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

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
Board Room

Wednesday
July 18, 2007
4:00 P.M.

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

AGENDA

1. ROLL CALL

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

INFORMATION / ACTION ITEMS

3. AWARD A PROFESSIONAL SERVICES CONTRACT TO BOYLE ENGINEERING CORPORATION FOR RECYCLED WATER PLAN CHECKING AND INSPECTIONS SERVICES FOR DEVELOPER PROJECTS IN AN AMOUNT NOT TO EXCEED $300,000 (POSADA/CHARLES) [5 minutes]

4. AWARD A PROFESSIONAL ENGINEERING PLANNING SERVICES AGREEMENT TO PBS&J IN AN AMOUNT NOT TO EXCEED $499,748 FOR THE 2009 WATER RESOURCES MASTER PLAN UPDATE AND PROGRAM ENVIRONMENTAL IMPACT REPORT PROJECT (POSADA/SIMMONS/GONZALEZ) [5 minutes]

5. APPROVE A REVISED SETTLEMENT AND REIMBURSEMENT AGREEMENT WITH THE EASTLAKE COMPANY AND THE CITY OF CHULA VISTA IN THE AMOUNT OF $199,764 FOR THE CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES ASSOCIATED WITH THE 680-1 RESERVOIR AT SUNSET VIEW PARK (POSADA/RIPPERGER) [5 minutes]

6. APPROVE A WATER SUPPLY ASSESSMENT AND VERIFICATAION REPORT DATED JULY 2007 FOR THE MCMILLIN, LLC EASTERN URBAN CENTER SECTIONAL PLANNING AREA PLAN (POSADA/PEASLEY) [5 minutes]

7. APPROVE CHANGE ORDER NO. 3 TO THE EXISTING AGREEMENT WITH RBF CONSULTING (RBF, FORMERLY HIRSCH & COMPANY) TO PROVIDE CONTINUED PROFESSIONAL ENGINEERING DESIGN SUPPORT IN THE AMOUNT OF $28,390 FOR THE SR-905 UTILITY RELOCATION PROJECT (POSADA/SIMMONS/GONZALEZ) [5 minutes]

8. ADJOURNMENT

BOARD MEMBERS ATTENDING:
Jose Lopez, Chair
Gary Croucher

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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

Certification of Posting

I certify that on July 13, 2007 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on July 13, 2007.

Susan Cruz, District Secretary

AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 1, 2007
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO:	P1438 DIV. NO. 1, 2 & 4
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager of Engineering and Operations		
SUBJECT:	Award a Contract for Professional Services for Recycled Water Plan Checking and Inspection Services for Developer Projects		

GENERAL MANAGER'S RECOMMENDATION:

That the District's Board of Directors authorize the General Manager to enter into a Professional Services agreement with Boyle Engineering Corporation, in an amount not to exceed $300,000 for the Recycled Water Plan Checking and Inspection Services for Developer Projects (See attached Exhibit A for project location.)

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into an agreement with Boyle Engineering Corporation for Professional Services for Recycled Water Plan Checking and Inspection Services for Developer Projects for an amount not to exceed $300,000.

ANALYSIS:

The District requires the services of a consulting firm to provide Professional Recycled Water Plan Checking and Inspection Services for Developer Projects. The Consultant assists the Public Services Division of the Engineering Department in processing and performing plan check review and approvals for developer recycled irrigation projects. These services are also required to perform inspections and participate in ``coverage tests,'' as required by the Department of Health Services. Last year, the District reviewed and processed thirty-five (35) planchecks with thirty-two (32) new inspection recycled projects that consisted of approximately ten (10) sheets of on-site irrigation and landscaping plans per project totaling

approximately $250,000. Within the next two (2) years it is anticipated that the Consultant will review and inspect approximately sixty (60) projects. Over the same period Staff estimated the cost to perform this responsibility to be approximately $300,000.

On April 16, 2007, the District issued a formal Request for Proposal (RFP) to six (6) consultants:

- Dudek & Associates
- RBF Consulting
- Boyle Engineering
- Bureau Veritas
- Infrastructure Engineering Corporation (IEC)
- PBS&J

Four (4) proposals were received. Two (2)consultants (PBS&J and RBF) declined to propose.

In accordance with the District's Policy 21, Staff evaluated and scored all written proposals and interviewed the four (4) firms (Dudek & Associates, Boyle Engineering, Bureau Veritas and IEC). The interview selection panel was comprised of five (5) Staff members from the Engineering Department and one (1) Staff member from the Operations Department. The references for the consultants were checked and found to be in conformance. After holding the interviews, the panel completed the consultant ranking process and concluded that Boyle Engineering was the most qualified consultant. A summary of the complete evalatuion is shown in Exhibit B (attached).

Staff estimated that an average of $5,000 dollars will be needed per project to perform the plan check review and inspections. The District recuperates these funds by billing directly to the Developer. Staff recommends the award of a two year professional services contract to Boyle Engineering Corporation in an overall amount not to exceed $300,000.

FISCAL IMPACT:

Plancheck and inspection services is an on-going effort provided by the District to developers. This particular expense is completely funded by developer deposits and doesn't affect the operating budget.

STRATEGIC GOAL:

This project supports the District's Strategic Goal,"…to develop and improve infrastructure for increased recycled water use."

LEGAL IMPACT:

None.

Mark Watton

General Manager

P:\WORKING\CIP 00258\WO 8494\Award RW Pln Ck & Inspec BOARD, 8-1-07.doc

DC/RP:jf

Attachments: Attachment A
Exhibit A
Exhibit B

ATTACHMENT A

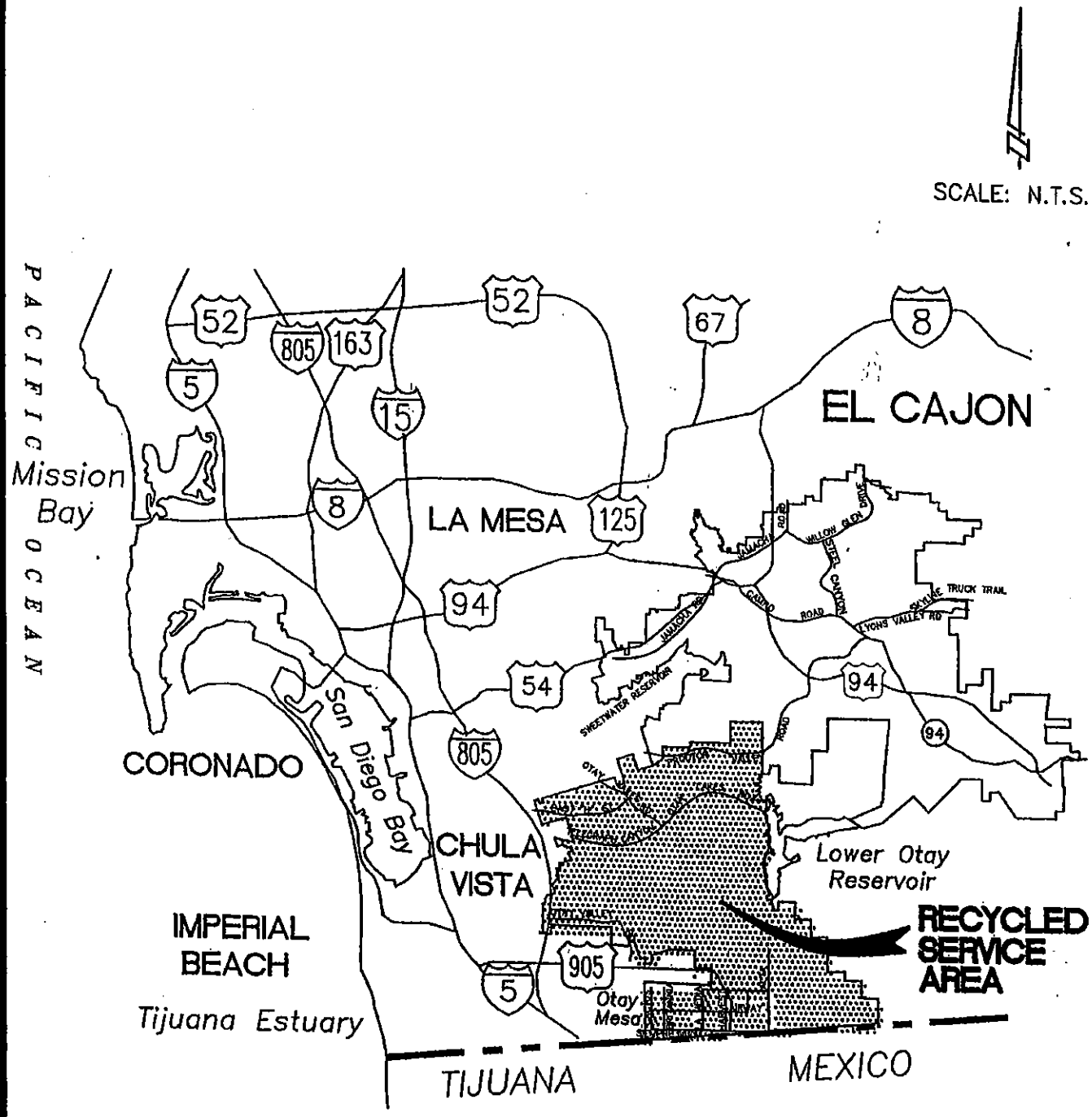
SUBJECT/PROJECT:	Award a Contract for Professional Services for Recycled Water Plan Checking and Inspection Services for Developer Projects

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 18, 2007. The Committee supported Staff's recommendation.

NOTE:

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



OTAY WATER DISTRICT
IRRIGATION PLAN CHECK

W.O. VARIES

CIP# N/A

EXHIBIT A

EXHIBIT B
SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS
RECYCLED WATER PLAN CHECKING AND INSPECTION SERVICES FOR DEVELOPER PROJECTS

Name of consultant	OWD rating panel members	WRITTEN: Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE,SBE	ORAL: Additional creativity, insight to Issues	Understanding of scope, schedule, resources	Strength of project manager	Presentation, communication skills	Quality of response to questions	TOTAL SCORE	AVERAGE SCORE	References
SCORE		**15**	**15**	**10**	**10**	**20**	**15**	**10**	**5**	**10**	**10**	**10**	**10**	**10**	**150**		✓
Boyle Engineering	*David Charles*	13	13	9	9	16	13	8	4	9	10	10	9	9	132	**117.40**	✓
	Ron Ripperger	13	14	9	9	16	14	8	5	8	9	9	9	9	132		
	Hossein Juybari	15	15	9	10	16	13*	9		9	10	10	8	9	120		
	Gary Stalker	13	13	10	8	16	12	8	3	9	10	9	8	7	126		
	Ken Simmons/Meryl Gonzalez	14	14	10	10	16	12	8		10	9	10	10	10	133		
Bureau Veritas	*David Charles*	10	12	8	7	16	15	5	4	7	8	8	7	6	113	**99.20**	✓
	Ron Ripperger	13	13	9	8	16			5	8	8	7	9	8	104		
	Hossein Juybari	12	12	8	9	16	12	8		7	9	7	6	6	112		
	Gary Stalker	11	12	8	7	16	11	5	4	6	8	6	5	5	104		
	Ken Simmons/Meryl Gonzalez	14	14	9	9	16	12	8		6	7	7	6	6	114		
Dudek	*David Charles*	10	9	7	6	16	8	7	5	8	9	8	8	8	109	**98.60**	✓
	Ron Ripperger	13	12	8	8	16	14	8	5	7	7	7	6	6	117		
	Hossein Juybari	12	13	9	8	16	12	9		8	9	8	8	8	120		
	Gary Stalker	9	8	6	4	16	8	7	5	7	7	7	6	6	96		
	Ken Simmons/Meryl Gonzalez	13	13	8	9	16	13	8		6	7	7	6	7	113		
IEC	*David Charles*	7	7	6	4	16	7	6	4	6	8	6	7	6	90	**91.60**	✓
	Ron Ripperger	13	12	8	8	16	14	8	5	7	7	8	8	7	121		
	Hossein Juybari	8	10	8	9	16	12	8		6	8	7	7	6	105		
	Gary Stalker	7	7	5	4	16	7	6	5	7	6	6	7	5	88		
	Ken Simmons/Meryl Gonzalez	11	11	9	9	16	14	9		6	6	6	6	6	109		

AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 1, 2007
SUBMITTED BY:	Ken Simmons KS Sr. Civil Engineer Meryll Gonzalez Assistant Civil Engineer	PROJECT No./ SUBPROJECTS	P1210 DIV. NO. ALL
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of Professional Engineering Planning Services Agreement to PBS&J for the 2009 Water Resources Master Plan Update and Program Environmental Impact Report Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District's (District) Board award a professional engineering planning services agreement to PBS&J for the 2009 Water Resources Master Plan Update (WRMP) and Program Environmental Impact Report (PEIR) and authorize the General Manager to execute an agreement with PBS&J in an amount not to exceed $499,748.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into a professional engineering planning services agreement to PBS&J in the amount not to exceed $499,748 for the preparation of the WRMP and PEIR.

ANALYSIS:

The Board recently approved a $34.5 million Capital Improvement Program (CIP) to keep pace with the rapid growth that the District is experiencing. The WRMP is a comprehensive analysis

of the District's needs for infrastructure to develop and distribute potable and recycled water to its service area, based on population growth and land use development. The primary purpose of the WRMP is to identify future capital facilities needed to provide an adequate, reliable, flexible, and cost-effective potable and recycled water system. The sources and methodology to develop this plan come from SANGIS, SANDAG, SAMPs, the Otay Ranch General Development Plan, the City of Chula Vista, the City and County of San Diego General Plans, and zoning information. The InfoWater hydraulic model will be used to size the facilities based on land use and growth projections. The District updates the WRMP every five (5) years to ensure orderly and phased development of potable and recycled water supplies, as well as storage, pumping, and transmission systems.

Part of the process to finalize the WRMP requires addressing a project's environmental impacts. The PEIR will provide an overview of the projects identified in the WRMP, and their impacts in terms of land use, noise, geology, biology, cultural resources, landform alteration, visual aesthetics, energy, public safety and circulation, air quality, and water resources. Although the PEIR will not eliminate the need for project-specific environmental documents, it will reduce the amount of work required for each project in the future. There will be specific technical studies for each CIP project, such as Gnatcatcher, Quino Checkerspot butterfly, and Least Bell's Vireo field studies, which cannot be performed as part of the PEIR. However, the fundamental environmental work can be completed such as addressing project alternatives, unavoidable environmental impacts, and growth-inducing impacts.

In accordance with Policy 21, the District solicited Professional Engineering Planning Services from consulting firms by placing an advertisement on the District's website and with the following publications:

Date of Advertisement	Publication
04-17-07	San Diego Union Tribune
04-17-07	Bid America
04-17-07	Engineering and General Contractors Assoc.
04-17-07	San Diego Daily Transcript
04-17-07	In Reach

Twenty-eight (28) firms submitted a Letter of Interest and a Statement of Qualifications. The Request for Proposal (RFP) for

Professional Engineering Planning Services was sent to all firms resulting in six (6) proposals received by or before June 7, 2007 from the following consulting firms:

Consulting Firms	Original Proposed Fee	Final Proposed Fee
Black & Veatch / EDAW	$834,090	
Boyle Engr. Corporation / HDR	$646,585	
CDM, Inc. / CH2MHILL /ESA	$475,727	
IEC Corporation / EDAW	$553,385	
MWH	$498,498	
PBS&J	$619,700	$499,748

The eighteen (18) firms that chose not to propose are: BRG Consulting; David Evans & Assoc.; Carollo Engineers, P.C.; DBE Psomas; Dexter Wilson Engineering, Inc.; Dudek & Associates, Inc.; Earth Tech, Inc.; Helix Environmental Planning, Inc.; Jones & Stokes; Kleinfelder, Inc.; Lee & Ro, Inc.; LSA Associates; RBF Consulting; Richard Brady & Associates; RMC Water & Environment; Stetson Engineers, Inc.; URS Corporation; and Winzler & Kelly.

Staff evaluated and scored all written proposals and selected the top three proposers (PBS&J, CDM/CH2MHILL/ESA, and MWH) for formal oral interviews. The interview selection panel was comprised of eight (8) Staff members. After completion of the interviews, the panel completed the consultant ranking process and concluded that PBS&J was the most qualified consultant, with the best overall proposal. References for PBS&J were checked and received high ratings. A summary of the complete evaluation is shown in Attachment B.

District Staff met with PBS&J to negotiate the fee and review the proposed scope of work. Mutual understanding of the District's expectations and desired results were achieved resulting in a lower revised fee. Staff is very confident that PBS&J will perform to a very high level.

Staff recommends the award of a professional engineering planning services agreement to PBS&J for a not-to-exceed amount of $499,748.

FISCAL IMPACT:

The total approved operating budget for Project P1210 for Fiscal Year 2008, including the WRMP and PEIR, is $250,000. An additional $250,000 is budgeted in Fiscal Year 2009. The combined budgets will be sufficient to fund this contract. To date, no expenditures have been made to the budget.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water and wastewater services to our community in an innovative, cost efficient, water wise and environmentally responsible manner," and the District's Strategic Goal, "To satisfy current and future water needs for potable, recycled, and wastewater services."

LEGAL IMPACT:

None.

Mark Watton

General Manager

\\Owd-fp1\engrplan\WORKING\CIP 00210 WMP & PEIR\Water Resources Master Plan\2009 WRMP & PEIR\Staff Reports\08-01-07, Staff Report, WRMP-PEIR.doc

MG/KS/RR/RP:jf

Attachments: Attachment A
Attachment B

ATTACHMENT A

SUBJECT/PROJECT:	Award of Professional Engineering Planning Services Contract to PBS&J for the 2009 Water Resources Master Plan Update and Program Environmental Impact Report Project (Project No. P1210)

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 18, 2007. The Committee supported Staff's recommendation.

NOTES:

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

ATTACHMENT B

SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS

2009 Water Resources Master Plan Update and Program Environmental Impact Report Project

Project No. 1210

		WRITTEN								ORAL*					TOTAL SCORE (per Reviewer)	AVERAGE SCORE	References
		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE,SBE	Additional creativity, insight to issues	Understanding of scope, schedule, resources	Strength of project manager	Presentation, communication skills	Quality of response to questions			
SCORE		15	15	10	10	20	15	10	5	10	10	10	10	10	150 **		✓
Black & Veatch / EDAW	Rod Posada	12	13	8	9	14	12	8	5						81	74.50	
	Ron Ripperger	10	11	7	7	14	12	8	5						74		
	Jim Peasley	8	10	7	6	14	10	8	5						68		
	Ken Simmons	12	12	6	7	14	13	9	5	Not Interviewed					78		
	Lisa Coburn-Boyd	13	13	7	9	14	12	8	5						81		
	Geoff Stevens	8	10	9	8	14	8	8	5						70		
	Ming Zhao	8	10	9	8	14	8	8	5						70		
	Meryll Gonzalez	9	11	7	8	14	11	9	5						74		
Boyle Engineering / HDR	Rod Posada	13	13	9	10	18	13	9	5						90	83.88	
	Ron Ripperger	10	12	8	9	18	12	8	5						82		
	Jim Peasley	12	14	9	9	18	14	9	5						90		
	Ken Simmons	13	11	8	8	18	12	9	5	Not Interviewed					84		
	Lisa Coburn-Boyd	12	12	8	9	18	13	8	5						85		
	Geoff Stevens	8	11	9	9	18	12	8	5						80		
	Ming Zhao	8	11	9	9	18	12	8	5						80		
	Meryll Gonzalez	11	11	7	8	18	12	8	5						80		
CDM / CH2MHILL / ESA	Rod Posada	14	15	10	10	18	14	10	5	9	10	10	9	9	143	127.75	
	Ron Ripperger	12	12	8	8	18	13	8	5	8	8	8	8	8	124		
	Jim Peasley	9	10	7	6	18	9	6	5	6	7	8	10	8	109		
	Ken Simmons	14	14	9	9	18	14	9	5	7	7	9	8	8	131		
	Lisa Coburn-Boyd	13	14	8	8	18	13	8	5	8	7	8	8	8	126		
	Geoff Stevens	10	12	10	10	18	14	10	5	10	10	10	9	9	137		
	Ming Zhao	10	12	10	10	18	14	10	5	10	9	9	8	9	134		
	Meryll Gonzalez	12	12	8	8	18	14	8	5	7	7	7	6	6	118		
IEC Corporation / EDAW	Rod Posada	12	13	9	10	19	12	8	5						88	83.63	
	Ron Ripperger	12	11	7	8	19	12	8	5						82		
	Jim Peasley	10	12	7	8	19	11	8	5						80		
	Ken Simmons	14	14	8	8	19	12	7	5	Not Interviewed					87		
	Lisa Coburn-Boyd	13	12	7	8	19	13	7	5						84		
	Geoff Stevens	8	10	10	8	19	12	8	5						80		
	Ming Zhao	8	10	10	8	19	12	8	5						80		
	Meryll Gonzalez	13	13	9	8	19	13	8	5						88		
MWH	Rod Posada	15	15	9	10	18	15	10	5	4	6	7	7	7	128	129.88	
	Ron Ripperger	13	13	9	9	18	14	8	5	8	8	9	7	8	129		
	Jim Peasley	14	15	8	10	18	12	10	5	8	8	10	10	9	137		
	Ken Simmons	14	14	10	10	18	15	10	5	5	7	9	8	8	133		
	Lisa Coburn-Boyd	14	13	8	8	18	12	8	5	9	8	8	8	9	128		
	Geoff Stevens	12	12	10	9	18	14	9	5	9	9	9	8	8	132		
	Ming Zhao	12	12	10	9	18	14	9	5	9	9	7	8	9	131		
	Meryll Gonzalez	12	12	8	8	18	14	9	5	6	7	8	7	7	121		
PBS&J	Rod Posada	14	14	9	10	18	14	8	5	6	5	7	8	7	125	130.88	✓
	Ron Ripperger	13	12	8	9	18	13	8	5	9	10	9	9	9	132		
	Jim Peasley	11	12	8	9	18	13	9	5	9	8	9	10	9	130		
	Ken Simmons	13	13	8	8	18	12	8	5	9	9	8	10	9	130		
	Lisa Coburn-Boyd	14	14	8	9	18	14	9	5	9	9	8	9	8	134		
	Geoff Stevens	12	13	10	10	18	14	9	5	8	8	7	8	7	129		
	Ming Zhao	12	13	10	10	18	14	9	5	8	8	8	8	8	131		
	Meryll Gonzalez	13	13	9	9	18	13	9	5	10	9	9	9	10	136		

Note: These scores are typical for a particular project. Actual weight scores may vary and will be published as part of the RFP.

*** Oral Interviews are for projects with fees over $200,000.**

**** If fees are less than $200,000, then total score is 100 points.**

Signature

7/11/07
Date

P:\WORKING\CIP 00210 WMP & PEIR\Water Resources Master Plan\2009 WRMP & PEIR\Agreements-Contracts-RFPs\RFP\Proposal Eval\Form_RFP Rating_WRMP & PEIR_6-19-07

AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 1, 2007
SUBMITTED BY:	Ron Ripperger Engineering Manager	PROJECT / SUBPROJECT:	R2003/ 001103 DIV. NO. 1
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Approve Revised Settlement Agreement and Reimbursement with The EastLake Company and the City of Chula Vista for Capital Improvement Program Water Facilities Associated with the 680-1 Reservoir at Sunset View Park		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors authorizes the General Manager to execute a revised Reimbursement, Release and Settlement Agreement with The EastLake Company (EastLake) and the City of Chula Vista (City) pursuant to which the District will give and obtain certain releases of liability and will pay reimbursement in the amount of $199,764 to EastLake for costs associated with construction of the 680-1 Recycled Water Reservoir Project and the 944-1 Recycled Water Pump Station (See attached Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute a revised settlement agreement (See Attachment B) with EastLake and the City and ratification of previously granted authorization for the payment of $199,764 to EastLake in accordance with the terms of the settlement agreement.

ANALYSIS:

Staff presented a form of Reimbursement, Release, and Settlement Agreement to the Board on March 7, 2007 for approval. The agreement was to be executed by the District, the City, and EastLake and provided for (i) payment by the District to EastLake for $199,764 to resolve certain outstanding claims relating to EastLake's construction and installation of the 680-1 Reservoir and 944-1 Pump Station (District Facilities) within the Sunset View Park (Park); and (ii) mutual releases of liability from the District, the City, and EastLake in connection with the District Facilities, easements granted by the City to the District in connection with the District Facilities and the Park.

During negotiation of the agreement, the City did not provide comments or request revisions. However, after the Board of Directors of the District approved the agreement, the City requested changes to the clauses providing releases of liability. In particular, the City requested to be removed from all mutual release clauses and requested that a separate paragraph be inserted into the agreement for the District and the City to agree that the easement for the District Facilities was subject to, and in compliance with, the provisions of a certain Joint Use and Grant of Easement Agreement, recorded in the official records of the County Recorder of the County of San Diego on May 14, 2003, as document number 2003-0563958 (the "Easement Agreement"), and that the District does not owe the City any additional compensation in connection with the easement.

The City's proposed changes did not alter Eastlake's release of liability nor the compensation to be paid to EastLake under the Agreement. EastLake did agree, however, to indemnify the District in connection with any future claim of the City to additional costs.

The General Manager requested the revised agreement be presented to the Board for ratification and approval of the revised terms. The proposed reimbursement was budgeted in Fiscal Year 2006-07. Execution of the agreement will allow the payment to EastLake to be made from those funds.

Staff recommends that the Board approve the revised reimbursement agreement with EastLake and the City, authorize the General Manager to execute and deliver the revised agreement, and make provision for the payment of $199,764 to EastLake under the terms of the revised agreement.

FISCAL IMPACT:

The approved total Fiscal Year 2007 budget for CIP R2003 is $4,350,000. Expenditures to date are $4,072,946. Total commitments to date including this agreement are approximately $4,274,075. Funds for this reimbursement to the EastLake Company have been reserved against the FY 2007 budget. See Attachment C for financial detail.

The Project Manager anticipates that based on the attached financial analysis the budget will be sufficient to support this project. Finance has determined that 100% of the funding is available from the Expansion Fund. The District anticipates up to 25% reimbursement from the Bureau of Reclamation.

STRATEGIC GOAL:

This project supports the District's Mission Statement and the District's Strategic Goal to: "Design and construct new infrastructure - satisfy current and future water needs for Potable, Recycled, and Wastewater Services."

LEGAL IMPACT:

The General Counsel worked with Staff, the City, and the Developer in connection with the negotiation of the revisions to the settlement and release agreement. The release of liability contained in the revised settlement and release agreement protects the District from further claims by EastLake in connection with the work performed by EastLake. Although the City limited its release of liability, the revised language still protects the District from future claims of the City for additional compensation in connection with the easement as recorded.

Mark Watton

General Manager

P:\WORKING\CIP R003\WO 8653\Staff Reports\BD 08-01-07, EastLake Agreement.doc

RR/RP:jf

Attachments: Attachment A
Attachment B
Attachment C
Exhibit A

ATTACHMENT A

SUBJECT/PROJECT: R2003-001103	Reimbursement, Release, and Settlement Agreement with The EastLake Company for Capital Improvement Program Water Facilities Associated with the 680-1 Reservoir at Sunset View Park

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 18, 2007. The Committee supported Staff's recommendation.

NOTE:

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

ATTACHMENT B

SUBJECT/PROJECT: R2003-001103	Reimbursement, Release and Settlement Agreement with The EastLake Company for Capital Improvement Program Water Facilities Associated with the 680-1 Reservoir at Sunset View Park - Agreement

REIMBURSEMENT, RELEASE AND SETTLEMENT AGREEMENT BETWEEN THE OTAY WATER DISTRICT AND THE EASTLAKE COMPANY, LLC FOR CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES ASSOCIATED WITH THE 680-1 RESERVOIR AT SUNSET VIEW PARK (CIP R2003)

This Reimbursement, Release and Settlement Agreement (hereinafter, "Settlement Agreement") is made effective as of the 27th day of June, 2007, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter, the "District"), the City of Chula Vista, a municipal corporation (the "City"), and the EastLake Company, LLC, a California limited liability company (hereinafter, the "Developer"), in view of the following facts and for the following purposes:

RECITALS

A. WHEREAS, the Board of Directors (the "Board") of the District has adopted a Master Plan and approved a Capital Improvement Program (hereinafter, "CIP") for all regional water facilities throughout the District; and

B. WHEREAS, on or about June 9, 1998 the Developer and the District entered into a reimbursement agreement entitled "The First Reimbursement Agreement Between Otay Water District and the Eastlake Company" (the "Reimbursement Agreement") in connection with a park referred to therein as the EastLake Neighborhood Park, which was later renamed the Sunset View Park (the "Park"); and

C. WHEREAS, pursuant to the Reimbursement Agreement, the Developer agreed to design and construct a 2.2 million gallon reservoir to be known as the 680 Reservoir, and the infrastructure, including piping, for a pump station to be known as the 950 Pump Station (together with the 680 Reservoir, the "Water Facilities"), within the Park and the District agreed to reimburse the Developer for costs incurred in connection therewith; and

D. WHEREAS, on August 22, 2000, the District, and the City entered into that certain Joint Use and Grant of Easement Agreement, recorded in the official records of the County Recorder of the County of San Diego on May 14, 2003, as document number 2003-0563958 (the "Easement Agreement"), pursuant to which the City granted the District an easement for the maintenance, repair designed and constructed the Sunset View Park within the City of Chula Vista; and

E. WHEREAS, on or about November of 2000, the District, the City and the Developer agreed to increase the size of the reservoir to 3.4 million gallons; and

F. WHEREAS, on a letter dated November 30, 2000, the City memorialized the understanding of the parties, which included a proposal to amend the Reimbursement Agreement and the Easement Agreement to reflect the change in size of the Water Facilities and to allocate the increased design and construction costs; and

G. WHEREAS, due to the schedule of the project and other concerns, the District, the Developer and the City did not finalize negotiations on the proposed amendments before the design and construction had to be undertaken and finalized; and

H. WHEREAS, despite the lack of written amendments, the Developer incurred the costs relating to the Water Facilities with the understanding that said projects are listed in the District's CIP and the District would reimburse the Developer for the costs incurred in connection with the Water Facilities; and

I. WHEREAS, having completed the construction of the Park, the Developer has submitted a request for reimbursement to the District for costs related to the Water Facilities and not previously reimbursed to Developer; and

J. WHEREAS, the District and Developer have reached an agreement concerning the costs related to the Water Facilities for which the District will reimburse the Developer and those costs are listed on **Exhibit A** hereto, which amount to $199,764; and

K. WHEREAS, the Developer has conformed to all of the conditions set forth in the District's current Policy 26 governing reimbursement agreements with developers; and

L. WHEREAS, the Developer has provided assurances to the District that it complied with all applicable provisions of the District's Code of Ordinances, Standard Specifications and other applicable laws in connection with the Water Facilities; and

M. WHEREAS, the District believes that it is in the best interest of the District to reimburse the Developer for the costs set forth on **Exhibit A**;

NOW THEREFORE, in consideration of the recitals set forth above and the mutual obligations of the parties herein expressed, the District and the Developer agree as follows:

1. Project. Pursuant to the Reimbursement Agreement and the Easement agreement, the Developer, the City and the District agreed to locate the Water Facilities within the Park. Although the parties originally intended that the Water Facilities would include a 2.2 million gallon reservoir, during the course of the project, the parties agreed to increase the size of the reservoir to 3.4 million gallons.

2. Project Cost. The Developer designed and constructed the Water Facilities within the Park and funded all costs related to the design and construction. The Developer hereby provides the District with assurances and warrants that it has constructed the facilities to District standards and in compliance with all applicable laws, rules and regulations.

3. Reimbursement.

During the design and construction of the Water Facilities, the District processed and paid certain invoices submitted by the Developer. However, the project is now operationally complete and accepted and Developer is requesting reimbursement of certain costs, set forth on **Exhibit A** (the "Additional Costs"), incurred by the Developer in connection with the increase in size of the reservoir, which costs have not previously been reimbursed to the Developer.

4. Release.

For and in consideration of the reimbursement of the Additional Costs, as herein contemplated, the Developer fully releases and discharges the District, each member of its Board of Directors, its officers, agents, servants, successors, employees, attorneys and assigns, from any and all causes of action, claims, liens, demands, damages, obligations, litigation costs,

expenses, and attorney's fees, known or unknown arising directly or indirectly out of, or in any way related to the Water Facilities, the Reimbursement Agreement and the Park.

The Developer expressly waives the provisions of Section 1542 of the Civil Code of California, which provides that:

> *A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected his or her settlement with the debtor.*

It is expressly understood and agreed that the payment of the Additional Costs is in full accord and satisfaction of all potential and actual claims the Developer has or could have made to the District in connection with the Water Facilities, the Reimbursement Agreement or the Park. The District and the Developer declare and represent that no promise, inducement or agreement not herein expressed has been made and that this Settlement Agreement contains the entire agreement between them concerning the Additional Costs and other matters herein covered.

5. Record Keeping.

The Developer has kept an accurate record of the actual cost to construct the Water Facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. Upon request of the District, the Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. The Developer has previously provided the District with supporting documents to determine the appropriate amounts to be reimbursed hereunder. District and Developer agree that if further documentation is required with respect to this matter, Developer will allow District to review its books and records.

Any changes that occurred during construction have been properly documented. Back-up documentation shall be kept by the Developer for three (3) years from the date of the acceptance by the District of the Water Facilities. Such documentation shall also be provided to the District for its review upon its request.

6. Easement Related Matters.

The Parties agree that the Plat, attached as Exhibit B, reflects the increase in size of the Water Facilities to 3.4 million gallons and a corresponding reconfiguration of the easements originally contemplated under the Easement Agreement. The Parties further agree that an amendment to the Easement Agreement is not necessary to reflect the change in size of the Water Facilities.

The City and the District agree that the District has paid to the City the one-time amount of $249,550 for the easement, pursuant to Section 5 of the Easement Agreement, and that no further compensation for the easement is due from the District to the City.

7. Amendments.

No amendment, modification, supplement, termination or waiver of any provision of this Settlement Agreement shall be effective unless executed in writing by the Developer and the District and then only in the specified instance and for the specific purpose given.

8. Notices.

Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District:	Otay Water District 2554 Sweetwater Springs Boulevard Spring Valley, California 91978-2096 ATTN: General Manager
If to the Developer:	The EastLake Company, LLC 13500 Evening Creek Drive North, Suite 400 San Diego, California 92128 Telephone: (858) 513-7800 Facsimile: (858) 513-7805
If to the City:	City of Chula Vista 276 Fourth Avenue Chula Vista, California 91910

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

9. Indemnity.

The Developer and the District agree to defend, indemnify, protect, and hold harmless each other and the agents, officers, and employees of the indemnified party from and against any and all claims asserted or liability established for damages or injuries to any person or property, which arise from or are connected with or are caused or claim to be caused by the performance of the terms of this Settlement Agreement; provided, however, that each party's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The Developer specifically agrees to indemnify, protect, and hold harmless the District in connection with any future claim of the City that all or a portion of the Additional Costs should have been paid to the City in connection with the easements or the Park and Developer also specifically agrees that the City is not liable to the Developer for any portion of the Additional Costs.

10. Arbitration and Attorney's Fees.

If there is a dispute concerning this Settlement Agreement or arising out of this Settlement Agreement, the Developer and the District agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three arbitrators.

In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

11. Applicable Law; Venue.

This Settlement Agreement shall be governed by the internal laws of the State of California without regard to the principles of choice of law or conflicts of law of that state or of any other jurisdiction. The forum for resolution of any dispute arising out of this Settlement Agreement shall be in San Diego, California. The Parties hereby submit to the jurisdiction of the Federal Courts in the Southern District of California and the California State Courts for San Diego County.

12. Drafting.

This Settlement Agreement is deemed to have been drafted jointly by the Parties, and the Parties agree that the common-law principles of construing ambiguities against the drafter shall have no application hereto.

13. Severability.

If any term, provision or covenant in this Settlement Agreement is held to be invalid, void or unenforceable, (i) the remainder of the terms, provisions and covenants in this Settlement Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated

14. Successors in Interest.

The Settlement Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Settlement Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Settlement Agreement shall be vested and binding on their successors in interest.

15. Headings.

The headings in this Settlement Agreement are for ease of reference only.

16. Counterparts.

This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Any facsimile counterpart of this Settlement Agreement shall be deemed an original.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK; THE SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Settlement Agreement is executed by the District, by the City and by the Developer on the dates set forth below to be effective as of the date first above written.

THE EASTLAKE COMPANY, LLC
A California limited liability company

By: _____
William T. Ostrem
President

OTAY WATER DISTRICT
A California Municipal Water District

By _____
Mark Watton
General Manager

Approved as to Form:

_____ _____
General Counsel Date

CITY OF CHULA VISTA
A municipal corporation

By: _____
City of Chula Vista

Approved as to Form:

_____ _____
City Attorney Date

EXHIBIT A
TO SETTLEMENT AGREEMENT
COST TO BE REIMBURSED TO DEVELOPER

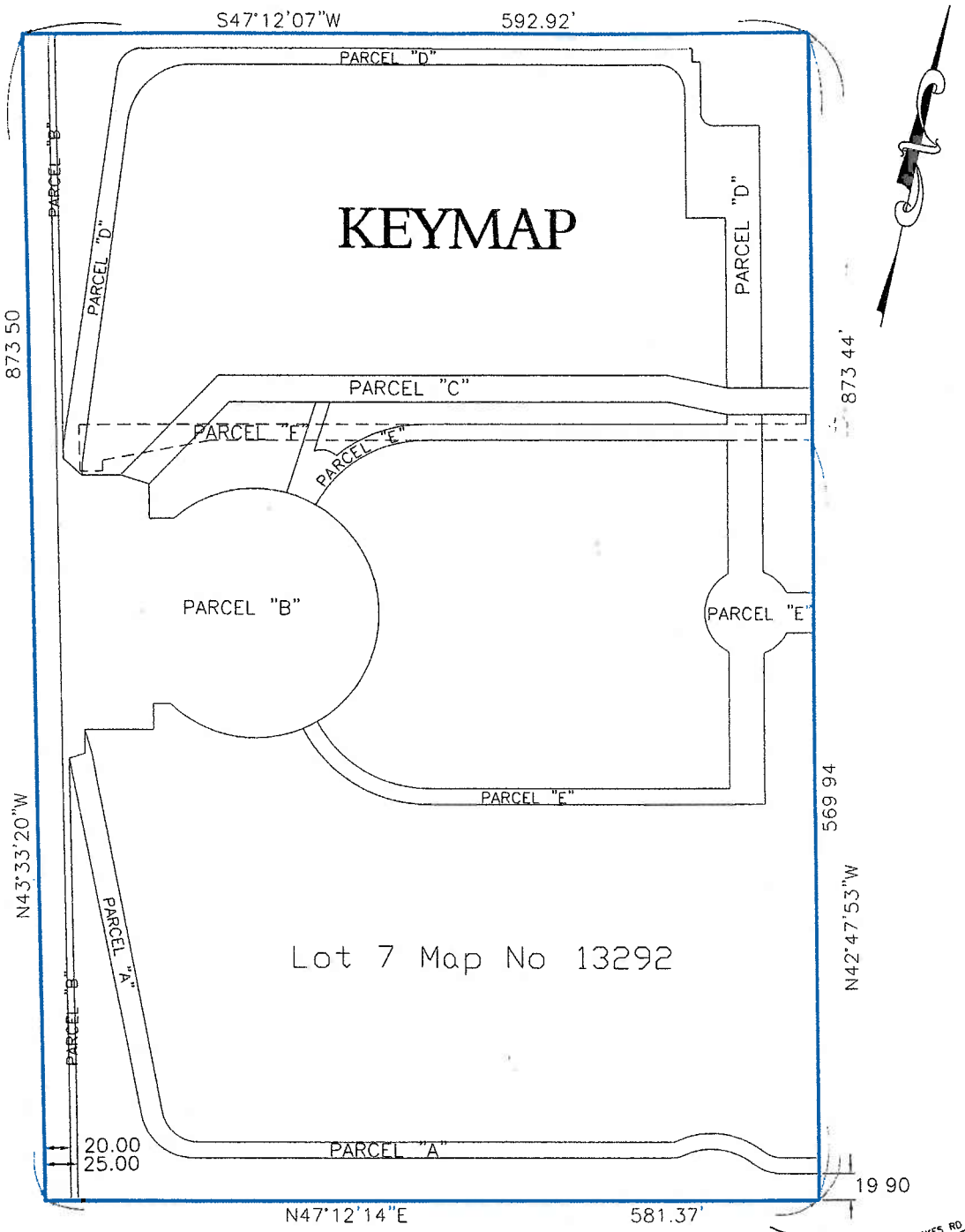
Item	Description	EastLake Requests	Otay Recommends
Category 1 - Costs incurred before joint use concept (pre OWD reservoir)			
A	Landscape Architect services in designing initial park. Work in 1996 and 1997.	$36,328.00	$0.00
B	Engineering an Surveying associated with grading and drainage construction.	$13,526.86	$0.00
C	Geotechnical services associated with grading and drainage construction.	$7,775.63	$0.00
D	Fine grading of park per initial design.	$57,485.00	$0.00
E	Site drainage system per initial design.	$40,955.00	$0.00
	Sub-Total	**$156,070.49**	**$0.00**
Category 2 - Consultant services for changes, re-design, etc.			
A	Change Order #2 to ONA's design contract. ONA was/is the prime consultant responsible for all Sunset View Park plans. This change order covers revising the schematic plans for the park and processing them through the City of Chula Vista Parks and Recreation Department.	$35,400.00	$17,700.00
B	Portion of Change Order # 5 to ONA's design contract. This change order covers creating a presentation drawing at OWD's request.	$1,200.00	$1,200.00
C	Portion of Change Order # 5 to ONA's design contract. This covers various tasks related to the reservoir as identified on the change order request.	$8,875.00	$5,520.00
D	Change Order # 7 to ONA's design contract. This change order covers revising the working drawings in response to the decision to raise grades on the project to accommodate a predicted amount of excess soil (from the reservoir construction) to stay on the site.	$23,800.00	$23,800.00
E	Change Order # 10 to ONA's design contract. This change order covers revising the working drawings to reflect the actual "as-graded" conditions left by the reservoir contractor. As you will recall, the site was not left in accordance with the plan revisions generated earlier.	$22,200.00	$11,100.00
	Sub-Total	**$91,475.00**	**$59,320.00**
Category 3 - Park improvements due to reservoir, pump station, utilities and access roads			
A	Added width of concrete walks - Reservoir service vehicles require a 12' wide access. City of Chula Vista requires only 10' wide walks. Results in 2' extra width.	$13,572.00	$13,572.00
B	Construct concrete ADA ramps - The reservoir resulted in an elevated portion of the site. Concrete ADA ramps were added in lieu of decomposed granite walks. D.G. walks would have been used if the sites were flatter.	$14,300.00	$14,300.00

C	Upgrade thickness of D.G. vehicle access roads - The service vehicles for the reservoir is much heavier than the service vehicles for the park. H20 loading was required on D.G. trails.	$6,996.00	$6,996.00
D	Upgrade thickness of concrete vehicle access roads - OWD service vehicles for the reservoir are much heavier than City service vehicles for the park. H20 loading was required on concrete trails.	$11,076.05	$11,076.05
E	Pipe guardrail - Guardrail required around raised recreation area over reservoir for safety.	$3,740.00	$3,740.00
F	Chain link fencing - Fencing required to prevent balls from rolling off elevated basketball courts on top of reservoir.	$6,900.00	$6,900.00
G	Polygon shade structures - Providing shady areas around the basketball courts through construction for structures in lieu of planting shade trees was required due to inadequate soil depth over reservoir.	$111,500.00	$55,000.00
H	Upgrade footing for basketball standards atop reservoir - Due to shallow area for footings atop reservoir, special footings were required.	$3,680.00	$3,680.00
I	Upgrade basketball court slab to post-tensioned slab over reservoir.	$8,460.00	$8,460.00
J	Sod soccer fields in lieu of seeding - Due to delayed delivery of site by OWD's reservoir contractor, soccer fields we sodded in lieu of seeded to avoid lengthy grow-in before park could be open to public.	$67,745.00	$33,872.00
K	Credit due OWD for their having certain finish grading performed by reservoir contractor. This amount was previously agreed to between EastLake and OWD.	($33,852.00)	($33,852.00)
L	Cost remedy north ADA ramp - The ramp from the park down to the pump station was incorrectly constructed be the reservoir contractor. This cost (for only a portion of the ramp) was previously agreed to between OWD and EastLake.	$9,500.00	$9,500.00
M	Additional work over reservoir due to sub standard materials being left by reservoir contractor. Crushed rock material failed to meet required Cal trans specifications. Required purchase and placement of fabric and purchase, placement and compaction of rock.	$18,928.00	$0.00
N	Costs for special qeotechnical consulting services associated with analysis of undocumented fill areas left by reservoir grading contractor. Consultant was Allies Geotechnical Services. This has been previously agreed by OWD.	$7,200.00	$7,200.00
O	Additional support for Valley Crest costs. Many of the above items are supported by various documents showing values of work done by Valley Crest Landscaping.	$0.00	$0.00
	Sub-Total	**$249,745.05**	**$140,444.05**
	Grand Total	**$497,290.54**	**$199,764.05**

EXHIBIT B
TO SETTLEMENT AGREEMENT
EASEMENTS FOR WATER FACILITIES

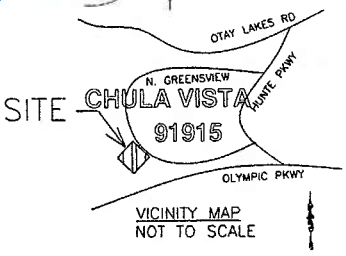
See attached.

EXHIBIT "B"



PARCEL A – 0.25 ACRES
PARCEL B – 1.00 ACRE
PARCEL C – 0.25 ACRES
PARCEL D – 0.40 ACRES
PARCEL E – 0 43 ACRES
PARCEL F – 0.18 ACRES
TOTAL 2.51 ACRES*

*PARCEL F OVERLAPS PARCELS C, D & E



VICINITY MAP
NOT TO SCALE

OTAY WATER DISTRICT

KEY-MAP
WO-8653

Page 1 of 7

REV.	DATE	DESCRIPTION
G.R.	4-30-03	revised Pcl F
M.D.O.	5-28-03	revised Pcl F
M.D.O.	3-29-04	revised Pcl A
M.D.O.	3-29-04	revised Pcl D

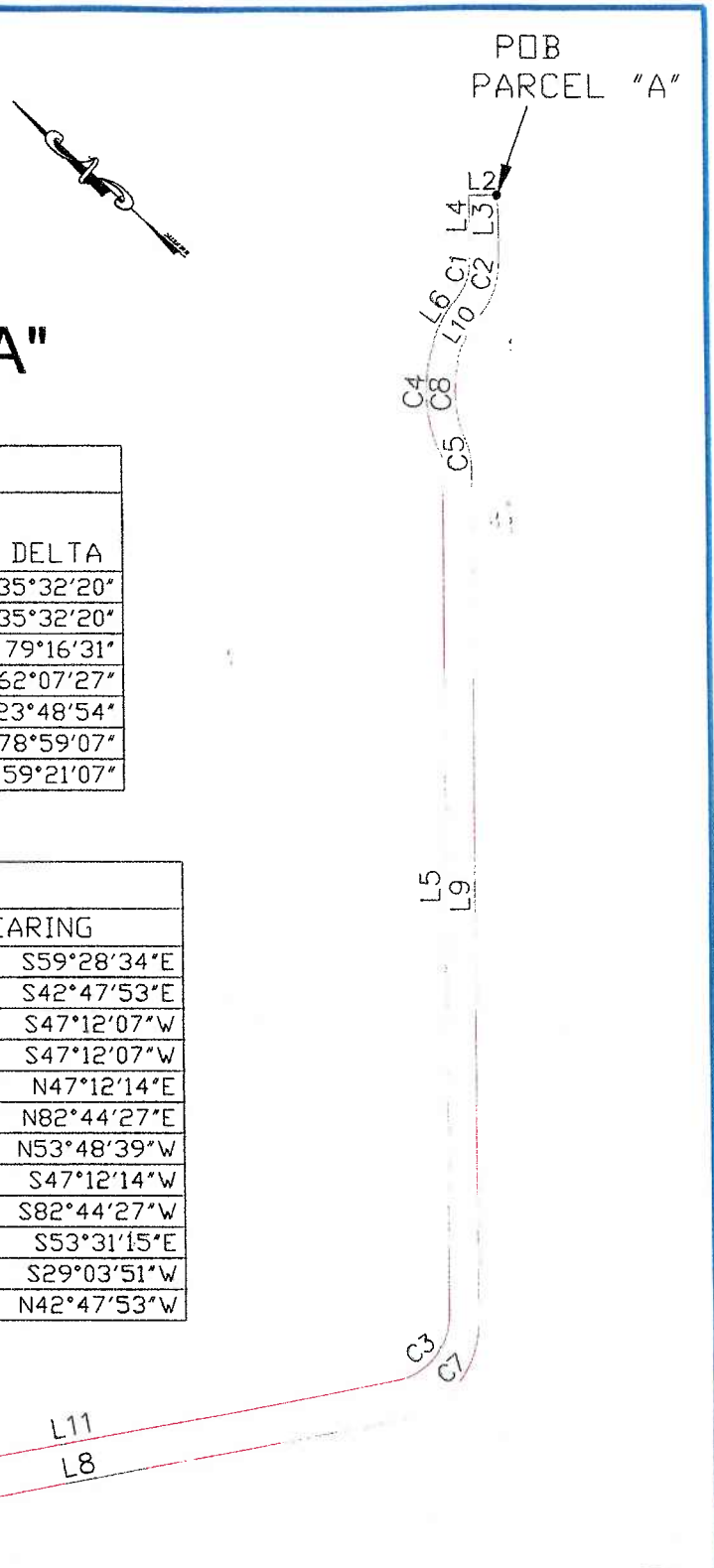
RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP DIST. NO.

COORDINATES

MAP NO.
SCALE: 1"=80'
DATE: 1-15-03
DRAWN BY: M.D.O.

WORKING\WO8653\survey\New DWG smt\Key map.dwg 1/22/2004 8:08:26 AM PS

Exhibit "B"



PARCEL "A"

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	12.41	20.00	35°32'20"
C2	19.85	32.00	35°32'20"
C3	38.74	28.00	79°16'31"
C4	67.22	62.00	62°07'27"
C5	11.22	27.00	23°48'54"
C7	55.14	40.00	78°59'07"
C8	51.79	50.00	59°21'07"

LINE TABLE		
LINE	LENGTH	BEARING
L1	17.61	S59°28'34"E
L2	12.00	S42°47'53"E
L3	28.60	S47°12'07"W
L4	28.60	S47°12'07"W
L5	356.97	N47°12'14"E
L6	5.72	N82°44'27"E
L8	272.26	N53°48'39"W
L9	357.47	S47°12'14"W
L10	5.72	S82°44'27"W
L11	274.38	S53°31'15"E
L12	12.10	S29°03'51"W
L13	17.88	N42°47'53"W

OTAY WATER DISTRICT

PARCEL"A"
WO8653 Page 2 of 7

REV.	DATE	DESCRIPTION
G.R.	4-30-03	
M.D.O.	3-29-04	

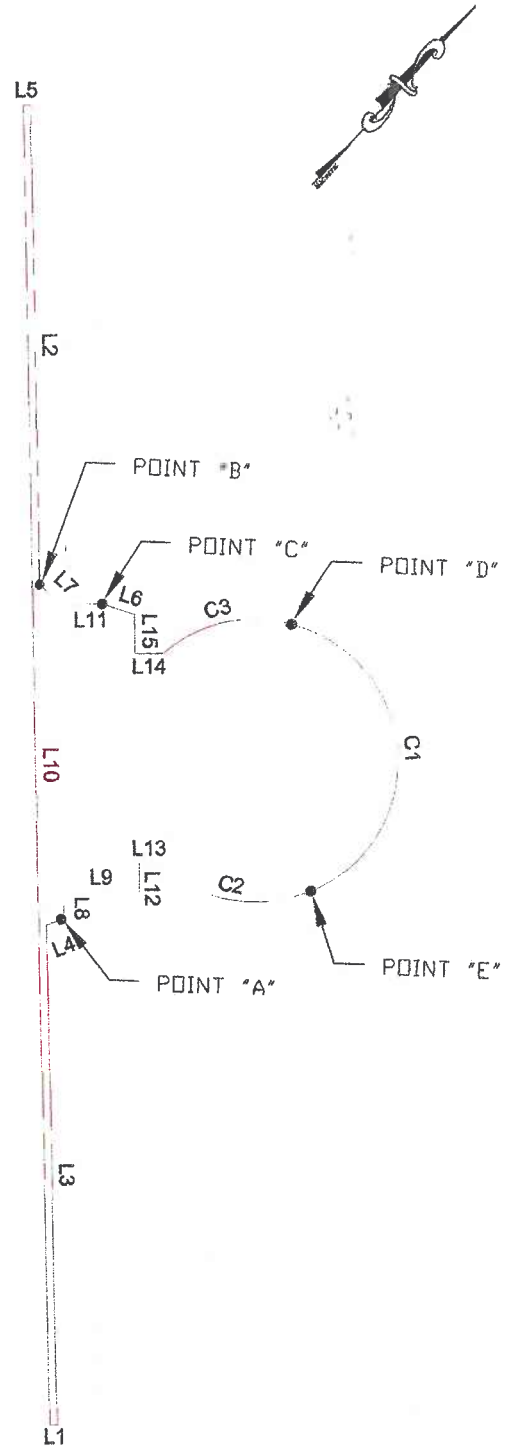
RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

COORDINATES
MAP NO.
SCALE: 1" = 50'
DATE: 1-9-03
DRAWN BY: M.D.O.

P:\WORKING\WO8653\survey\New OWD Esmts\Parcel-A.dwg 1/22/2004 8:20:01 AM PST

Exhibit "B"

PARCEL "B"



CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	232.51	93.50	142°28'53"
C2	107.45	93.50	65°50'32"
C3	90.78	93.50	55°37'44"

LINE TABLE		
LINE	LENGTH	BEARING
L1	5.00	S47°12'14"W
L2	316.86	S43°33'20"E
L3	331.57	S43°33'20"E
L4	12.10	S29°03'51"W
L5	5.00	N47°12'07"E
L6	22.55	N64°40'58"E
L7	18.64	S89°55'30"E
L8	17.88	N42°47'53"W
L9	51 41	N47°12'07"E
L10	873.50	N43°33'20"W
L11	28.70	N47°12'07"E
L12	19.25	N42°47'53"W
L13	13.27	N47°12'07"E
L14	19.05	S47°12'07"W
L15	25.72	N42°47'53"W

OTAY WATER DISTRICT

PARCEL"B" Page 3 of 7
WO8653

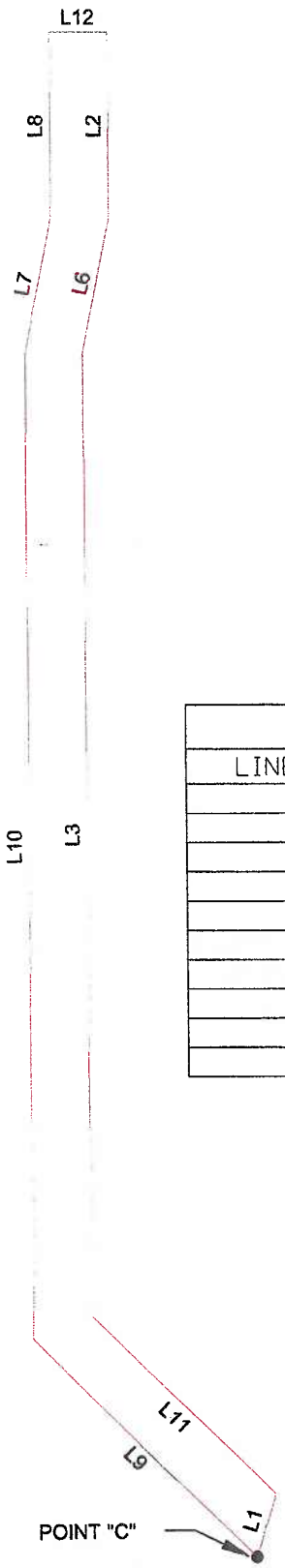
REV.	DATE	DESCRIPTION
G.R.	4-30-03	

RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

COORDINATES

MAP NO.
SCALE. 1"= 80'
DATE: 1-14-03
DRAWN BY: M.D.O.

Exhibit "B"



PARCEL "C"

LINE TABLE		
LINE	LENGTH	BEARING
L1	22.55	S64°40'58"W
L2	64.00	S47°12'07"W
L3	329.05	S47°12'07"W
L6	46.39	S58°49'07"W
L7	46.39	N58°49'07"E
L8	64.00	N47°12'07"E
L9	105.48	N02°12'07"E
L10	337 33	N47°12'07"E
L11	86.78	S02°12'07"W
L12	20.00	S42°47'53"E

P:\WORKING\WO8653\survey New Wtr Esmts\Parcel D.dwg 01/16/03 07:04:38 AM PS

OTAY WATER DISTRICT

PARCEL"C"
WO8653

Page 4 of 7

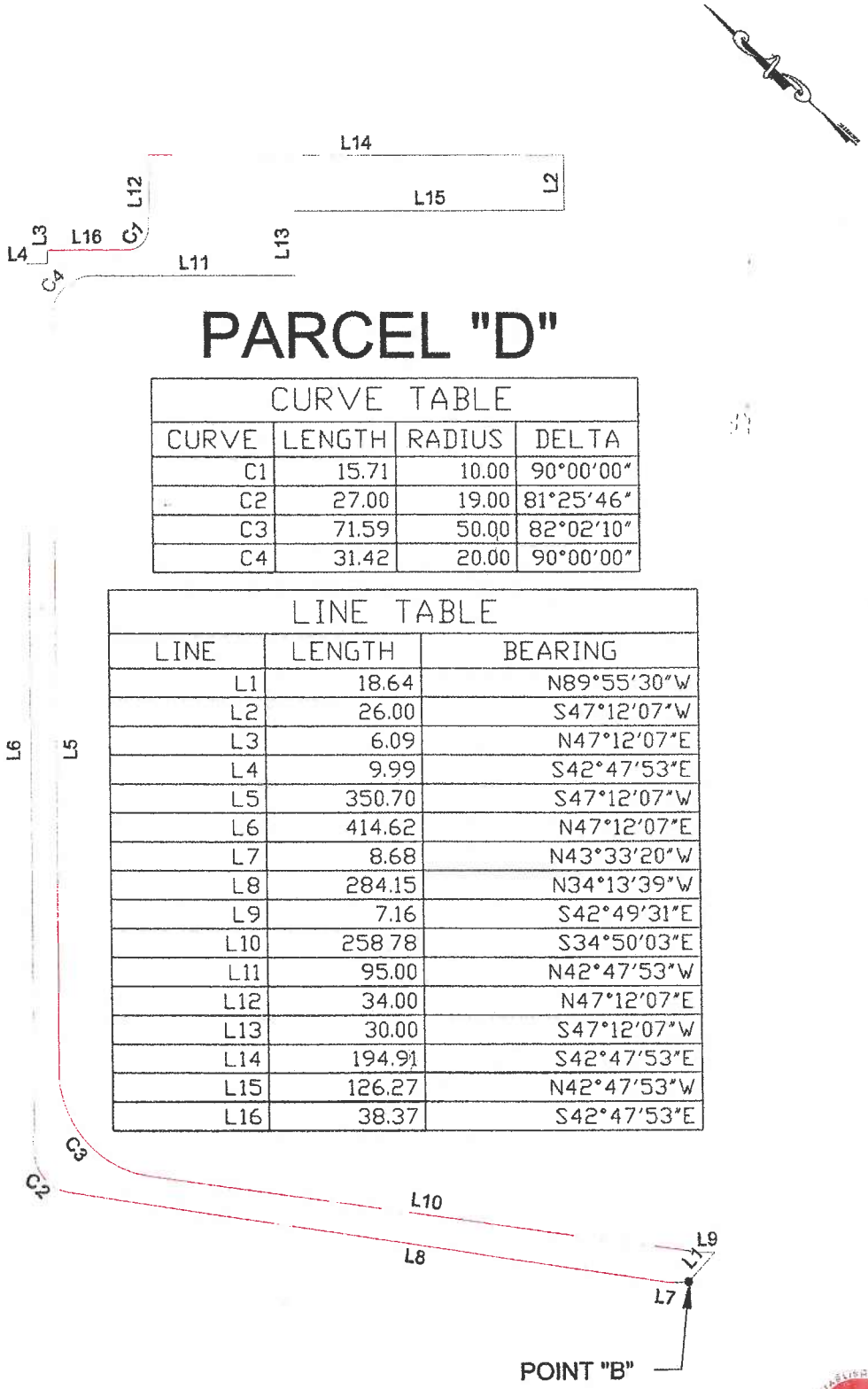
REV.	DATE	DESCRIPTION
G.R.	4-30-03	

RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

COORDINATES

MAP NO.
SCALE: 1"= 40'
DATE: 1-15-03
DRAWN BY: M.D.O.

Exhibit "B"



PARCEL "D"

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	15.71	10.00	90°00'00"
C2	27.00	19.00	81°25'46"
C3	71.59	50.00	82°02'10"
C4	31.42	20.00	90°00'00"

LINE TABLE		
LINE	LENGTH	BEARING
L1	18.64	N89°55'30"W
L2	26.00	S47°12'07"W
L3	6.09	N47°12'07"E
L4	9.99	S42°47'53"E
L5	350.70	S47°12'07"W
L6	414.62	N47°12'07"E
L7	8.68	N43°33'20"W
L8	284.15	N34°13'39"W
L9	7.16	S42°49'31"E
L10	258 78	S34°50'03"E
L11	95.00	N42°47'53"W
L12	34.00	N47°12'07"E
L13	30.00	S47°12'07"W
L14	194.91	S42°47'53"E
L15	126.27	N42°47'53"W
L16	38.37	S42°47'53"E

OTAY WATER DISTRICT

PARCEL"D"
WO8653

Page 5 of 7

REV.	DATE	DESCRIPTION
G.R.	4-30-03	
M.D.O.	3-29-04	

RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

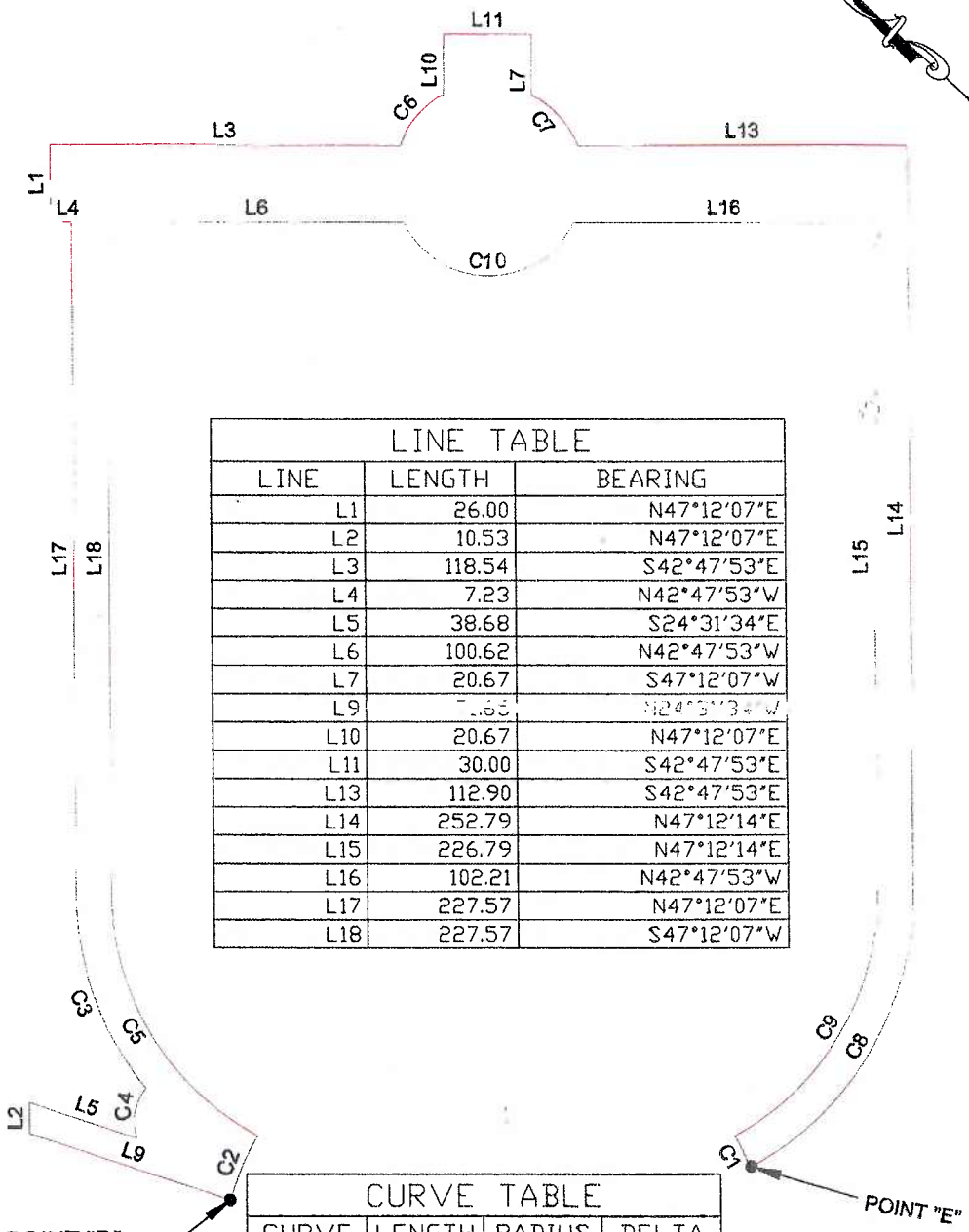
COORDINATES

MAP NO.
SCALE: 1"= 50'
DATE: 1-15-03
DRAWN BY: M.D.O.

P:\WORKING\WO8653\survey\New D-D Fsmt\Parcel D.dwg 1/22/2004 8:18:32 AM PST

Exhibit "B"

PARCEL "E"



LINE TABLE		
LINE	LENGTH	BEARING
L1	26.00	N47°12'07"E
L2	10.53	N47°12'07"E
L3	118.54	S42°47'53"E
L4	7.23	N42°47'53"W
L5	38.68	S24°31'34"E
L6	100.62	N42°47'53"W
L7	20.67	S47°12'07"W
L9	[illegible]	N24°31'34"W
L10	20.67	N47°12'07"E
L11	30.00	S42°47'53"E
L13	112.90	S42°47'53"E
L14	252.79	N47°12'14"E
L15	226.79	N47°12'14"E
L16	102.21	N42°47'53"W
L17	227.57	N47°12'07"E
L18	227.57	S47°12'07"W

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	12.01	93.50	7°21'43"
C2	23.69	93.50	14°30'52"
C3	71.58	106.00	38°41'21"
C4	18.02	17.50	58°59'52"
C5	100.15	94.00	61°02'45"
C6	23.71	32.50	41°47'27"
C7	23.71	32.50	41°47'27"
C8	115.34	106.00	62°20'36"
C9	101 93	94.00	62°07'53"
C10	72.04	32.50	127°00'20"

OTAY

OTAY WATER DISTRICT

PARCEL"E"
WO8653

REV.	DATE	DESCRIPTION
G.R.	4-30-03	

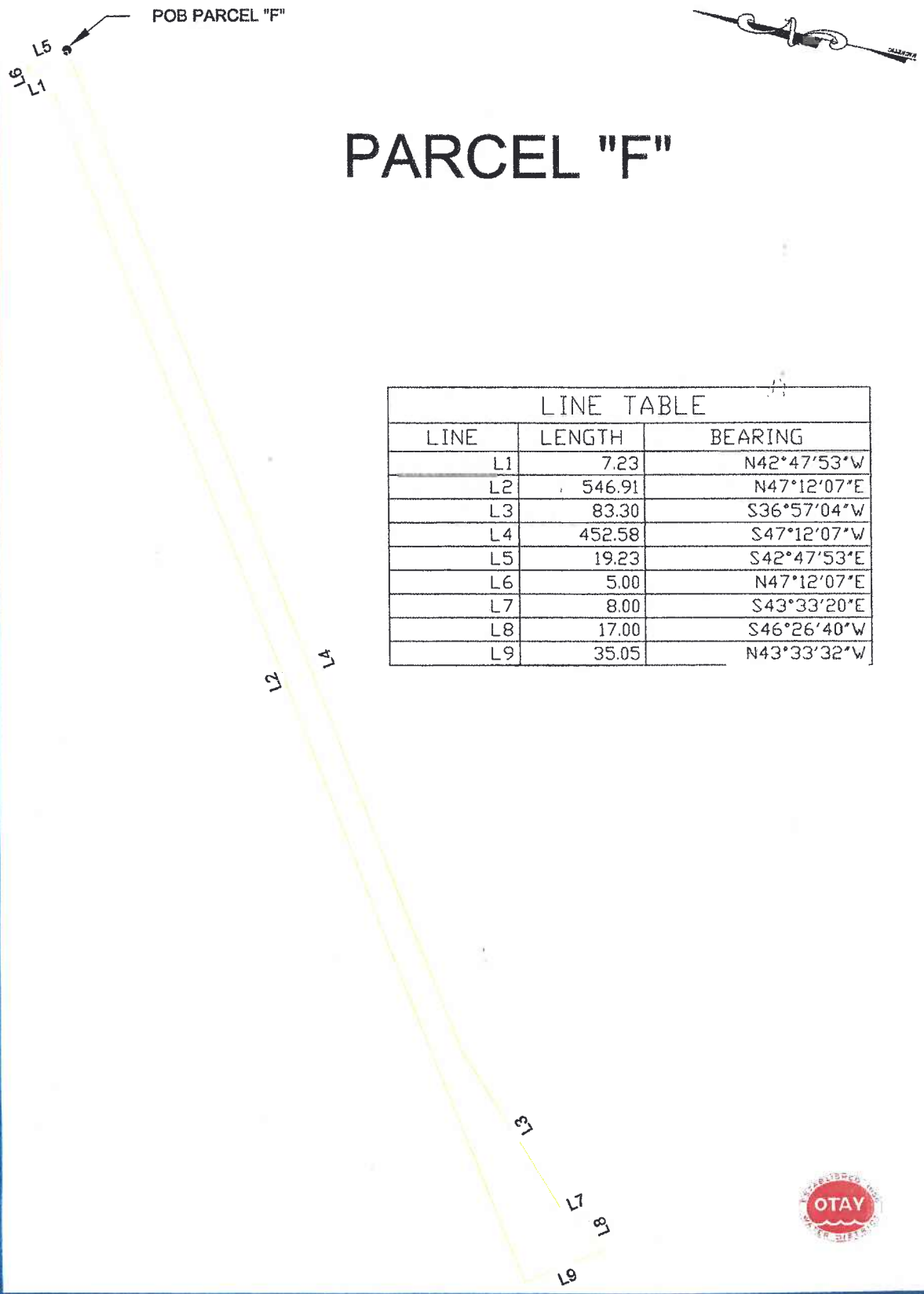
RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

COORDINATES

MAP NO.
SCALE: 1"= 40'
DATE: 1-15-03
DRAWN BY: M.D.O.

P:\W R ING\WO8653 survey\New DWG Esmts\Parcel E.dwg 1 22 2004 8:50:07 AM PS

Exhibit "B"



PARCEL "F"

LINE TABLE		
LINE	LENGTH	BEARING
L1	7.23	N42°47'53"W
L2	546.91	N47°12'07"E
L3	83.30	S36°57'04"W
L4	452.58	S47°12'07"W
L5	19.23	S42°47'53"E
L6	5.00	N47°12'07"E
L7	8.00	S43°33'20"E
L8	17.00	S46°26'40"W
L9	35.05	N43°33'32"W

Otay Water District

EASEMENT PARCEL"F" Page 7 of 7

REV.	DATE	DESCRIPTION
G.R.	4-30-03	Parcel F revised
M.D.O.	5-28-03	Parcel F revised

RECORDERS F/P
REC. DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

COORDINATES

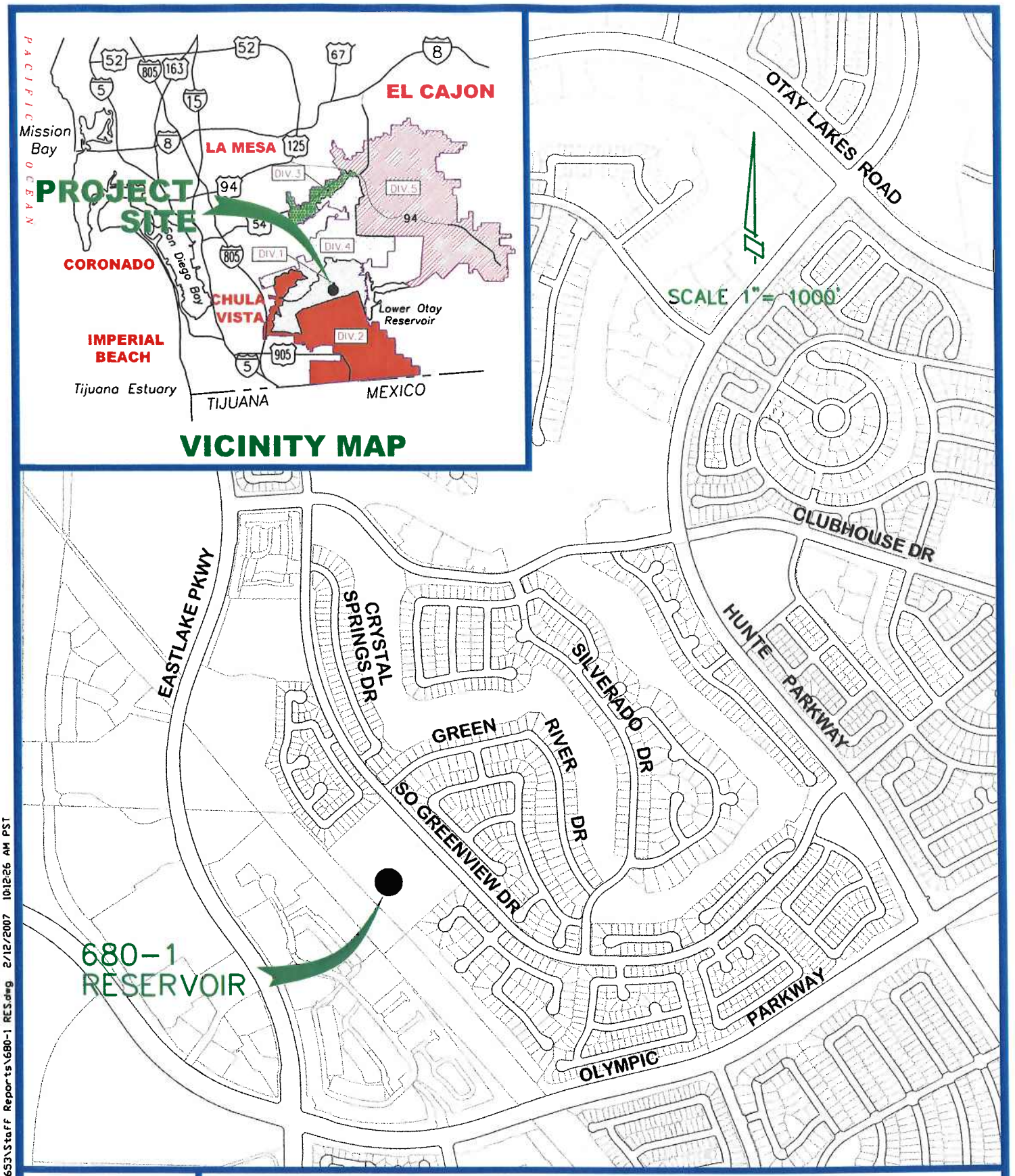
MAP NO.
SCALE: 1"= 40'
DATE: 1-15-03
DRAWN BY: M.D.O.

ATTACHMENT C

SUBJECT/PROJECT: R2003-001103	Reimbursement, Release and Settlement Agreement with The EastLake Company for Capital Improvement Program Water Facilities Associated with the 680-1 Reservoir at Sunset View Park - Budget Detail

R2003 - RecRes - 680-1 Reservoir 3.4 MG

Budget $4,350,000	*Committed*	*Expenditures*	*Outstanding Commitment & Forecast*	*Projected Final Cost*	*Vendor / Comments*
Planning					
In House/Labor	48,761	48,761		48,761	
Consultant Contracts	3,957	3,957	-	3,957	Recon
Software	859	859	-	859	Sage CAD Applications, Inc
Shipping	20	20	-	20	Fed-Ex
Outside Services	149	149	-	149	Frank & Son Paving, Inc.
	4,000	4,000	-	4,000	MW Soft, Inc.
	200	200	-	200	Union Electric Motor Service
Subcontract	1,004	1,004	-	1,004	Boyle Engineering Corporation
	2,710	2,710	-	2,710	Geotechnics Inc.
	792	792	-	792	Helix Environmental Planning
	4,766	4,766	-	4,766	John Powell & Associates, Inc.
	6,993	6,993	-	6,993	Regional Environmental
	8,560	8,560	-	8,560	Snipes-Dye Associates
Advertise and Award	830	830	-	830	Union Tribune Publishing
Temporary Labor	49	49	-	49	Atwork Personeel Service
	200	200	-	200	Primary Funding Corp.
	189	189	-	189	Tempro Services Inc.
Land/Easement Acquisition	149,550	149,550	-	149,550	City of Chula Vista
	2,996	2,996	-	2,996	Thomas M. Nutt
	3,961	3,961	-	3,961	Andrew A. Smith Company
Total Planning	$ 240,543.75	$ 240,543.66	$ -	$ 240,544	
Design					
In House/Labor	89,463	89,463		89,463	
Consultant Contracts/Reimbursement Agreements	306,083	306,083	-	306,083	The Eastlake Co. LLC
Subcontract	21,616	21,616	-	21,616	John Powell & Associates, Inc.
	19,370	19,370	-	19,370	Robert Bein, William Frost
Professional & Legal Fees			-	-	
Meals			-	-	
Advertise and Award			-	-	
			-	-	
Total Design	$ 436,531.87	$ 436,531.59	$ -	$ 436,532	
Construction					
In House/Labor	167,135	167,135		167,135	
Consultant Contracts	401,077	401,077	-	401,077	The Eastlake Co. LLC
	360	360	-	360	Geotechnics Inc.
	2,250	1,123	1,128	2,250	Hirsch & Co
Construction Contracts/Reimbursement	2,278,096	2,278,096	-	2,278,096	The Eastlake Co. LLC
Reimbursement (Settlement Agreement)	200,000	-	200,000	200,000	The Eastlake Co. LLC
Construction Contracts	2,225	2,225	-	2,225	Geotechnics, Inc.
Subcontract	500,000	500,000	-	500,000	The Eastlake Co. LLC
Professional & Legal Fees	1,179	1,179	-	1,179	Burke, Williams & Sorensen LLP
	447	447	-	447	Garcia, Ruiz & Calderon
Materials	500	500	-	500	Alarm Center Inc
	204	204	-	204	C.W. Mcgrath Inc.
	48	48	-	48	County of San Diego
	127	127	-	127	FLW Inc.
	4,608	4,608	-	4,608	GE Supply
	102	102	-	102	Hanson Aggregates Pacific
	348	348	-	348	Larson-Metercraft Inc
	550	550	-	550	Mag Systems Inc.
	40	40	-	40	Mc Master-Carr Supply Co.
	1,075	1,075	-	1,075	Newark Inone
	1,114	1,114	-	1,114	Onesource Distributors Inc
	107	107	-	107	Petty Cash Custodian
	569	569	-	569	Tiger Reprographics
	242	242	-	242	W W Grainger, Inc
Equipment Purchase	1,090	1,090	-	1,090	Applied Technology Group Inc.
Special Project	1,060	1,060	-	1,060	Geotechnics Inc.
Temporary Labor	126	126	-	126	Atwork Personeel Service
Outside Services	90	90	-	90	C.W. Mcgrath Inc.
	1,685	1,685	-	1,685	San Diego Gas & Electric
	9,790	9,790	-	9,790	Techknowsion Inc.
	2,200	2,200	-	2,200	Craig, Bulthuis & Stelmar
Gas & Electric	14,955	14,955	-	14,955	San Diego Gas & Electric
Inventory	499	499	0	499	
Water Loss	3,103	3,103	-	3,103	
Accpt/close-out			-	-	
Total Construction	$ 3,596,999	$ 3,395,871	$ 201,128	$ 3,596,999	
Grand Total	$ 4,274,075	$ 4,072,947	$ 201,128	$ 4,274,074	



P:\WORKING\CIP R003\WO 8653\Staff Reports\680-1 RES.dwg 2/12/2007 10:12:26 AM PST

ESTABLISHED 1955 OTAY WATER DISTRICT

OTAY WATER DISTRICT

680-1 RECYCLED WATER RESERVOIR

WO 8653

CENTRAL AREA
LOCATION MAP

CIP R2003

EXHIBIT A

AGENDA ITEM 6

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 1, 2007
SUBMITTED BY:	Jim Peasley Engineering Manager	PROJECT NO.:	D0032-010263 DIV. NO.: 2
REVIEWED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Approval of Water Supply Assessment and Verification Report (July 2007) for McMillin, LLC Eastern Urban Center Sectional Planning Area Plan		

GENERAL MANAGER'S RECOMMENDATION:

That Otay Water District's (District) Board approve the Water Supply Assessment and Verification Report (WSA&V Report) dated July 2007 for the McMillin, LLC Eastern Urban Center Sectional Planning Area Plan (EUC SPA) development proposal, as required by Senate Bill 610 and Senate Bill 221 (SB 610 and SB 221).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board approval of the July 2007 WSA&V Report for the EUC SPA project, as required by SB 610 and SB 221.

ANALYSIS:

SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are addressed by the WSA&V Report for the EUC SPA project. Prior to transmittal to the City of Chula Vista, the WSA&V Report must be approved by the Board of Directors. An additional explanation of SB 610 and

SB 221's intent is provided in Exhibit A and the WSA&V Report in Exhibit B.

This WSA&V Report incorporates by reference the current Urban Water Management Plans and other water resources planning documents of the District, the Water Authority, and the Metropolitan Water District of Southern California (MWD). The District prepared this WSA&V, which demonstrates and verifies that there are sufficient water supplies to meet projected water demands of the EUC SPA project and the District for a 20-year planning horizon, and in single- and multiple- dry years.

Staff recommends that the Board of Directors approve the July 2007 Water Supply Assessment and Verification Report for the EUC SPA project, as required by and consistent with SB 610 and SB 221.

FISCAL IMPACT:

The Otay Water District has been reimbursed $4,485 for all costs associated with the preparation of the EUC SPA Project WSA&V Report. The reimbursement was accomplished via a $5,000 deposit by McMillin, LLC placed with Otay Water District.

STRATEGIC GOAL:

The preparation and approval of the EUC SPA project WSA&V Report supports the Otay Water District Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced" and the Otay District's Strategic Goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT:

None.

Mark Watton

General Manager

Y:\Board\ENGRPLAN\BD 09-01-07, Staff Report, SB 610 and SB 221\EUC SPA Approval, (JP-RP).doc

JP/RP:jf

Attachments: Attachment A
Exhibit A
Exhibit B

ATTACHMENT A

SUBJECT/PROJECT:	Approval of Water Supply Assessment and Verification Report (July 2007) for McMillin, LLC Eastern Urban Center Sectional Planning Area Plan
PROJECT NO.:	D0032-010263

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 18, 2007. The Committee supported Staff's recommendation.

NOTE:

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

EXHIBIT A

Background Information

The Otay Water District prepared the Water Supply Assessment and Verification Report (WSA&V Report) for the McMillin, LLC Eastern Urban Center Sectional Planning Area Plan (EUC SPA) development proposal at the request of the City of Chula Vista (City). The Otay Water District received the City's written request on May 1, 2007. McMillin, LLC submitted an entitlement application to the City for the development of the EUC SPA project.

The EUC SPA project is located within the jurisdictions of the Otay Water District, the San Diego County Water Authority (Water Authority), and Metropolitan Water District of Southern California (Metropolitan). The EUC SPA project is bound by Birch Road to the north, the extension of State Route 125 (SR-125) to the west, EastLake Parkway to the east, and the future extension of Hunte Parkway to the south.

The WSA&V Report for the EUC SPA project has been prepared by the Otay Water District in consultation with PBS&J, the Water Authority, and the City pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10657, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610 and Business and Professions Code Section 11010 and Government Code Sections 65867.5, 66455.3, and 66473.7 referred to as SB 221. SB 610 and SB 221 amended state law, effective January 1, 2002, to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are addressed within the WSA&V Report.

The EUC SPA project is included within a land use planning document known as the City of Chula Vista Otay Ranch General Development Plan (Otay Ranch GDP), Otay Sub regional Plan,

Volume 2. The EUC SPA project land areas, are identified as a portion of Planning Area 12 within the Otay Ranch GDP, are located within what is defined as the Otay Valley Parcel of the Otay Ranch GDP.

For the approximate 204.6 acre McMillin, LLC EUC SPA project, the planned land uses consist of a mix of commercial, retail, residential, public and civic purposes, including parks, an elementary school, library, a fire station, and circulation elements. The total maximum intensities for either residential or non-residential uses would be equivalent of 2,983 residential units and 3.487 million square feet of non-residential uses. The EUC SPA project plan consists of 166.2 acres for mixed-use commercial and residential land uses, 1.7 acres for a fire station, 10.4 acres for parks, and 26.3 acres of land use for circulation elements. Typically, a development project of this magnitude is constructed in several phases.

The WSA&V Report identifies that the water demand projections for the proposed EUC SPA project are included in the water demand and supply forecasts within the Urban Water Management Plans and other water resources planning documents of the Otay Water District, the Water Authority, and the Metropolitan. Water supplies necessary to serve the demands of the proposed EUC SPA project, along with existing and other projected future users, as well as the actions necessary to develop these supplies, have been identified in the water supply planning documents of the Otay Water District, the Water Authority, and Metropolitan.

The WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, or agreements relevant to the identified water supply needs for the proposed EUC SPA project. The WSA&V Report demonstrates and verifies that sufficient water supplies are to be available over a 20-year planning horizon, and in single- and multiple-dry years to meet the projected demand of the proposed EUC SPA project and the existing and other planned development projects within the Otay Water District.

Accordingly, after approval of a WSA&V Report for the EUC SPA project by the Otay Water District Board of Directors, the WSA&V Report may be used to comply with the requirements of the legislation enacted by Senate Bills 610 and 221 as follows:

1. Senate Bill (SB) 610 Water Supply Assessment: The Otay Water District Board approved WSA&V Report may be incorporated into the California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) compliance process for the EUC SPA project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The City as lead agency under the CEQA for the EUC SPA project EIR may cite the approved WSA&V Report as evidence that a sufficient water supply is to be available to serve the EUC SPA project.

2. Senate Bill 221 Water Supply Verification: The Otay Water District Board approved WSA&V Report may be incorporated into the City's Tentative Map approval process for the EUC SPA project as a water supply verification report, consistent with the requirements of the legislation enacted by SB 221. The City, within their process of approving the EUC SPA project's Tentative Map, may cite the approved WSA&V Report as verification of sufficient water supply to serve the EUC SPA project.

EXHIBIT B

OTAY WATER DISTRICT

WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT

Eastern Urban Center Sectional Planning Area Plan

Prepared by:

James F. Peasley, P.E.
Water Resources Engineering Manager
Otay Water District
in consultation with
PBS&J
and
San Diego County Water Authority

July 2007

Otay Water District
Water Supply Assessment and Verification Report
July 2007

Eastern Urban Center Sectional Planning Area Plan

Table of Contents

Executive Summary: 1

Section 1: Purpose 2

Section 2: Findings 3

Section 3: Project Description 4

Section 4: Otay Water District 5

4.1 Urban Water Management Plan 7

Section 5: Historical and Projected Water Demands 7

5.1 Demand Management (Water Conservation) 10

Section 6: Existing and Projected Supplies 12

6.1 Metropolitan Water District of Southern California 2005 Regional Urban Water Management Plan 12

6.1.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies 13

6.1.2 Metropolitan Capital Investment Plan 14

6.2 San Diego County Water Authority Regional Water Supplies 15

6.2.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies 15

6.2.2 Water Authority Capital Improvement Program and Financial Information 26

6.3 Otay Water District 27

6.3.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies 27

6.3.2 Otay WD Capital Improvement Program 32

Section 7: Conclusion - Availability of Sufficient Supplies 33

Source Documents 35

Appendices .....

Appendix A: Eastern Urban Center Sectional Planning Area Plan Location and Vicinity Map
Appendix B: Eastern Urban Center Sectional Planning Area Plan Site Utilization Plan

Otay Water District
Water Supply Assessment and Verification Report
July 2007

Eastern Urban Center Sectional Planning Area Plan

Executive Summary

The Otay Water District (WD) prepared this Water Supply Assessment and Verification Report (WSA&V Report) at the request of the City of Chula Vista (City). McMillin, LLC submitted an entitlement application to the City for the development of the Eastern Urban Center Sectional Planning Area Plan (EUC SPA) project. This WSA&V Report identifies that the water demand projections for the proposed EUC SPA project are included in the water demand and supply forecasts within the Urban Water Management Plans and other water resources planning documents of the Otay WD, the San Diego County Water Authority (Water Authority), and the Metropolitan Water District of Southern California (Metropolitan). Water supplies necessary to serve the demands of the proposed EUC SPA project, along with existing and other projected future users, as well as the actions necessary to develop these supplies, have been identified in the water supply planning documents of the Otay WD, the Water Authority, and Metropolitan.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, or agreements relevant to the identified water supply needs for the proposed EUC SPA project. This WSA&V Report demonstrates and verifies that sufficient water supplies are to be available over a 20-year planning horizon, and in single- and multiple-dry years to meet the projected demand of the proposed EUC SPA project and the existing and other planned development projects within the Otay WD.

Accordingly, after approval of a WSA&V Report for the EUC SPA project by the Otay WD Board of Directors (Board), the WSA&V Report may be used to comply with the requirements of the legislation enacted by Senate Bills 610 and 221 as follows:

1. Senate Bill (SB) 610 Water Supply Assessment: The Otay WD Board approved WSA&V Report may be incorporated into the California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) compliance process for the EUC SPA project as a water supply assessment report consistent with the requirements of the legislation enacted by SB 610. The City as lead agency under the CEQA for the EUC SPA project EIR may cite the approved WSA&V Report as evidence that a sufficient water supply is to be available to serve the EUC SPA project.

2. Senate Bill 221 Water Supply Verification: The Otay WD Board approved WSA&V Report may be incorporated into the City's Tentative Map approval process for the EUC SPA project as a water supply verification report, consistent with the requirements of the legislation enacted by SB 221. The City, within their process of approving the EUC SPA project's Tentative Map, may cite the approved WSA&V Report as verification of sufficient water supply to serve the EUC SPA project.

Section 1 - Purpose

McMillin, LLC submitted an entitlement application to the City of Chula Vista (City) for the development of the Eastern Urban Center Sectional Planning Area Plan (EUC SPA) project. The City requested that Otay Water District (WD) prepare a Water Supply Assessment and Verification Report (WSA&V Report) for the EUC SPA development project. The EUC SPA project description is provided in Section 3 of this WSA&V Report.

This WSA&V Report for the EUC SPA project has been prepared by the Otay WD in consultation with PBS&J, the San Diego County Water Authority (Water Authority), and the City pursuant to Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10657, 10910, 10911, 10912, and 10915 referred to as Senate Bill (SB) 610 and Business and Professions Code Section 11010 and Government Code Sections 65867.5, 66455.3, and 66473.7 referred to as SB 221. SB 610 and SB 221 amended state law, effective January 1, 2002, to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the California Environmental Quality Act (CEQA) environmental documentation and approval process of certain proposed projects. SB 221 requires affirmative written verification from the water purveyor of the public water system that sufficient water supplies are to be available for certain residential subdivisions of property prior to approval of a tentative map. The requirements of SB 610 and SB 221 are being addressed by this WSA&V Report.

This WSA&V Report evaluates water supplies that are or will be available during normal, single-dry year, and multiple dry water years during a 20-year projection to meet existing demands, expected demands of the EUC SPA, and reasonably foreseeable planned future water demands served by Otay WD. The Otay WD Board of Directors approved WSA&V Report is planned to be used by the City in its evaluation of the EUC SPA project under the CEQA documentation and approval process.

Section 2 - Findings

The WSA&V Report identifies that the water demand projections for the proposed Eastern Urban Center Sectional Planning Area Plan project are included in the water demand and supply forecasts within the Urban Water Management Plans and other water resources planning documents of the Otay WD, the Water Authority, and the Metropolitan Water District of Southern California (Metropolitan). Water supplies necessary to serve the demands of the proposed EUC SPA project, along with existing and other reasonably foreseeable projected future users, as well as the actions necessary to develop these supplies, have been identified in the water supply planning documents of the Otay WD, the Water Authority, and Metropolitan. This WSA&V Report demonstrates and verifies that there are sufficient water supplies over a 20-year planning horizon to meet the projected demand of the proposed EUC SPA project and the existing and other reasonably foreseeable planned development projects within the Otay WD.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, or agreements relevant to the identified water supply needs for the proposed EUC SPA project. This WSA&V Report incorporates by reference the current Urban Water Management Plans and other water resources planning documents of the Otay WD, the Water Authority, and Metropolitan. The Otay WD prepared this WSA&V to verify that sufficient water supplies meet projected water demands of the EUC SPA project and the Otay WD for a 20-year planning horizon, and in single- and multiple-dry years.

Based on a normal water supply year, the five-year increments for a 20-year projection indicate projected water supply is planned to meet the estimated water demand of the Otay WD (38,774 acre-feet (ac-ft) in 2005 to 72,853 ac-ft in 2025 per the Otay WD 2005 Urban Water Management Plan). Based on dry year forecasts, the estimated water supply is also planned to meet the projected water demand, during single- and multiple-dry year scenarios. On average, the dry-year demands are about 7% higher than the normal demands. Using this model, the projected single dry-year necessary supply for 2010 is 53,299 ac-ft and for multiple-dry years beginning in 2007 46,212 ac-ft, 48,574 ac-ft, and 50,936 ac-ft, respectively, is necessary to meet demand. The Otay WD recycled water supply is assumed to be drought-proof and not subject to reduction during dry periods.

Together, these findings verify that sufficient water supplies are planned for as well as the actions necessary to develop these supplies are documented, to serve the proposed EUC SPA project and the existing and other reasonably foreseeable planned projects within the Otay WD in both normal and dry year forecasts.

Section 3 - Project Description

The Eastern Urban Center Sectional Planning Area Plan project, also referred to as a portion of Planning Area 12, is located within the City of Chula Vista of the County of San Diego, California. The EUC SPA project is also located within the jurisdictions of the Otay WD, the Water Authority, and Metropolitan.

The EUC SPA project is included within a land use planning document known as the City of Chula Vista Otay Ranch General Development Plan (Otay Ranch GDP), Otay Subregional Plan, Volume 2. The EUC SPA project land areas, are identified as a portion of Planning Area 12 within the Otay Ranch GDP, are located within what is defined as the Otay Valley Parcel of the Otay Ranch GDP.

The Chula Vista City Council and the San Diego County Board of Supervisors adopted the Otay Ranch GDP on October 28, 1993, which was accompanied by a Program Environmental Impact Report EIR-90-01 (SCH #89010154). The planned EUC SPA project is a part of the designated 14 villages and five planning areas within the Otay Ranch GDP area.

The approximately 23,000 acre Otay Ranch is a master-planned community that includes a broad range of residential, commercial, retail, and industrial development interwoven with civic and community uses, such as libraries, parks, and schools, together with an open space preserve system consisting of approximately 11,375 acres.

The EUC SPA project encompasses approximately 204.6 acres under the ownership of McMillin LLC. McMillin LLC owns all of the land within the EUC parcel boundary, except for a 0.7 acre parcel owned by the Steve and Mary Birch Foundation and a 22.2 acre parcel owned by the Otay Land Company. Table 1 provides information on ownership, land area, and projected annual average potable water demand in gallons per day (gpd) within the EUC parcel boundary. The EUC SPA project is bound by Birch Road to the north, the future extension of State Route 125 (SR-125) to the west, EastLake Parkway to the east, and the future extension of Hunte Parkway to the south. Refer to Appendix A for location and vicinity map and Appendix B for the site utilization plan of the proposed EUC SPA project.

Table 1
Ownership Land Area and Projected Potable Water Demand within EUC Parcel Boundary[1]

Owner	Total Area (acre)	Annual Average Demand (gpd)
McMillin LLC	204.6	889,500
Steve and Mary Birch	0.7	1,125
Otay Land Company	22.2	35,664
Totals	**227.5**	**926,289**

[1] Source: Land use and water demand information from the Eastern Urban Center Technical Water Study dated September 2006 prepared by PBS&J.

For the approximate 204.6 acre McMillin LLC EUC SPA project, the planned land uses consist of a mix of commercial, retail, residential, public and civic purposes, including parks, an elementary school, library, a fire station, and circulation elements. The total maximum intensities for either residential or non-residential uses would be equivalent of 2,983 residential units and 3.487 million square feet of non-residential uses. The EUC SPA project plan consists of 166.2 acres for mixed-use commercial and residential land uses, 1.7 acres for a fire station, 10.4 acres for parks, and 26.3 acres of land use for circulation elements. Typically a development project of this magnitude is constructed in several phases.

The City of Chula Vista has discretionary authority on land use decisions for the EUC SPA project and can establish actions and/or permit approval requirements. The projected potable and recycled water demands associated with the EUC SPA project have considered the anticipated City discretionary actions and/or permit approvals and are incorporated into and used in this WSA&V Report. The water demands for the proposed EUC SPA project are included in the projected water demand estimates provided in Section 5 – Historical and Projected Water Demands.

Section 4 – Otay Water District

The Otay WD is a municipal water district formed in 1956 pursuant to the Municipal Water District Act of 1911 (Water Code §§ 71000 et seq.). The Otay WD joined the Water Authority as a member agency in 1956 to acquire the right to purchase and distribute imported water throughout its service area. The Water Authority is an agency responsible for the wholesale supply of water to its 24 public agency members in San Diego County.

The Otay WD relies on the Water Authority for 100 percent of its domestic water supply. The Water Authority is the agency responsible for the supply of imported water into San Diego County through its membership in Metropolitan. The Water Authority currently

obtains the vast majority of its imported supply from Metropolitan, but is in the process of diversifying its available supplies.

The Otay WD provides water service to residential, commercial, industrial, and agricultural customers, and for environmental and fire protection uses. In addition to providing water throughout its service area, Otay WD also provides sewage collection and treatment services to a portion of its service area known as the Jamacha Basin. The Otay WD also owns and operates the Ralph W. Chapman Water Recycling Facility (RWCWRF) which has an effective treatment capacity of 1.2 million gallons per day (mgd) or about 1,300 acre-feet per year (ac-ft/yr) to produce recycled water.

The Otay WD service area is generally located within the south central portion of San Diego County and includes approximately 125 square miles. The Otay WD serves portions of the unincorporated communities of southern El Cajon, La Mesa, Rancho San Diego, Jamul, Spring Valley, Bonita, and Otay Mesa, the eastern portion of the City of Chula Vista and a portion of the City of San Diego on Otay Mesa. The Otay WD jurisdiction boundaries are roughly bounded on the north by the Padre Dam Municipal Water District, on the northwest by the Helix Water District, and on the west by the South Bay Irrigation District (Sweetwater Authority) and the City of San Diego. The southern boundary of Otay WD is the international border with Mexico. The proposed EUC SPA project is currently located within the Otay WD, Water Authority, and Metropolitan service areas or jurisdictions.

The City of Chula Vista, the City of San Diego, and the County of San Diego are the three land use planning agencies within the Otay WD jurisdiction. Data on projected population and the future rate of growth within Otay WD were obtained from the San Diego Association of Governments (SANDAG). SANDAG serves as the regional, intergovernmental planning agency and provides estimates of population and housing up to the year 2030. Population growth within the Otay WD service area is expected to increase from the 2005 figure of approximately 179,000 to an estimated 268,000 by 2025, and is estimated to be 277,000 at ultimate build out. Land use information used to develop water demand projections are based upon Specific or Sectional Planning Areas, the Otay Ranch GDP, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans.

The Otay WD long-term historic growth rate has been approximately 3% per year. In recent years, the growth has occurred at a faster rate due to accelerated residential development in eastern portion of the City of Chula Vista. The SANDAG forecast shows this accelerated growth to continue for another five to ten years. The growth rate is expected to slow as the inventory of developable land is diminished.

Climatic conditions within the Otay WD service area are characteristically Mediterranean near the coast, with mild temperatures year round. Inland areas are both hotter in summer and cooler in winter, with summer temperatures often exceeding 90 degrees and winter temperatures occasionally dipping to below freezing. Most of the region's rainfall occurs

during the months of December through March. Average annual rainfall is approximately 9.4 inches per year.

Historic climate data were obtained from the Western Regional Climate Center for Station 042706 (El Cajon). This station was selected because its annual temperature variation is representative of most of the Otay WD service area. While there is a station in the City of Chula Vista, the temperature variation at the City of Chula Vista station is more typical of a coastal environment than the conditions in most of the Otay WD service area.

4.1 Urban Water Management Plan

In accordance with the California Urban Water Management Planning Act, the Otay WD Board of Directors adopted an Urban Water Management Plan (UWMP) in December 2005 and it was subsequently submitted to the California Department of Water Resources (DWR). As required by law, the Otay WD UWMP includes projected water supplies required to meet future demands through 2030. In accordance with Water Code Section 10910 (c)(2) and Government Code Section 66473.7 (c)(3), information from the Otay WD 2005 UWMP along with supplemental information from the Otay WD current Water Resources Master Plan have been utilized to prepare this WSA&V Report and are incorporated herein by reference.

Section 5 – Historical and Projected Water Demands

The projected demands for Otay WD are based on Specific or Sectional Planning Areas, the Otay Ranch GDP, San Diego County Community Plans, and City of San Diego, City of Chula Vista, and County of San Diego General Plans. This land use information are also used by SANDAG as the basis for its most recent growth forecast data, which include projections of future population, housing, and employment. This land use information is utilized in the preparation of the Otay WD current WRMP and UWMP to develop the forecasted demands and supply requirements.

The Water Authority and Metropolitan update their water demand and supply projections periodically and use the SANDAG most recent regional growth forecast to calculate future water supply and demands within their respective service areas. This provides for consistency between the retail and wholesale agencies water demand projections, thereby ensuring that adequate supplies are and will be planned for the Otay WD existing and future water users. In addition, the SANDAG growth forecasts are based on the land use policies and decisions of the cities and county within the San Diego County region. Planned growth is included in the water demand forecasts prepared by the Otay WD. The historical and projected potable water demands for Otay WD are shown in Table 2.

Table 2
Historical and Projected Potable Water Fiscal Year Demands (acre-feet)
Incorporating Water Conservation BMP Efforts[1]

Water Use Sectors	1995	2000	2005	2010	2015	2020	2025	2030
Single Family Residential	10,604	15,331	19,850	25,442	29,130	33,316	37,211	42,089
Multi-Family Residential	1,880	1,986	2,893	3,708	4,245	4,855	5,423	6,134
Commercial & Industrial	1,650	3,043	1,549	1,986	2,274	2,600	2,904	3,285
Institutional & Governmental	1,680	2,089	2,115	2,711	3,104	3,550	3,965	4,485
Landscape	3,983	6,256	8,512	10,910	12,491	14,286	15,956	18,048
Agricultural	487	171	2,268	2,907	3,328	3,806	4,251	4,809
Known Losses	*	*	511	655	749	857	957	1,083
System Losses	*	1,733	1,076	1,494	1,711	1,957	2,186	2,472
Totals	**20,284**	**30,609**	**38,774**	**49,813**	**57,032**	**65,227**	**72,853**	**82,405**

[1] Source: The Otay WD 2005 UWMP.
* Known losses (i.e. unaccounted for water in UWMP) and system losses unavailable.

The historical and projected recycled water demands for Otay WD are shown in Table 3.

Table 3
Historical and Projected Recycled Water Fiscal Year Demands (acre-feet)
Incorporating Water Conservation BMP Efforts[1]

Water Use Sector	1995	2000	2005	2010	2015	2020	2025	2030
Landscape	614	1,274	1,155	4,040	4,684	5,430	6,294	7,297
Totals	**614**	**1,274**	**1,155**	**4,040**	**4,684**	**5,430**	**6,294**	**7,297**

[1] Source: The Otay WD 2005 UWMP.

The Otay WD water demand projection methodology utilizes a component land use approach. This is done by applying representative values of water use to the acreage of each land use type and then aggregating these individual land use demand projections into an overall total demand for the Otay WD. This is called the water duty method, and the water duty is the amount of water used in acre-feet per acre per year. This approach is used for all the land use types except residential development where a demand per dwelling unit was applied. In addition, commercial and industrial water use categories are further subdivided by type including separate categories for golf courses, schools, jails, prisons, hospitals, etc. where specific water demands are allocated.

To determine water duties for the various types of land use, the entire water meter database of the Otay WD is utilized and sorted by the appropriate land use types. The metered consumption records are then examined for each of the land uses, and water duties are determined for the various types of

commercial, industrial, and institutional land uses. For example the water duty factors for commercial and industrial land uses are estimated using 1,785 and 893 gallons per day per acre respectively. Residential water demand is established based on the same data but computed on a per-dwelling unit basis. The focus is to ensure that for each of the residential land use categories (very low, low, medium, and high densities), the demand criteria used is adequately represented based upon actual data. This method is used because residential land uses constitute a substantial percentage of the total developable planning area of the Otay WD.

By applying the established water duties to the proposed land uses, the projected water demand for the entire Otay WD planning area at ultimate development is determined. Projected water demands for the intervening years were determined using growth rate projections consistent with data obtained from SANDAG and the experience of the Otay WD.

Using the land use demand projection criteria as established in the Otay WD Water Resources Master Plan, the projected potable water demand for the proposed EUC SPA project is shown in Table 4, which totals 0.890 mgd or about 997 ac-ft/yr. The projected recycled water demand for the proposed EUC SPA project is provided in Table 5, which totals 0.0613 mgd or about 69 ac-ft/yr, representing about 6% of total EUC SPA project demand. These demand projections are consistent with the projected water demand included in the Otay WD 2005 Urban Water Management Plan and the Otay WD Water Resources Master Plan.

Table 4
Eastern Urban Center Sectional Planning Area Plan Projected Potable Water Annual Average Demands[1]

Location	Land Use Description	Dwelling Units	Gross Area	Demand (gpd)
EUC SPA	Mixed-Use Commercial/Residential	2,983 units	166.2 acres	889,300
EUC SPA	Parks	0	10.4 acres	0
EUC SPA	Fire Station	0	1.7 acres	200
EUC SPA	Right-of-Way	0	26.3 acres	0
Totals		**2,983 units**	**204.6 acres**	**889,500**

[1] Source: Land use and water demand information from the Eastern Urban Center Technical Water Study dated September 2006 prepared by PBS&J.

Table 5
Eastern Urban Center Sectional Planning Area Plan Projected Recycled Water Annual Average Demands[1]

Location	Land Use Description	Irrigated Area	Demand (gpd)
EUC SPA	Mixed-Use Commercial/Residential	16.6 acres	35,800
EUC SPA	Parks	10.4 acres	22,500
EUC SPA	Fire Station	0.1 acres	200
EUC SPA	Right-of-Way	1.3 acres	2,800
Totals		**28.4 acres**	**61,300**

[1] Source: Land use and water demand information was from the Eastern Urban Center Technical Water Study dated September 2006 prepared by PBS&J.

The EUC SPA project will be using recycled water for landscape irrigation. The primary benefit of using recycled water is that it will offset the potable water demands and supply requirements by an estimated 0.0613 mgd on an average annual basis.

5.1 Demand Management (Water Conservation)

Demand management, or water conservation is a critical part of the Otay WD 2005 UWMP and its long term strategy for meeting water supply needs of the Otay WD customers. Water conservation, is frequently the lowest-cost resource available to any water agency. The goals of the Otay WD water conservation programs are to:

- Reduce the demand for more expensive, imported water
- Demonstrate continued commitment to the Best Management Practices (BMP)
- Ensure a reliable water supply

The Otay WD is signatory to the Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California, which created the California Urban Water Conservation Council (CUWCC) in 1991 in an effort to reduce California's long-term water demands. Water conservation programs are developed and implemented on the premise that water conservation increases the water supply by reducing the demand on available supply, which is vital to the optimal utilization of a region's water supply resources. The Otay WD participates in many water conservation programs designed and typically operated on a shared-cost participation program basis among the Water Authority, Metropolitan, and their member agencies. The demands shown in Tables 1, 2, 3, 4, and 5 take into account implementation of water conservation measures within Otay WD.

As one of the first signatories to the MOU Regarding Urban Water Conservation in California, the Otay WD has made BMP implementation for water conservation the cornerstone of its conservation programs and a key element in its water resource management strategy. As a member of the Water Authority, Otay WD also benefits from regional

programs performed on behalf of its member agencies. The BMP programs implemented by Otay WD and regional BMP programs implemented by the Water Authority that benefit all their member agencies are addressed in the Otay WD 2005 UWMP. In partnership with the Water Authority, the County of San Diego, City of San Diego, City of Chula Vista, and developers, the Otay WD water conservation efforts are expected to grow and expand. The resulting savings directly relate to additional available water in the San Diego County region for beneficial use within the Water Authority service area, including the Otay WD.

Additional conservation or water use efficiency measures or programs practiced by the Otay WD include the following:

- Supervisory Control and Data Acquisition System

The Otay WD implemented and has operated for many years a Supervisor Control and Data Acquisition (SCADA) system to control, monitor, and collect data regarding the operation of the water system. The major facilities that have SCADA capabilities are the water supply source, transmission network, pumping stations, and water storage reservoirs. The SCADA system allows for many and varied useful functions. Some of these functions provide for operating personnel to monitor the water supply source flow rates, reservoir levels, turn on or off pumping units, etc. The SCADA system aids in the prevention of water reservoir overflow events and increases energy efficiency.

- Water Conservation Ordinance

California Water Code Sections 375 et seq. permit public entities which supply water at retail to adopt and enforce a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving water supplies of such public entity. The Otay WD Board of Directors established a comprehensive water conservation program pursuant to California Water Code Sections 375 et seq., based upon the need to conserve water supplies and to avoid or minimize the effects of any future shortage. A water shortage could exist based upon the occurrence of one or more of the following conditions:

1. A general water supply shortage due to increased demand or limited supplies.
2. Distribution or storage facilities of the Water Authority or other agencies become inadequate.
3. A major failure of the supply storage and distribution facilities of the Metropolitan, the Water Authority, or of the Otay WD occurs.

The Otay WD water conservation ordinance finds and determines that the conditions prevailing in the San Diego County area require that the available water resources be put to maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use, or unreasonable method of use, of water be prevented and that the conservation of such water be encouraged with a view to the maximum reasonable and

beneficial use thereof in the interests of the people of the Otay WD and for the public welfare.

As a signatory to the MOU Regarding Urban Water Conservation in California, the Otay WD is required to submit biannual reports that detail the implementation of current water conservation practices. The Otay WD voluntarily agreed to implement the fourteen water conservation Best Management Practices beginning in 1992. The Otay WD submits its annual report to the CUWCC every two years. The Otay WD BMP Reports for 2001 to 2004, as well as the BMP Coverage Report for 2003-04, are included in the 2005 UWMP.

The EUC SPA project will implement the CUWCC Best Management Practices for water conservation such as installation of ultra low flow toilets, development of a water conversation plan for landscape improvements, and beneficial use of recycled water, all of which are typical requirements of development projects within the City of Chula Vista.

Section 6 - Existing and Projected Supplies

The Otay WD currently does not have an independent raw or potable water supply source. The Otay WD is a member public agency of the Water Authority. The Water Authority is a member public agency of Metropolitan. The statutory relationships between the Water Authority and its member agencies, and Metropolitan and its member agencies, respectively, establish the scope of the Otay WD entitlement to water from these two agencies.

The Water Authority through two delivery pipelines, referred to as Pipeline No. 4 and the La Mesa Sweetwater Extension Pipeline, currently supply the Otay WD with 100 percent of its potable water. The Water Authority in turn, currently purchases the majority of its water from Metropolitan. Due to the Otay WD reliance on these two agencies, this WSA&V Report includes referenced documents that contain information on the existing and projected supplies, supply programs, and related projects of the Water Authority and Metropolitan. The Water Authority and Metropolitan are actively pursuing programs and projects to diversify their water supply resources.

The description of local recycled water supplies available to the Otay WD is also discussed below.

6.1 Metropolitan Water District of Southern California 2005 Regional Urban Water Management Plan

In November 2005, Metropolitan adopted its 2005 Regional Urban Water Management Plan (RUWMP). The 2005 RUWMP provides Metropolitan's member agencies, retail water utilities, cities, and counties within its service area with, among other things, a detailed evaluation of the supplies necessary to meet future demands, and an evaluation of reasonable

and practical efficient water uses, recycling, and conservation activities. During the preparation of the 2005 RUWMP, Metropolitan also utilized the SANDAG regional growth forecast in calculating regional water demands for the Water Authority service area.

6.1.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

Metropolitan is a wholesale supplier of water to its member public agencies and obtains its supplies from two primary sources: the Colorado River, via the Colorado River Aqueduct (CRA), which it owns and operates, and Northern California, via the State Water Project (SWP). The 2005 RUWMP documents the availability of these existing supplies and additional supplies necessary to meet future demands.

6.1.1.1 Metropolitan Supplies

Metropolitan's Integrated Resources Plan (IRP) identifies a mix of resources (imported and local) that, when implemented, will provide 100 percent reliability for full-service demands through the attainment of regional targets set for conservation, local supplies, SWP supplies, Colorado River supplies, groundwater banking, and water transfers. The 2004 update to the IRP (2004 IRP Update) now includes a planning buffer supply to mitigate against the risks associated with implementation of local and imported supply programs. The planning buffer identifies an additional increment of water that could potentially be developed if other supplies are not implemented as planned. As part of implementation of the planning buffer, Metropolitan periodically evaluates supply development to ensure that the region is not over-developing supplies. If managed properly, the planning buffer will help ensure that the southern California region, including San Diego County, will have adequate supplies to meet future demands.

In November 2005, Metropolitan adopted its 2005 RUWMP in accordance with state law. The resource targets included in the 2004 IRP Update serve as the foundation for the planning assumptions used in the 2005 RUWMP. Metropolitan's 2005 RUWMP contains a water supply reliability assessment that includes a detailed evaluation of the supplies necessary to meet demands over a 25-year period in average, single dry-year and multiple-dry year periods. As part of this process, Metropolitan also uses the SANDAG regional growth forecast in calculating regional water demands for the Water Authority's service area.

As stated in Metropolitan's 2005 RUWMP, the document may be used as a source document for meeting the requirements of SB 610 and SB 221 until the next scheduled update is completed in 2010. The 2005 RUWMP includes a "Justifications for Supply Projections" in Appendix A.3, that provides detailed documentation of the planning, legal, financial, and regulatory basis for including each source of supply in the plan. A copy of Metropolitan's 2005 RUWMP can be found at www.mwdh2o.com/mwdh2o/pdf/ywater/RUWMP_2005.pdf.

6.1.1.2 Pipeline 6

Metropolitan completed its System Overview Study (SOS) in fall 2005. The SOS determines if Metropolitan's current system is capable of delivering the supplies to meet the demands shown in its 2004 IRP Update.

Pipeline 6 is included in the SOS as an untreated water pipeline to deliver additional Metropolitan supplies to the San Diego region. The addition of Pipeline 6 would allow the Water Authority and Metropolitan to convert one of the existing untreated water pipelines to a treated water pipeline. With the conversion, the capacity to import both treated and untreated water would increase significantly, thereby enabling Metropolitan to increase both treated and untreated imported water delivery capacity to the San Diego region.

Based on current planning assumptions of the Water Authority and Metropolitan, new imported supplies delivered though Pipeline 6 would be required no earlier than 2018, absent development of new supplies from seawater desalination or some combination of new local supplies, totaling 56,000 ac-ft/yr (see Section 6.2.1 below). With development of 56,000 ac-ft/yr, Pipeline 6 would not be needed until 2023. Based on a nine-year lead time requested by Metropolitan, a decision to proceed with Pipeline 6 would need to be communicated to Metropolitan by 2009. Activities associated with implementation of Pipeline 6 include the following:

- Coordination between Metropolitan and the Water Authority regarding planning and design of the pipeline is ongoing; and

- An alignment for the entire approximately 30-mile pipeline was identified in the original 1993 Environmental Impact Report. Metropolitan is conducting a feasibility study to re-visit the 1993 alignment and evaluate alternative alignments north of the San Luis Rey River in light of changed conditions since 1993. The Water Authority plans to conduct a similar feasibility study of Pipeline 6 alignments south of the San Luis Rey River. Based on these updated feasibility studies, an updated environmental analysis for the project is also planned.

6.1.2 Metropolitan Capital Investment Plan

As part of Metropolitan's annual budget approval process, a Capital Investment Plan is prepared. The cost, purpose, justification, status, progress, etc. of Metropolitan's infrastructure projects to deliver existing and future supplies are documented in the Capital Investment Plan. The financing of these projects is addressed as part of the annual budget approval process.

Metropolitan's Capital Investment Plan includes a series of projects identified from Metropolitan studies of projected water needs, which, when considered along with operational demands on aging facilities and new water quality regulations, identify the capital projects

needed to maintain infrastructure reliability and water quality standards, improve efficiency, and provide future cost savings. All projects within the Capital Investment Plan are evaluated against an objective set of criteria to ensure they are aligned with the Metropolitan's goals of supply reliability and quality.

6.2 San Diego County Water Authority Regional Water Supplies

The Water Authority has adopted plans and is taking specific actions to develop adequate water supplies to help meet existing and future water demands within the San Diego region. This section contains details on the supplies being developed by the Water Authority. A summary of recent actions pertaining to development of these supplies includes:

- In accordance with the Urban Water Management Planning Act, the Water Authority adopted an Urban Water Management Plan (UWMP) in November 2005 and updated the 2005 UWMP in April 2007 that identifies a diverse mix of local and imported water supplies to meet future demands. A copy of the Water Authority's 2005 Updated UWMP can be found at www.sdcwa.org.

- Deliveries of conserved agricultural water from the Imperial Irrigation District (IID) to San Diego County have increased annually since 2003, with 35,000 ac-ft of deliveries in FY 2006.

- As part of the October 2003 Quantification Settlement Agreement (QSA), the Water Authority was assigned Metropolitan's rights to 77,700 ac-ft of conserved water from the All-American Canal (AAC) and Coachella Canal (CC) lining projects. The Water Authority has begun implementation of these projects, with the CC project now complete and deliveries being made to the San Diego region.

Through implementation of the Water Authority and member agency planned supply projects, along with reliable imported water supplies from Metropolitan, the region anticipates having adequate supplies to meet existing and future water demands.

To ensure sufficient supplies to meet projected growth in the San Diego region, the Water Authority uses the SANDAG most recent regional growth forecast in calculating regional water demands. The SANDAG regional growth forecast is based on the plans and policies of the land-use jurisdictions with San Diego County. The existing and future demands of the member agencies are included in the Water Authority's projections.

6.2.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The Water Authority currently obtains imported supplies from Metropolitan, conserved water from the CC lining project, and an increasing amount of conserved agricultural water from IID. Twenty-seven member agencies purchase supplies from Metropolitan; the Water

Authority is Metropolitan's largest customer. In FY 2006, the Water Authority purchased 577,944 ac-ft from Metropolitan, an increase of approximately 4,000 ac-ft over the FY 2005 amount.

Section 135 of Metropolitan's Act defines the preferential right to water for each of its member agencies. As calculated by Metropolitan, the Water Authority's FY 2006 preferential right is 16.46% of Metropolitan's supply, while the Water Authority accounted for approximately 25% of Metropolitan's water sales. Under preferential rights, Metropolitan could allocate water without regard to historic water purchases or dependence on Metropolitan. The Water Authority and its member agencies are taking measures to reduce dependence on Metropolitan through development of additional supplies and a water supply portfolio that would not be jeopardized by a preferential rights allocation. Metropolitan has stated, consistent with Section 4202 of its Administrative Code that it is prepared to provide the Water Authority's service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. When and as additional water resources are required to meet increasing needs, Metropolitan stated it will be prepared to deliver such supplies. In Section II.4 of their 2005 RUWMP, Metropolitan states that through effective management of its water supply, they fully expect to be 100 percent reliable in meeting all non-discounted non-interruptible demands throughout the next twenty-five years.

The Water Authority has made large investments in Metropolitan's facilities and will continue to include imported supplies from Metropolitan in the future resource mix. As discussed in the Water Authority's 2005 Updated UWMP, the Water Authority and its member agencies are planning to diversify the regions supply portfolio and reduce purchases from Metropolitan.

As part of the Water Authority's diversification efforts, the Water Authority is now taking delivery of conserved agricultural water from IID and water saved from the CC lining project. The Water Authority is currently implementing the AAC lining projects. Table 6 summarizes the planned yields from these supply projects, with detailed information included in the sections to follow. Deliveries from Metropolitan are also included in Table 6, which is further discussed in Section 6.1 above. The Water Authority's member agencies provided the verifiable local supply targets for groundwater, groundwater recovery, recycled water, and surface water, which are discussed in more detail in Section 5 of the Water Authority's 2005 Updated UWMP.

Table 6
Projected Verifiable Water Supplies – Water Authority Service Area
Normal Year (acre feet)

Water Supply Sources	2010	2015	2020	2025	2030
Water Authority Supplies					
Metropolitan Supplies	445,858	399,855	331,374	342,870	372,922
Water Authority/IID Transfer	70,000	100,000	190,000	200,000	200,000
AAC and CC Lining Projects	77,700	77,700	77,700	77,700	77,700
Member Agency Supplies					
Local Surface Water	59,649	59,649	59,649	59,649	59,649
Recycled Water	33,668	40,662	45,548	46,492	47,584
Seawater Desalination	0	34,689	36,064	37,754	40,000
Groundwater	17,175	18,945	19,775	19,775	19,775
Groundwater Recovery	11,400	11,400	11,400	11,400	11,400
Total Projected Supplies	715,450	742,900	771,510	795,640	829,030

Source: The Water Authority 2005 Updated Urban Water Management Plan.

Section 5 of the Water Authority's 2005 Updated UWMP also includes a discussion on the local supply target for seawater desalination. Seawater desalination supplies represent a significant future local resource in the Water Authority's service area. Poseidon Resources is pursuing the development of a local, privately-owned desalination project located adjacent to the Encina Power Station. To date, Poseidon has contracted with the Carlsbad Municipal Water District (MWD) (up to 28,000 ac-ft/yr depending on demands), Valley Center MWD (7,500 ac-ft/yr), Rincon Del Diablo MWD (4,000 ac-ft/yr), and Sweetwater Authority (2,400 ac-ft/yr) to supply up to 41,900 ac-ft/yr of desalinated seawater. The verifiable seawater desalination figure is based on the contract amounts and projected seawater desalination deliveries to Carlsbad MWD. As shown in Table 6, the verifiable projected local seawater desalination supplies vary each year based on the Carlsbad MWD demands (which are less than their desalinated seawater contract amount of 28,000 ac-ft/yr). There are several contingencies related to Poseidon's agreements with these member agencies that must be satisfied before implementation of the project and its ultimate yield can be determined. These contingencies include obtaining legal entitlements for construction of the project, determination of a mutually acceptable delivery interconnection points and delivery charge, and engagement of a third party exchange agency partner where physical delivery to the contracting agency is not practical.

No large-scale seawater desalination facility has ever been permitted and constructed in California. Perhaps the most significant issue facing this desalination project as well as others proposed along the California coastline is the ability to permit the facility, including obtaining a Coastal Development Permit from the California Coastal Commission. This project must also secure arrangements for the delivery of product water from the facility to the local water agencies. These arrangements are currently in the planning stage.

The Water Authority's existing and planned supplies from the IID transfer and canal lining projects are considered "drought-proof" supplies and should be available at the yields shown in Table 6 in normal, single-dry, and multi-dry year scenarios. For dry-year yields from Metropolitan supplies, refer to Metropolitan's 2005 RUWMP, discussed in Section 6.1 above.

As part of preparation of a written verification, an agency's shortage contingency analysis should be considered in determining sufficiency of supply. Section 9 of the Water Authority's 2005 Updated UWMP contains a detailed shortage contingency analysis that addresses a regional catastrophic shortage situation and drought management. The analysis demonstrates that the Water Authority and its member agencies, through the Emergency Response Plan, Emergency Storage Project, and Drought Management Plan (DMP) are taking actions to prepare for and appropriately handle an interruption of water supplies. The DMP, completed in May 2006, provides the Water Authority and its member agencies with a series of potential actions to take when faced with a shortage of imported water supplies from Metropolitan due to prolonged drought conditions. The actions will help the region avoid or minimize the impacts of shortages and ensure an equitable allocation of supplies.

6.2.1.1 Water Authority-Imperial Irrigation District Water Conservation and Transfer Agreement

The QSA was signed in October 2003, and resolves long-standing disputes regarding priority and use of Colorado River water and creates a baseline for implementing water transfers. With approval of the QSA, the Water Authority and IID were able to implement their Water Conservation and Transfer Agreement. This agreement not only provides reliability for the San Diego region, but also assists California in reducing its use of Colorado River water to its legal allocation.

On April 29, 1998, the Water Authority signed a historic agreement with IID for the long-term transfer of conserved Colorado River water to San Diego County. The Water Authority-IID Water Conservation and Transfer Agreement (Transfer Agreement) is the largest agriculture-to-urban water transfer in United States history. Colorado River water will be conserved by Imperial Valley farmers who voluntarily participate in the program and then transferred to the Water Authority for use in San Diego County.

Implementation Status

On October 10, 2003, the Water Authority and IID executed an amendment to the original 1998 Transfer Agreement. This amendment modified certain aspects of the 1998 Agreement to be consistent with the terms and conditions of the QSA and related agreements. It also modified other aspects of the agreement to lessen the environmental impacts of the transfer of conserved water. The amendment was expressly contingent on the approval and implementation of the QSA, which was also executed on October 10, 2003.

On November 5, 2003, IID filed a complaint in Imperial County Superior Court seeking validation of 13 contracts associated with the Transfer Agreement and the QSA. Imperial County and various private parties filed additional suits in Superior Court, alleging violations of the California Environmental Quality Act (CEQA), the California Water Code, and other laws related to the approval of the QSA, the water transfer, and related agreements. The lawsuits have been coordinated for trial. The IID, Coachella Valley Water District, Metropolitan, the Water Authority, and State are defending these suits and coordinating to seek validation of the contracts. Implementation of the transfer provisions is proceeding during litigation. For further information regarding the litigation, please contact the Water Authority's General Counsel.

Expected Supply

Deliveries into San Diego County from the transfer began in 2003 with an initial transfer of 10,000 ac-ft. The Water Authority received 20,000 ac-ft in 2004, 30,000 in 2005, and 40,000 in 2006. The quantities will increase annually to 200,000 ac-ft by 2021 then remain fixed for the duration of the transfer agreement. The initial term of the Transfer Agreement is 45 years, with a provision that either agency may extend the agreement for an additional 30-year term.

During dry years, when water availability is low, the conserved water will be transferred under the IID Colorado River rights, which are among the most senior in the Lower Colorado River Basin. Without the protection of these rights, the Water Authority could suffer delivery cutbacks. In recognition for the value of such reliability, the 1998 contract required the Water Authority to pay a premium on transfer water under defined regional shortage circumstances. The shortage premium period duration is the period of consecutive days during which any of the following exist: 1) a Water Authority shortage; 2) a shortage condition for the Lower Colorado River as declared by the Secretary; and 3) a Critical Year. Under terms of the October 2003 amendment, the shortage premium will not be included in the cost formula until Agreement Year 16.

Transportation

The Water Authority entered into a water exchange agreement with Metropolitan on October 10, 2003, to transport the Water Authority-IID transfer water from the Colorado River to San Diego County. Under the exchange agreement, Metropolitan will take delivery of the transfer water through its Colorado River Aqueduct. In exchange, Metropolitan will deliver to the Water Authority a like quantity and quality of water. The Water Authority will pay Metropolitan's applicable wheeling rate for each acre-foot of exchange water delivered. According to the water exchange agreement, Metropolitan will make delivery of the transfer water for 35 years, unless the Water Authority elects to extend the agreement another 10 years for a total of 45 years.

Cost/Financing

The costs associated with the transfer are proposed to be financed through the Water Authority's rates and charges. In the agreement between the Water Authority and IID, the

price for the transfer water started at $258 per acre-foot and increases by a set amount for the first five years. The 2005 price for transfer water is $276 per acre-foot. Procedures are in place to evaluate and determine market-based rates following the first five-year period.

In accordance with the October 2003 amended exchange agreement between Metropolitan and the Water Authority, the initial cost to transport the conserved water was $253 per acre-foot. Thereafter, the price would be equal to the charge or charges set by Metropolitan's Board of Directors pursuant to applicable laws and regulation, and generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies. The transportation charge in 2005 is $258 per acre-foot.

The Water Authority is providing $10 million to help offset potential socioeconomic impacts associated with temporary land fallowing. IID will credit the Water Authority for these funds during years 16 through 45. At the end of the fifth year of the transfer agreement (2007), the Water Authority will prepay IID an additional $10 million for future deliveries of water. IID will credit the Water Authority for this up-front payment during years 16 through 30.

As part of implementation of the QSA and water transfer, the Water Authority also entered into an environmental cost sharing agreement. The agreement specifies that the Water Authority will contribute $64 million for the purpose of funding environmental mitigation costs and contributing to the Salton Sea Restoration Fund.

Written Contracts or Other Proof

The supply and costs associated with the transfer are based primarily on the following documents:

Agreement for Transfer of Conserved Water by and between IID and the Water Authority (April 29, 1998). This Agreement provides for a market-based transaction in which the Water Authority would pay IID a unit price for agricultural water conserved by IID and transferred to the Water Authority.

Revised Fourth Amendment to Agreement between IID and the Water Authority for Transfer of Conserved Water (October 10, 2003). Consistent with the executed Quantification Settlement Agreement (QSA) and related agreements, the amendments restructure the agreement and modify it to minimize the environmental impacts of the transfer of conserved water to the Water Authority.

Amended and Restated Agreement between Metropolitan and Water Authority for the Exchange of Water (October 10, 2003). This agreement was executed pursuant to the QSA and provides for delivery of the transfer water to the Water Authority.

Environmental Cost Sharing, Funding, and Habitat Conservation Plan Development Agreement among IID, Coachella Valley Water District (CVWD), and Water Authority

(October 10, 2003). This Agreement provides for the specified allocation of QSA-related environmental review, mitigation, and litigation costs for the term of the QSA, and for development of a Habitat Conservation Plan.

Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement (October 10, 2003). The purpose of this agreement is to create and fund the QSA Joint Powers Authority and to establish the limits of the funding obligation of CVWD, IID, and Water Authority for environmental mitigation and Salton Sea restoration pursuant to SB 654 (Machado).

Federal, State, and Local Permits/Approvals

Federal Endangered Species Act Permit. The U.S. Fish and Wildlife Service (USFWS) issued a Biological Opinion on January 12, 2001, that provides incidental take authorization and certain measures required to offset species impacts on the Colorado River regarding such actions.

State Water Resources Control Board (SWRCB) Petition. SWRCB adopted Water Rights Order 2002-0016 concerning IID and Water Authority's amended joint petition for approval of a long-term transfer of conserved water from IID to the Water Authority and to change the point of diversion, place of use, and purpose of use under Permit 7643.

Environmental Impact Report (EIR) for Conservation and Transfer Agreement. As lead agency, IID certified the Final EIR for the Conservation and Transfer Agreement on June 28, 2002.

U. S. Fish and Wildlife Service Biological Draft Biological Opinion and Incidental Take Statement on the Bureau of Reclamation's Voluntary Fish and Wildlife Conservation Measures and Associated Conservation Agreements with the California Water Agencies (12/18/02). The U. S. Fish and Wildlife Service issued the biological opinion/incidental take statement for water transfer activities involving the Bureau of Reclamation and associated with IID/other California water agencies' actions on listed species in the Imperial Valley and Salton Sea (per the June 28, 2002 EIR).

Addendum to EIR for Conservation and Transfer Agreement. IID as lead agency and Water Authority as responsible agency approved addendum to EIR in October 2003.

Environmental Impact Statement (EIS) for Conservation and Transfer Agreement. Bureau of Reclamation issued a Record of Decision on the EIS in October 2003.

CA Department of Fish and Game California Endangered Species Act Incidental Take Permit #2081-2003-024-006). The California Department of Fish and Game issued this permit (10/22/04) for potential take effects on state-listed/fully protected species associated with IID/other California water agencies' actions on listed species in the Imperial Valley and Salton Sea (per the June 28, 2002 EIR).

California Endangered Species Act Permit. A CESA permit was issued by California Department of Fish and Game (CDFG) on April 4, 2005, providing incidental take authorization for potential species impacts on the Colorado River.

6.2.1.2 All-American Canal and Coachella Canal Lining Projects

As part of the QSA and related contracts, the Water Authority was assigned Metropolitan's rights to 77,700 ac-ft/yr of conserved water from projects that will line the All-American Canal (AAC) and Coachella Canal (CC). The projects will reduce the loss of water that currently occurs through seepage, and the conserved water will be delivered to the Water Authority. This conserved water will provide the San Diego region with an additional 8.5 million acre-feet over the 110-year life of the agreement.

Implementation Status

Earthwork for the Coachella Canal lining project began in November 2004 and involves approximately 37 miles of canal. National Environmental Policy Act (NEPA) and CEQA documentation is complete, including an amended Record of Decision by the U.S. Bureau of Reclamation (USBR). The amendment was required after revising the project design: instead of lining the canal in place, the project entailed the construction of a parallel canal. The project was completed in 2006, and deliveries of conserved water started in 2007.

Preliminary design-related activities have begun on the AAC lining project, including ground and aerial surveying, mapping cultural resources, and geotechnical investigations. The lining project consists of constructing a concrete-lined canal parallel to 24 miles of the existing AAC from Pilot Knob to Drop 3. NEPA and CEQA documentation is complete, environmental mitigation measures have been identified, and Endangered Species Act consultations are pending. Construction of the project is expected to be complete in 2010.

In July 2005, a lawsuit (*CDEM v United States,* Case No. CV-S-05-0870-KJD-PAL) was filed in the U. S. District Court for the District of Nevada on behalf of U.S. and Mexican groups challenging the lining of the AAC. The lawsuit, which names the Secretary of the Interior as a defendant, claims that seepage water from the canal belongs to water users in Mexico. California water agencies note that the seepage water is actually part of California's Colorado River allocation and not part of Mexico's allocation. The plaintiffs also allege a failure by the United States to comply with environmental laws. Federal officials have stated that they intend to vigorously defend the case.

Expected Supply

The AAC lining project will yield 67,700 acre-feet of Colorado River water per year for allocation upon completion of construction. The CC lining project will yield 26,000 acre-feet of Colorado River water each year available for allocation upon completion of construction. The October 10, 2003, Allocation Agreement states that 16,000 acre-feet/yr of conserved

canal lining water will be allocated to the San Luis Rey Indian Water Rights Settlement Parties. The remaining amount, 77,700 acre-feet/yr, will be available to the Water Authority. According to the Allocation Agreement, IID has call rights to a portion (5,000 acre-feet/yr) of the conserved water upon termination of the QSA for the remainder of the 110 years of the Allocation Agreement and upon satisfying certain conditions. The term of the QSA is for up to 75 years.

Transportation

The October 10, 2003, Exchange Agreement between the Water Authority and Metropolitan also provides for the delivery of the conserved water from the canal lining projects. The Water Authority will pay Metropolitan's applicable wheeling rate for each acre-foot of exchange water delivered. In the Agreement, Metropolitan will deliver the canal lining water for the term of the Allocation Agreement (110 years).

Cost/Financing

Under California Water Code Section 12560 et seq., the Water Authority will receive $200 million in state funds for construction of the projects. In addition, under California Water Code Section 79567, $20 million from Proposition 50 is also available for the lining projects. Additionally, the Water Authority will receive $35 million for groundwater conjunctive use projects as part of the agreement. The Water Authority would be responsible for additional expenses above the funds provided by the state.

The rate to be paid to transport the canal lining water will be equal to the charge or charges set by Metropolitan's Board of Directors pursuant to applicable law and regulation and generally applicable to the conveyance of water by Metropolitan on behalf of its member agencies.

In accordance with the Allocation Agreement, the Water Authority will also be responsible for a portion of the net additional Operation, Maintenance, and Repair (OM&R) costs for the lined canals. Any costs associated with the lining projects as proposed, are to be financed through the Water Authority's rates and charges.

Written Contracts or Other Proof

The expected supply and costs associated with the lining projects are based primarily on the following documents:

U.S. Public Law 100-675 (1988). Authorized the Department of the Interior to reduce seepage from the existing earthen AAC and CC. The law provides that conserved water will be made available to specified California contracting water agencies according to established priorities.

California Department of Water Resources - Metropolitan Funding Agreement (2001). Reimburse Metropolitan for project work necessary to construct the lining of the CC in an

amount not to exceed $74 million. Modified by First Amendment (2004) to replace Metropolitan with the Authority. Modified by Second Amendment (2004) to increase funding amount to $83.65 million, with addition of funds from Proposition 50.

California Department of Water Resources - IID Funding Agreement (2001). Reimburse IID for project work necessary to construct a lined AAC in an amount not to exceed $126 million.

Metropolitan - CVWD Assignment and Delegation of Design Obligations Agreement (2002). Assigns design of the CC lining project to CVWD.

Metropolitan - CVWD Financial Arrangements Agreement for Design Obligations (2002). Obligates Metropolitan to advance funds to CVWD to cover costs for CC lining project design and CVWD to invoice Metropolitan to permit the Department of Water Resources to be billed for work completed.

Allocation Agreement among the United States of America, The Metropolitan Water District of Southern California, Coachella Valley Water District, Imperial Irrigation District, San Diego County Water Authority, the La Jolla, Pala, Pauma, Rincon, and San Pasqual Bands of Mission Indians, the San Luis Rey River Indian Water Authority, the City of Escondido, and Vista Irrigation District (October 10, 2003). This agreement includes assignment of Metropolitan's rights and interest in delivery of 77,700 acre-feet of Colorado River water previously intended to be delivered to Metropolitan to the Water Authority. Allocates water from the AAC and CC lining projects for at least 110 years to the Water Authority, the San Luis Rey Indian Water Rights Settlement Parties, and IID, if it exercises its call rights.

Amended and Restated Agreement between Metropolitan and Water Authority for the Exchange of Water (October 10, 2003). This agreement was executed pursuant to the QSA and provides for delivery of the conserved canal lining water to the Water Authority.

Agreement between Metropolitan and Water Authority regarding Assignment of Agreements related to the AAC and CC Lining Projects. This agreement was executed in April 2004 and assigns Metropolitan's rights to the Water Authority for agreements that had been executed to facilitate funding and construction of the AAC and CC lining projects:

Assignment and Delegation of Construction Obligations for the Coachella Canal Lining Project under the Department of Water Resources Funding Agreement No. 4600001474 from the San Diego County Water Authority to the Coachella Valley Water District, dated September 8, 2004.

Agreement Regarding the Financial Arrangements between the San Diego County Water Authority and Coachella Valley Water District for the Construction Obligations for the Coachella Canal Lining Project, dated September 8, 2004.

Agreement No. 04-XX-30-W0429 Among the United States Bureau of Reclamation, the Coachella Valley Water District, and the San Diego County Water Authority for the

Construction of the Coachella Canal Lining Project Pursuant to Title II of Public Law 100-675, dated October 19, 2004.

California Water Code Section 12560 et seq. This Water Code Section provides for $200 million to be appropriated to the Department of Water Resources to help fund the canal lining projects in furtherance of implementing California's Colorado River Water Use Plan.

California Water Code Section 79567. This Water Code Section identifies $20 million as available for appropriation by the California Legislature from the Water Security, Clean Drinking Water, Coastal, and Beach Protection Fund of 2002 (Proposition 50) to DWR for grants for canal lining and related projects necessary to reduce Colorado River water use. According to the Allocation Agreement, it is the intention of the agencies that those funds will be available for use by the Water Authority, IID, or CVWD for the AAC and CC lining projects.

California Public Resources Code Section 75050(b)(1). This section identifies up to $36 million as available for water conservation projects that implement the Allocation Agreement as defined in the Quantification Settlement Agreement.

Federal, State, and Local Permits/Approvals

AAC Lining Project Final EIS/EIR (March 1994). A final EIR/EIS analyzing the potential impacts of lining the AAC was completed by the Bureau of Reclamation (Reclamation) in March 1994. A Record of Decision was signed by Reclamation in July 1994, implementing the preferred alternative for lining the AAC. A re-examination and analysis of these environmental compliance documents by Reclamation in November 1999 determined that these documents continued to meet the requirements of the NEPA and the CEQA and would be valid in the future.

CC Lining Project Final EIS/EIR (April 2001). The final EIR/EIS for the CC lining project was completed in 2001. Reclamation signed the Record of Decision in April 2002. An amended Record of Decision has also been signed to take into account revisions to the project description.

Mitigation, Monitoring, and Reporting Program for Coachella Canal Lining Project, SCH #1990020408; prepared by Coachella Valley Water District, May 16, 2001.

Environmental Commitment Plan for the Coachella Canal Lining Project, approved by the US Bureau of Reclamation (Boulder City, NV) on March 4, 2003.

Environmental Commitment Plan and Addendum to the All-American Canal Lining Project EIS/EIR California State Clearinghouse Number SCH 90010472 (June 2004, prepared by IID).

Addendum to Final EIS/EIR and Amendment to Environmental Commitment Plan for the All-American Canal Lining Project (approved June 27, 2006, by IID Board of Directors).

6.2.2 Water Authority Capital Improvement Program and Financial Information

The Water Authority's capital improvement program (CIP) budget document includes a description of each of the projects and programs being implemented to ensure existing and future facilities are adequate to deliver water supplies throughout the region. The project costs, along with information on the activities that need to be completed, are included in the CIP document. The Water Authority's Master Plan identifies future facilities and other improvements to the Water Authority's system that are necessary to maintain reliability throughout the region. A programmatic environmental impact report was certified by the Water Authority board of directors for the Master Plan in November 2003. Projects identified in the Master Plan will be included in the CIP based on Water Authority board of directors' approval. Information on the Water Authority's most recent CIP can be found at www.sdcwa.org/infra/cip.phtml.

One of the highest priority projects identified in the Master Plan is the development of additional treatment capacity within the region. During recent summers, the Water Authority experienced peak-demand conditions that have exceeded the region's rated treatment capacity. The Master Plan recommended development of an additional 50 mgd of treatment capacity immediately and another 50 mgd capacity by 2010. In response to this recommendation, the Water Authority board of directors in September 2005, approved construction of a 100 mgd water treatment plant. The water treatment plant is scheduled to be completed in April 2008. For the near-term, the Water Authority and its member agencies implemented short-term conservation programs and operational procedures to ensure adequate supplies during peak summer periods.

The Master Plan also identified carryover storage as a way to improve water supply reliability for the region. The Water Authority identified the three main benefits of carryover storage as: 1) enhance water supply reliability by providing a reliable and readily available source of water during periods of potential shortage, such as during dry years; 2) increase system efficiency by providing operational flexibility to serve above normal demands, such as those occurring in dry years, from storage rather than by the over-sizing of the Water Authority's imported water transmission facilities; and 3) better management of water supplies to allow the Water Authority to accept additional imported deliveries during periods of availability, such as during wet years, to ensure water availability during dry years. The Water Authority is currently preparing an EIR/EIS for a carryover storage project, with the preferred alternative being an expansion of the San Vicente Reservoir.

The Water Authority board of directors is provided a semi-annual and annual report on the status of development of the CIP projects. As described in the Water Authority's biennial budget, a combination of long- and short-term debt and cash (pay-as-you-go) will provide funding for capital improvements. Additional information is included in the Water Authority's biennial budget, which also contains selected financial information and summarizes the Water Authority's investment policy.

6.3 Otay Water District

The Otay WD 2002 Water Resources Master Plan and 2005 Urban Water Management Plan contain comparisons of projected supply and demands through the year 2030. Projected potable water resources to meet planned demands are to be supplied entirely with imported water received from the Water Authority. Recycled water resources to meet projected planned demands are to be supplied from local wastewater treatment plants. The Otay WD currently has no local supply of raw water, potable water or groundwater resources. The development of potential groundwater supplies is a possibility for consideration in the future to allow for less reliance upon imported water. The supply and demand forecasts contained within this WSA&V Report do not consider local groundwater development by the Otay WD as a supply resource.

6.3.1 Availability of Sufficient Supplies and Plans for Acquiring Additional Supplies

The availability of sufficient supplies and plans for acquiring additional supplies of water to serve existing and future demands of the Otay WD is based on the preceding discussions regarding Metropolitan's and the Water Authority's water supply resources. Historic imported water deliveries from the Water Authority to Otay WD and recycled water deliveries from the Otay WD Ralph W. Chapman Water Recycling Facility (RWCWRF) are shown in Table 7. Since the year 2000 through the early part of May 2007, recycled water demand has exceeded the supply capability typically in the summer months. The RWCWRF is limited to a maximum production of about 1,300 ac-ft/yr. This recycled water supply shortfall has been met by supplementing with potable water into the recycled water storage system as needed by adding potable water supplied by the Water Authority. In early May 2007 an additional source of recycled water supply from the City of San Diego's South Bay Water Reclamation Plant (SBWRP) has become available. The supply of recycled water from the SBWRP is a result of essentially completing construction and commencement of operations of the transmission, storage, and pump station systems necessary to receive the SBWRP recycled water.

Table 7
Historic Imported and Local Water Supplies
Otay Water District

Calendar Year	Imported Water (acre-feet)	Recycled Water (acre-feet)	Total (acre-feet)
1980	12,558	0	12,558
1985	14,529	0	14,529
1990	23,200	0	23,200
1995	20,922	614	21,536
2000	30,936	948	31,884
2005	40,322	1,227	41,549

Source: Otay WD operational records.

6.3.1.1 Imported and Regional Supplies

The availability of sufficient imported and regional water supplies to serve existing and planned uses within Otay WD is demonstrated in the above discussion on Metropolitan and the Water Authority's water supply reliability. The County Water Authority Act, Section 5 subdivision 11, states that the Water Authority "as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs." The Water Authority provides between 75 to 95 percent of the total supplies used by its 24 member agencies, depending on local weather and supply conditions. In calendar year 2006 the Otay WD received delivery of about 41,700 ac-ft of supply from the Water Authority, which includes the potable water supplement for the recycled water system supply needs. The demand for potable water within the Otay WD is expected to increase to about 72,900 ac-ft by 2025 as per the Otay WD 2005 UWMP. These figures take into account the amount of local supply (i.e. conservation and recycling) that is expected to meet demands within Otay WD service area.

Potable Water System Facilities

The Otay WD continues to pursue diversification of its water supply resources to increase reliability and flexibility. The Otay WD also continues to plan, design, and construct potable water system facilities to obtain these supplies and to distribute potable water to meet customer demands. The Otay WD has successfully negotiated two water supply diversification agreements that enhance reliability and flexibility, which are briefly described as follows.

- The Otay WD entered into an agreement with the City of San Diego, known as the Otay Water Treatment Plant (WTP) Agreement. The Otay WTP Agreement provides for raw water purchase from the Water Authority and treatment by the City of San Diego at their Otay WTP for delivery to Otay WD. The supply system link to implement the Otay WTP Agreement to access the regions raw water supply system and the local water

treatment plant became fully operational in August 2005. This supply link consists of the typical storage, transmission, pumping, flow measurement, and appurtenances to receive and transport the treated water to the Otay WD system. The City of San Diego obligation to supply 10 mgd of treated water under the Otay WTP Agreement is contingent upon there being available 10 mgd of surplus treated water in the Otay WTP until such time as Otay WD pays the City of San Diego to expand the Otay WTP to meet the Otay WD future needs. In the event that the City of San Diego's surplus is projected to be less than 10 mgd the City of San Diego will consider and not unreasonably refuse the expansion of the Otay WTP to meet the Otay WD future needs. The Otay WTP existing rated capacity is 40 mgd with an actual effective capacity of approximately 34 mgd. The City of San Diego's typical demand for treated water from the Otay WTP is approximately 20 mgd. It is at the City of San Diego's discretion to utilize either imported raw water delivered by the Water Authority Pipeline No. 3 or local water stored in Lower Otay Reservoir for treatment to supply the Otay WD demand.

- The Otay WD entered into an agreement with the Water Authority, known as the East County Regional Treated Water Improvement Program (ECRTWIP Agreement). The ECRTWIP Agreement provides for transmission of raw water to the Helix WD R. M. Levy WTP for treatment and delivery to Otay WD. The supply system link to implement the ECRTWIP Agreement is currently under development to access the regions raw water supply system and the local water treatment plant. This supply link consists of the typical transmission, pumping, storage, flow control, and appurtenances to receive and transport the potable water from the R. M. Levy WTP to Otay WD. The necessary supply link facilities are in various stages of development from design to facilities that are currently under construction. The required supply link facilities are scheduled to be fully operational by March 2010. The planned operational testing and startup of the supply link is planned to occur in December 2009. The Otay WD will take a minimum of 10,000 ac-ft/yr of treated water from the R.M. Levy WTP supplied from the regions raw water system.

Cost and Financing

The capital improvement costs associated with water supply and delivery are financed through the Otay WD water meter capacity fee and user rate structures. The Otay WD potable water sales revenue are used to pay for the wholesale cost of the treated water supply and the operating and maintenance expenses of the potable water system facilities.

Written Agreements, Contracts, or Other Proof

The supply and cost associated with deliveries of treated water from the Otay WTP and the R.M. Levy WTP is based on the following documents.

<u>Agreement for the Purchase of Treated Water from the Otay Water Treatment Plant between the City of San Diego and the Otay Water District</u>. The Otay WD entered into an agreement dated

January 11, 1999 with the City of San Diego that provides for 10 mgd of surplus treated water to the Otay WD from the existing Otay WTP capacity. The agreement allows for the purchase of treated water on an as available basis from the Otay WTP. The Otay WD pays the Water Authority at the prevailing raw water rate for raw water and pays the City of San Diego at a rate equal to the actual cost of treatment to potable water standards.

Agreement between the San Diego County Authority and Otay Water District Regarding Implementation of the East County Regional Treated Water Improvement Program. The ECRTWIP Agreement requires the purchase of at least 10,000 ac-ft per year of potable water from the Helix WD R.M. Levy WTP at the prevailing Water Authority treated water rate. The ECRTWIP Agreement is dated April 27, 2006.

Agreement between the San Diego County Authority and Otay Water District for Design, Construction, Operation, and Maintenance of the Otay 14 Flow Control Facility Modification. The Otay WD entered into the Otay 14 Flow Control Facility Modification Agreement dated January 24, 2007 with the Water Authority to increase the Otay 14 Flow Control Facility physical capacity. The Water Authority and Otay WD to 50% share the capital cost to expand its capacity from 8 mgd to 16 mgd.

Federal, State, and Local Permits/Approvals

The Otay WD has acquired all the permits for the construction of the pipeline and pump station associated with the Otay WTP supply source and for the 640-1 and 640-2 water storage reservoirs project associated with the ECRTWIP Agreement through the typical planning, environmental approval, design, and construction processes.

Preliminary design-related activities have begun on the transmission main and Otay 14 Flow Control Facility associated with the ECRTWIP Agreement, including ground and aerial surveying, mapping cultural resources, and other environmental documentation investigations. The transmission main project consists of constructing about 26,000 feet of a 36-inch diameter steel pipeline from the Otay 14 Flow Control Facility to the 640-1 and 640-2 Reservoirs project. The Otay 14 Flow Control Facility modification consists of increasing the capacity of the existing systems from 8 mgd to 16 mgd. CEQA documentation is under preparation and is nearing completion for both projects. Construction of both of these projects is expected to be complete prior to January 2010.

The City of San Diego and the Helix Water District are required to meet all applicable federal, state, and local health and water quality requirements for the potable water produced at the Otay WTP and the R.M. Levy WTP respectively.

6.3.1.2 Recycled Water Supplies

Wastewater collection, treatment, and disposal services provided by the Otay WD is limited to a relatively small area within what is known as the Jamacha Basin, located within the Middle

Sweetwater River watershed upstream of the Sweetwater Reservoir and downstream of Loveland Reservoir. Water recycling is defined as the treatment and disinfection of municipal wastewater to provide a water supply suitable for non-potable reuse. The Otay WD owns and operates the Ralph W. Chapman Water Recycling Facility, which produces recycled water treated to a tertiary level for landscape irrigation purposes. The recycled water market area of the Otay WD is located primarily within the eastern area of the City of Chula Vista and on the Otay Mesa. The Otay WD distributes recycled water to a substantial market area that includes but is not limited to the U.S. Olympic Training Center, the EastLake Golf Course, and other development projects.

The Otay WD projects that annual average demands for recycled water are projected to increase to about 6,294 ac-ft/yr by 2025 and are estimated to be approaching 10,000 ac-ft/yr at ultimate build out. About 1,300 ac-ft/yr is generated by the RWCWRF, with the remainder planned to be supplied to Otay WD by the City of San Diego's SBWRP.

Recycled Water System Facilities

The Otay WD has and continues to construct recycled water storage, pumping, transmission, and distribution facilities to meet projected recycled water market demands. For nearly 20 years, millions of dollars of capital improvements have been constructed. The supply link consisting of a transmission main, storage reservoir, and a pump station to receive and transport the recycled water from the City of San Diego's SBWRP are substantially complete and recycled water deliveries began early May 2007.

Cost and Financing

The capital improvement costs associated with the recycled water supply and distribution systems are financed through the Otay WD water meter capacity fee and user rate structures. The Otay WD recycled water sales revenue, along with Metropolitan and the Water Authority's recycled water sales incentive programs are used to help offset the costs for the wholesale purchase and production of the recycled water supply, the operating and maintenance expenses, and the capital costs of the recycled water system facilities.

Written Agreements, Contracts, or Other Proof

The supply and cost associated with deliveries of recycled water from the SBWRP is based on the following document.

<u>Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant.</u> The agreement provides for the purchase of at least 6,721 ac-ft per year of recycled water from the SBWRP at an initial price of $350 per acre-foot. The Otay WD Board of Directors approved the final agreement on June 4, 2003 and the San Diego City Council approved the final agreement on October 20, 2003.

Federal, State, and Local Permits/Approvals

The Otay WD has in place an agreement with Metropolitan for their recycled water sales incentive program for supplies from the RWCWRF and the SBWRP. The Otay WD is currently negotiating the final terms of an agreement with the Water Authority for their recycled water sales incentive program for supplies from the RWCWRF and the SBWRP. It is planned the have the Water Authority sales incentive agreement approved by Water Authority and Otay WD by August 2007. All permits for the construction of the recycled water facilities to receive, store, and pump the SBWRP supply have been acquired through the typical planning, environmental approval, design, and construction processes.

The California Regional Water Quality Control Board San Diego Region (RWQCB) "Master Reclamation Permit for Otay Water District Ralph W. Chapman Reclamation Facility" was adopted on May 9, 2007 (Order No. R9-2007-0038). This order establishes master reclamation requirements for the production, distribution, and use of recycled water in the Otay WD service area. The order includes the use of tertiary treated water produced and received from the City of San Diego's SBWRP. Recycled water received from and produced by the SBWRP is regulated by Regional Board Order No. 2000-203 and addenda. The City of San Diego is required to meet all applicable federal, state, and local health and water quality requirements for the recycled water produced at the SBWRP and delivered to Otay WD in conformance with Order No. 2000-203.

6.3.1.3 Potential Groundwater Supplies

The Otay WD 2005 UWMP contains a brief description of the development of potential groundwater supplies. Over the past several years, Otay WD has studied numerous potential groundwater supply options that have shown, through groundwater monitoring well activities, poor quality water and/or insufficient yield from the basins. The Otay WD has a few capital improvement program projects to continue the quest to develop potential groundwater resources. These efforts are not currently considered as a supply resource to meet projected demands.

6.3.2 Otay WD Capital Improvement Program

The Otay WD plans, designs, constructs, and operates water system facilities to acquire sufficient supplies and to meet projected ultimate demands placed upon the potable and recycled water systems. In addition, the Otay WD forecasts needs and plans for water supply requirements to meet projected demands at ultimate build out. The necessary water facilities are constructed when development activities proceed and require service to achieve adequate cost effective water service.

New water facilities that are required to accommodate the forecasted growth within the entire Otay WD service area are defined and described within the Otay WD WRMP. These facilities are incorporated into the annual Otay WD Six Year Capital Improvement Program (CIP) for

implementation when required to support development activities. As major development plans are formulated and proceed through the land use jurisdictional agency approval processes, Otay WD prepares water system requirements specifically for the proposed development project consistent with the WRMP. These requirements document, define, and describe all the water and recycled water system facilities to be constructed to provide an acceptable and adequate level of service to the proposed land uses, as well as the financial responsibility of the facilities required for service. The Otay WD, funds the facilities identified as CIP projects. Water meter capacity fees and user rates were established and are collected to fund the CIP project facilities. The developer funds all other required water system facilities to provide water service to their project.

Section 7 – Conclusion: Availability of Sufficient Supplies

The water demand projections and resulting supply needs of the proposed EUC SPA project are consistent with the water demand predictions and water supply requirements contained within the Otay WD Water Resources Master Plan and the current Urban Water Management Plans of Metropolitan, the Water Authority, and Otay WD. Water supplies necessary to serve the demands of the proposed EUC SPA project, along with existing and other reasonably foreseeable projected future users, as well as the actions necessary to develop these supplies, have been identified in the water supply planning documents of Metropolitan, the Water Authority, and Otay WD.

This WSA&V Report includes, among other information, an identification of existing water supply entitlements, water rights, water service contracts, and agreements relevant to the identified water supply needs for the proposed EUC SPA project. Metropolitan, the Water Authority, and Otay WD have all developed plans and are implementing projects and programs to ensure that the existing and planned water users within the Otay WD service area have an adequate supply. Accordingly, the entitlements, rights, service contracts and agreements and other planned water supply projects are intended to secure a long-term water supply for Otay WD and the proposed EUC SPA project.

Table 8 presents the forecasted balance of water demands and required supplies for the Otay WD service area under average or normal year conditions. Table 9 presents the forecasted balance of water demands and supplies for the Otay WD service area under single dry year conditions. Table 10 presents the forecasted balance of water demands and supplies for the Otay WD service area under multiple dry year conditions for the five year period ending in 2015. Multiple dry year conditions for periods ending 2020, 2025, and 2030 are provided in the Otay WD 2005 UWMP. The projected demand and supply requirements shown the Tables 8, 9, and 10 are from the Otay WD 2005 UWMP and include those of the EUC SPA project. Hot, dry weather may generate urban water demands that are about 7 percent greater than normal. This percentage was utilized to generate the dry year demands shown in Tables 9 and 10. The recycled water supplies are assumed to experience no reduction in a dry year.

Table 8
Projected Balance of Water Supplies and Demands
Normal Year Conditions (acre feet)

Description	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority Supply	45,772	52,349	59,799	66,560	75,108
Recycled Water Supply	4,040	4,684	5,430	6,294	7,297
Groundwater Supply	0	0	0	0	0
Total Required Supply	**49,812**	**57,033**	**65,229**	**72,854**	**82,405**
Total Projected Demand	**49,812**	**57,033**	**65,229**	**72,854**	**82,405**
Supply Deficit	**0**	**0**	**0**	**0**	**0**

Table 9
Projected Balance of Water Supplies and Demands
Single Dry Year Conditions (acre feet)

Description	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority Supply	49,259	56,341	64,365	71,660	80,876
Recycled Water Supply	4,040	4,684	5,430	6,294	7,297
Groundwater Supply	0	0	0	0	0
Total Required Supply	**53,299**	**61,025**	**69,795**	**77,954**	**88,173**
Total Projected Demand	**53,299**	**61,025**	**69,795**	**77,954**	**88,173**
Supply Deficit	**0**	**0**	**0**	**0**	**0**

Dry year demands assumed to generate a 7% increase in demand over normal conditions for each year in addition to new demand growth.

Table 10
Projected Balance of Water Supplies and Demands
Multiple Dry Year Conditions (acre feet)

Description	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Water Authority Supply	50,675	52,091	53,509	54,925	56,341
Recycled Water Supply	4,169	4,298	4,426	4,555	4,684
Groundwater Supply	0	0	0	0	0
Total Required Supply	**54,844**	**56,389**	**57,935**	**59,480**	**61,025**
Total Projected Demand	**54,844**	**56,389**	**57,935**	**59,480**	**61,025**
Supply Deficit	**0**	**0**	**0**	**0**	**0**

Dry year demands assumed to generate a 7% increase in demand over normal conditions for each year in addition to new demand growth.

This WSA&V Report demonstrates and verifies that sufficient water supplies are planned for as well as the actions necessary to develop these supplies are documented to meet projected water demands of the EUC SPA project and the existing and other reasonably foreseeable planned development projects within the Otay WD for a 20-year planning horizon, and in single and multiple dry years.

Source Documents

City of Chula Vista, April 27, 2007, Eastern Urban Center Sectional Planning Area Plan (File No. EIR-07-01) SB 610 and SB 221 Compliance request letter received May 1, 2007.

City of Chula Vista, "Otay Ranch General Development Plan, Otay Subregional Plan, Volume 2, The Otay Ranch Joint Planning Project," October 1993 amended June 1996.

Otay Water District, "2002 Water Resources Master Plan," August 2002.

PBS&J, "Eastern Urban Center Technical Water Study," September 2006.

MWH Americas, Inc. and Otay Water District, "Otay Water District 2005 Urban Water Management Plan," December 2005 amended July 2007.

San Diego County Water Authority, "Urban Water Management Plan 2005 Update," November 2005 amended May 2007.

Metropolitan Water District of Southern California, "Regional Urban Water Management Plan," November 2005.

Agreement for the Purchase of Treated Water from the Otay Water Treatment Plant between the City of San Diego and the Otay Water District.

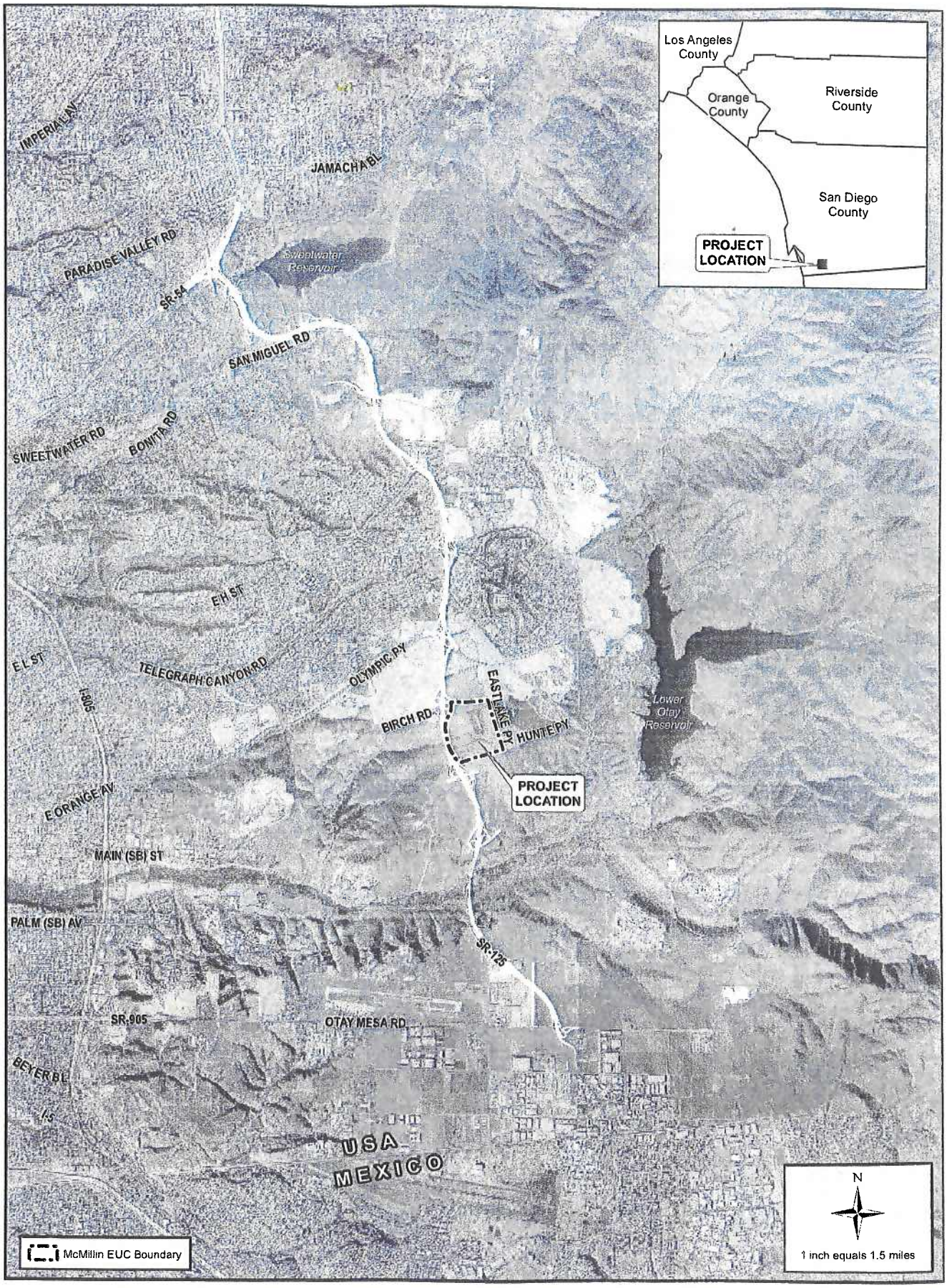
Agreement between the San Diego County Authority and Otay Water District regarding Implementation of the East County Regional Treated Water Improvement Program.

Agreement between the San Diego County Authority and Otay Water District for Design, Construction, Operation, and Maintenance of the Otay 14 Flow Control Facility Modification.

Agreement between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant.

Appendix A

Eastern Urban Center Sectional Planning Area Location and Vicinity Map



PBSJ

PROJECT VICINITY

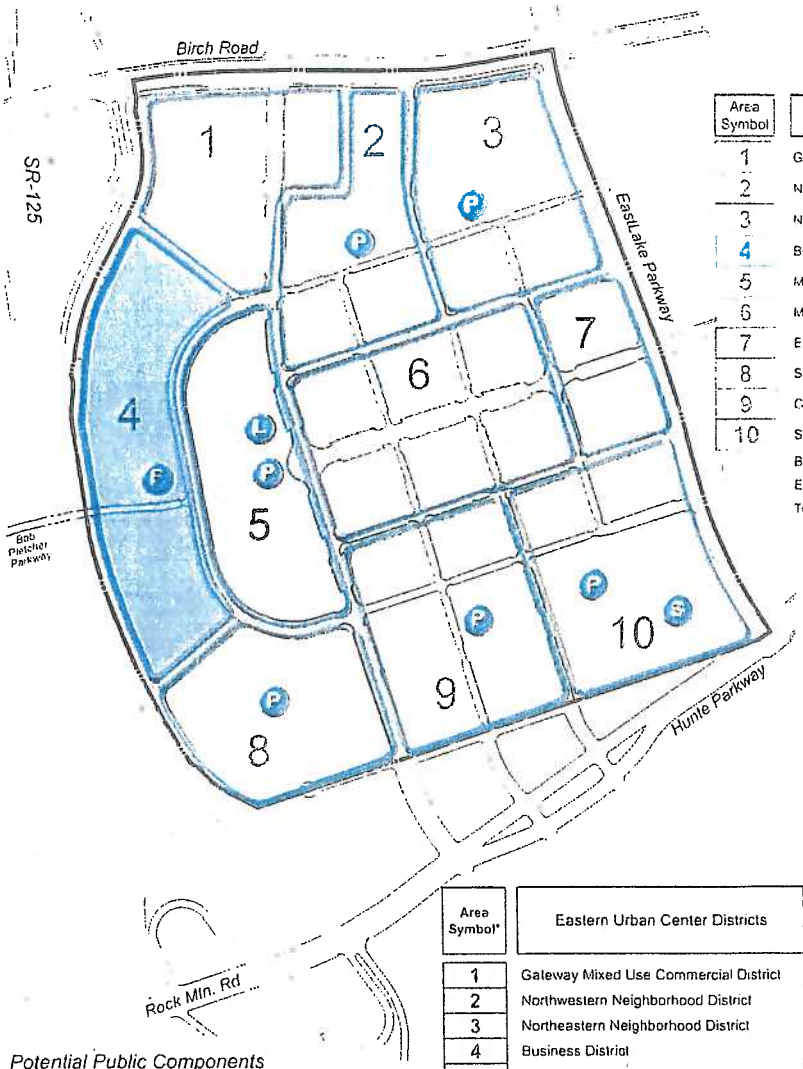
FIGURE 1

02/21/06 EC KM Z:\Projects\IS\McMillin\mxd\Concept\Studies\Project\Vicinity.mxd

Appendix B

Eastern Urban Center Sectional Planning Site Utilization Plan

Site Utilization Plan



Areas

Area Symbol	Eastern Urban Center Districts	Acres
1	Gateway Mixed Use Commercial District	18.1
2	Northwestern Neighborhood District	18.5
3	Northeastern Neighborhood District	21.0
4	Business District	27.1
5	Mixed Use Civic/Office Core District	20.3
6	Main Street District	26.7
7	Eastern Gateway District	9.8
8	Southwestern Neighborhood District	18.8
9	Central Southern Neighborhood District	23.0
10	Southeastern Neighborhood District	23.2
	Birch Road	3.5
	EastLake Parkway	4.6
	Total	214.6

Intensity

Area Symbol*	Eastern Urban Center Districts	Non-residential Sq. Ft. (000's) Permitted			Residential Dwelling Units Permitted		
		Low	Target	High	Low	Target	High
1	Gateway Mixed Use Commercial District	200	400	600	0	58	100
2	Northwestern Neighborhood District	2	120	200	90	400	550
3	Northeastern Neighborhood District	2	50	100	130	350	500
4	Business District	500	1,672	1,900	0	100	150
5	Mixed Use Civic/Office Core District	100	600	800	0	100	250
6	Main Street District	80	240	300	0	400	500
7	Eastern Gateway District	10	170	400	50	75	300
8	Southwestern Neighborhood District	2	50	200	400	600	800
9	Central Southern Neighborhood District	2	45	100	130	500	650
10	Southeastern Neighborhood District	2	150	200	200	400	450
Maximum, Not to Exceed, Totals		3,497			2,983		

** Note: Numeric area symbols do not represent phases.*

Potential Public Components

- Park
- Library
- Fire Station
- School

CITY OF CHULA VISTA

Eastern Urban Center
OTAY RANCH

Urban Design: RTKL
Land Planning
San Diego, CA (619) 233-7408

8/13/06

Exhibit 5

(11/02/06)

AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 1, 2007
SUBMITTED BY:	Ken Simmons KS Sr Civil Engineer Meryll Gonzalez MMG Assistant Civil Engineer	PROJECT/ SUBPROJECTS	P2440/ DIV. 2 003000 NO. 004000
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Change Order No. 3 to Contract with RBF Consulting (formerly Hirsch & Company) to Provide Continued Design Support for SR-905 Utility Relocation Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approve Change Order No. 3 to the existing agreement with RBF Consulting (RBF, formerly Hirsch & Company) to provide continued professional engineering design support in the amount of $28,390 for the SR-905 Utility Relocation Project (See Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization to approve Change Order No. 3 for RBF to continue to provide engineering design support.

ANALYSIS:

On February 10, 2005, the District awarded a contract to RBF in the amount of $60,035.00 to provide engineering services for the design of expected utility relocations required to construct the SR-905 freeway. Subsequently, two (2) minor change orders for the total amount of $7,280.00 were approved for additional design scope for SR-905.

On January 12, 2006, Caltrans issued a Notice To Owner (NTO) to the District to lower the water line at Gailes Boulevard/Dublin Drive in Otay Mesa located within the District's easement to accommodate the construction of the SR-905 freeway. As stated in the NTO, the relocation shall be constructed at Caltrans' expense and not to exceed 125% of the District's estimated cost of $185,236.

On February 2, 2006, an application for an encroachment permit was submitted to the Caltrans Permitting Branch, shortly followed with a revised relocation map in March 2006. The revised relocation map showed the installation of the water line along the Gailes Boulevard/Dublin Drive alignment. The revised map was not processed through the Caltrans Right-Of-Way (ROW) Utility Relocation Branch, as described in the terms of the Utility Agreement, thus, a revised NTO was not issued. The Caltrans Permitting Branch, however, approved the revised map and issued an encroachment permit without the review and approval by Caltrans interagency departments which include ROW, Design, and Utility Engineering staff. With the receipt of the encroachment permit, the District commenced with the relocation work.

Although staff performed the necessary research for installation of the pipe within a right-of-way, it was discovered that the City of San Diego had prior easement rights and are now exercising their rights. Caltrans recognized that they allowed the construction of the pipeline and will reimburse the District for the full cost.

As a result of the pipe redesign at Gailes Boulevard/Dublin Drive, the District's water service loop will be maintained along Cactus Road by upsizing the water line, in lieu of abandoning that section of pipe. Project completion is awaiting City and Caltrans approval of the District's proposed redesign of the Gailes Boulevard/Dublin Drive and Cactus Road crossings by RBF. Additional design efforts will cost $28,390. The District is currently negotiating with Caltrans to share in the redesign costs.

In summary, Staff recommends approval of this $28,390 change order to continue RBF's engineering design support for the redesign of two utility relocation crossings required for project completion.

FISCAL IMPACT:

The total budget for CIP P2440, as approved in the FY 2008 budget, is $1,660,000. Expenditures to date are $1,082,666. Total expenditures, plus outstanding commitments and forecast to date, are $1,379,313.

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

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe reliable water, recycled water and wastewater services to our community in an innovative, cost efficient water wise and environmentally responsible manner", as well as the General Manager's vision, "… prepared for the future…" by guaranteeing that the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT:

None.

Mark Watton

General Manager

P:\WORKING\CIP W440-P2440\Staff Reports\BD 08-01-07, Staff Report, CO #3 RBF.doc

KS/MG/RR/RP:jf

Attachments: Attachment A
Attachment B
Exhibit A

ATTACHMENT A

SUBJECT/PROJECT:	Change Order No. 3 to Contract with RBF Consulting (formerly Hirsch & Company) to Provide Continued Design Support for SR-905 Utility Relocation Project (CIP P2440)

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 18, 2007. The Committee supported Staff's recommendation.

NOTE:

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

ATTACHMENT B

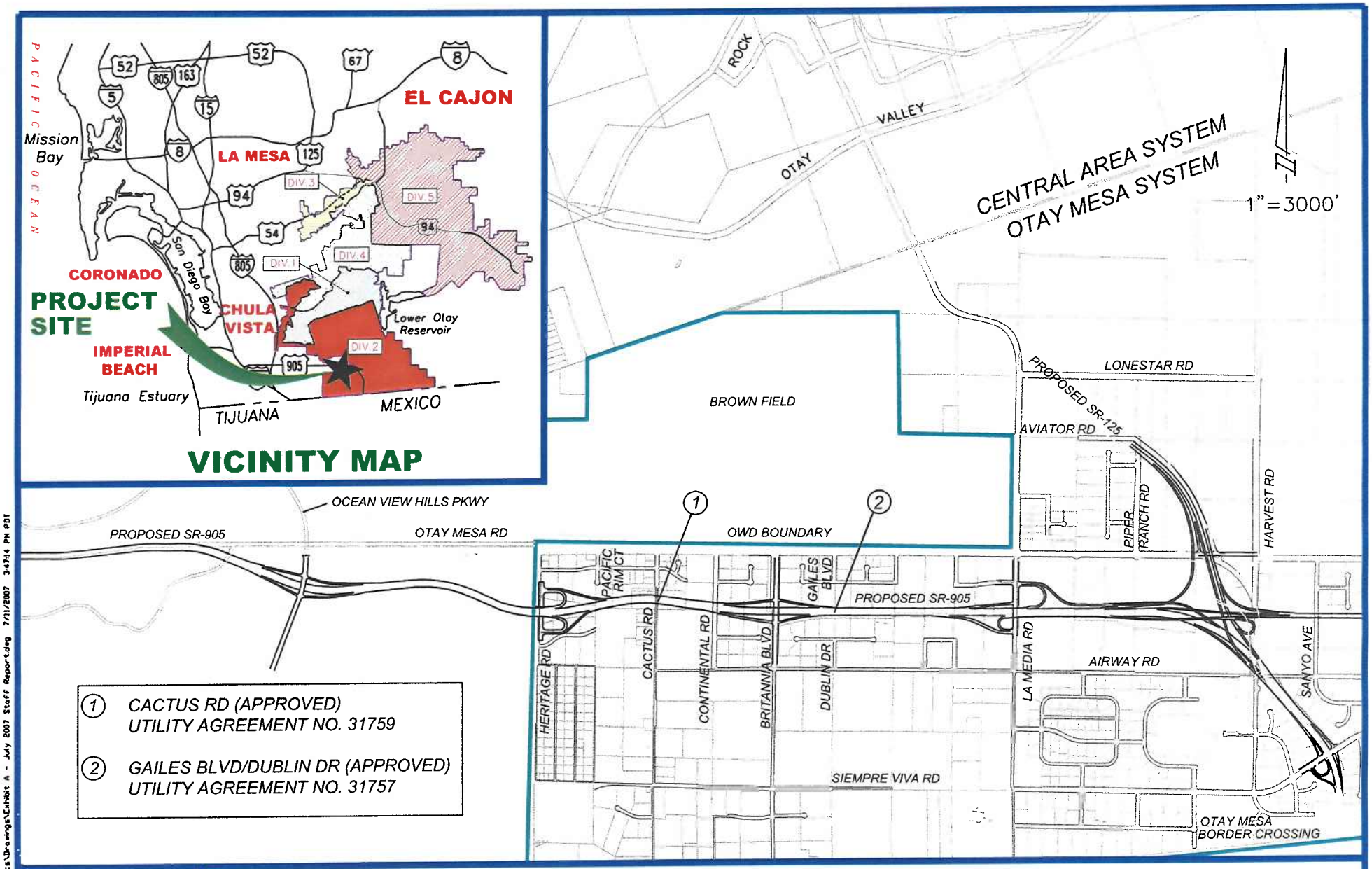
SUBJECT/PROJECT:	Change Order No. 3 to Contract with RBF Consulting (formerly Hirsch & Company) to Provide Continued Design Support for SR-905 Utility Relocation Project (CIP P2440)

Otay Water District

As of June 30,2007

P2440 - I-905 Utility Relocations

Budget $1,660,000	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
Planning					
In House/Labor	3,118	3,118		3,118	
Printing		-		-	
Subcontract		-		-	
Temporary Labor		-		-	
Total Planning	$ 3,118	$ 3,118	$ -	$ 3,118	
Design					
In House/Labor	124,186	124,186	-	124,186	
In House/Labor (future)			-	-	
Consultant Contracts	152,264	152,264	-	152,264	HDR INC
	140,903	140,903	-	140,903	HIRSCH & COMPANY (HCO)
	30,850	2,460	28,390	30,850	RBF CONSULTING (formerly HCO)
	(55,279)	(55,279)	-	(55,279)	Utility reimbursement
Professional Legal Fees	340	340	-	340	BURKE, WILLIAMS & SORENSEN LLP
	2,060	2,060	-	2,060	GARCIA CALDERON & RUIZ LLP
Printing	2,190	2,190	-	2,190	OCB REPROGRAPHICS
	8	8	-	8	Petty Cash Custodian
				-	
				-	
Total Design	$ 397,522	$ 369,132	$ 28,390	$ 397,522	
Construction					
In House/Labor	140,182	140,182		140,182	
Consultant Contracts	12,000	12,000		12,000	BOWEN & ASSOCIATES
Construction Contracts	810,865	542,608	268,257	810,865	Zondiros Corporation
Inventory	24	24	-	24	Sewer Fittings & Green Bell
	1,505	1,505		1,505	Gate Valve
	1,305	1,305		1,305	Adaptor ACP 914
Service Contracts	190	190	-	190	CLARKSON LAB & SUPPLY INC
Advertising (Bid)	70	70	-	70	SAN DIEGO DAILY TRANSCRIPT
	328	328	-	328	UNION TRIBUNE PUBLISHING CO
Water Loss	228	228	-	228	
Temporary Easement	1,750	1,750	-	1,750	GATEWAY PARK OWNERS ASSOC.
	1,000	1,000	-	1,000	BROWN FIELD BUSINESS PARK LP
	1,000	1,000	-	1,000	DANTE CORP
	1,000	1,000	-	1,000	VISTA SOUTH MELROSE LP
Materials	216	216	-	216	C W MCGRATH INC
	155	155	-	155	HSS RENTX INC
	258	258	-	258	PENHALL COMPANY
	163	163	-	163	UNITED RENTALS NORTHWEST INC
Temporary Labor	112	112	-	112	SEDONA STAFFING SERVICES
Permanenent Easement	5,825	5,825	-	5,825	BROWN FIELD BUSINESS PARK LP
Other Legal Fees	500	500	-	500	FIRST AMERICAN TITLE COMPANY
				-	
Total Construction	$ 978,674	$ 710,417	$ 268,257	$ 978,674	
Grand Total	**$ 1,379,314**	**$ 1,082,666**	**$ 296,647**	**$ 1,379,313**	



ESTABLISHED 1956 OTAY WATER DISTRICT

OTAY WATER DISTRICT

SR-905 UTILITY RELOCATIONS

EXHIBIT A

P:\WORKING\CIP V440-P2440\Graphics\Drawings\Exhibit A - July 2007 Staff Report.dwg 7/11/2007 3:47:14 PM PDT