Area Formation Commission (LAFCO) Special Districts 2011 Election		

GENERAL MANAGER'S RECOMMENDATION:

That the Board consider casting votes for an Alternate Special District Member on LAFCO's Commission and eight (8) Special Districts Advisory Committee members in the LAFCO Special Districts 2011 Election.

COMMITTEE ACTION: _____

N/A

PURPOSE:

To present for the Board's consideration the LAFCO Special Districts 2011 Election ballots.

ANALYSIS:

In April of this year, LAFCO solicited nominations for an Alternate Special District Member on their Commission and eight (8) Special Districts Advisory Committee members. The District's Finance, Administration and Communications Committee reviewed the request for nominations at a meeting held on May 18, 2011 and recommended nominating Director Croucher for the Special Districts Advisory Committee. The board concurred at the June 1, 2011 board meeting.

The District has received the ballots for the election along with the Nominating Committee's report and recommendations, and the candidates' nomination forms (please see attached).

Ballots must be submitted to LAFCO by October 21, 2011.

FISCAL IMPACT: _____

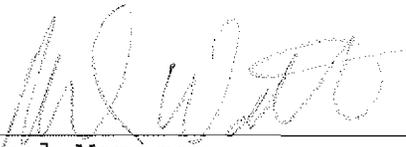
None.

STRATEGIC GOAL:

Participating would support the strategic goal of maintaining effective communications with other cities, special districts, State and Federal governments, community organizations and Mexico.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

LAFCO Correspondence

LAFCO Nominating Committee Report and Ballots

Candidates' Nomination Forms



ATTACHMENT A

SUBJECT/PROJECT: Local Area Formation Commission (LAFCO) Special Districts
2011 Election

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on September 19, 2011 and the committee recommended that the District cast a vote for Ms. Jo McKenzie, Vista Irrigation District, to re-elect her to the Alternate LAFCO Special District Member seat and cast votes for all eight (8) candidates, including Director Croucher, to seats on LAFCO's Special Districts Advisory Committee. Following the discussion, the committee recommended that this item be presented for the full board's consideration.



Chairman

September 6, 2011

Carl Hilliard
Councilmember
City of Del Mar

TO: Independent Special Districts of San Diego County

Vice Chairwoman

Dianne Jacob
County Board of
Supervisors

FROM: Executive Officer
Local Agency Formation Commission

SUBJECT: 2011 Special Districts Election

Members

Bill Horn
County Board of
Supervisors

Bud Pocklington
South Bay
Irrigation District

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

Andrew L. Vanderlaan
Public Member

Lorie Zapf
Councilmember
City of San Diego

Alternate Members

Greg Cox
County Board of
Supervisors

Sherri Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

Thomas Bosworth

By our letter of April 18, 2011, we solicited nominations for one LAFCO alternate Special District member and nine positions on the Special Districts Advisory Committee with one short-term expiring in 2012. By the deadline of June 3, 2011, three nominations for the alternate Commission member, and eight nominations for nine positions on the Advisory Committee were received. Because fewer nominations were submitted for the nine available positions on the Advisory Committee, Write-In nominations are encouraged. The candidate with the ninth highest number of votes will receive a term on the Advisory Committee expiring in 2012. The terms for the other eight positions are for four-years. As required by the Selection Committee Rules, all eligible nominations were forwarded to the Nominating Committee. The 2011 Nominating Committee was comprised of Larry Jackman (San Miguel Consolidated Fire Protection District), Dennis Shepard (North County Cemetery District), and Gary Arant (Valley Center Municipal Water District). LAFCO Consultant Harry Ehrlich met with the Nominating Committee to discuss a recommended slate of nominees for the open positions. A copy of the Nominating Committee's Report and Recommendations is attached (**Attachment 1**). Special District Election Ballot and Vote Certifications form on which to record your votes (**Attachment 2**). A list of the eligible independent special districts is provided for your convenience (**Attachment 3**). Please note that LAFCO staff has not included any of the candidates' promotional materials with the election materials. Lastly, attached are the Special District Summary of Nominations and copies of Nomination Forms (**Attachment 4**).

With respect to ballots, there is a separate ballot for each position: yellow for the LAFCO alternate special district member, and blue for the advisory committee members. **Be sure each ballot is marked only for the number of positions to be voted for in that category. A ballot that is cast for more than the indicated number of positions will be disregarded.**

Independent Special Districts
September 6, 2011
Page Two

The ballots should be considered by your full district board. State Law and the Selection Committee Rules require a district's vote to be cast by its presiding officer, or an alternate member of the legislative body appointed by the other members. Therefore, the certification form has been incorporated with the ballot forms to be signed by the person who casts your district's votes. **A ballot received without a signed certification form will not be counted.**

All nominees are listed on the relevant ballot. An asterisk indicates the nominating committee recommendations, and incumbents have been *italicized*. Write-in candidates are permitted, and spaces have been provided for that purpose.

The deadline for receipt of the ballots by LAFCO is **October 21, 2011**. The Selection Committee Rules require that marked ballots be returned **by certified mail, return receipt requested**. Facsimile (FAX) ballots and certification forms will be accepted, **if necessary to meet the ballot deadline**, but originals must be submitted as soon as possible thereafter.

The Selection Committee Rules stipulate that a majority of the districts shall constitute a quorum for the conduct of committee business. There are 61 independent special districts in the county; therefore, a minimum of **31** ballots must be received to certify that a legal election was conducted. A candidate for a LAFCO member must receive at least a majority of the votes cast to be elected. Election to the Special Districts Advisory Committee requires only a plurality vote. The ballots will be kept on file in this office, and will be made available upon request.

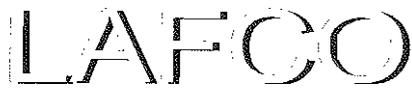
Please call me or Tamaron Lockett if you have any questions.



MICHAEL D. OTT
Executive Officer

MDO:trl

- Attachments:
- 1) Nominating Committee Report and Recommendations
 - 2) Special District Election Vote Certification Form & Ballots
 - 3) Independent Special District Labels
 - 4) Independent Special District Summary of Nominations and Copies of Nomination Forms



Chairman September 6, 2011

Carl Hilliard
Councilmember
City of Del Mar

Vice Chairwoman

Dianne Jacob
County Board of
Supervisors

TO: Independent Special Districts in San Diego County
FROM: 2011 Special Districts Election Nominating Committee
SUBJECT: Nominating Committee Report and Recommendations

Members

Bill Horn
County Board of
Supervisors

Bud Pocklington
South Bay
Irrigation District

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

Andrew L. Vanderlaan
Public Member

Lorie Zapf
Councilmember
City of San Diego

In 2011, independent special district nominations were solicited for: (1) one alternate member on LAFCO with a term expiring in 2015, and (2) nine Special Districts Advisory Committee members with eight terms expiring in 2015 and one with a term expiring in 2012. By the deadline of June 3, 2011, our office received three nominations for the LAFCO alternate member position, and eight nominations for the nine Special Districts Advisory Committee positions.

As required by the Selection Committee Rules, a nominating committee was appointed to review the nominations submitted, and to prepare a list of recommended candidates. According to the Selection Committee Rules, the nominating committee is appointed by the chairperson or vice chair of the Special Districts Advisory Committee. LAFCO Consultant Harry Ehrlich scheduled a meeting on August 23rd with nominating committee members Larry Jackman (San Miguel Consolidated Fire Protection District), Dennis Shepard (North County Cemetery District), and Gary Arant (Valley Center Municipal Water District). In evaluating the nominations, the committee considered special district experience, interest, and knowledge of LAFCO issues. For those nominees who are incumbents, the committee further considered attendance records and meeting participation. The committee also wanted to ensure representation from those types of districts that most often are involved in making recommendations to LAFCO. Since there were only eight nominations for the nine Advisory Committee positions, the nominating committee encourages the nomination of Write-In candidates. The top eight vote getters will receive four-year terms and the ninth highest vote getter will receive a one-year term. The nominating committee's recommendation for each category follows:

Alternate Members

Greg Cox
County Board of
Supervisors

Sherr Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

Thomas Bosworth

NOMINATING COMMITTEE RECOMMENDATIONS

LAFCO Alternate Member

The Nominating Committee recommended **Jo MacKenzie** (Vista Irrigation District)

Special Districts Advisory Committee Members

The Nominating Committee recommended the following nominees for the Advisory Committee (incumbents are *italicized*):

Judy K. Hanson (Leucadia Wastewater District)

James R. Hernandez (Vallecitos Water District)

Kimberly A. Thorner, Esq. (Olivenhain Municipal Water District)

Thomas Pocklington (Bonita-Sunnyside Fire Protection District)

Gary Croucher (Otay Water District)

Janine Sarti (Palomar-Pomerado Healthcare District)

John Pastore (Rancho Santa Fe Community Services District)

Jon L. Lornez (Lakeside Fire Protection District)

Copies of all nominations are attached following this report.

2011 NOMINATING COMMITTEE

LARRY JACKMAN

San Miguel Consolidated Fire Protection District

DENNIS SHEPARD

North County Cemetery District

GARY ARANT

Valley Center Municipal Water District

2011 SPECIAL DISTRICTS ELECTION
BALLOT and VOTE CERTIFICATION
FOR ALTERNATE LAFCO SPECIAL DISTRICT MEMBER

VOTE FOR ONLY ONE

* **Jo MacKenzie** []
(Vista Irrigation District)

Bill Haynor []
(Whispering Palms Community Services District)

Tom Bumgardner []
(Valley Center Parks & Recreation District)

Write-Ins

_____ []
_____ []

I hereby certify that I cast the votes of the _____
(Name of District)
at the 2011 Special Districts Selection Committee Election as:

[] the presiding officer, or

[] the duly-appointed alternate board member.

(Signature)

(Title)

(Date)

Please note: The order in which the candidates' names are listed was determined by random selection.

* = Nominating Committee's Recommendation

**2011 SPECIAL DISTRICTS ELECTION
BALLOT and VOTE CERTIFICATION
FOR SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBER**

VOTE FOR ONLY EIGHT (Incumbents are *italicized*)

- * **James R. Hernandez** (Vallecitos Water District) []
- * ***Judy K. Hanson*** (Leucadia Wastewater District) []
- * **Janine Sarti** (Palomar-Pomerado Healthcare District) []
- * ***Thomas Pocklington*** (Bonita-Sunnyside Fire Protection District) []
- * ***Kimberly A. Thorner*** (Olivenhain Municipal Water District) []
- * **John Pastore** (Rancho Santa Fe Community Services District) []
- * **Jon J. Lorenz** (Lakeside Fire Protection District) []
- * ***Gray Croucher*** (Otay Water District) []

** **Write-Ins**

_____ []

_____ []

I hereby certify that I cast the votes of the _____
(Name of District)
at the 2011 Special Districts Selection Committee Election as:

- [] the presiding officer, or
- [] the duly-appointed alternate board member.

(Signature)

(Title)

(Date)

Please note: The order in which the candidates' names are listed was determined by random selection.

* = Nominating Committee's Recommendation

**=Note that eight nominations have been submitted for nine positions on the Advisory Committee; therefore, Write-In candidates are encouraged. The candidate with the ninth highest number of votes will be elected to the Advisory Committee with a term expiring in 2012. Candidates for the Advisory Committee may not also be candidates for LAFCO. The number of candidates and members of the Advisory Committee representing the same agency shall be limited to one.

**2011 SPECIAL DISTRICTS ELECTION
SUMMARY OF NOMINATIONS
ALTERNATE SPECIAL DISTRICT LAFCO COMMISSIONER and
ADVISORY COMMITTEE POSITIONS**

LAFCO Alternate Special District Member Candidates

Jo MacKenzie *
(Vista Irrigation District)

Bill Haynor
(Whispering Palms Community Services District)

Tom Bumgardner
(Valley Center Parks & Recreation District)

Special Districts Advisory Committee Candidates

James R. Hernandez (Vallecitos Water District) *
Judy K. Hanson (Leucadia Wastewater District) *
Janine Sarti (Palomar-Pomerado Healthcare District) *
Thomas Pocklington (Bonita-Sunnyside Fire Protection District) *
Kimberly A. Thorner, Esq. (Olivenhain Municipal Water District) *
John Pastore (Rancho Santa Fe Community Services District) *
Jon J. Lornez (Lakeside Fire Protection District) *
Gray Croucher (Otay Water District) *

*= Nominating committee's recommendation

Please note: The order in which the candidates' names are listed was determined by random selection.

RECEIVED

MAY 20 2011

SAN DIEGO LAFCO

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

Date Received by LAFCO _____

NOMINATED BY: _____ VISTA IRRIGATION DISTRICT
District

NAME OF NOMINEE: _____ Jo MacKenzie
Address: _____ 1578 Palomar Drive, San Marcos, CA 92069
Phone: _____ (760) 743-7969

NOMINATED FOR: LAFCO ALTERNATE (X) ADVISORY COMMITTEE ()

DISTRICT EXPERIENCE:

Elected to Board of Directors in 1992, serving as President in 1993/94, 1999, 2004, 2008 and 2011. Chaired Water ReUse Committee, Water Rights Committee member, and Public Affairs Committee; Fiscal Policy Committee member 1996-2008 and 2011, serving as Chair in 1996 -1997, 2003 - 2004, 2007, 2008 and 2011. Presently serving as Vice-Chair of the Warner Ranch Committee and Chair of the Fiscal Policy Committee.

LAFCO EXPERIENCE:

Alternate LAFCO Member 2009 to present. Member of LAFCO Special District Advisory Committee, 1994 to 2009; Vice-Chair 2001 to 2004; and Chair from 2005 to 2009. Committee Member of LAFCO's Municipal Service Review Working Group. As a land use planner owning my own consulting firm since 1986, I have processed annexations, dissolutions and reorganizations to water and sewer districts and the cities of San Marcos, Escondido and Vista.

ADDITIONAL INFORMATION:

Elected to State CSDA Board representing Region 6 in 2003. Currently serve as 2011 President of CSDA. CSDA Vice President 2010; Treasurer 2009. Chair CSDA Legislative Committee, 2006-2009. Active in the Assoc. of California Water Agencies since 1993. Serving on the ACWA Membership Committee since 1996 and as Vice Chair from 2000 to present. ACWA Region 10 Board member from 1997 to 2009 having served as Alternate Chair and Vice Chair. Served as CSDA, San Diego Chapter, Vice President 1996/97, President 1998/99. Presently serve as Director on the SD Chapter Board of Directors. Actively involved with the cities of San Marcos and Vista: Served on the San Marcos City Planning Commissioner, San Marcos Affordable Housing Task Force, and San Marcos Budget Review Committee member, 1980-1982 and 1995 to 2006, Chair from 1996 to 2006.



(Authorized Signature)

Lisa R. Soto, Board Secretary

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JUN - 2 2011

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Whispering Palms Community Services District
District

NAME OF NOMINEE: Bill Haynor
Address: PO Box 9911, Rancho Santa Fe, CA 92067
Phone: 658-759-7310

NOMINATED FOR: LAFCO ALTERNATE (X) ADVISORY COMMITTEE ()

DISTRICT EXPERIENCE:

1. Whispering palms Community Services District, San Diego County CA Board Member since November 2010.
The District is responsible for providing wastewater collection and treatment services to the Whispering Palms community, as well as landscape maintenance services for several areas within the Whispering Palms community.
2. Strawberry Recreation District, Marin County, CA. Board Member for 6 years. Worked with LAFCO and the County Planning Department on the potential incorporation of Strawberry which was put on hold.
3. Chairman of a committee of the Richardson Bay Development Committee, Marin County, CA. responsible for permit approval of development along the waterfront including the Cities of Sausalito, Tiburon, Mill Valley, and Belvedere.
4. Marin Municipal Water District, Marin County, CA. Elected as the Southern Marin County Representative.

LAFCO EXPERIENCE:

As a board member of the Strawberry Recreation District, Marin County, CA, worked with LAFCO and the County Planning Department on the potential incorporation of Strawberry, which was eventually put on hold.

ADDITIONAL INFORMATION:

Education: BS in Biology, Denison University; MS in Aerospace Systems Management and MBA, USC;

Military: Captain in the USAF as an Avionics Officer. Corporate experience: VP Corporate Financial Planning .

Bank of America; Executive VP and Chief Administrative Officer, Bank of San Francisco;

Founding Director of Selectquote Insurance Services, Inc; Founding Bank Director of the STAR System;

Past Vice Chairman of the UCSD Cancer Center Board.


(Authorized Signature)

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JUN - 3 2011

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Valley Center Parks & Recreation District
District

NAME OF NOMINEE: Tom Bumgardner
Address: PO Box 141
Phone: 760-749-8852

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE ()

DISTRICT EXPERIENCE:

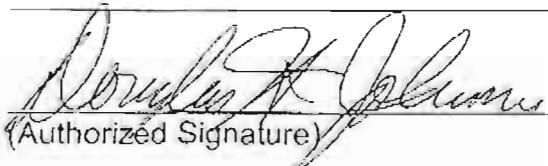
1. Director, Valley Center Parks & Recreation District-8 years
2. Past Director of Deer Springs Fire District Board-6 years
3. Several sub-committees for Valley Center Planning Group-6 years

LAFCO EXPERIENCE:

1. Fire and emergency medical board for two years.

ADDITIONAL INFORMATION:

1. Director of Paradise Victim Relief Board-18 mos. (2003)
2. President, Valley Center Chamber of Commerce-2 years
3. Chair, Valley Center Western Days, 5 years; involved 25 years


(Authorized Signature)

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

RECEIVED

MAY 23 2011

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: _____
District VALLECITOS WATER DISTRICT

NAME OF NOMINEE: JAMES R. HERNANDEZ

Address: _____ 1130 Elm Tree Lane San Marcos CA 92069

Phone: _____ 760-525-8479

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE

DISTRICT EXPERIENCE:

Having been an architect in the district for the past 40 years I have work with the District on many private projects for the other side of the counter. In addition I have been involved with many of the changes in the District from the public stand point through this long relationship.

LAFCO EXPERIENCE:

Over my architectural career I have dealt directly with LAFCO in only 2 projects.

ADDITIONAL INFORMATION:

I am a 45 year resident of San Diego County most of that time living in the City of San Marcos.
I am the founder and senior principal of HB&A Architects Inc. a Southern Californian architectural firm with over 40 years of experience in designing and development a wide variety of project types.
I am also a licensed general contractor who has provided architectural and or construction service to over 1000 clients with well over 1,000,000 square feet of completed construction.
In addition I was until January of 2009 a Planning Commissioner for 15 years for the City of San Marcos CA.


(Authorized Signature)

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MAY 19 2011

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Leucadia Wastewater District
District

NAME OF NOMINEE: Judy K. Hanson
Address: 1960 La Costa Avenue, Carlsbad, CA 92009
Phone: (760) 753-0155

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE (X)

DISTRICT EXPERIENCE:

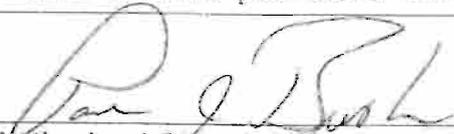
Ms. Hanson has served as an elected member of the Leucadia Wastewater District Board of Directors for 28 years. She has served as President of the Board and currently she is the Vice President.

LAFCO EXPERIENCE:

Ms. Hanson has served on the San Diego County LAFCO Special District Advisory Committee for 14 years.

ADDITIONAL INFORMATION:

Ms. Hanson serves as a Board member of the California Sanitation Risk Management Authority (CSRMA) & served as an Alternate Board member of the California Water Reuse Financing Authority (CWFA). Ms. Hanson also served on the San Diego Chapter of CSDA for approximately seven years, where she held various positions including Chapter President.


(Authorized Signature)

Attachment 2

RECEIVED

JUN - 3 2011

SAN DIEGO LAFCO

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

Date Received by LAFCO

NOMINATED BY: Palomar Pomerado
Health

NAME OF NOMINEE: Janine
Sarti

Address: 15255 Innovation Drive, San Diego, CA
92128

Phone: 858-675-
5133

NOMINATED FOR: LAFCO ALTERNATE ADVISORY
COMMITTEE

DISTRICT EXPERIENCE:

Since June 2007, I have been employed as Senior Vice President and General Counsel for Palomar Pomerado Health, a California healthcare district ("PPH"). PPH is the largest healthcare district in California, covering over 800 square miles. I work closely with the board and the CEO covering all issues facing a district entity. I wrote a guidebook for compliance with the Brown Act and the Public Records Act, and conducted training on both subjects. Additionally, I counsel and guide the board and executive staff on all issues of concern to the healthcare district, and ensure the district is compliant with all state and federal laws.

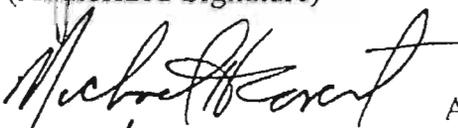
In addition to being the General Counsel, I am also a member of the Executive Management Team ("EMT"), and am part of the committee responsible for district strategic planning. The EMT sets the strategic, operational, and financial initiatives for the organization.

Previously, I represented a health district in another state that merged into a nonprofit health system. I was part of the team that led the charge regarding the merger vote and the merger process.

devoted to carefully organizing and crafting thorough and sustainable plans. Serving as part of LAFCO would be a tremendous opportunity to give back to the community, impart my knowledge and experience to an essential component of State government, and participate in developing necessary services in San Diego County.

I believe my experience and skills are a great fit with LAFCO. The knowledge and understanding I have developed in the course of my employment makes me an excellent choice for this position. Additionally, I would provide a perspective for the 72 health care districts in the state, a group that is currently unrepresented with LAFCO. I look forward to the opportunity to expand my knowledge of LAFCO and to contribute to its continuing success.

In my spare time, I have personally knit and distributed over 1,000 hand made scarves to give to women with cancer. My husband and I have been married for 32 years. We live in Poway with our 15 year old son.

Jan Smith 6-3-11
(Authorized Signature)

pres/cso Attachment 2
PALOMAR PURCHASED HEALTH
6/3/11

RECEIVED
2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME
SAN DIEGO LAFCO

RECEIVED
JUN - 1 2011
SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Bonita-Sunnyside Fire Protection District

NAME OF NOMINEE: Thomas Pocklington
Address: 3210 Kennelworth Lane, Bonita, CA 91902
Phone: (619) 885-1092

NOMINATED FOR:
LAFCO () **ADVISORY COMMITTEE (X)**

DISTRICT EXPERIENCE: First elected to the Bonita-Sunnyside Fire District Board in 1990, Tom is now serving his 6th term in office. Tom has headed and served on committees that have involved District Policy, Employee and Regulation changes. Tom attends all Board meetings and participates in all district business and has served in all Board positions.

LAFCO EXPERIENCE: Tom has actively worked on LAFCO issues over the last nineteen years, as a member of the Advisory Committee. These issues include but not limited to annexation, consolidation and LAFCO policy issues. Tom has served on several subcommittees of the Special Districts Advisory Committee, including the Nomination Committee, water and sewer related issues for Districts with conflicting concerns. Tom is very knowledgeable of the Cortese-Knox-Hertzberg (C-K-H) Act of 2000 and is presently serving as the Chairman of the Advisory Committee.

ADDITIONAL INFORMATION: Tom is a retired senior Naval Officer, Pilot, Vietnam Veteran and a businessman in the community. Other Community activities include: Past President of Local Civic Association, past Chairman of Citizen Law Enforcement Review Board (CLERB), current Board of Trustee's member and Chairman of the Bonita Museum and Cultural Center of Bonita.

Tom has the full support of the Bonita-Sunnyside FPD and would represent best interest of all Districts in San Diego County. The Board of Directors urge all Special District Boards to support Tom Pocklington as the Alternate Special District Member of LAFCO. The Board of Directors endorsement is unanimous in favor of Tom's nomination.



Mark Scott, President of the Board

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

RECEIVED

MAY 26 2011

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Olivenhain Municipal Water District
District

NAME OF NOMINEE: Kimberly A. Thorner
Address: 1966 Olivenhain Road, Encinitas, CA 92024
Phone: (760) 753-6466

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE (✓)

DISTRICT EXPERIENCE:

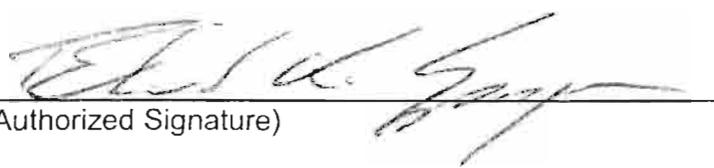
Ms. Thorner began her tenure with Olivenhain Municipal Water District in October 1996 and was unanimously selected by the Board of Directors to become the fourth General Manager of the District beginning January 1, 2007. She earned a bachelor's degree in political science from the University of Colorado (Boulder) and a juris doctorate from Thomas Jefferson School of Law in San Diego. Ms. Thorner was the Project Manager for the David C. McCollom Water Treatment Plant completed in 2002, previously served on the Board of the American Membrane Technology Association, and was a former state and federal registered lobbyist. She currently serves on the Association of California Water Agencies Federal Affairs Committee.

LAFCO EXPERIENCE:

Ms. Thorner is an incumbent on the Special Districts Advisory Committee for whom the term of service expires in 2011. She has indicated her desire to serve a second term on the committee. Prior to her election to the committee in 2007, Ms. Thorner's LAFCO-related experience included overseeing OMWD's 2006 LAFCO MSR review and participation in the "Sphere of Influence" update.

ADDITIONAL INFORMATION:

It has been Ms. Thorner's pleasure to serve with the LAFCO Advisory Committee for the past four years and contribute her time in support of and on behalf of special districts. She would be honored to be re-elected to continue on this worthwhile and dedicated committee.


(Authorized Signature)

RECEIVED

JUN - 3 2011

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: RANCHO SANTA FE COMMUNITY SERVICES DISTRICT
District

NAME OF NOMINEE: John Pastore
Address: 605 Third St., Encinitas, CA 92024
Phone: (760) 479-4121

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE (X)

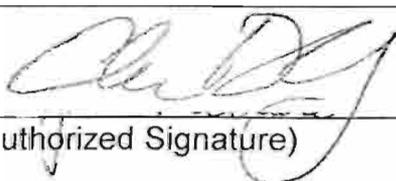
DISTRICT EXPERIENCE:

I have served as General Manager for the Rancho Santa Fe CSD, the Whispering Palms CSD, and the Fairbanks Ranch CSD for 15 years from 1990 - 2006.
I have also served as General Manager of the Lee Lake Water District in Riverside County for 16 years from 1990 -2006. I currently represent
an association of public wastewater agencies in southern CA totalling more than 85 agencies.

LAFCO EXPERIENCE:

I have served as a member of the San Diego LAFCO Special Districts Advisory Committee for over 20 years and have been involved in numerous studies and reorganizational reviews over the years. During my time with the districts,
I have prepared numerous Municipal Service Review reports and have managed over 50 annexations and reorganization requests. I believe that my district experience and regulatory knowledge will be an asset to LAFCO.

ADDITIONAL INFORMATION:



(Authorized Signature)

RECEIVED

JUN - 3 2011

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

SAN DIEGO LAFCO

Date Received by LAFCO _____

NOMINATED BY: Lakeside Fire Protection District
District

NAME OF NOMINEE: Jon J. Lorenz
Address: 8031 Winter Gardens Blvd. #13
Phone: 619-733-3012

NOMINATED FOR: LAFCO ALTERNATE ADVISORY COMMITTEE

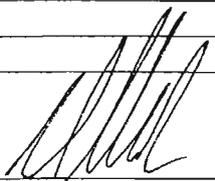
DISTRICT EXPERIENCE:

Director - Lakeside Fire Board Elected November 2010 to a four-year term.
Regional Fire Advisory Committee - Appointed alternate February 2011
Heartland Communications Facility Authority - Appointed Alternate Feb. 2011
CSA-69 Ambulance District Advisory Committee - Appointed Alternate Feb. 2011

LAFCO EXPERIENCE: N/A

ADDITIONAL INFORMATION:

Mr. Lorenz currently serves as Lead Manager in the U.S. Navy.



(Authorized Signature)

2011 LAFCO & SPECIAL DISTRICTS
NOMINATION/RESUME

RECEIVED
JUN - 1 2011

Date Received by LAFCO SAN DIEGO LAFCO

NOMINATED BY: Otay Water District

NAME OF NOMINEE: Gary Croucher

Address: 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978

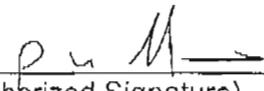
Phone: 619-670-2280

NOMINATED FOR: LAFCO ALTERNATE () ADVISORY COMMITTEE (X)

DISTRICT EXPERIENCE: Mr. Gary Croucher was appointed to the Board of the Otay Water District in June 2001 by the SD County Board of Supervisors and following his appointment was elected three times to the Division 3 seat in November 2002, 2006 and 2010 for four-year terms. Mr. Croucher has served as President of Otay's Board of Directors three times and has served as one of the District's two representatives to CWA since July 2001. He is chair of Otay's Finance, Administration & Communications Committee, is past chair of its Engineering, Operations & Water Resources Committee, Employee Negotiations Ad Hoc Committee and serves as the alternate representative on the Water Conservation Garden Authority's Board of Directors. As a member of CWA's Board of Directors, Mr. Croucher is co-chair of its Administrative & Finance Committee, has been reappointed several times to its Legislative, Conservation and Outreach Committee and Small Contractor Outreach and Opportunity Program Committee. He is also past chair of CWA's Imported Water Committee, a past member of its Colorado River Programs Committee and Conservation Ad Hoc Committee, and past 2nd Alternate to SANDAG. Mr. Croucher is also a past vice chair of CSDA's San Diego Chapter.

LAFCO EXPERIENCE: Mr. Croucher is currently vice chair of LAFCO's Special Districts Advisory Committee and served as the alternate for Fire Chief Augie Ghio on the LAFCO Task Force on Fire Protection and Emergency Medical Services. He also participated as a Board of Director with the LAFCO Municipal Service Review and has experience at the employee and staff level serving on two (2) separate successful Special District Consolidations which were requested by the agencies.

ADDITIONAL INFORMATION: Mr. Croucher is supported by both Water and Fire Districts and is endorsed by outgoing LAFCO Regular District representative, Mr. Andy Menshek.. Mr. Croucher is a long-time firefighter in San Diego and a resident of Spring Valley. He is the Division Chief for the San Miguel Consolidated Fire Protection District and during his 26 year career as a firefighter, has moved up the ranks from Firefighter, Engineer, Captain and Battalion Chief to his current position as Division Chief. He has also been recognized for numerous achievements including being named Employee of the Year and served as the President of the Executive Board of Directors for Southern Area Fire Equipment Research (SAFER) in 2004.



(Authorized Signature)



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Jeff Marchioro <i>JM</i> Senior Civil Engineer	PROJECT/ SUBPROJECT:	P2502-001102 DIV. 5 P2503-001102 NO.
	Ron Ripperger <i>u</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Contract to 3-D Enterprises, Inc. for HVAC Improvements at the 803-1 and 850-2 Pump Stations		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) awards a construction contract to 3-D Enterprises, Inc. (3-D Enterprises) and to authorize the General Manager to execute an agreement with 3-D Enterprises in an amount not-to-exceed \$53,500 for HVAC improvements at the 803-1 and 850-2 Pump Stations (see Exhibit A for Project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a construction contract with 3-D Enterprises in an amount not-to-exceed \$53,500 for HVAC improvements at the 803-1 and 850-2 Pump Stations.

ANALYSIS:

The 803-1 and 850-2 Pump Stations are located adjacent to each other at the Regulatory Site. Both Pump Stations currently lift water from the 520 Reservoirs to their respective pressure zones. With the new 640-1 and 640-2 Reservoirs in place since 2008, and the completion of the 36-inch Jamacha Road pipeline in the fall of 2010, the District now has the opportunity for significant energy cost savings by modifying these stations to enable pumping from the 640-1 and 640-2 Reservoirs rather than the 520-2 and 520-3 Reservoirs.

To accomplish this change in pumping operation, it is necessary to replace the motor starters in the existing motor control centers (MCCs) with variable frequency drives (VFDs) and active line conditioners (ALCs). This will allow the existing pumps to operate at a lower speed to match the reduced pumping head. It will also provide the operational flexibility to return to the higher pumping head configuration, if necessary. The purchase of the VFDs in the amount of \$246,885 from Sloan Electromechanical Service & Sales and the purchase of ALCs from OneSource Distributors for \$134,252 were approved at the May 4, 2011 Board Meeting.

In addition, at the June 1, 2011 Board Meeting, the Board authorized a purchase order to Propulsion Controls Engineering in the amount of \$103,356 for the remanufacture of motors at these two Pump Stations in order to be compatible with the VFDs.

The VFDs will radiate a significant heat load in the electrical rooms of each of the Pump Stations. When coupled with summer ambient temperatures, the temperature in the electrical rooms may frequently be well in excess of 100°F. The VFDs have a high temperature threshold of 104°F for effective operation. Operating at extreme temperatures will reduce efficiency and shorten the life of the equipment. Consequently, it is important that air conditioners be installed in the electrical rooms to prolong the useful life of the electrical equipment. The air conditioners will operate on thermostat control with a design setpoint of 85°F. Providing temperature control will have a secondary benefit of creating a work environment conducive for District Operations personnel. The HVAC improvements were designed by HVAC Engineering, Inc.

The Project was originally advertised for bid on May 11, 2011. However, due to non-compliance with the contractors license requirements specified in the contract documents, all bids were rejected at the July 15, 2011 Board Meeting.

The Project was re-advertised for bid August 8, 2011 on the District's website and several other publications including the Union Tribune and the San Diego Daily Transcript.

A Pre-Bid Meeting and site tour were held on August 16, 2011, which was attended by nine (9) contractors. Six (6) bids were received on August 30, 2011. The table below provides the bid results.

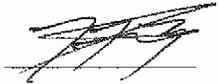
<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>	<u>CORRECTED BID AMOUNT</u>
1. 3-D Enterprises, Inc.	\$53,500	
2. Becerra's HVAC	\$54,000	
3. Paradigm Mechanical Corp.	\$63,500	
4. Accurate Engineering Integrated Construction Services, Inc.	\$74,390	
5. Southcoast Heating and Air Conditioning L.P.	\$86,090	
6. Ahrens Corporation	\$115,600	\$116,100

The Engineer's Estimate is \$55,000.

Staff reviewed the bids submitted for conformance with the contract requirements and determined that 3-D Enterprises was the lowest responsive and responsible bidder. 3-D Enterprises holds a valid contractor's license with multiple classifications including A, B, C8, C10, C16, C20, and C27. Their license expires on June 30, 2013. The contract documents require that the Contractor shall possess a valid Class A, Class B, or a Specialty Class C20 license at the time of award.

Overall, the reference checks indicate a good performance record by 3-D Enterprises on similar projects. Staff has verified that the bid bond provided by 3-D Enterprises is valid. Staff will also verify that 3-D Enterprises' performance bond is valid prior to execution of the contract.

FISCAL IMPACT:



The FY 2012 budget for CIP P2502 is \$575,000. Total expenditures, plus outstanding commitments and forecast, including this contract, is \$502,598. See Attachment B-1 for budget detail.

The FY 2012 budget for CIP P2503 is \$475,000. Total expenditures, plus outstanding commitments and forecast, including this contract, is \$434,319. See Attachment B-2 for budget detail.

Based on a review of the financial budgets, the Project Manager anticipates the CIP budgets will be sufficient to support the Project.

Finance has determined that 100% of the funding is available from the Betterment Fund for both CIP P2502 and CIP P2503.

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, and efficient 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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GS/RR:jf

Attachments: Attachment A - Committee Action
Attachment B-1 - Budget Detail for CIP P2502
Attachment B-2 - Budget Detail for CIP P2503
Exhibit A - Location Map



ATTACHMENT A

SUBJECT/PROJECT: Award of a Construction Contract to 3-D Enterprises, Inc.
P2502-001102 for HVAC Improvements at the 803-1 and 850-2 Pump Stations
P2503-001102

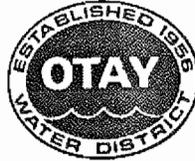
COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on September 28, 2011 and the following comments were made:

- Staff requested that the Board award a construction contract to 3-D Enterprises, Inc. in an amount not-to-exceed \$53,500 for HVAC improvements at the 803-1 and 850-2 Pump Stations (Pump Stations).
- Staff indicated that the HVAC improvements are part of a larger project that will ultimately save the District costs by reducing electricity usage at the pump stations. Staff discussed other details of the project's work and indicated that the primary feature of the overall project is the variable frequency drives (VFDs).
- Staff anticipates that the VFDs will generate heat and elevate temperature in the pump station in excess of 100°F, which may reduce the efficiency and shorten the life of the equipment. Staff stated that the HVACs are necessary to help cool the VFDs and maintain the temperature in the rooms at 85°F.
- Staff indicated that the project was previously advertised in May 2011 and bids were previously opened in June 2011, but all bids were rejected at the July 15th Board meeting because the bidders did not possess the required Class A contracting license.
- The project was re-advertized for bid on August 8, 2011 allowing for a contracting license that include Specialty Class C-20 (HVAC specialty), Class B, and/or Class A.

- Staff stated that the District received six bids on August 30, 2011 and indicated that 3-D Enterprises, Inc. was the lowest responsive and responsible bidder. It was noted that 3-D Enterprises, Inc. also holds a valid contractor's license with multiple classifications including A, B, C9, C10, C16, C20, and C27. Additional information on the results of the bid are provided on page 3 of the staff report.
- In response to a question from the Committee, staff indicated that the bids from the most recent bid opening ranged from \$53,500 to \$116,100. Bids that were previously rejected at the July 15th board meeting ranged from \$53,500 to \$87,135.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B-1

SUBJECT/PROJECT:	Award of a Construction Contract to 3-D Enterprises, Inc.
P2502-001102	for HVAC Improvements at the 803-1 and 850-2 Pump Stations
P2503-001102	

Otay Water District
P2502 - 803-1 Pump Station Modifications

Date Updated: August 31, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
575,000					
Planning					
Labor	11,738	11,738	-	11,738	
Consultant Contracts	9,711	8,051	1,660	9,711	HVAC ENGINEERING INC
Total Planning	21,449	19,789	1,660	21,449	
Design					
Labor	48,000	45,161	2,839	48,000	
Professional Legal Fees	117	117	-	117	STUTZ ARTIANO SHINOFF
Consultant Contracts	175	175	-	175	MWH CONSTRUCTORS INC
Construction Contracts	2,687	2,687	-	2,687	CPM PARTNERS INC
Service Contracts	41	41	-	41	SAN DIEGO DAILY TRANSCRIPT
	679	679	-	679	MAYER REPROGRAPHICS INC
	365	365	-	365	SAN DIEGO UNION-TRIBUNE LLC
Total Design	52,065	49,226	2,839	52,065	
Construction					
Labor	125,000	12,752	112,248	125,000	
Professional Legal Fees	922	922	-	922	STUTZ ARTIANO SHINOFF
Motor Remanufacture	52,602	-	52,602	52,602	PROPULSION CONTROLS
Service Contracts	582	540	42	582	HORIZON CRANE SERVICE LLC
VFD Procurement	141,919	-	141,919	141,919	SLOAN ELECTRIC COMPANY
ALC Procurement	67,126	-	67,126	67,126	ONESOURCE DISTRIBUTORS LLC
HVAC Installation	26,750	-	26,750	26,750	3-D ENTERPRISES
Motor Repair	14,185	-	14,185	14,185	PROPULSION CONTROLS
Total Construction	429,084	14,214	414,870	429,084	
Grand Total	502,598	83,229	419,369	502,598	



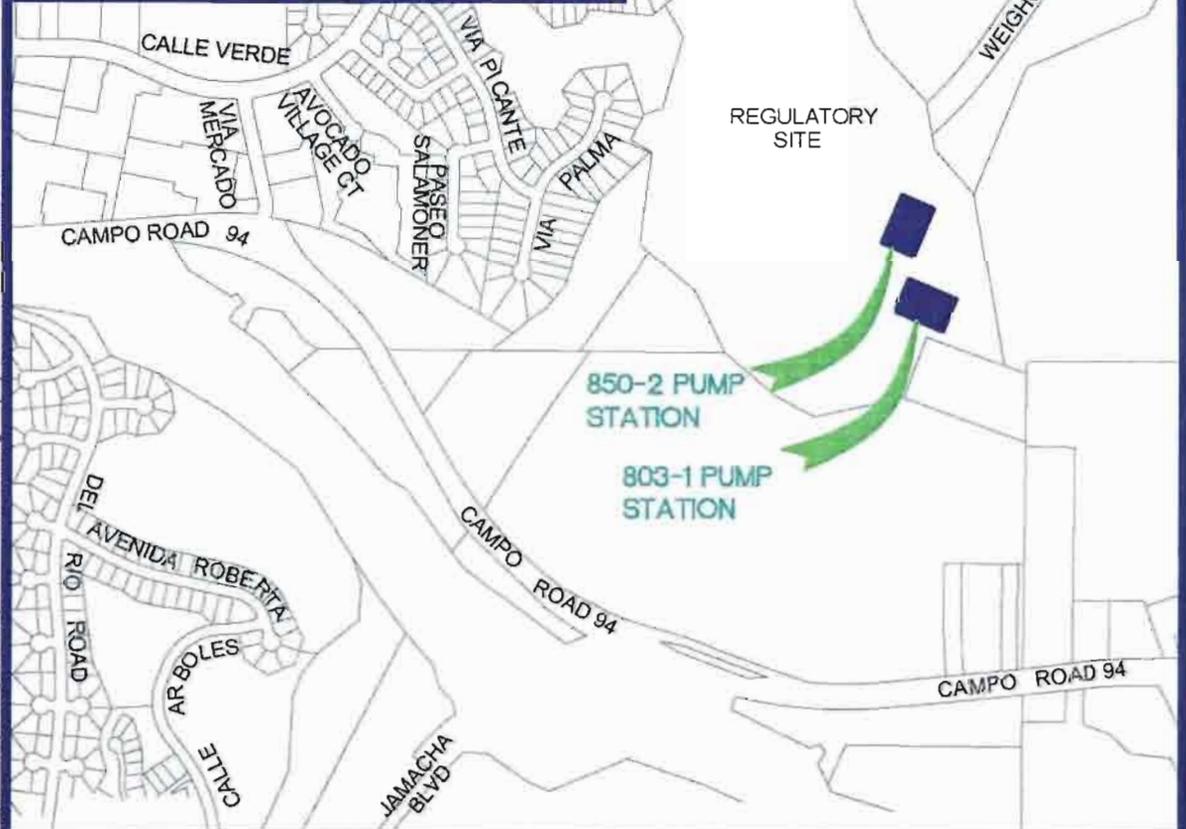
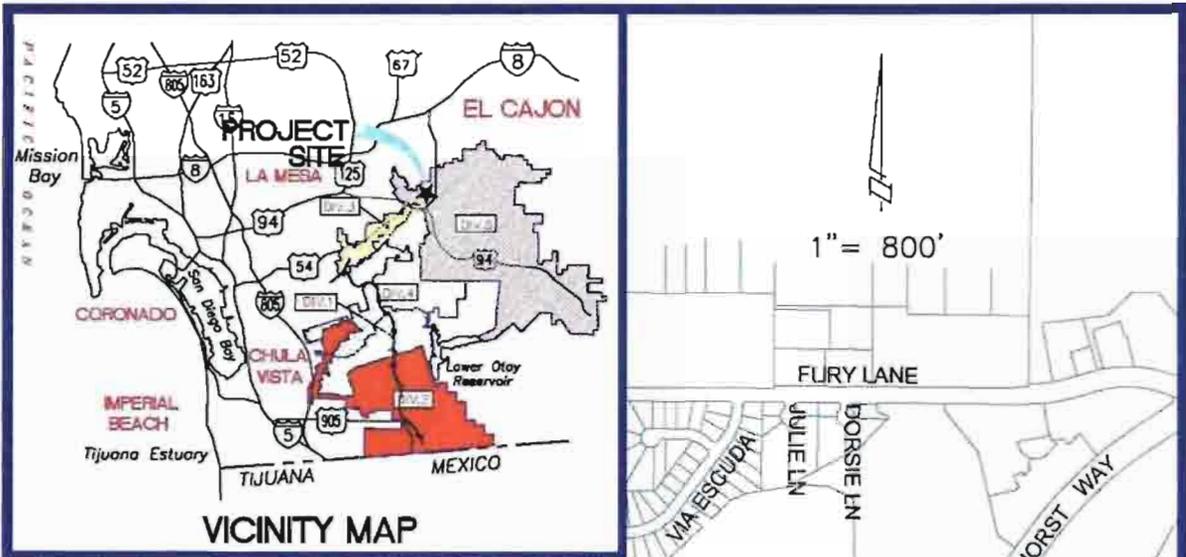
ATTACHMENT B-2

SUBJECT/PROJECT:	Award of a Construction Contract to 3-D Enterprises, Inc.
P2502-001102	for HVAC Improvements at the 803-1 and 850-2 Pump Stations
P2503-001102	

Otay Water District
P2503 - 850-2 Pump Station Modifications

Date Updated: August 31, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
475,000					
Planning					
Addl subprojects					
Labor	19,029	19,029	-	19,029	
Consultant Contracts	9,711	8,376	1,335	9,711	HVAC ENGINEERING INC
Total Planning	28,739	27,404	1,335	28,739	
Design					
Labor	38,000	35,208	2,792	38,000	
Professional Legal Fees	138	138	-	138	STUTZ ARTIANO SHINOFF
Consultant Contracts	175	175	-	175	MWH CONSTRUCTORS INC
Construction Contracts	6,500	6,500	-	6,500	ENGINEERING PARTNERS INC, THE
Service Contracts	41	41	-	41	CPM PARTNERS INC
	610	610	-	610	SAN DIEGO DAILY TRANSCRIPT
	365	365	-	365	MAYER REPROGRAPHICS INC
Equipment Rental	2,790	2,790	-	2,790	SAN DIEGO UNION-TRIBUNE LLC
					ART'S TRENCH PLATE &
Total Design	51,306	48,514	2,792	51,306	
Construction					
Labor	105,000	14,664	90,336	105,000	
VFD Procurement	104,966	-	104,966	104,966	SLOAN ELECTRIC COMPANY
ALC Procurement	67,126	-	67,126	67,126	ONESOURCE DISTRIBUTORS LLC
Motor Remanufacture	50,432	-	50,432	50,432	PROPULSION CONTROLS
HVAC Installation	26,750	-	26,750	26,750	3-D ENTERPRISES
Total Construction	354,273	14,664	339,609	354,273	
Grand Total	434,319	90,582	343,737	434,319	



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OTAY WATER DISTRICT
 803-1 AND 850-2 PUMP STATION MODIFICATIONS

LOCATION MAP

CIP P2502
 CIP P2503

EXHIBIT A



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT/ SUBPROJECT:	VARIOUS DIV. NO. ALL
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>MM</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of As-Needed Engineering Design Services Contract for Fiscal Years 2012 and 2013		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) awards a professional As-Needed Engineering Design Services contract to Atkins and to authorize the General Manager to execute an agreement with Atkins in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional As-Needed Engineering Design Services agreement with Atkins in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013 (contract ends on June 30, 2013).

ANALYSIS:

The District will require the services of a professional engineering design consultant in support of the District's CIP projects for Fiscal Years 2012 and 2013. It is more efficient and cost effective to issue an as-needed contract for engineering design which will provide the District with the ability to obtain consulting services in a timely and efficient manner. This concept has also been used

in the past for other disciplines such as construction management, geotechnical, electrical, and environmental services.

The District will issue task orders to the consultant for specific projects during the contract period. The consultant will then prepare a detailed scope of work, schedule, and fee estimate for each task order assigned under the contract. Upon written task order authorization from the District, the consultant shall then proceed with the project as described in the scope of work.

The anticipated CIP projects that are estimated to require engineering design services for Fiscal Years 2012 and 2013 are listed below:

CIP	DESCRIPTION	ESTIMATED COST
P2453	SR-11 Utility Relocations	\$65,000
P2504	Regulatory Site Access Road and Pipeline Relocation	\$25,000
S2028	Explorer Way 8-Inch Sewer Main Replacement	\$15,000
S2029	Chase Ave. 8-Inch Sewer Main Replacement	\$15,000
S2031	Julianna Street 8-Inch Sewer Main Replacement	\$15,000
S2032	Puebla Drive 8-Inch Sewer Main Replacement	\$15,000
S2033	Sewer System Various Locations Replacement	\$15,000
TOTAL:		\$165,000

The engineering design scopes of work for the above projects are estimated from preliminary information and past projects. Therefore, staff believes that a \$175,000 cap on the As-Needed Engineering Design Services contract is adequate, while still providing a buffer.

This As-Needed Engineering Design Services contract does not commit the District to any expenditure until a task order is approved to perform work on a CIP project. The District does not guarantee work to the consultant, nor does the District guarantee that it will expend all of the funds authorized by the contract on professional services.

The District solicited engineering design services by placing an advertisement on the Otay Water District's website, San Diego Union Tribune, and the San Diego Daily Transcript on June 30, 2011. Twenty-four (24) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for As-Needed Design Services was sent to all twenty-four (24) firms

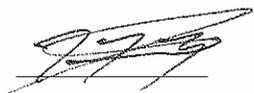
resulting in thirteen (13) proposals received on August 11, 2011. They are as follows:

- Tran Consulting Engineers
- Parsons Brinkerhoff
- Aegis Engineering Management
- Omega Engineering Consultants
- Bureau Veritas North America Inc.
- Kennedy/Jenks Consultants
- Atkins
- HDR
- Proteus Consulting
- Lee & Ro Inc.
- Martin & Ziemniak
- Tetra Tech, Inc.
- Psomas

The eleven (11) firms that chose not to propose are RBF, Harris & Associates, Arcadis/Malcom Pirnie, NCS Engineers, Snipes Dye Associates, RRM Design Group, Cvaldo Corporation, Bayez & Patel, O'day Consultants, Blue Peak Engineering, and AirX Surveyors.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Atkins received the highest score for their services based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their composite hourly rate. Atkins was the most qualified consultant with the best overall proposal. A summary of the complete evaluation is shown in Attachment B.

FISCAL IMPACT:



The funds for this contract will be expended from a variety of projects, as previously noted above. The fees for professional services requested herein are available in the authorized CIP project budgets. This contract is for as-needed professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's services on a specific CIP project.

Based on a review of the financial budgets, the Project Manager anticipates that the budgets will be sufficient to support the professional as-needed consulting services required for the CIP projects noted above.

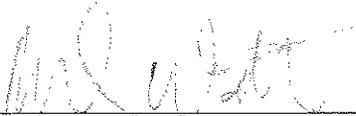
The Finance Department has determined that the funds to cover this contract are available as budgeted for these projects.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, and efficient manner," and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT:

None.



General Manager

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DK/RR:jf

Attachments: Attachment A
 Attachment B



ATTACHMENT A

SUBJECT/PROJECT:	Award of As-Needed Engineering Design Services Contract for Fiscal Years 2012 and 2013
VARIOUS	

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on September 28, 2011 and the following comments were made:

- Staff requested that the Board award a professional As-Needed Engineering Design Services contract to Atkins and to authorize the General Manager to execute an agreement with Atkins in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.
- Staff stated that with the existing as-needed design contract expended through this fiscal year, and with the upcoming Capital Improvement Program (CIP) for fiscal years 2012 and 2013, there were some projects where the District would require support for civil engineering design. Staff indicated that these projects include sewer and replacement projects and utility relocation projects and referred the Committee to page 2 of the staff report for a list of the projects.
- It was indicated that staff followed the District's Policy 21 and that a Request for Proposal was advertised on June 30, 2011. Twenty-four (24) firms submitted a letter of interest and thirteen (13) firms submitted proposals. Staff indicated that the proposals were reviewed by five staff members and indicated that Atkins was the lowest responsive and responsible bidder. The Summary of Proposal Rankings, Attachment B of the staff report, provides additional information of the bid results.
- Staff highlighted that Atkins acquired PBS&J and indicated that although the company name is now Atkins, the District would be working with the same PBS&J staff as it did in the past. Staff stated that the District worked well with them before on projects such as the District's WRMP and the RDR Well Project.

- The Committee commended staff for improving the format of the Summary of Proposal Rankings as it has evolved and is easier to understand and provides thorough details.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as a consent item.

**ATTACHMENT B
SUMMARY OF PROPOSAL RANKINGS
As-Needed Engineering Design**

		WRITTEN							REFERENCES	
		Qualifications of Staff	Understanding of Scope, Schedule and Resources	Soundness and Viability of Proposed Project Plan	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates	Consultant's Commitment to DBE		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	Poor/Good/Excellent
Tran Consulting Engineers	Ron Rippinger	24	22	25	70	69	14	Y	83	
	Jeff Machiara	25	20	20	65					
	Bob Kennedy	26	21	22	70					
	Lisa Coburn-Boyd	25	20	25	70					
	Frank Anderson	23	22	22	67					
Parsons Brinkerhoff	Ron Rippinger	20	21	20	61	61	2	Y	63	
	Jeff Machiara	22	16	18	57					
	Bob Kennedy	25	18	18	61					
	Lisa Coburn-Boyd	25	19	24	68					
	Frank Anderson	23	22	25	70					
Aegis Engineering Management	Ron Rippinger	23	23	26	71	71	5	Y	76	
	Jeff Machiara	25	20	20	65					
	Bob Kennedy	26	21	23	70					
	Lisa Coburn-Boyd	24	22	25	71					
	Frank Anderson	25	23	23	71					
Omega Engineering Consultants	Ron Rippinger	19	19	20	58	57	15	Y	72	
	Jeff Machiara	18	16	18	52					
	Bob Kennedy	19	19	19	57					
	Lisa Coburn-Boyd	20	18	20	58					
	Frank Anderson	19	18	20	57					
Bureau Veritas North America, Inc.	Ron Rippinger	24	21	22	67	67	12	Y	79	
	Jeff Machiara	24	20	20	64					
	Bob Kennedy	24	20	25	69					
	Lisa Coburn-Boyd	23	20	23	66					
	Frank Anderson	19	23	23	65					
Kennedy/Jenks Consultants	Ron Rippinger	24	21	26	71	73	5	Y	78	
	Jeff Machiara	26	20	24	70					
	Bob Kennedy	26	23	26	75					
	Lisa Coburn-Boyd	26	22	26	74					
	Frank Anderson	23	25	24	72					
Atkins	Ron Rippinger	24	23	25	72	73	12	Y	85	Excellent
	Jeff Machiara	28	21	23	72					
	Bob Kennedy	27	20	27	74					
	Lisa Coburn-Boyd	26	23	27	76					
	Frank Anderson	23	22	24	70					
HDR	Ron Rippinger	23	22	26	71	74	1	Y	75	
	Jeff Machiara	27	20	27	74					
	Bob Kennedy	29	22	28	79					
	Lisa Coburn-Boyd	27	24	26	77					
	Frank Anderson	24	23	24	71					
Proteus Consulting	Ron Rippinger	23	22	23	68	66	10	Y	76	
	Jeff Machiara	23	19	25	67					
	Bob Kennedy	26	20	20	66					
	Lisa Coburn-Boyd	22	20	23	65					
	Frank Anderson	21	22	23	66					
Lee & Ro, Inc.	Ron Rippinger	23	23	25	71	72	6	Y	78	
	Jeff Machiara	25	23	27	75					
	Bob Kennedy	26	21	26	73					
	Lisa Coburn-Boyd	25	23	25	73					
	Frank Anderson	24	23	27	74					
Martin & Ziemniak	Ron Rippinger	21	21	22	64	62	7	Y	69	
	Jeff Machiara	20	19	20	59					
	Bob Kennedy	21	19	19	59					
	Lisa Coburn-Boyd	24	20	20	64					
	Frank Anderson	20	18	21	59					
Tetra Tech, Inc.	Ron Rippinger	22	20	24	66	71	8	Y	79	
	Jeff Machiara	28	22	25	75					
	Bob Kennedy	25	22	27	74					
	Lisa Coburn-Boyd	26	22	25	73					
	Frank Anderson	25	24	24	73					
Psomas	Ron Rippinger	21	21	21	63	64	6	Y	70	
	Jeff Machiara	25	20	21	66					
	Bob Kennedy	25	18	18	61					
	Lisa Coburn-Boyd	23	20	22	65					
	Frank Anderson	20	21	22	63					

RATES SCORING CHART			
Consultant	Rate	Position	Score
Omega Engineering Consultants	\$1,040	lowest	15
Tran Consulting Engineers	\$1,061		14
Bureau Veritas North America, Inc.	\$1,135		12
Atkins	\$1,151		12
Proteus Consulting	\$1,208		10
Tetra Tech, Inc.	\$1,268		8
Martin & Ziemniak	\$1,304		7
Psomas	\$1,326		6
Lee & Ro, Inc.	\$1,337		6
Kennedy/Jenks Consultants	\$1,348		5
Aegis Engineering Management	\$1,350		5
Parsons Brinkerhoff	\$1,440		2
HDR	\$1,485	highest	1

The fees were evaluated by comparing rates for ten positions. The sum of these ten rates are noted on the table above.

*Review Panel does not see or consider rates when scoring other categories. Rates are scored by the PM, who is not on Review Panel.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT/ SUBPROJECT:	VARIOUS DIV.NO. ALL
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>mm</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of As-Needed Construction Management and Inspection Services Contract for Fiscal Years 2012 and 2013		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) awards a professional As-Needed Construction Management and Inspection Services contract to Valley Construction Management (Valley) and to authorize the General Manager to execute an agreement with Valley in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional As-Needed Construction Management and Inspection Services agreement with Valley in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013 (contract ends on June 30, 2013).

ANALYSIS:

The District will require professional construction management and Inspection services (CMIS) from a professional consultant on an as-needed basis to support the District's Capital Improvement Program

(CIP). The District will require the expertise of a consultant to augment staff for CMIS of several projects that will begin construction in Fiscal Years 2012 and 2013. Existing staff will provide CMIS where possible, but will require additional expertise to inspect reservoir coating, welding, and other disciplines on a continuous basis.

It is more efficient and cost effective to issue an as-needed contract for the CMIS which will provide the District with the ability to obtain consulting services in a timely and efficient manner. This concept has also been used in the past for other disciplines such as civil engineering, geotechnical, electrical, and environmental services.

The District will issue task orders to the consultant for specific projects during the contract period. The consultant will then prepare a detailed scope of work, schedule, and fee estimate for each task order assigned under the contract. Upon written task order authorization from the District, the consultant shall then proceed with the project, as described in the scope of work.

The anticipated CIP projects that are estimated to require CMIS for Fiscal Years 2012 and 2013 are listed below:

CIP	DESCRIPTION	ESTIMATED COST
P2370	La Presa System Improvements	\$30,000
P2517	Chase Avenue Helix and Otay Interconnection	\$50,000
P2491	850-3 Reservoir Exterior Coating and Upgrades	\$25,000
P2507	East Palomar Street Utility Relocation	\$30,000
P2513	East Orange Avenue Bridge Crossing	\$30,000
	TOTAL:	\$165,000

The various scopes of work for the above projects are estimated from preliminary information and past projects. Therefore, staff believes that a \$175,000 cap on the As-Needed CMIS contract is adequate, while still providing a buffer.

This As-Needed CMIS contract does not commit the District to any expenditure until a task order is approved to perform work on a CIP project. The District does not guarantee work to the consultant, nor does the District guarantee that it will expend all of the funds authorized by the contract on professional services.

The District solicited as-needed CMIS from professional consulting firms by placing an advertisement on the Otay Water District's website and with various other publications including the San Diego Union Tribune and the San Diego Daily Transcript on June 30, 2011.

Twelve (12) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for As-Needed CMIS was sent to all twelve (12) firms resulting in seven (7) proposals received on August 10, 2011. They are as follows:

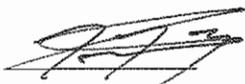
- Valley Construction Management
- KOA Corporation/CBM Consulting
- NCS Engineers
- Dudek & Associates, Inc.
- Nolte Vertical Five
- Atkins
- Tetra Tech, Inc.

The five (5) firms that chose not to propose are The Vinewood Company, Vali Cooper & Associates, Echo Pacific Construction, Bureau Veritas, and Harris & Associates.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Valley received the highest score for their services based on their experience, understanding of the scope, their proposed method to accomplish the work, and their composite hourly rate. Valley was the most qualified consultant with the best overall proposal. A summary of the complete evaluation is shown in Attachment B.

The District has worked with Valley on the previous As-Needed Construction Management contract for Fiscal Years 2010-2011. Valley provided excellent service to the District and staff worked well with Valley.

FISCAL IMPACT:



The funds for this contract will be expended from a variety of projects, as previously noted above. The fees for professional services requested herein are available in the authorized CIP project budgets. This contract is for as-needed professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's services on a specific CIP project.

Based on a review of the financial budgets, the Project Manager anticipates that the budgets will be sufficient to support the professional as-needed consulting services required for the CIP projects noted above.

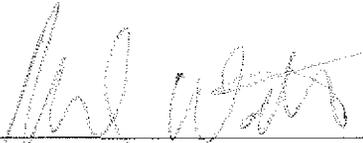
The Finance Department has determined that the funds to cover this contract are available as budgeted for these projects.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, and efficient manner," and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT: _____

None.



General Manager

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DK/RR:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

SUBJECT/PROJECT:	Award of As-Needed Construction Management and Inspection Services Contract for Fiscal Years 2012 and 2013
VARIOUS	

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on September 28, 2011 and the following comments were made:

- Staff requested that the Board award a professional As-Needed Construction Management and Inspection Services contract to Valley Construction Management (Valley) and to authorize the General Manager to execute an agreement with Valley in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.
- Staff stated that with the existing as-needed construction management contract expended through this fiscal year, and with the upcoming Capital Improvement Program (CIP) for fiscal years 2012 and 2013, there were some projects where the District would require support for construction management and inspection. Staff indicated that these projects include reservoir coating, interconnections, and utility relocation projects and referred the Committee to page 2 of the staff report for a list of the projects.
- It was indicated that staff followed the District's Policy 21 and that a Request for Proposal was advertised on June 30, 2011. Twelve (12) firms submitted a letter of interest and seven (7) firms submitted proposals. Staff indicated that the proposals were reviewed by five staff members and indicated that Valley received the highest score. The Summary of Proposal Rankings, Attachment B of the staff report, provides additional information of the proposal bid results.

- Staff noted that the District worked with Valley on the last as-needed Construction Management Contract and indicated that Valley is competent and provided excellent services, therefore staff is recommending Valley for the As-Needed Construction Management and Inspection Services contract.
- The Committee commended staff for improving the format of the Summary of Proposal Rankings as it has evolved and is easier to understand and provides thorough details.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as a consent item.

**ATTACHMENT B
SUMMARY OF PROPOSAL RANKINGS
As-Needed Construction Management and Inspection Services**

		WRITTEN							REFERENCES	
		Qualifications of Staff	Understanding of Scope, Schedule and Resources	Soundness and Viability of Proposed Project Plan	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates*	Consultant's Commitment to DBE		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	Poor/Good/Excellent
Valley CM	Kevin Cameron	27	24	26	77	75	14	Y	89	Excellent
	David Charles	26	24	26	76					
	Frank Anderson	25	22	26	73					
	Brandon DiPietro	26	24	26	76					
	Ron Ripperger	25	24	26	75					
KOA Corporation/CBM Consulting	Kevin Cameron	25	20	24	69	67	1	Y	68	
	David Charles	22	21	22	65					
	Frank Anderson	20	21	24	65					
	Brandon DiPietro	25	20	25	70					
	Ron Ripperger	22	22	23	67					
NCS Engineers	Kevin Cameron	26	21	25	72	69	15	Y	84	
	David Charles	22	22	23	67					
	Frank Anderson	22	22	21	65					
	Brandon DiPietro	26	21	25	72					
	Ron Ripperger	22	22	23	67					
Dudek	Kevin Cameron	27	23	25	75	71	5	Y	76	
	David Charles	22	22	23	67					
	Frank Anderson	23	22	25	70					
	Brandon DiPietro	27	22	26	75					
	Ron Ripperger	22	22	23	67					
Nolte Vertical Five	Kevin Cameron	28	23	27	78	74	7	Y	81	
	David Charles	25	23	27	75					
	Frank Anderson	23	23	24	70					
	Brandon DiPietro	27	23	25	75					
	Ron Ripperger	23	23	24	70					
Atkins	Kevin Cameron	27	23	25	75	73	9	Y	82	
	David Charles	25	24	25	74					
	Frank Anderson	24	23	23	70					
	Brandon DiPietro	27	21	24	72					
	Ron Ripperger	25	23	25	73					
Tetra Tech	Kevin Cameron	27	22	26	75	71	6	Y	77	
	David Charles	22	23	23	68					
	Frank Anderson	21	22	25	68					
	Brandon DiPietro	26	22	27	75					
	Ron Ripperger	22	23	23	68					

RATES SCORING CHART			
Consultant	Rate	Position	Score
NCS Engineers	\$464	lowest	15
Valley CM	\$480		14
Atkins	\$555		9
Nolte Vertical Five	\$587		7
Tetra Tech	\$600		6
Dudek	\$618		5
KOA Corporation/CBM Consulting	\$680	highest	1

The fees were evaluated by comparing rates for five positions. The sum of these five rates are noted on the table above.

*Review Panel does not see or consider rates when scoring other categories. Rates are scored by the PM, who is not on Review Panel.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 5, 2011
SUBMITTED BY:	Kevin Cameron <i>OK for KC</i> Assistant Civil Engineer I	PROJECT/ SUBPROJECT:	Various DIV. NO.: ALL
	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 As-Needed Traffic Engineering Services Contract for Fiscal Years 2012 and 2013		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) awards a professional As-Needed Traffic Engineering Services contract to Infrastructure Engineers and to authorize the General Manager to execute an agreement with Infrastructure Engineers in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional As-Needed Traffic Engineering Services agreement with Infrastructure Engineers in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013 (contract ends on June 30, 2013).

ANALYSIS:

The District will require the services of a professional traffic engineering consultant to provide as-needed traffic control plans, traffic signal modification plans, striping plans, and traffic control permit work in support of the CIP projects for Fiscal Years

2012 and 2013. It is more efficient and cost effective to issue an as-needed contract for the traffic engineering services which will provide the District with the ability to obtain consulting services in a timely and efficient manner. This concept has also been used in the past for other disciplines such as civil engineering, geotechnical, electrical, and environmental services.

The District will issue task orders to the consultant for specific projects during the contract period. The consultant will then prepare a detailed scope of work, schedule, and fee estimate for each task order assigned under the contract. Upon written task order authorization from the District, the consultant shall then proceed with the project as described in the scope of work.

The anticipated CIP projects that are estimated to require traffic engineering services for Fiscal Years 2012 and 2013 are listed below:

CIP	DESCRIPTION	ESTIMATED COST
P2370	La Presa System Improvements	\$15,000
P2513	East Orange Avenue Bridge Crossing	\$25,000
P2514	Hunte Parkway 30-Inch Pipeline	\$10,000
P2517	Chase Avenue Helix and Otay Interconnections	\$15,000
R2048	RecPL- Otay Mesa Distribution Pipelines and Conversions	\$35,000
S2028	Explorer Way 8-inch Sewer Main Replacement	\$5,000
S2029	Chase Avenue 8-inch Sewer Main Replacement	\$10,000
S2031	Julianna Street 8-inch Sewer Main Replacement	\$10,000
S2032	Puebla Drive 8-inch Sewer Main Replacement	\$10,000
S2034	Vista Grande and Paseo Grande 8-inch Sewer Main Replacement	\$15,000
	TOTAL:	\$150,000

The contract is for an amount not-to-exceed \$175,000 for all task orders. Fees for professional services will be charged to the CIP projects for which the traffic engineering services are performed. The traffic engineering services' scopes of work for the above projects are estimated from preliminary information and past projects. Therefore, staff believes that a \$175,000 cap on the As-Needed Traffic Engineering Services contract is adequate, while still providing a buffer.

This As-Needed Traffic Engineering Services contract does not commit the District to any expenditure until a task order is approved to perform work on a CIP project. The District does not guarantee work

to the consultant, nor does the District guarantee that it will expend all of the funds authorized by the contract on professional services.

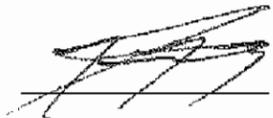
The District solicited traffic engineering services by placing an advertisement on the Otay Water District's website, San Diego Union Tribune, and the San Diego Daily Transcript on June 30, 2011. Thirteen (13) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for As-Needed Traffic Engineering Services was sent to all thirteen (13) firms resulting in nine (9) proposals received on August 9, 2011. They are as follows:

- Rick Engineering Company
- VRPA Technologies, Inc.
- Infrastructure Engineers
- Iteris
- KOA Corporation
- Darnell & Associates, Inc.
- Minagar & Associates, Inc.
- Linscott, Law & Greenspan, Engineers
- RBF Consulting

The four (4) firms that chose not to propose were Harris & Associates, Kenney Engineering, Lin Consulting, and O'Day Consultants, Inc.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Infrastructure Engineers received the highest score for their services based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their composite hourly rate. Infrastructure Engineers was the most qualified consultant with the best overall proposal. They are a highly rated company and are readily available to provide the services required. A summary of the complete evaluation is shown in Attachment B.

FISCAL IMPACT:



The funds for this contract will be expended from a variety of projects, as previously noted above. The fees for professional services requested herein are available in the authorized CIP project budgets. This contract is for as-needed professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's services on a specific CIP project.

Based on a review of the financial budgets, the Project Manager anticipates that the budgets will be sufficient to support the professional as-needed consulting services required for the CIP projects noted above.

The Finance Department has determined that the funds to cover this contract are available as budgeted for these projects.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, and efficient manner," and the District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT:

None.



General Manager

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KC/RR/RP:jf

Attachments: Attachment A - Committee Actions
Attachment B - Summary of Proposal Rankings



ATTACHMENT A

SUBJECT/PROJECT:

Various

Award of As-Needed Traffic Engineering Services Contract for Fiscal Years 2012 and 2013

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on September 28, 2011 and the following comments were made:

- Staff requested that the Otay Water District (District) Board of Directors (Board) awards a professional As-Needed Traffic Engineering Services contract to Infrastructure Engineers and to authorize the General Manager to execute an agreement with Infrastructure Engineers in an amount not-to-exceed \$175,000 for Fiscal Years 2012 and 2013.
- Staff stated that with the existing as-needed traffic engineering services contract expended through this fiscal year, and with the upcoming Capital Improvement Program (CIP) for fiscal years 2012 and 2013, there were some projects where the District would require support for traffic engineering. Staff indicated that the CIP projects are listed on page 2 of the staff report.
- It was indicated that staff followed the District's Policy 21 and that a Request for Proposal was advertised on June 30, 2011. Nine (9) firms submitted a letter of interest and five (5) firms submitted proposals. Staff indicated that the proposals were reviewed by five staff members and indicated that Infrastructure Engineers received the highest score. Attachment B, the Summary of Proposal Rankings, of the staff report provides additional information of the analysis results.
- The Committee commended staff for improving the format of the Summary of Proposal Rankings sheet as it has evolved and is easier to understand. It was also noted that the sheet provided thorough details.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as a consent item.

**ATTACHMENT B
SUMMARY OF PROPOSAL RANKINGS
As-Needed Traffic Engineering**

		WRITTEN							REFERENCES	
		Qualifications of Staff	Understanding of Scope, Schedule and Resources	Soundness and Viability of Proposed Project Plan	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates*	Consultant's Commitment to DBE		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	Poor/Good/Excellent
Rick Engineering Company	Rod Posada	25	22	25	72	72	10	Y	82	
	Pedro Porras	22	24	24	70					
	Ron Ripperger	24	21	25	70					
	David Charles	26	24	24	74					
	Daniel Kay	26	23	25	74					
VRPA Technologies, Inc.	Rod Posada	22	20	20	62	66	9	Y	75	
	Pedro Porras	23	24	24	71					
	Ron Ripperger	22	21	23	66					
	David Charles	22	20	23	65					
	Daniel Kay	23	21	22	66					
Infrastructure Engineers	Rod Posada	27	25	28	80	76	15	Y	91	Excellent
	Pedro Porras	25	26	25	70					
	Ron Ripperger	25	23	26	74					
	David Charles	26	25	26	77					
	Daniel Kay	28	24	27	79					
Iteris	Rod Posada	26	23	25	74	72	8	Y	80	
	Pedro Porras	24	25	25	74					
	Ron Ripperger	23	24	23	70					
	David Charles	26	21	25	72					
	Daniel Kay	24	22	24	70					
KOA Corporation	Rod Posada	28	23	28	79	75	10	Y	85	
	Pedro Porras	24	25	24	73					
	Ron Ripperger	26	23	27	76					
	David Charles	25	23	24	72					
	Daniel Kay	27	24	26	77					
Darnell & Associates, Inc.	Rod Posada	28	24	28	80	75	9	Y	84	
	Pedro Porras	25	20	25	70					
	Ron Ripperger	26	23	25	74					
	David Charles	27	23	24	74					
	Daniel Kay	28	24	27	79					
Minagar & Associates, Inc.	Rod Posada	24	22	25	71	71	10	Y	81	
	Pedro Porras	25	25	25	75					
	Ron Ripperger	25	21	24	70					
	David Charles	25	22	23	70					
	Daniel Kay	24	22	24	70					
Linscott, Law & Greenspan, (LLG) Engineers	Rod Posada	28	23	28	79	74	9	Y	83	
	Pedro Porras	24	24	24	72					
	Ron Ripperger	25	23	25	73					
	David Charles	26	23	24	73					
	Daniel Kay	25	23	24	72					
RBF Consulting	Rod Posada	28	24	28	80	74	1	Y	75	
	Pedro Porras	25	20	25	70					
	Ron Ripperger	25	23	26	74					
	David Charles	26	23	24	73					
	Daniel Kay	27	23	25	75					

RATES SCORING CHART			
Consultant	Rate	Position	Score
Infrastructure Engineers	\$585	lowest	15
KOA Corporation	\$760		10
Rick Engineering	\$772		10
Minagar & Associates Inc.	\$781		10
Darnell & Associates, Inc.	\$790		9
VRPA Technologies, Inc.	\$805		9
LLG Engineers	\$820		9
Iteris	\$845		8
RBF Consulting	\$1,095	highest	1

The fees were evaluated by comparing rates for seven positions. The sum of these seven rates are noted on the table above.

*Review Panel does not see or consider rates when scoring other categories. Rates are scored by the PM, who is not on Review Panel.