

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

Monday
March 17, 2008
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. UPDATE ON THE SAN DIEGO COUNTY WATER AUTHORITY'S TIJUANA RIVER VALLEY WETLANDS MITIGATION PROJECT (RIPPERGER/COBURN-BOYD) [10 minutes]
4. AWARD OF A CONSTRUCTION CONTRACT FOR THE PL-12 INCH UPSIZE AND REPLACEMENT PIPELINE PROJECTS TO ARRIETA CONSTRUCTION, INC. IN THE AMOUNT OF \$1,688,021.50 (RIPPERGER/KAY) [5 minutes]
5. AWARD OF A CONSTRUCTION CONTRACT TO NEWEST CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$267,900 FOR THE CONSTRUCTION OF THE CALAVO SEWER LIFT STATION (RIPPERGER/GRUNOW) [5 minutes]
6. ADOPT POSITIONS ON AB 983 AND PROPOSITIONS 98 AND 99 (BUELNA) [10 minutes]
7. APPROVAL OF CHANGE ORDER NO. 2 TO THE CONTRACT WITH INFRA-STRUCTURE ENGINEERING CORPORATION FOR DESIGN OF THE 36-INCH

PIPELINE, SAN DIEGO COUNTY WATER AUTHORITY OTAY FCF NO. 14 TO THE REGULATORY SITE PROJECT (RIPPERGER/POSADA) [5 minutes]

8. APPROVAL OF CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH ORTIZ CORPORATION FOR CONSTRUCTION OF THE OLIVE VISTA DRIVE UTILITY RELOCATION PROJECT IN THE AMOUNT NOT TO EXCEED \$65,845 (RIPPERGER/POSADA) [5 minutes]
9. REVIEW OF PROPOSED STRATEGIC PLAN FOR FISCAL YEARS 2009-2011 (STEVENS) [20 minutes]
10. 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 March 14, 2008 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on March 14, 2008.


Connie Rathbone, Assistant District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 2, 2008
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT:	N/A DIV. NO. N/A
	Ron Ripperger <i>Ron Ripperger</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item - Update on the San Diego County Water Authority's Tijuana River Valley Wetlands Mitigation Project		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To provide the Board with updated information on the San Diego County Water Authority's (SDCWA) Tijuana River Valley Wetlands Mitigation Project.

ANALYSIS:

The SDCWA has begun the planning and design of a new wetlands area in the Tijuana Valley. The project site consists of approximately 60 acres of land owned by the County of San Diego which the SDCWA is using under a cooperative agreement between these two agencies that was finalized about eight years ago. The site is located within the Tijuana River Valley Regional Park in the City of San Diego (see Exhibit A, Vicinity Map). This project will provide wetlands

mitigation credits for upcoming SDCWA capital improvement projects, specifically the Emergency Storage Project. SDCWA completed a wetlands mitigation project in March, 2005, known as the Manchester Wetlands, in the City of Encinitas as a mitigation area for the Emergency Storage Project. These wetlands, combined with the Tijuana River Valley wetlands are part of a negotiation with the wildlife agencies to establish this type of habitat as compensation for impacts due to the Emergency Storage Project.

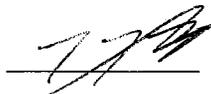
The project that is being proposed by the SDCWA will create approximately 45 acres of native wetlands mitigation habitat and native transitional uplands habitat (see exhibit Exhibit B). It will establish a permanent surface connection to the Tijuana River, expand the functional floodplain south of the river and west of Smuggler's Gilch Channel, and provide a system of pedestrian and equestrian trails connected to existing trail segments located throughout the Tijuana River Valley Park, Tijuana Slough National Wildlife Refuge, and the Border State Park.

The project would be designed to re-integrate the project site with the Tijuana River, restore soil chemistry through surface inputs of freshwater, provide dynamic, self-sustaining native wetlands habitats, and provide protection to adjacent properties from long-term flooding. The construction of this project is expected to begin in the fall of 2009 and to last for six to nine months.

The SDCWA has hired Dudek, an engineering and environmental consulting firm, to help in the planning and design of the project. The environmental documentation for the project will be an Environmental Impact Report. The Notice of Preparation for this EIR was issued on November 16, 2007 and the initial comment period ended December 17, 2007. The draft EIR is expected to be released in the summer of 2008.

As previously mentioned, this wetlands creation is being undertaken by SDCWA to mitigate for wetlands impacts by their CIP projects, specifically the wetlands impacts of their Emergency Storage Project. The District is not involved in this project because it is specific mitigation banking for SDCWA projects, as negotiated between SDCWA and the wildlife agencies. The District's recent decision to prepare a subarea plan that will be incorporated into the Joint Water Agency's (JWA) NCCP/HCP should provide us with the opportunity to utilize wetlands credits, if needed, from one of the other three JWA partners. The District does not have any wetlands areas of its own to be used for mitigation for District projects.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

None.

LEGAL IMPACT: _____

None.

Mark Watson

General Manager

P:\WORKING\San Diego County Water Authority\BD 4-2-08, Staff Report, SDCWA Tijuana River Valley Project, (LC-B-RR).doc

Attachments: Attachment A
Exhibit A
Exhibit B



ATTACHMENT A

SUBJECT/PROJECT:	Informational Item - Update on the San Diego County Water Authority's Tijuana River Valley Wetlands Mitigation Project
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COMMITTEE ACTION:

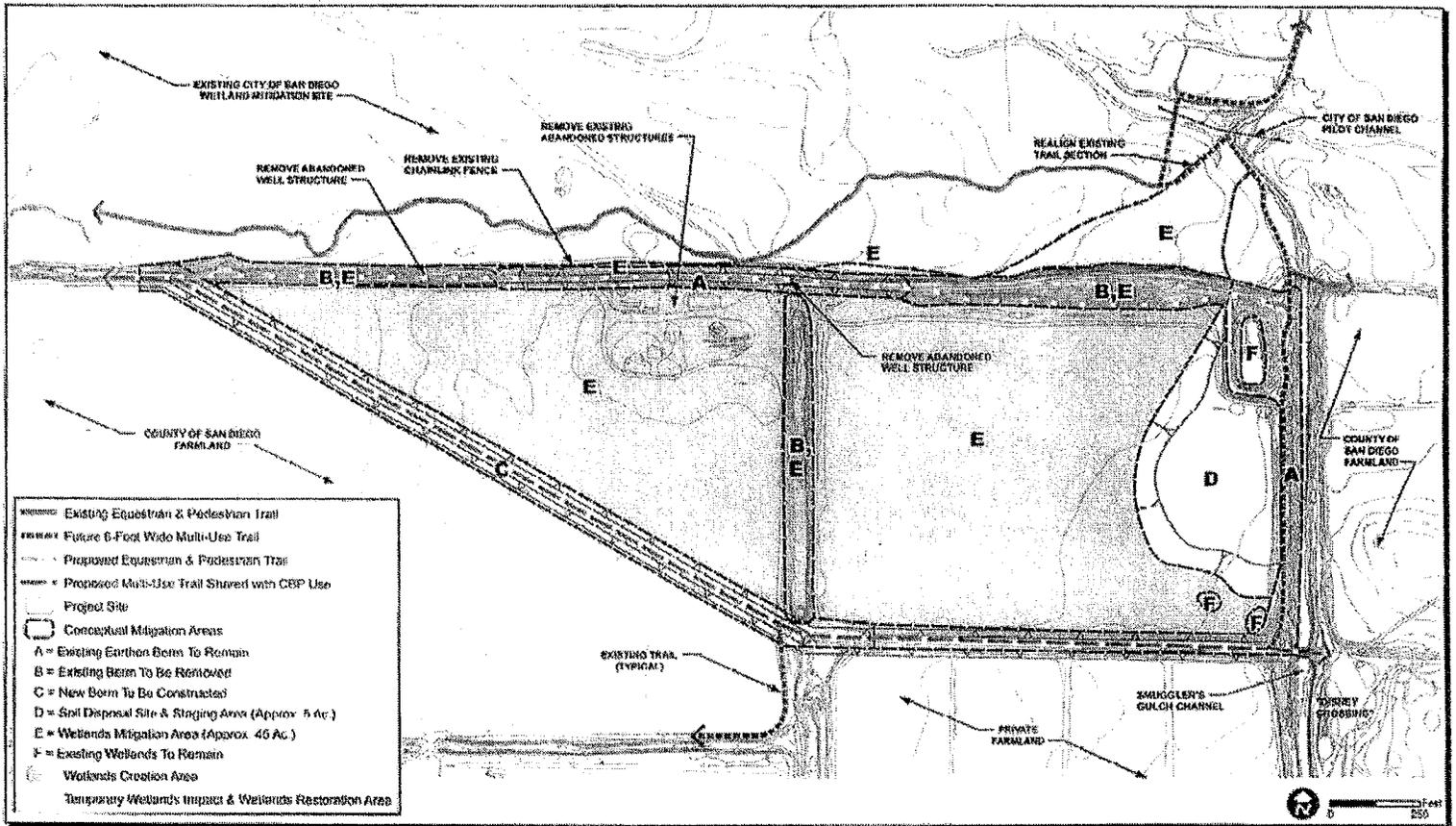
The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on March 17, 2008. The Committee supported Staff's recommendation.

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 B

Conceptual Mitigation Design



Tijuana River Valley Wetlands Mitigation Project - Initial Study
 Conceptual Mitigation Design



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 2, 2008		
SUBMITTED BY:	Ron Grunow <i>R. Grunow</i> Sr. Civil Engineer	PROJECT/ SUBPROJECT:	P2038 P2356 P2387/ 001103	DIV.	5
	Ron Ripperger <i>R. Ripperger</i> Engineering Manager			NO.	
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering				
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations				
SUBJECT:	Award of a Construction Contract for the PL-12 Inch Upsize and Replacement Pipeline Projects				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board awards a construction contract to Arrieta Construction, Inc. (Arrieta) in the amount of \$1,688,021.50 for the construction of the PL-12 Inch Upsize and Replacement Pipeline project and to authorize the General Manager to execute an agreement with Arrieta in an amount not to exceed \$1,688,021.50 (See Exhibit A for projects locations).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

That the Board authorizes the General Manager to enter into a construction agreement with Arrieta in an amount not to exceed \$1,688,021.50 for the PL-12 Inch Upsize and Replacement Pipeline Projects.

ANALYSIS:

This project consists of constructing a total of 9688 linear feet of new 12-inch PVC water pipe in four (4) separate locations in Rancho San Diego and Jamul.

The desire to increase District system reliability and to mitigate potential maintenance and risk issues related to accessibility and existing pipe integrity caused Staff to develop a program to replace existing potable water pipelines in Hidden Mesa Road, Chase Avenue, Jamul Drive, and Steele Canyon Road. Please note that CIP P2038 includes Phase I being awarded with this contract (Hidden Mesa Road and Chase Avenue) and Phase II (Jamacha Road) that will be awarded later with the 36-in Pipeline Project (CIP 2009).

The potable water pipelines in Hidden Mesa Road and Steele Canyon Road are located on private property within District easements. These two pipelines generate cost and risk to the District because they are not readily accessible for maintenance purposes and could potentially cause property damage.

The Chase Avenue pipeline is undersized. The existing 6-inch pipeline connects a 12-inch pipe to an 8-inch pipe. The alternative would increase the existing 6-inch pipeline to a 12-inch pipeline. This replacement would decrease velocities, thereby increasing useful pipe life, and increase fire flow capability.

The Jamul Drive pipeline is made of permastran and has a history of breaking. It was installed only in a few locations throughout the District. Due to the difficulty of finding replacement pipe of this type, it creates maintenance and inconvenience for Operation's staff. Therefore, the useful life for the pipe appears to be limited.

The design for this project was performed by an outside consultant, to take advantage of specialty design disciplines. Lee & Ro, Inc. provided design services.

The project was advertised for bid on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

A non-mandatory Pre-Bid Meeting was held on February 27, 2008. A presentation was given by the District Staff to explain the project and discuss any questions or concerns from the contractors. There were eight (8) contractors that attended the meeting and meeting minutes were published.

Subsequently, four (4) addenda were sent out to all bidders and planhouses to address questions and provide clarifications to the contract documents during the bidding period. Bids were publicly opened on March 11, 2008 with the following results:

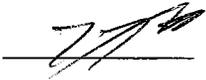
<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>	<u>CORRECTED BID AMOUNT</u>
1 Arrieta Construction Inc.	\$1,688,021.50	-
2 S.C. Valley Engineering, Inc.	\$1,698,665.00	-
3 ARB Inc.	\$1,736,670.00	-
4 Burtech Pipeline, Inc.	\$1,846,946.00	-
5 Zondiros Corporation	\$1,889,960.00	\$1,890,360.00
6 KTA Construction, Inc.	\$2,116,060.00	-
7 Erreca's Inc.	\$2,217,025.50	
8 BRH-Garver West, Inc.	\$2,238,600.00	
9 Cass Construction, Inc	\$2,268,061.00	
10 Wier Construction Corporation	\$2,447,300.00	

The Engineer's Estimate was \$2,534,515.00.

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, Arrieta, submitted a responsible bid and holds a Class A Contractors license which expires on May 31, 2009. References were checked and Arrieta was found to be a highly rated company. Staff also verified that it can comply with the bonding requirements for this project.

Per the public competitive bidding process, Staff is recommending the award of a construction contract to Arrieta Construction Inc. in the bid amount of \$1,688,021.50.

FISCAL IMPACT:



The budget for all three projects is \$2,890,000.00.

CIP P2038 is composed of two (2) phases. The total budget for CIP P2038, as approved in the FY 2008 budget, is \$1,600,000.00. Total expenditures, plus outstanding commitments and forecast, are \$1,600,000.00. See Attachment B for budget detail. The P2038 budget report reflects Phase I being awarded with this contract and is committed. Phase II will be awarded later with P2009 (36-Inch Pipeline Project) and is therefore projected.

The total budget for CIP P2356, as approved in the FY 2008 budget, is \$765,000.00. Total expenditures, plus outstanding commitments and forecast, are \$756,078.00. See Attachment B for budget detail.

The total budget for CIP P2387, as approved in the FY 2008 budget, is \$525,000.00. Total expenditures, plus outstanding commitments and forecast, are \$417,825.00. See Attachment B for budget detail.

The Project Manager anticipates that, based on the attached financial analysis, the CIP budget will be sufficient to support the CIP portion of this project. Finance has determined that the

The Project Manager anticipates that, based on the attached financial analysis, the CIP budget will be sufficient to support the CIP portion of this project. Finance has determined that the funding is available from the accounts as follows; P2038, 50% Betterment Fund, 50% Replacement Fund; P2356, 100% Replacement Fund; P2387, 100% Betterment 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 the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT: _____

None.


General Manager

P:\WORKING\CIP P2038\Staff Reports\BD 4-2-08, Staff Report, P2038 P2356 P2387 Bid Award, (RG-RR).doc

RG/RR/RP:jf

Attachments: Attachment A
Attachment B
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT: P2038/001103 P2356/001103 P2387/001103	Award of a Construction Contract for the PL-12 Inch Upsize and Replacement Pipeline Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on March 17, 2008. 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

Otay Water District
p2038 PL - 12-inch, 978 Zone, Hidden Mesa Road

Date Updated: March 11, 2008

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$1,600,000					
Planning					
In House/Labor	22,608	22,608		22,608	
Consultant Contracts	1,044	1,044	-	1,044	Jones & Stokes Associates
	21,435		21,435	21,435	IEC C.O. #2
Land/Easement Acquisition			-	-	
Total Planning	\$ 45,087	\$ 23,652	\$ 21,435	\$ 45,087	
Design					
In House/Labor	104,935	104,935		104,935	
Consultant Contracts	3,067	3,067	-	3,067	Moreno Aerial Photo
	45,071	45,071	-	45,071	Lee & Ro Inc
Materials	131	131	-	131	C W Mcgrath
	788	788	-	788	Penhall Company
Service Contracts	1,800	1,800	-	1,800	Frank & Son Paving Inc
	726	726	-	726	Southland Title
	647	647	-	647	Mayer Reprographics
Parking & Tolls	5	5	-	5	Petty Cash Custodian
			-	-	
Total Design	\$ 157,168	\$ 157,168	\$ -	\$ 157,168	
Construction					
Phase II (Jamacha Road)	\$ 311,200.00		\$ 311,200	311,200	Awarded with CIP P2009
In House/Labor	98,003	4,003	94,000	98,003	
Materials	257	257	-	257	Frank & Son Paving Inc
Construction Contracts	908,285		908,285	908,285	Arrieta Construction Inc
Contingency (5%)	40,000		40,000	40,000	
Service Contracts	30,000		30,000	30,000	Lee & Ro Inc
Professional & Legal Fees			-	-	
Accpt/close-out	10,000		10,000	10,000	
Total Construction	\$ 1,397,745	\$ 4,260	\$ 1,393,485	\$ 1,086,545	
Grand Total	\$ 1,600,000	\$ 185,080	\$ 1,414,920	\$ 1,600,000	

Otay Water District
 p2356 PL - 12-Inch, 803 Zone, Jamul Drive Perm

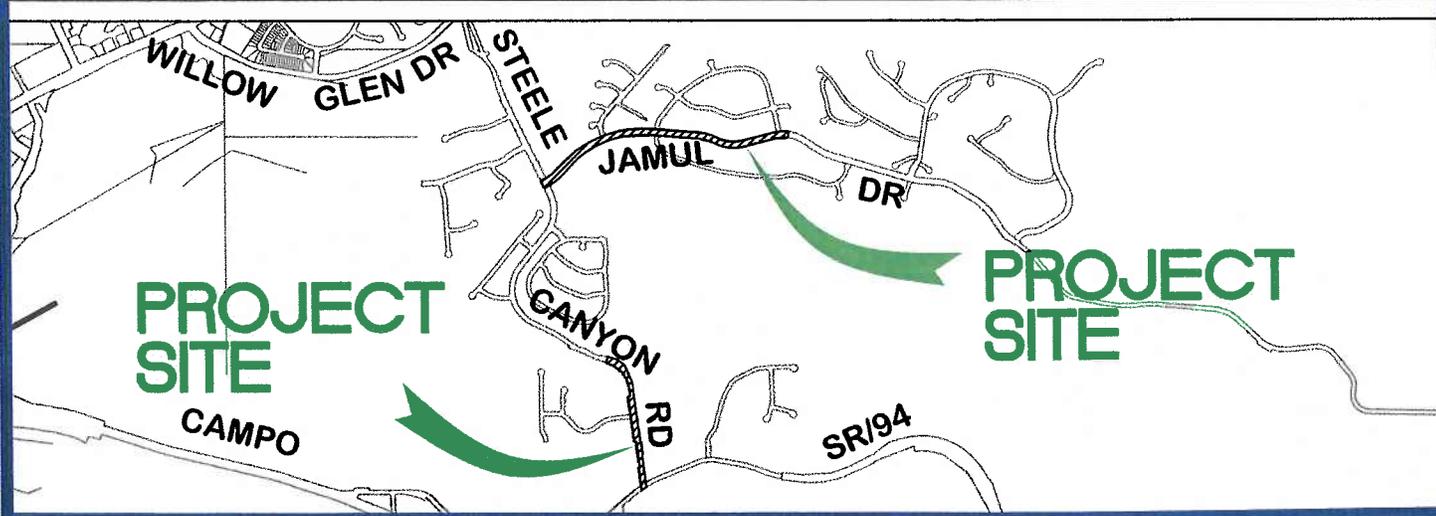
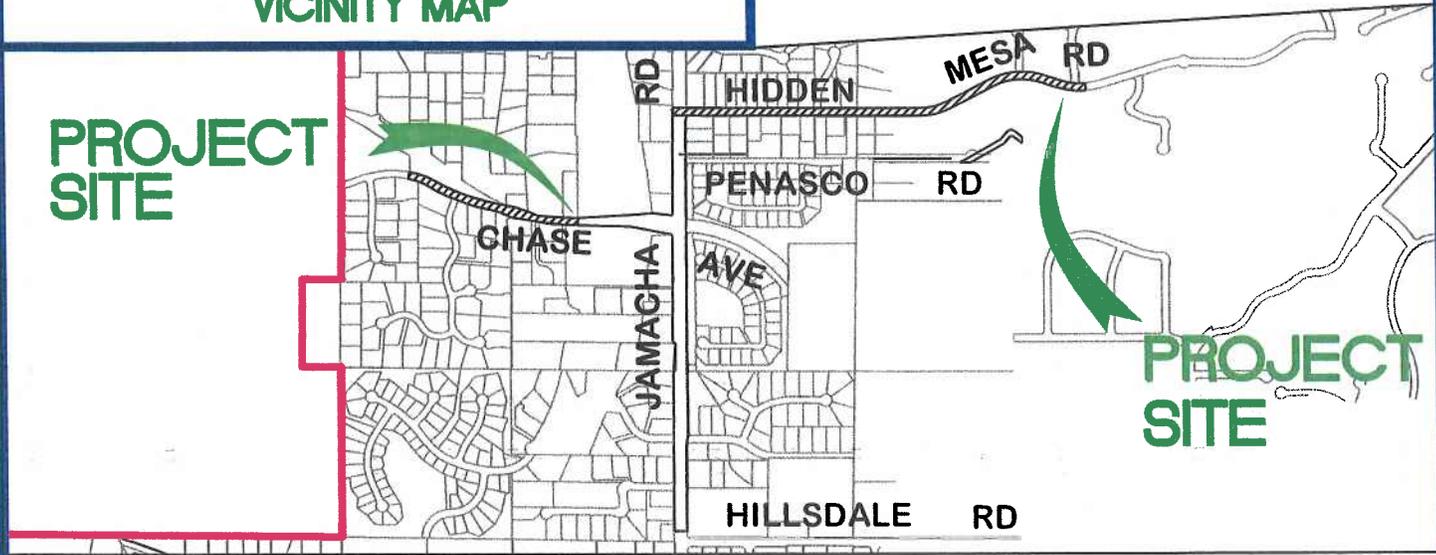
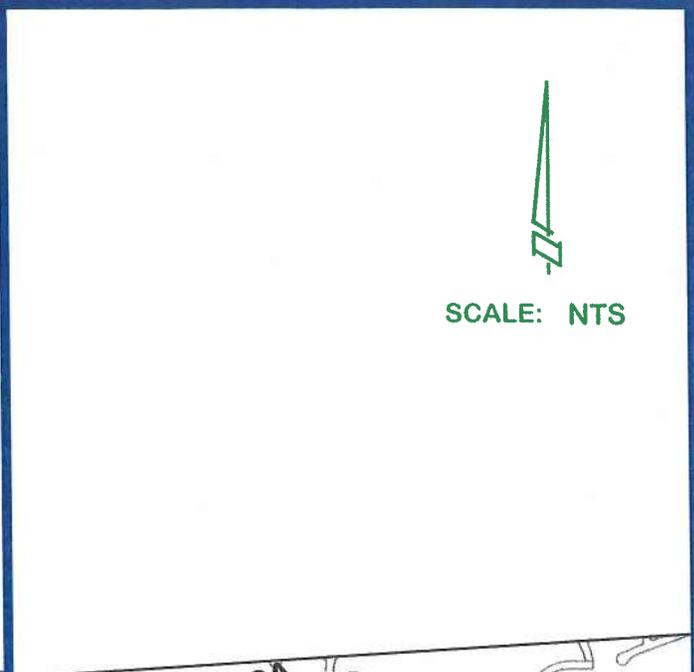
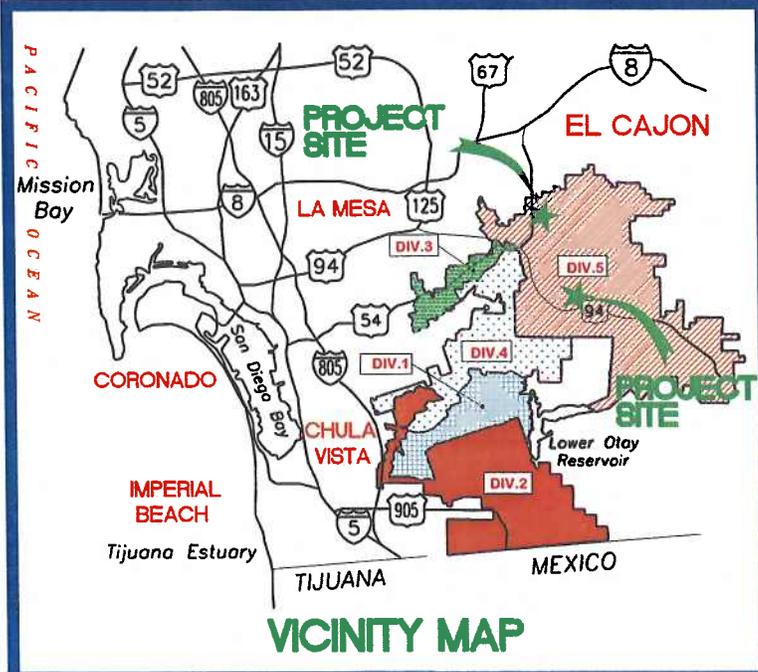
Date Updated: March 11, 2008

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$765,000					
Planning					
In House/Labor	12,072	12,072		12,072	
Materials	50	50	-	50	C W Mcgrath
Consultant Contracts	459	459	-	459	Jones & Stokes Associates
Land/Easement Acquisition			-	-	
Total Planning	\$ 12,581	\$ 12,581	\$ -	\$ 12,581	
Design					
In House/Labor	65,956	65,956		65,956	
Consultant Contracts	3,067	3,067	-	3,067	Moreno Aerial Photo
	26,683	26,683	-	26,683	Lee & Ro Inc
Materials	58	58	-	58	C W Mcgrath
	585	585	-	585	Penhall Company
Agency Fee	198	198	-	198	County of San Diego-DPW
Service Contracts	26	26	-	26	San Diego Daily Transcripts
	539		539	539	Mayer Reprographics
Parking & Tolls			-	-	Petty Cash Custodian
			-	-	
Total Design	\$ 97,111	\$ 96,572	\$ 539	\$ 97,111	
Construction				\$ -	
In House/Labor	72,747	747	72,000	\$ 72,747.10	
Construction Contracts	521,639	-	521,639	\$ 521,639.00	Arrieta Construction Inc
Contingency (5%)	22,000	-	22,000	\$ 22,000.00	
Service Contracts	20,000		20,000	\$ 20,000.00	Lee & Ro Inc
Accpt/close-out	10,000		10,000	\$ 10,000.00	
Total Construction	\$ 646,386	\$ 747	\$ 645,639	\$ 646,386	
Grand Total	\$ 756,078	\$ 109,900	\$ 646,178	\$ 756,078	

Otay Water District
p2387 PL - 12-Inch, 832 Zone, Steele Canyon Ro

Date Updated: March 11, 2008

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$525,000					
Planning					
In House/Labor	8,285	8,285		8,285	
Materials			-	-	C W Mcgrath
Consultant Contracts	995	995	-	995	Jones & Stokes Associates
Land/Easement Acquisition			-	-	
Total Planning	\$ 9,280	\$ 9,280	\$ -	\$ 9,280	
Design					
In House/Labor	49,455	49,455		49,455	
Consultant Contracts	3,024	3,024	-	3,024	Moreno Aerial Photo
	19,343	19,343	-	19,343	Lee & Ro Inc
Materials	519	519	-	519	Frank & Son Paving
	295	295	-	295	Penhall Company
Agency Fee	153	153	-	153	County of San Diego-DPW
Service Contracts	26	26	-	26	San Diego Daily Transcripts
	539		539	539	Mayer Reprographics
Parking & Tolls			-	-	
			-	-	
Total Design	\$ 73,353	\$ 72,814	\$ 539	\$ 73,353	
Construction					
In House/Labor	35,094	1,094	34,000	35,094	
Materials			-	-	
Construction Contracts	258,098		258,098	258,098	Arrieta Construction Inc
Contingency (5%)	22,000		22,000	22,000	
Service Contracts	10,000		10,000	10,000	Lee & Ro Inc
Professional & Legal Fees			-	-	
Accpt/close-out	10,000		10,000	10,000	
Total Construction	\$ 335,192	\$ 1,094	\$ 334,098	\$ 335,192	
Grand Total	\$ 417,825	\$ 83,188	\$ 334,637	\$ 417,825	



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OTAY WATER DISTRICT
 PL-12 INCH, 978 ZONE, JAMACHA AND HIDDEN MESA ROAD
 UPSIZE AND REPLACEMENT

LOCATION MAP

CIP# P2038

EXHIBIT A

AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 2, 2008
SUBMITTED BY:	Ron Grunow <i>RG</i> Sr. Civil Engineer	PROJECT/	S2015/ DIV. 5
	Ron Ripperger <i>RR</i> Engineering Manager	SUBPROJECT:	0011103 NO.
APPROVED BY:	Rod Posada <i>RP</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>MM</i> (Asst. GM): Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Contract for the Calavo Sewer Lift Station Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board awards a construction contract to NEWEST Construction Company, Inc. (NEWEST) in the amount of \$267,900 for the construction of the Calavo Sewer Lift Station (CSLS) and authorizes the General Manager to execute an agreement with NEWEST in an amount not to exceed \$267,900 (See Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a construction agreement with NEWEST in an amount not to exceed \$267,900 for the CSLS.

ANALYSIS:

The need for a solution to maintain reliable sewer service to the area served by the CSLS was determined because of the CSLS's aging equipment, difficult maintenance conditions, and infiltration problems.

This project consists of constructing a new automatically-operated sewer lift station containing two 350 GPM pumps to replace the existing manually-operated pump station including removing two 400 GPM pumps

located in Spring Valley. The new CSLS will provide adequate capacity to serve as an emergency back-up for the Calavo Trunk Sewer.

The design for this project was performed by an outside consultant in order to take advantage of specialty design disciplines. J.C. Heden and Associates Inc. provided primary CSLS design and Engineering Partners Inc. performed the electrical design.

The project was advertised for bid on the District's website and several other publications including the Union Tribune and San Diego Daily Transcript.

A non-mandatory Pre-Bid Meeting was held on February 26, 2008. A presentation was given by the District staff to explain the project and discuss any questions or concerns from the contractors. There were nine (9) contractors that attended the meeting. Meeting minutes were published.

Subsequently, two addenda were sent out to all bidders and planhouses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on March 6, 2008 with the following results:

<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>	<u>CORRECTED BID AMOUNT</u>
1 NEWEST Construction Company, Inc.	\$267,900	-
2 Cass Construction, Inc.	\$279,575	-
3 Zondiros Corporation	\$302,440	\$291,640
4 Burtech Pipeline, Inc.	\$297,000	-
5 KTA Construction, Inc.	\$313,200	-
6 Southwest Civil Contracting, Inc.	\$317,900	-
7 Ahrens Corporation	\$333,700	-
8 Centaur General Engineering, Inc.	\$339,404	-
9 Premier Pipeline Construction	\$356,302	-
10 TC Construction Co.	\$370,000	-
11 Wier Construction Corporation	\$420,520	-

The Engineer's Estimate was \$321,000.

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, NEWEST, submitted a responsible bid and holds a Class A Contractors license which expires on September 30, 2008. References were checked and Newest was found to be a highly rated company. Staff also verified that it can comply with the bonding requirements for this project.

FISCAL IMPACT:



The total budget for CIP S2015, as approved in the FY 2008 budget, is \$726,000. Total expenditures, plus outstanding commitments and forecast, are \$317,615. See Attachment B for budget detail.

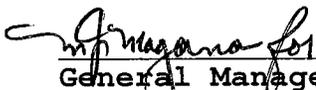
Staff anticipates that, based on the attached financial analysis, the CIP budget will be sufficient to support this project. Finance has determined that 100% of the funding is available from the Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide 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 the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT:

None.

 
General Manager

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RG/RR:jf

Attachments: Attachment A
Attachment B
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT: P2191/001103	Award of a Construction Contract for the Calavo Sewer Lift Station
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on March 17, 2008. 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.

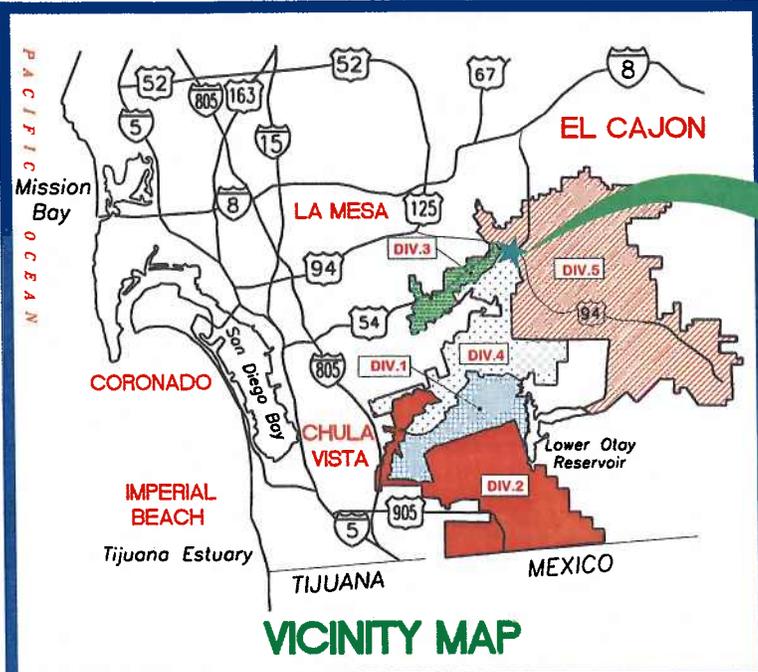


ATTACHMENT B

Otay Water District
s2015 Calavo Lift Station Replacement

Date Updated: March 06, 2008

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
\$726,000					
Planning					
In House/Labor	37,053	37,053		37,053	
Consultant Contracts	1,979	1,979	-	1,979	Jones & Stokes Associates
Service Contracts	4,200	4,200	-	4,200	California Commercial
Advertise & Awards	275	275	-	275	San Diego Daily Transcripts
Professional & Legal Fees	832	832	-	832	Garcia, Calderon & Ruiz LLP
Land/Easement Acquisition	13,000	13,000	-	13,000	Kim-Thoa Hoang
Total Planning	\$ 57,339	\$ 57,339	\$ -	\$ 57,339	
Design					
In House/Labor	75,590	75,590		75,590	
Consultant Contracts	8,770	8,770	-	8,770	Ninyo & Moore
	16,780	16,780	-	16,780	JC Heden & Associates Inc.
	9,850	9,850	-	9,850	Engineering Partners Inc.
Professional Legal Fees	1,011	1,011	-	1,011	Garcia, Calderon & Ruiz LLP
Easement	4,000	4,000	-	4,000	Juan & Debra Navarro
Service Contracts	700	700	-	700	Southland Title
	1,801	86	1,715	1,801	San Diego Daily Transcripts
			-	-	
Total Design	\$ 118,501	\$ 116,786	\$ 1,715	\$ 118,501	
Construction					
In House/Labor	23,455	3,455	20,000	23,455	
Consultant Contracts	5,470	1,470	4,000	5,470	JC Heden & Associates Inc.
Construction Contracts	267,900		267,900	267,900	NEWEST Construction
Contingency (5%)	14,000		14,000	14,000	
Service Contracts					
Professional & Legal Fees			-	-	
Accpt/close-out	10,000		10,000	10,000	
Total Construction	\$ 320,825	\$ 4,925	\$ 315,900	\$ 320,825	
Grand Total	\$ 496,665	\$ 179,050	\$ 317,615	\$ 496,665	

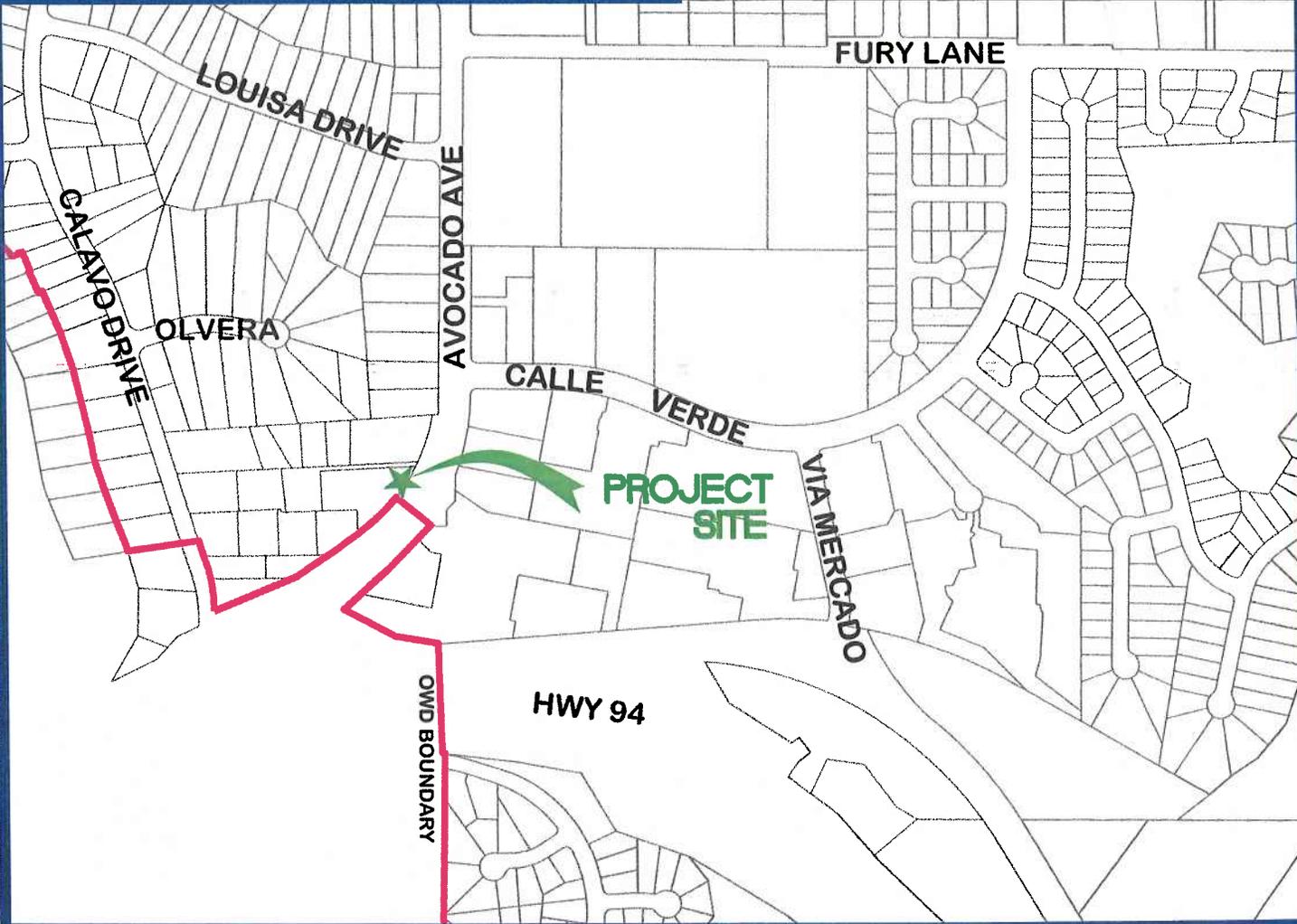


VICINITY MAP

PROJECT SITE



SCALE: 1"=600'



PROJECT SITE



OTAY WATER DISTRICT

CALAVO LIFT STATION REPLACEMENT

LOCATION MAP

CIP# S2015

EXHIBIT A

P:\WORKING\ACIP_S2015\03\GIS\Map\Drawings\Culavo Lift Station Replacement\Map Staff Report.dwg 6/27/2006 9:02:24 AM PST



AGENDA ITEM 6

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	April 2, 2008		
SUBMITTED BY:	Armando Buelna ^{AB} Communications Officer	W.O./G.F. NO:	N/A	DIV. NO.	All
SUBJECT:	Update on Legislative Matter and June 3, 2008 Propositions				

GENERAL MANAGER'S RECOMMENDATION:

1. To adopt positions on 2008 legislative matters as follows:

	Recommended Position	Item	Author	Topic
1	Oppose	Assembly Bill 983	Fiona Ma	Public contracts: plans and specifications.
2	Oppose	Proposition 98	Howard Jarvis Taxpayers' Association	The California Property Owners and Farmland Protection Act.
3	Support	Proposition 99	California League of Cities	The Homeowners and Private Property Protection Act.

PURPOSE:

To give the Board of Directors the opportunity to adopt positions on three legislative matters.

ANALYSIS:

AB 983 - Fiona Ma - Public Contracts: plans and specifications.

AB 983 would add language to the Public Contract Code that states when a public agency provides a contractor with a set of plans and specifications, that there is an implied warranty from the agency of accuracy and completeness. Furthermore, the bill states that a contractor would not have to prove that errors or omissions in plans and specifications occurred as a result of intentional misrepresentations or active concealment by the public agency.

Proponents of AB 983 state that the bill is necessary to avoid the potential for inappropriately shifting design risks from designers to contractors. However, the language of AB 983 would change the law to shift the liability to the public entity and would relieve contractors of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.

An implied warranty of accuracy and completeness for the public agency would potentially result in an increase in change orders, as a clarification or request for information from the contractor could be construed as a change to the contract documents. This bill would further shift the risk of loss on construction projects to public entities that would not be in a position to control all risks associated with construction projects.

The Otay Water District's legislative guidelines for water services state that it is the District's policy to oppose efforts to "Make urban water supplies less reliable or substantially increase the cost of imported water without also improving reliability and/or quality of the water." This legislation would place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction.

Staff Recommendation: Oppose.

Two propositions dealing with eminent domain have qualified for the June 3, 2008 statewide direct primary election ballot. They are Proposition 98 and Proposition 99.

Summary -

Proposition 98 is the *California Property Owners and Farmland Protection Act* sponsor by the Howard Jarvis Taxpayers' Association, the California Alliance to Protect Private Property, and the California Farm Bureau Federation.

If approved by voters, it bars state and local governments from condemning or damaging private property for private uses. It also prohibits rent control and similar measures. Prop. 98 prohibits deference to government in property rights cases; defines "just compensation" and requires an award of attorneys' fees and costs if a property owner obtains a judgment for more than the amount offered by the government; and requires government to offer to original owner of condemned property the right to repurchase property at condemned price when property is put to substantially different use than was publicly stated.

The state's Legislative Analyst and Director of Finance estimate Prop. 98's impact on state and local government will be "Increased costs to many governments due to the measure's restrictions. The fiscal effect on most governments probably would not be significant."

Background -

The California Constitution allows the taking of property for public use only when just compensation is paid to the owner. A jury determines just compensation, unless the property owner waives the jury.

Proposition 98 would amend the California Constitution to allow the taking of private property only for a stated public use. It would prohibit the taking of private property for a private use. The initiative also requires a public agency to offer back property to the original owners before the public agency may sell the property or put it to a use that is substantially different from the public use that was stated in the eminent domain proceedings.

Proposition 98 provides definitions of "taking," "public use," and "just compensation," that go beyond the meanings contained in the Constitution, as interpreted by the courts. A fundamental concern for water agencies is the initiative could be construed to preclude acquisitions for water supplies, mitigation land, storage and other public water projects. The definition of "private use" may restrict the exercise of land use powers by local governments and could also affect the acquisition of mitigation land for environmental preservation. The definition of "just compensation" would include amounts to compensate the property owner for temporary business losses, relocation expenses, business reestablishment costs, and other expenses "deemed compensable by the Legislature."

Although this initiative does not go as far as Proposition 90 in restricting the use of eminent domain by public agencies, it still goes well beyond merely overturning the Supreme Court's decision in *Kelo v. City of New London*. This initiative is highly restrictive and goes beyond eminent domain reform. It would roll back rent control and other renter protections, decimate local land use planning, gut environmental protections and threaten much needed water projects.

The Otay Water District's legislative guidelines for water services state that it is the District's policy to oppose efforts to "Make urban water supplies less reliable or substantially increase the cost of imported water without also improving reliability and/or quality of the water." The California Special District's Association and the San Diego County Water Authority also both oppose Prop. 98.

Staff Recommendation: Oppose.

Proposition 99, also on the June 3, 2008 ballot, is the **Homeowners and Private Property Protection Act**. Prop. 99 was sponsored by The League of California Cities.

Summary -

Proposition 99 bars the state and local governments from using eminent domain to acquire an owner-occupied residence for conveyance to a private person or business entity. However, it creates exceptions for public work or improvement, public health and safety protection, and crime prevention. The state Legislative Analyst and Director of Finance estimate the measure would likely not have a significant fiscal impact on state or local governments.

Background -

The League of California Cities wrote Proposition 99 to address as precisely as possible the specific issue in the *Kelo v. City of New London* Supreme Court case. The initiative will place sensible, straightforward restrictions on local governments' use of eminent domain. Proposition 99 prohibits the state and local government from acquiring by eminent domain an owner-occupied residence for the purpose of conveying it to a private person. This provision does not apply when the state or local governments exercise the power of eminent domain for the purpose of:

1. Acquiring private property for a public work or improvement
2. Protecting public health and safety
3. Preventing serious, repeated criminal activity
4. Responding to an emergency
5. Remediating environmental contamination that poses a threat to public health and safety.

Although Proposition 99 does restrict the use of eminent domain by public agencies, it applies almost entirely to redevelopment activities that involve acquiring private residences and transferring them to developers to promote economic development. However, it resolves the issue raised by the *Kelo* decision that has caused a great deal of concern nationwide and has spawned a number of highly restrictive initiative proposals such as Proposition 90 and Proposition 98.

The Otay Water District's legislative guidelines for water services state that it is the District's policy to oppose efforts to support efforts to "Provide reliable water supplies to meet California's short and long-term needs." CSDA and SDCWA are part of a coalition that supports this initiative

Staff Recommendation: **Support**

FISCAL IMPACT:



None

LEGAL IMPACT:

None.



General Manager

Attachments:

- Attachment A - Committee Action Report
- B - Assembly Bill 983 - Fiona Ma
- C - Prop. 98 - the California Property Owners and Farmland Protection Act
- D - Prop. 99 - Homeowners and Private Property Protection Act



ATTACHMENT A

SUBJECT/PROJECT:	Update on Legislative Matter and June 3, 2008 Propositions
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COMMITTEE ACTION:

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.

AMENDED IN SENATE JANUARY 14, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 983

Introduced by Assembly Member Ma

February 22, 2007

~~An act to add Section 12025 to the Government Code, relating to the Governor's Budget. An act to amend Section 1104 of the Public Contract Code, relating to public contracts.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 983, as amended, Ma. ~~Governor's Budget: services contracts. Public contracts: plans and specifications.~~

Existing law contains various provisions relating to the bidding process for public works projects. Existing law prohibits a local public entity, charter city, or charter county from requiring a bidder to assume responsibility for the completeness and accuracy of architectural or engineering plans and specifications on public works projects, except on clearly designated design-build projects.

This bill would provide that there is an implied warranty of the accuracy and completeness of the plans and specifications provided to the contractor by the public entity, charter city, or charter county. This bill would further provide that these provisions shall not be construed to require a contractor to prove an affirmative or intentional misrepresentation or active concealment on the part of the public entity, charter city, or charter county that provides the plans and specifications.

~~Existing law requires the Governor to annually issue a report to the public on the expenditures for support of his or her office, and to submit a budget to the Legislature within the first 10 days of each regular session that includes, among other things, a complete plan and itemized~~

~~statement of all proposed expenditures of the state and of all estimated revenues.~~

~~This bill would require the Governor to submit with the budget a report that contains specified information regarding current and proposed contracts for services in the amount of \$5,000 or more.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes-no~~.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *Section 1104 of the Public Contract Code is*
2 *amended to read:*

3 1104. (a) No local public entity, charter city, or charter county
4 shall require a bidder to assume responsibility for the completeness
5 and accuracy of architectural or engineering plans and
6 specifications on public works projects, except on clearly
7 designated design build projects. Nothing in this section shall be
8 construed to prohibit a local public entity, charter city, or charter
9 county from requiring a bidder to review architectural or
10 engineering plans and specifications prior to submission of a bid,
11 and report any errors and omissions noted by the contractor to the
12 architect or owner. The review by the contractor shall be confined
13 to the contractor's capacity as a contractor, and not as a licensed
14 design professional.

15 (b) *When plans and specifications are provided by a public*
16 *entity, charter city, or charter county, there is an implied warranty*
17 *of the accuracy and completeness of those plans and specifications.*
18 *Nothing in this section shall be construed to require a contractor*
19 *to prove an affirmative or intentional misrepresentation or active*
20 *concealment on the part of the public entity, charter city, or charter*
21 *county that provides the plans and specifications.*

22 ~~SECTION 1. Section 12025 is added to the Government Code,~~
23 ~~to read:~~

24 ~~12025. (a) Notwithstanding Section 7550.5, the Governor shall~~
25 ~~submit to the Legislature with the Governor's Budget a report that~~
26 ~~contains the following information regarding current and proposed~~
27 ~~contracts for services in the amount of five thousand dollars~~
28 ~~(\$5,000) or more:~~

29 ~~(1) A description of the contract and the services being~~
30 ~~purchased.~~

- 1 ~~(2) The name of the agency contracting for the services.~~
2 ~~(3) The name of the contractor and any subcontractors.~~
3 ~~(4) The effective date and expiration date of the contract.~~
4 ~~(5) The annual amounts paid under the contract, by funding~~
5 ~~source, to the contractor in past fiscal years and in the current fiscal~~
6 ~~year.~~
7 ~~(6) The annual amount, by funding source, proposed to be paid~~
8 ~~to the contractor under the Governor's Budget.~~
9 ~~(7) The amount, by funding source, projected to be paid to the~~
10 ~~contractor in the fiscal years covered by the contract beyond the~~
11 ~~fiscal year addressed in the Governor's Budget.~~
12 ~~(8) The total projected cost of the contract, by funding source,~~
13 ~~for all fiscal years during which the contract will be in effect.~~
14 ~~(9) Whether the contract was a sole source procurement.~~
15 ~~(b) The information required by subdivision (a) shall be~~
16 ~~presented in the report by agency or comparable budget category.~~
17 ~~(c) The report shall provide the total cost of contracting for~~
18 ~~services for each fund and agency or comparable budget category.~~
19 ~~(d) The information required by this section shall be made~~
20 ~~available to the public by posting it on the State of California Web~~
21 ~~site in a format that allows for searching and sorting by the~~
22 ~~categories listed in subdivision (a).~~
23 ~~(e) For purposes of this section, "proposed contract" means any~~
24 ~~contract that is proposed to be let in the 12-month budget period.~~

HOWARD JARVIS
TAXPAYERS
ASSOCIATION



HOWARD JARVIS, Founder (1903-1986)
ESTELLE JARVIS, Honorary Chairwoman
JON COUPAL, President
TREVOR GRIMM, General Counsel
TIMOTHY BITTLE, Director of Legal Affairs

May 1, 2007

Ms. Patricia Galvan, Initiative Coordinator
Attorney General's Office
1515 K Street, 6th Floor
Sacramento, CA 95814

RECEIVED
MAY - 3 2007

Re: California Property Owners and Farmland Protection Act

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Ms. Galvan:

By this letter, we respectfully request the Attorney General to prepare a title and summary of the chief purpose and points of the California Property Owners and Farmland Protection Act, a copy of which is attached. The undersigned are the proponents of this measure. **We also hereby withdraw Initiative No. 07-0003.** Although our previous initiative and the attached proposal both deal with eminent domain and property rights, there are substantial differences between the two.

Any correspondence regarding this initiative should be directed to Howard Jarvis Taxpayers Association, 921 Eleventh Street, Suite 1201, Sacramento, CA 95814 (916) 444-9950. The proponents' resident addresses are attached to this letter.

Enclosed is the required \$200 filing fee as well as the certification as required by Elections Code Section 18650.

Thank you for your cooperation.

Sincerely,

Sincerely,

Sincerely,

Doug Mosebar
President, California Farm
Bureau Federation

Jon Coupal
President Howard
Jarvis Taxpayers
Association

Jim Nielsen
Chairman, Cal.
Alliance to Protect
Private Property
Rights

SECTION 1. STATEMENT OF FINDINGS

(a) Our state Constitution, while granting government the power of eminent domain, also provides that the people have an inalienable right to own, possess, and protect private property. It further provides that no person may be deprived of property without due process of law, and that private property may not be taken or damaged by eminent domain except for public use and only after just compensation has been paid to the property owner.

(b) Notwithstanding these clear constitutional guarantees, the courts have not protected the people's rights from being violated by state and local governments through the exercise of their power of eminent domain.

(c) For example, the U.S. Supreme Court, in *Kelo v. City of New London*, held that the government may use eminent domain to take property from its owner for the purpose of transferring it to a private developer. In other cases, the courts have allowed the government to set the price an owner can charge to sell or rent his or her property, and have allowed the government to take property for the purpose of seizing the income or business assets of the property.

(d) Farmland is especially vulnerable to these types of eminent domain abuses.

SECTION 2. STATEMENT OF PURPOSE

(a) State and local governments may use eminent domain to take private property only for public uses, such as roads, parks, and public facilities.

(b) State and local governments may not use their power to take or damage property for the benefit of any private person or entity.

(c) State and local governments may not take private property by eminent domain to put it to the same use as that made by the private owner.

(d) When state or local governments use eminent domain to take or damage private property for public uses, the owner shall receive just compensation for what has been taken or damaged.

(e) Therefore, the people of the state of California hereby enact the "California Property Owners and Farmland Protection Act."

SECTION 3. AMENDMENT TO CALIFORNIA CONSTITUTION

Section 19 of Article I of the California Constitution is amended to read:

SEC. 19(a) Private property may be taken or damaged only for a stated public use and when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation. Private property may not be taken or damaged for private use.

(b) For purposes of this section:

(1) "Taken" includes transferring the ownership, occupancy, or use of property from a private owner to a public agency or to any person or entity other than a public agency, or limiting the price a private owner may charge another person to purchase, occupy or use his or her real property.

(2) "Public use" means use and ownership by a public agency or a regulated public utility for the public use stated at the time of the taking, including public facilities, public transportation, and public utilities, except that nothing herein prohibits leasing limited space for private uses incidental to the stated public use; nor is the exercise of eminent domain prohibited to restore utilities or access to a public road for any private property which is cut off from utilities or access to a public road as a result of a taking for public use as otherwise defined herein.

(3) "Private use" means:

(i) transfer of ownership, occupancy or use of private property or associated property rights to any person or entity other than a public agency or a regulated public utility;

(ii) transfer of ownership, occupancy or use of private property or associated property rights to a public agency for the consumption of natural resources or for the same or a substantially similar use as that made by the private owner; or

(iii) regulation of the ownership, occupancy or use of privately owned real property or associated property rights in order to transfer an economic benefit to one or more private persons at the expense of the property owner.

(4) "Public agency" means the state, special district, county, city, city and county, including a charter city or county, and any other local or regional governmental entity, municipal corporation, public agency-owned utility or utility district, or the electorate of any public agency.

(5) "Just compensation" means:

(i) for property or associated property rights taken, its fair market value;

(ii) for property or associated property rights damaged, the value fixed by a jury, or by the court if a jury is waived;

(iii) an award of reasonable costs and attorney fees from the public agency if the property owner obtains a judgment for more than the amount offered by a public agency as defined herein; and

(iv) any additional actual and necessary amounts to compensate the property owner for temporary business losses, relocation expenses, business reestablishment costs, other actual and reasonable expenses incurred and other expenses deemed compensable by the Legislature.

(6) "Prompt release" means that the property owner can have immediate possession of the money deposited by the condemnor without prejudicing his or her right to challenge the determination of fair market value or his or her right to challenge the taking as being for a private use.

(7) "Owner" includes a lessee whose property rights are taken or damaged.

(8) "Regulated public utility" means any public utility as described in Article XII, section 3 that is regulated by the California Public Utilities Commission and is not owned or operated by a public agency. Regulated public utilities are private property owners for purposes of this article.

(c) In any action by a property owner challenging a taking or damaging of his or her property, the court shall consider all relevant evidence and exercise its independent judgment, not limited to the administrative record and without deference to the findings of the public agency. The property owner shall be entitled to an award of reasonable costs and attorney fees from the public agency if the court finds that the agency's actions are not in compliance with this section. In addition to other legal and equitable remedies that may be available, an owner whose property is taken or damaged for private use may bring an action for an injunction, a writ of mandate, or a declaration invalidating the action of the public agency.

(d) Nothing in this section prohibits a public agency or regulated public utility from entering into an agreement with a private property owner for the voluntary sale of property not subject to eminent domain, or a stipulation regarding the payment of just compensation.

(e) If property is acquired by a public agency through eminent domain, then before the agency may put the property to a use substantially different from the stated public use, or convey the property to another person or unaffiliated agency, the condemning agency must make a good faith effort to locate the private owner from whom the property was taken, and make a written offer to sell the property to him at the price which the agency paid for the property, increased only by the fair market value of any improvements, fixtures, or appurtenances added by the public agency, and reduced by the value attributable to any removal, destruction or waste of improvements, fixtures or appurtenances that had been acquired with the property. If property is repurchased by the former owner under this subdivision, it shall be taxed based on its pre-condemnation enrolled value, increased or decreased only as allowed herein, plus any inflationary adjustments authorized by subdivision (b) of Section 2 of Article XIII A. The right to repurchase shall apply only to the owner from which the property was taken, and does not apply to heirs or successors of the owner or, if the owner was not a natural person, to an entity which ceases to legally exist.

(f) Nothing in this section prohibits a public agency from exercising its power of eminent domain to abate public nuisances or criminal activity;

(g) Nothing in this section shall be construed to prohibit or impair voluntary agreements between a property owner and a public agency to develop or rehabilitate affordable housing.

(h) Nothing in this section prohibits the California Public Utilities Commission from regulating public utility rates.

(i) Nothing in this section shall restrict the powers of the Governor to take or damage private property in connection with his or her powers under a declared state of emergency.

SECTION 4. IMPLEMENTATION AND AMENDMENT

This section shall be self-executing. The Legislature may adopt laws to further the purposes of this section and aid in its implementation. No amendment to this section may be made except by a vote of the people pursuant to Article II or Article XVIII.

SECTION 5. SEVERABILITY

The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SECTION 6. EFFECTIVE DATE

The provisions of this Act shall become effective on the day following the election ("effective date"); except that any statute, charter provision, ordinance, or regulation by a public agency enacted prior to January 1, 2007, that limits the price a rental property owner may charge a tenant to occupy a residential rental unit ("unit") or mobile home space ("space") may remain in effect as to such unit or space after the effective date for so long as, but only so long as, at least one of the tenants of such unit or space as of the effective date ("qualified tenant") continues to live in such unit or space as his or her principal place of residence. At such time as a unit or space no longer is used by any qualified tenant as his or her principal place of residence because, as to such unit or space, he or she has: (a) voluntarily vacated; (b) assigned, sublet, sold or transferred his or her tenancy rights either voluntarily or by court order; (c) abandoned; (d) died; or he or she has (e) been evicted pursuant to paragraph (2), (3), (4) or (5) of Section 1161 of the Code of Civil Procedure or Section 798.56 of the Civil Code as in effect on January 1, 2007; then, and in such event, the provisions of this Act shall be effective immediately as to such unit or space.

May 10, 2007

RECEIVED

MAY 14 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**VIA PERSONAL DELIVERY**

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

Re: Request for Title and Summary- Initiative Constitutional Amendment

Dear Mr. Brown:

I am one of the proponents of the attached initiative constitutional amendment. Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared. Enclosed is a check for \$200.00. My residence address is attached. I also withdraw Initiative No. 07-0006.

All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814; Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,

Christopher K. McKenzie, Proponent

Enclosure: Proposed Initiative

May 10, 2007

RECEIVED

MAY 14 2007

**INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**

VIA PERSONAL DELIVERY

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

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Thank you for your assistance.

Sincerely,

Susan Smartt, Proponent

Enclosure: Proposed Initiative

May 10, 2007

RECEIVED

MAY 14 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**VIA PERSONAL DELIVERY**

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

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All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814; Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,

Kenneth Willis, Proponent

Enclosure: Proposed Initiative

TITLE: This measure shall be known as the "Homeowners and Private Property Protection Act."

SECTION 1: PURPOSE AND INTENT

By enacting this measure, the people of California hereby express their intent to:

- A. Protect their homes from eminent domain abuse.
- B. Prohibit government agencies from using eminent domain to take an owner-occupied home to transfer it to another private owner or developer.
- C. Amend the California Constitution to respond specifically to the facts and the decision of the U.S. Supreme Court in *Kelo v. City of New London*, in which the Court held that it was permissible for a city to use eminent domain to take the home of a Connecticut woman for the purpose of economic development.
- D. Respect the decision of the voters to reject Proposition 90 in November 2006, a measure that included eminent domain reform but also included unrelated provisions that would have subjected taxpayers to enormous financial liability from a wide variety of traditional legislative and administrative actions to protect the public welfare.
- E. Provide additional protection for property owners without including provisions, such as those in Proposition 90, which subjected taxpayers to liability for the enactment of traditional legislative and administrative actions to protect the public welfare.
- F. Maintain the distinction in the California Constitution between Section 19, Article I, which establishes the law for eminent domain, and Section 7, Article XI, which establishes the law for legislative and administrative action to protect the public health, safety and welfare.
- G. Provide a comprehensive and exclusive basis in the California Constitution to compensate property owners when property is taken or damaged by state or local governments, without affecting legislative and administrative actions taken to protect the public health, safety and welfare.

SECTION 2: AMENDMENT TO THE CALIFORNIA CONSTITUTION

Section 19 of Article I of the California Constitution is hereby amended to read:

Sec. 19. (a) Private property may be taken or damaged for a public use and only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation.

(b) *The State and local governments are prohibited from acquiring by eminent domain an owner-occupied residence for the purpose of conveying it to a private person.*

(c) Subdivision (b) of this Section does not apply when State or local government exercises the power of eminent domain for the purpose of protecting public health and safety; preventing serious, repeated criminal activity; responding to an emergency; or remedying environmental contamination that poses a threat to public health and safety.

(d) Subdivision (b) of this Section does not apply when State or local government exercises the power of eminent domain for the purpose of acquiring private property for a Public work or improvement.

(e) For the purpose of this Section:

- 1. "Conveyance" means a transfer of real property whether by sale, lease, gift, franchise, or otherwise.*
- 2. "Local government" means any city, including a charter city, county, city and county, school district, special district, authority, regional entity, redevelopment agency, or any other political subdivision within the State.*
- 3. "Owner-occupied residence" means real property that is improved with a single family residence such as a detached home, condominium, or townhouse and that is the owner or owners' principal place of residence for at least one year prior to the State or local government's initial written offer to purchase the property. Owner-occupied residence also includes a residential dwelling unit attached to or detached from such a single family residence which provides complete independent living facilities for one or more persons.*
- 4. "Person" means any individual or association, or any business entity, including, but not limited to, a partnership, corporation, or limited liability company.*
- 5. "Public work or improvement" means facilities or infrastructure for the delivery of public services such as education, police, fire protection, parks, recreation, emergency medical, public health, libraries, flood protection, streets or highways, public transit, railroad, airports and seaports; utility, common carrier or other similar projects such as energy-related, communication-related, water-related and wastewater-related facilities or infrastructure; projects identified by a State or local government for recovery from natural disasters; and private uses incidental to, or necessary for, the Public work or improvement.*
- 6. "State" means the State of California and any of its agencies or departments.*

SECTION 3. By enacting this measure, the voters do not intend to change the meaning of the terms in subdivision (a) of Section 19, Article I of the California Constitution, including, without limitation, "taken," "damaged," "public use," and "just compensation," and deliberately do not impose any restrictions on the exercise of power pursuant to Section 19, Article I, other than as expressly provided for in this measure.

SECTION 4. The provisions of Section 19, Article I, together with the amendments made by this initiative, constitute the exclusive and comprehensive authority in the California Constitution for the exercise of the power of eminent domain and for the payment of compensation to property owners when private property is taken or damaged by state or local government. Nothing in this initiative shall limit the ability of the Legislature to provide compensation in addition to that which is required by Section 19 of Article I to property owners whose property is taken or damaged by eminent domain.

SECTION 5. The amendments made by this initiative shall not apply to the acquisition of real property if the initial written offer to purchase the property was made on or before the date on which this initiative becomes effective, and a resolution of necessity to acquire the real property by eminent domain was adopted on or before 180 days after that date.

SECTION 6. The words and phrases used in the amendments to Section 19, Article I of the California Constitution made by this initiative which are not defined in subdivision (d), shall be defined and interpreted in a manner that is consistent with the law in effect on January 1, 2007 and as that law may be amended or interpreted thereafter.

SECTION 7. The provisions of this measure shall be liberally construed in furtherance of its intent to provide homeowners with protection against exercises of eminent domain in which an owner-occupied residence is subsequently conveyed to a private person.

SECTION 8. The provisions of this measure are severable. If any provision of this measure or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SECTION 9. In the event that this measure appears on the same statewide election ballot as another initiative measure or measures that seek to affect the rights of property owners by directly or indirectly amending Section 19, Article I of the California Constitution, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and each and every provision of the other measure or measures shall be null and void.

AGENDA ITEM 7



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 2, 2008	
SUBMITTED BY:	Ron Ripperger <i>m</i> Engineering Manager	PROJECT/ SUBPROJECT:	P2009, P2038/ 001102	DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering			
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations			
SUBJECT:	Change Order No. 2 to the Contract with Infrastructure Engineering Corporation for Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project			

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board approves Change Order No. 2 to the existing contract with Infrastructure Engineering Corporation (IEC) for design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site (36-Inch Pipeline) Project in the amount not to exceed \$53,318 (See Exhibit A for project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Change Order No. 2 for \$53,318 (Exhibit B) to the contract with IEC.

ANALYSIS:

At the October 4, 2006 Board meeting, Infrastructure Engineering Corporation (IEC) was awarded the design contract for the 36-Inch Pipeline project. IEC has just completed the 90% design submittal and is working towards the 100% design.

At the 60% design submittal progress meeting it was discussed that since the existing 14-Inch CCP in Jamacha Rd (CIP P2038) was being replaced from Hidden Mesa Road to Hillsdale Road as part of the 36-Inch Pipeline Project that it would make sense to replace the remaining CCP near the intersection of Hillsdale Road and Jamacha Road. The existing CCP on Jamacha Road and on a dirt road just south

of Hillsdale Road serving a few customers all needs to be replaced due to its high rate of failure. The existing CCP extending east in Hillsdale Road will not be replaced at this time but will be added as an additional CIP in the future. Only the CCP portion of the Hillsdale pipeline within the Caltrans right of way will be replaced to eliminate the need to obtain an encroachment permit from the State in the future when that work is required.

Several other items have been included in this change order such as additional striping plans to support the replaced piping work near Jamacha Road and Hillsdale intersection. Additional environmental work within Cuyamaca College including Quino Checkerspot Butterfly and Rare Plants Surveys along with processing a Habitat Conversation Plan are also part of this change order. Finally, staff requested that IEC evaluate an alternative alignment east of the intersection of Jamacha Road and Washington Avenue. This evaluation was summarized in a memorandum to staff. The purpose of this additional review was to determine if another pipeline alignment was feasible in order to bypass the intersection and avoid disruption to the public, as well as eliminate a difficult pipeline installation which would be very costly.

Staff also coordinated with IEC regarding remaining scope that could either be revised or altogether deleted since more is known about the project. Some savings back to the District to be realized as part of this change order are for environmental efforts related to contaminated soils, further environmental documentation, and a savings by changing appraisers.

The 36-Inch Pipeline project design is anticipated to be completed in July 2008 with construction award in October 2008. This project is critical to meeting the ultimate demands for the North District.

FISCAL IMPACT:



The total Fiscal Year 2008 budget for CIP P2009 is \$18,490,000 and \$1,600,000 for CIP P2038. The actual costs paid on these projects as of March 6, 2008, are \$1,484,400 and \$185,080, respectively. Total expenditures, plus outstanding commitment and forecast including this change order, are approximately \$3,610,335 for CIP 2009 and \$1,600,000 for CIP P2038. Since a portion of Change Order No. 2 pertains to CIP P2038, \$21,435 has been allocated to that project. The remaining \$31,883 relates to CIP 2009 and has been allocated to that project.

Attachments B and C are tables listing commitments, expenditures, and projected final costs for both projects. Based on the the financial

budget, the Project Manager has determined that the budgets are sufficient to support the project.

Finance has determined that 100% of the funding for CIP P2009 is currently available from the Expansion Fund. Funding for CIP P2038 is available from 50% Betterment Fund and 50% Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner..." This project fulfills the District's Strategic Goals No. 1 - Community and Governance and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing that the District will provide for current and future water needs.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP P2009 36-inch PL - FCF 14 to Reg Site\Staff Reports\BD 4-2-08, 36-Inch Pipeline IEC CO#2.doc

RR/RP:jf

Attachments Attachment A
 Attachment B
 Attachment C
 Exhibit A
 Exhibit B



ATTACHMENT A

SUBJECT/PROJECT: P2009, P2038/ 001102	Change Order No. 2 to the Contract with Infrastructure Engineering Corporation for Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on March 17, 2008. 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. 2 to the Contract with Infrastructure Engineering Corporation for Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
P2009, P2038/
001102

Otay Water District

Date Updated: March 06, 2008

P2009 - 36-Inch Pipeline from SDCWA Otay FCF No. 14 to the Regulatory Site

Budget \$18,490,000	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
Planning					
Labor	202,183	202,183		202,183	
Printing	993	993	-	993	OCB REPROGRAHICS
Business Meetings	110	110	-	110	PETTY CASH
Professional Legal Fees	5,595	5,595	-	5,595	BURKE WILLIAMS & SORENSEN
	599	599	-	599	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	1,338,108	879,891	458,217	1,338,108	INFRASTRUCTURE ENGINEERING
	4,300	4,300	4,300	4,300	C.O. #1
	31,883	-	31,883	31,883	C.O. #2
Service Contracts	398	398	-	398	UNION TRIBUNE
	957	957	-	957	SD DAILY TRANSCRIPT
	350	350	-	350	RYAN BETHKE
	705	705	-	705	OLLI BROS
Subcontract	12,266	12,266	-	12,266	HELIX WATER DISTRICT
Temporary Labor	16	16	-	16	SEDONA STAFFING
Total Planning	\$ 1,598,462	\$ 1,108,363	\$ 494,400	\$ 1,598,463	
Design					
In House/Labor	175,986	175,986		175,986	
In House/Labor (future)				-	
Consultant Contracts	93,000	18,750	74,250	93,000	SAN DIEGO COUNTY WATER
	107,138	60,465	46,673	107,138	HARRIS & ASSOCIATES INC
	5,377		5,377	5,377	WRA & ASSOCIATES INC
	1,050	1,050		1,050	SOUTHLAND TITLE
Special Projects	48	48	-	48	SEDONA STAFFING
Meals and Incidentals	162	162	-	162	PETTY CASH
Advertising/Bid	87	87	-	87	SAN DIEGO DAILY TRANSCRIPT
Other Agency Fees	3,830	3,830	-	3,830	CITY OF EL CAJON
Total Design	\$ 386,677	\$ 260,377	\$ 126,300	\$ 386,677	
Construction					
In House/Labor	8,326	8,326		8,326	
Service Contracts	818	818	-	818	UNION TRIBUNE PUBLISHING CO
Consultant Contracts	1,088,785		1,088,785	1,088,785	RBF CONSULTING
Construction Contracts	527,000	106,250	420,750	527,000	SAN DIEGO COUNTY WATER
Service Contracts	266	266	-	266	MCGRAW-HILL CONSTRUCTION
Computer Software			-	-	
Professional Legal Fees			-	-	
Acqpt/close-out			-	-	
Total Construction	\$ 1,625,195	\$ 115,660	\$ 1,509,535	\$ 1,625,195	
Grand Total	\$ 3,610,335	\$ 1,484,400	\$ 2,130,234	\$ 3,610,335	



ATTACHMENT C

SUBJECT/PROJECT: P2009, P2038/ 001102	Change Order No. 2 to the Contract with Infrastructure Engineering Corporation for Design of the 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site Project
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Otay Water District
 p2038 PL - 12-Inch, 978 Zone, Hidden Mesa Road

Date Updated: March 11, 2008

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$1,600,000					
Planning					
In House/Labor	22,608	22,608		22,608	
Consultant Contracts	1,044	1,044	-	1,044	Jones & Stokes Associates
	21,435		21,435	21,435	IEC C.O. #2
Land/Easement Acquisition			-	-	
Total Planning	\$ 45,087	\$ 23,652	\$ 21,435	\$ 45,087	
Design					
In House/Labor	104,935	104,935		104,935	
Consultant Contracts	3,067	3,067	-	3,067	Moreno Aerial Photo
	45,071	45,071	-	45,071	Lee & Ro Inc
Materials	131	131	-	131	C W Mcgrath
	788	788	-	788	Penhall Company
Service Contracts	1,800	1,800	-	1,800	Frank & Son Paving Inc
	726	726	-	726	Southland Title
	647	647	-	647	Mayer Reprographics
Parking & Tolls	5	5	-	5	Petty Cash Custodian
			-	-	
Total Design	\$ 157,168	\$ 157,168	\$ -	\$ 157,168	
Construction					
Phase II (Jamacha Road)	\$311,200		\$ 311,200.00	311,200	Awarded with CIP P2009
In House/Labor	98,003	4,003	94,000	98,003	
Materials	257	257	-	257	Frank & Son Paving Inc
Construction Contracts	908,285		908,285	908,285	Arrieta Construction Inc
Contingency (5%)	40,000		40,000	40,000	
Service Contracts	30,000		30,000	30,000	Lee & Ro Inc
Professional & Legal Fees			-	-	
Acpt/close-out	10,000		10,000	10,000	
Total Construction	\$ 1,397,745	\$ 4,260	\$ 1,393,485	\$ 1,397,745	
Grand Total	\$ 1,600,000	\$ 185,080	\$ 1,414,920	\$ 1,600,000	

CONTRACT/P.O. CHANGE ORDER No. 2

PROJECT/ITEM: PL 36-Inch, SDCWA Otay FCF No. 14 to Regulatory Site

CONTRACTOR/VENDOR: Infrastructure Engineering Corporation **REF.CIP No.:** P2009-001102

APPROVED BY: Board

REF. P.O. No: 705008

REF. W.O. No.: 30136

DATE: 4-2-08

DESCRIPTION:

1. IEC will add pipeline plan and profile sheets and revise the traffic control plans to include the replacement of and additional 300 (+/-) linear feet of 14-inch CCP pipeline with a 12-inch PVC pipeline; replacement of 700 (+/-) linear feet of 14-inch CCP lateral pipeline with and 8-inch PVC pipeline; replacement of 50-linear feet of 12-inch CCP distribution line with a 12-inch PVC pipeline.
2. IEC will also perform additional water quality testing along the pipeline alignment including, advancing two (2) borings at the two worst-case (contaminated site and perched septic) plumes along the current pipeline alignment.
3. IEC will provide Striping Plans for Jamacha Road.
4. IEC will provide environmental surveys for the selected alignment through Cuyamaca College Campus. In addition, a Habitat Conservation Plan be prepared, requiring a "take" permit.
5. IEC will evaluate an alternative alignment through vacated Third Street from Washington Street to Granite Hills Drive.

REASON:

1. The District requested that IEC add the replacement of an additional 300-foot (+/-) of 14-inch CCP pipeline along Jamacha Road that recently failed and additional water quality testing at two recommended locations along the pipeline alignment.
2. The District requested that IEC to add the replacement of an additional 700-foot (+/-) of 14-inch CCP lateral pipeline along a dirt road and reconnect various services and to replace 50-feet (+/-) of 12-inch CCP along Hidden Mesa from Jamacha Road to outside of Caltrans ROW.
3. The City of El Cajon requested Striping Plans for Jamacha Road.
4. The Quino Checkerspot Butterfly and Rare Plant Surveys are required for the selected alignment through the Cuyamaca College Campus. In addition, USFWS requested an Habitat Conservation Plan be prepared for the project due to impacts to federally-listed species, requiring a "take" permit.
5. The District requested IEC to prepare a memorandum to evaluate an alternative alignment through the City of El Cajon's vacated Third Street from Washington Street to Granite Hills Drive.

CHANGE P.O. TO READ:

A total increase of \$53,318.00 for a revised Contract amount of \$1,391,426.00.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	1,333,808.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	1,338,108.00
TOTAL COST OF THIS CHANGE ORDER:	\$	53,318.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	1,391,426.00
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		0 Days

REQUIRED BY THE CONTRACT/P.O. THIS INCLUDES ALL DIRECT AND INDIRECT COST AND RELEASE OF ALL RIGHTS TO CLAIM AGAINST THIS ITEM IN THE FUTURE. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

CONTRACTOR/VENDOR:

SIGNATURE: [Signature]
NAME: Amy Czajkowski
TITLE: Vice President DATE: 3/11/08
ADDRESS: 14271 Danielson St
Poway, CA 92064

STAFF APPROVALS:

PROJ. MGR: _____ DATE: _____
DIV. MGR: _____ DATE: _____
CHIEF: _____ DATE: _____
ASST. GEN. MANAGER: _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR CHIEF-ENGINEERING/PLANNING CHIEF-FINANCE CHIEF-DEV. SERVICES
 ENGR. MGR. INSPECTION PROJ MGR ENGR. SECRETARY PURCHASING ACCTS PAYABLE

CHANGE ORDER LOG

PL 36-Inch, SDCWA Fcf No. 14 to Regulatory Site

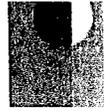
P2009-001102
WO NO. 30136

		APPROVED			
C.O.	AMOUNT	BY	DATE	DESCRIPTION	TYPE C.O.
1	\$4,300.00	PM	10/27/2007	Evaluate an alternative alignment through El Cajon that are less congested of existing utilities.	District initiated
2	\$53,318.00	Board	4/2/2008	Additional plan and profile sheets for approx 1050 linear-ft of pipeline replacement. Also for additional water quality testing at 2 key locations. Striping Plan	District initiated
3					
4					
5					
6					
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33					

Total C.O.'s To Date:	\$57,618.00	4.3%
Original Contract Amount:	\$1,333,808.00	
Current Contract Amount:	\$1,391,426.00	

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	Absolute C.O.\$	Absolute C.O. %
4/08	\$53,318.00	\$10,000/5%	PM/Supervisor	\$0.00	0.0%
		\$20,000/10%	Manager	\$0.00	0.0%
		\$25,000/20%	Chief	\$0.00	0.0%
		\$35,000/20%	AGM	\$0.00	0.0%
		\$50,000/30%	GM	\$0.00	0.0%
		>\$50,000/30%	Board	\$53,318.00	4.0%



Infrastructure Engineering Corporation

February 28, 2008

Mr. Ron Ripperger, P.E.
Engineering Manager
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096

RE: Additional Services No. 2 - P2009 Jamacha Road 36-inch Pipeline Project and P2038 12-inch Potable Water Pipeline Replacement

Dear Mr. Ripperger:

We are pleased to submit this proposal for additional services requested as summarized below:

1. Based on the meeting held January 9, 2008, the District requested that IEC add the replacement an additional 300-foot (+/-) of 14-inch CCP pipeline along Jamacha Road that recently failed and additional water quality testing at two recommended locations along the pipeline alignment.
2. Based on the meeting held January 23, 2008, the District requested IEC to add the replacement of an additional 700-foot (+/-) of 14-inch CCP lateral pipeline along a dirt road and reconnect various services and to replace 50-feet (+/-) of 12-inch CCP along Hidden Mesa from Jamacha Road to outside of Caltrans ROW. (NOTE: survey for the additional 700-feet will be provided by the District.)
3. During a meeting with the City of El Cajon held on January 30, 2008, the City requested stripping plans for Jamacha Road.
4. As discussed on February 28, 2008, the Quino Checkerspot Butterfly and Rare Plant Surveys are required for the selected alignment through the Cuyamaca College Campus. In addition, USFWS requested an Habitat Conservation Plan be prepared for the project due to impacts to **federally-listed species, requiring a "take" permit.**
5. As discussed on February 28, 2008, the District requested IEC to add prepare a memorandum to **evaluate an alternative alignment through the City of El Cajon's vacated Third Street from Washington Street to Granite Hills.**

The following list is scope items that can be deleted from the project and applied to the scope items above; these are reflected in the fee summary worksheet:

1. Under Task 5 several borings were not feasible or not required during the environmental site.
2. Under Task 7 the project was initially scoped out as an EIR and the actual environmental document prepared was an IS/MND the remaining scope items can be deleted. In addition, there were some tasks that were not required and can be deleted.
3. Under Task 10.0 the District referred us to Epic Land Solutions, a more economical appraisals and easement acquisition full-service company.
4. Under Task 11.1 landscaping is not required since the selected alignment is located in mostly developed area; for the impacts at the Cuyamaca College Campus the same specification as the 640 Reservoir project can be used for this project.

The following are the scope of services for the additional work:



Task 18 – Additional Services No. 2

Task 18.1 Additional Pipeline Replacement for P2038

IEC will add two pipeline plan and profile sheets and revise the traffic control plans to include the replacement of an additional 300-linear feet of 14-inch CCP pipeline with a 12-inch PVC pipeline; replacement of 700-linear feet of 14-inch CCP lateral pipeline with an 8-inch PVC pipeline; replacement of 50-linear feet of 12-inch CCP distribution line with a 12-inch PVC. A field investigation will be conducted to examine the failed location. IEC will ensure that any water services connected along this portion are included in the design. IEC will include additional details, valve clusters, and appurtenances. This additional alignment will be included as a part of the Contract Documents. Refer to “EXHIBIT B” for the additional pipeline replacement. (NOTE: survey for the additional 700-feet will be provided by the District.) Striping plans will be prepared in accordance with Caltrans and City standards as required for Jamacha Road within the City of El Cajon city limits.

Task 18.2 Additional Water Quality Testing

Perform additional water quality testing along the pipeline alignment including, advancing two (2) borings at the two worst-case (contaminated site and perched septic) plumes along the current pipeline alignment.

The analytical tests for the groundwater sample located at the contaminated site will be analyzed for the analytical parameters specified in the Regional Water Quality Control Board (RWQCB) Order No. R9-2007-0071, General Waste Discharge Requirements for Groundwater Extraction Projects to Inland Surface Waters within the San Diego Region Except San Diego Bay. For the purposes of this screening evaluation, the aquatic toxicity testing will consist of chronic aquatic toxicity testing for Daphnia, fathead minnows, and freshwater algae and acute aquatic toxicity testing for fathead minnows.

The analytical tests for the groundwater sample located at the perched septic site will be analyzed for settleable solids, total suspended solids, percent sodium, total nitrogen, total phosphorus, methylene blue active substances, turbidity, fluoride, hydrogen sulfide, total residual chloride, pH, total fecal coliform, and dissolved oxygen.

Prepare an updated Phase 2 Environmental Site Assessment (ESA) report that includes the additional findings, conclusions, and recommendations. This scope assumes the Phase 2 ESA report will be made a part of the Contract Documents.

Task 18.3 Additional Environmental Services

Prepare a Low Effect Habitat Conservation Plan (HCP) in accordance to USFWS requirements. The HCP shall be prepared prior to obtaining authorized take. The HCP shall outline adequate minimization and mitigation to help conserve the California gnatcatcher and the potential rare plants. The HCP shall follow the “Contents of an HCP” guidelines authorized by the USFWS.

The IS/MND prepared for the project prescribed mitigation in the form of focused surveys for the Quino Checkerspot Butterfly and the rare plants, including Otay Tarplant and San Diego Sunflower. These surveys shall be completed before project construction. The Quino Checkerspot Butterfly surveys shall be conducted in accordance with requirements of the USFWS. The survey shall include a maximum of eight (8) surveys scheduled at least one week apart during the appropriate survey conditions and/or season. The rare plant survey shall be conducted during



the appropriate blooming season. Rare plant survey results shall be outlined on a map and included in the rare plant survey report. The deliverable for both surveys required shall be submitted a letter report. Shall the surveys identify Quino and rare plants the implementation of mitigation prescribed by the resource agencies is not included in this scope.

In order to respond to any questions or comments regarding the project IS/MND, the environmental consultant, HDR, will attend the hearing for certification of the environmental document.

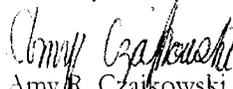
Task 18.4 Vacated Third Street Alternative Alignment Evaluation

Attend a meeting to discuss the alternative alignment (1 meeting included). Prepare a technical memorandum to compare the current alignment and the alternative alignment. Comparative analysis shall include estimated construction costs order of magnitude, pros and cons of both alignments, benefits to the City of El Cajon, and recommendations.

The total fee requested to complete this scope of work is \$53,318 per the attached fee summary worksheet, "EXHIBIT A".

The project schedule will be updated at the next progress meeting to reflect additional items as required. If you have any questions, please do not hesitate to contact me at (760) 518-6266 or aczajkowski@iecorporation.com.

Sincerely,


Amy R. Czajkowski, P.E.
Project Manager


Preston H. Lewis, P.E.
Senior Project Manager

cc: Dolores Ventura, P.E., IEC

enclosures

"EXHIBIT A" – Fee Summary Worksheet
"EXHIBIT B" – Map showing additional pipeline replacements

"EXHIBIT A"
ADDITIONAL SERVICES NO. 2
P2009 JAMACHA ROAD 36-INCH POTABLE WATER PIPELINE AND
P2038 12-INCH PIPELINE REPLACEMENT

<u>TASK</u>	<u>TASK DESCRIPTION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>TOTALS</u>
ADDITIONAL SERVICES NO. 2 TOTAL:					\$ 53,318
18 Additional Services No. 2					
18.1	Additional Pipeline Replacement for P2038				\$ 21,435
	Sr. Project Manager (Lewis)	2	\$ 170	\$ 340	
	Project Manager (Czajkowski)	8	\$ 155	\$ 1,240	
	Project Engineer (Ventura)	24	\$ 120	\$ 2,880	
	CAD Designer II	48	\$ 100	\$ 4,800	
	Direct Expenses			\$ 100	
	<i>Subconsultant (RCE)</i>	\$ 11,500	5%	\$ 12,075	
18.2	Additional Water Quality Testing				\$ 49,900
	Sr. Project Manager (Lewis)	2	\$ 170	\$ 340	
	Project Manager (Czajkowski)	16	\$ 155	\$ 2,480	
	Project Engineer (Ventura)	24	\$ 120	\$ 2,880	
	Direct Expenses			\$ 100	
	<i>Subconsultant (N&M)</i>	\$ 42,000	5%	\$ 44,100	
18.3	Additional Environmental Services				\$ 37,300
	Sr. Project Manager (Lewis)	2	\$ 170	\$ 340	
	Project Manager (Czajkowski)	16	\$ 155	\$ 2,480	
	Project Engineer (Ventura)	24	\$ 120	\$ 2,880	
	Direct Expenses			\$ 100	
	<i>Subconsultant (HDR)</i>	\$ 30,000	5%	\$ 31,500	
18.4	Vacated Third Street Alternative Alignment Evaluation				\$ 2,540
	Sr. Project Manager (Lewis)	2	\$ 170	\$ 340	
	Project Manager (Czajkowski)	8	\$ 155	\$ 1,240	
	Project Engineer (Ventura)	8	\$ 120	\$ 960	
5	Contaminated Soil and Groundwater				\$ (13,314)
5.1	Remaining Scope (ESA) (DELETE)			\$ (13,314)	
7	Environmental Documentation				\$ (25,418)
7B.9	Remaining Scope (DELETE)			\$ (25,418)	
10	Easement Appraisal and Acquisition Assistance				\$ (6,000)
10.1	Appraiser/Acquisitions (DELETE)			\$ (6,000)	
11	Contract Document Preparation				\$ (13,125)
11.1	Landscaping (DELETE)	\$ 12,500	5%	\$ (13,125)	

"EXHIBIT B"

Dolores Ventura

From: Gary Stalker [gstalker@otaywater.gov]
Sent: Monday, January 28, 2008 3:53 PM
To: Dolores Ventura
Cc: Ronald Ripperger; Preston Lewis; Rick Acuna; Jake Vaclavek
Subject: FW: 14" steel line off Jamacha rd

Dolores,
No drawings yet, but below is the detailed information of how many feet of 8" PVC pipeline needs to be installed above the existing line, with related services and appurtenances. Also, please include an 8" gate valve at the tee on the 12" line at Jamacha Road.
Gary

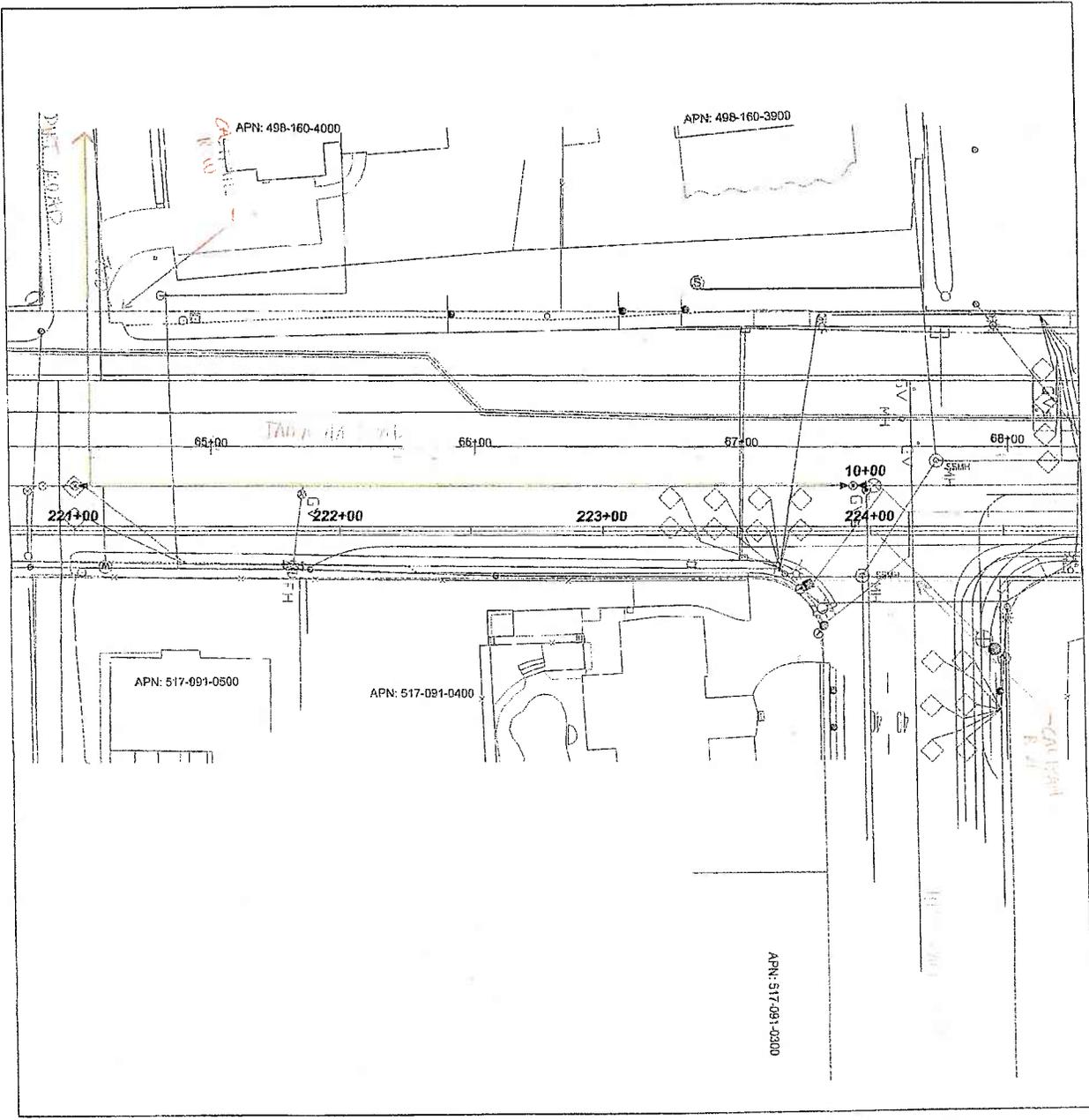
From: Rick Acuna
Sent: Monday, January 28, 2008 2:14 PM
To: Gary Stalker
Cc: Nick Pantazoplus; Jake Vaclavek
Subject: 14" steel line off Jamacha rd

Hi Gary,

Here is you info:

700 ft of 14" cmic in the ground due for replacement
6- 1" water services
3- 2" water services (2 NOT CURRENTLY BEING USED)
1- fire hydrant
1- 2" air-vac

.../CAADD/ZENNA.dwg 1/30/2008 7:59:43 AM



ADDIT'L
 PROJECTING REVISIONS

On January 30, 2008, Ortiz submitted a change order request to the District in the amount of \$210,000 for delays and impacts to their project caused by the County. The County's permit requires a cease in construction operations every day between 1:50-2:30PM to allow for Oak Grove Middle School traffic. The restrictions in the permit require that Ortiz plate open trenched areas, stop work, and then remove the plates to resume normal work after school traffic is back to a minimum. This constraint was not relayed by the County prior to the time of bid and could not have been anticipated by Ortiz.

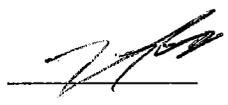
Staff hired RBF Consulting (RBF) to analyze and negotiate Ortiz's change order request due to their expertise with construction claims and their previous relationship with Ortiz on the Recycled Supply Link Project. As part of the negotiation, RBF and Ortiz agreed with staff's input to resolve all issues related to delays caused to the project. A Memo of Understanding (MOU) (See Exhibit C) was signed by RBF and Ortiz proposing a recommendation to staff resolving all issues related to Ortiz's change order request. The MOU consisted of three main items.

The first item consisted of resolving the pipeline installation delay and impact caused by the County's permit restrictions. Ortiz's original change order request included \$83,000 for this item. The MOU recommends resolving this item in the amount of \$65,845.

In addition to the \$65,845 pipeline installation impact, the MOU recommendation specifies not back-charging Ortiz \$14,000 in District staff costs that were incurred to assist in repairing a broken water main in Olive Vista Drive. This main was inadvertently broken by Ortiz staff during construction. A good portion of District costs expended to assist with this repair was required since the nearby valves that were needed to shut off the water would not close completely and additional valves had to be operated. Ortiz spent approximately \$17,000 for their efforts over the course of the repair and follow-up monitoring of the leak. Also, Ortiz will not be compensated for three days of lost production due to the break.

The third item resulted from restrictive County permit requirements regarding traffic control which affected rock excavation production. Ortiz originally claimed that due to the County restrictions their rock excavation could not proceed in advance of the pipeline installation. Their claim amount submitted for this delay was originally \$120,000. The MOU negotiated by RBF recommends paying Ortiz the remaining rock excavation bid item in the contract of \$25,000.

FISCAL IMPACT:



The approved total budget for CIP P2459 is \$1,242,000. Expenditures to date are \$745,188. Total commitments to date, including this Change Order, are approximately \$1,242,000. See Attachment B for budget 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 funding for this project is available from the Replacement Fund (50%) and the Betterment Fund (50%).

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner..." This project fulfills the District's Strategic Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing that the District will provide for current and future water needs.

LEGAL IMPACT:

None.



General Manager

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RR/RP:jf

- Attachments: Attachment A
- Attachment B
- Exhibit A
- Exhibit B
- Exhibit C



ATTACHMENT A

SUBJECT/PROJECT: P2459/001103	Change Order No. 1 to the Contract with Ortiz Corporation for the Olive Vista Drive Utility Relocation Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on March 17, 2008. 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: P2459/001103	Change Order No. 1 to the Contract with Ortiz Corporation for the Olive Vista Drive Utility Relocation Project
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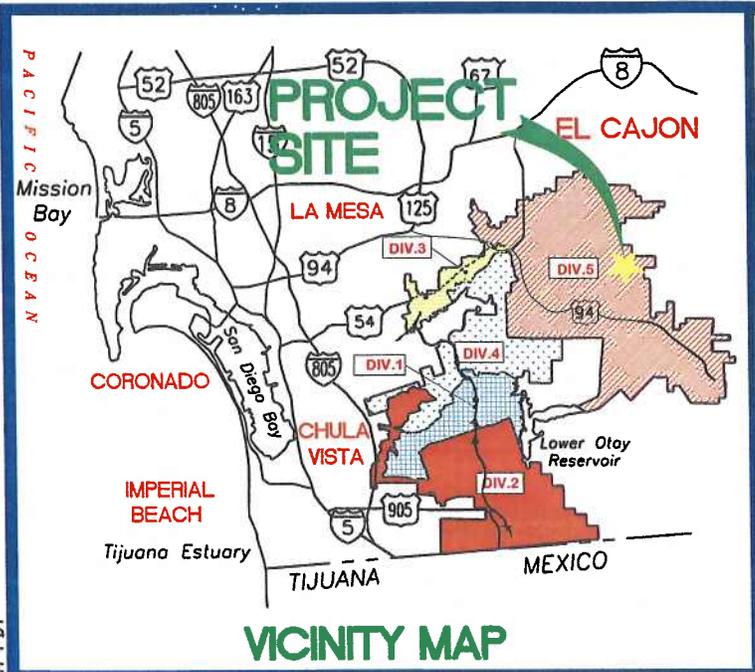
Otay Water District

Date Updated: March 06, 2008

P2459 - General Utility Relocation-Olive Vista R

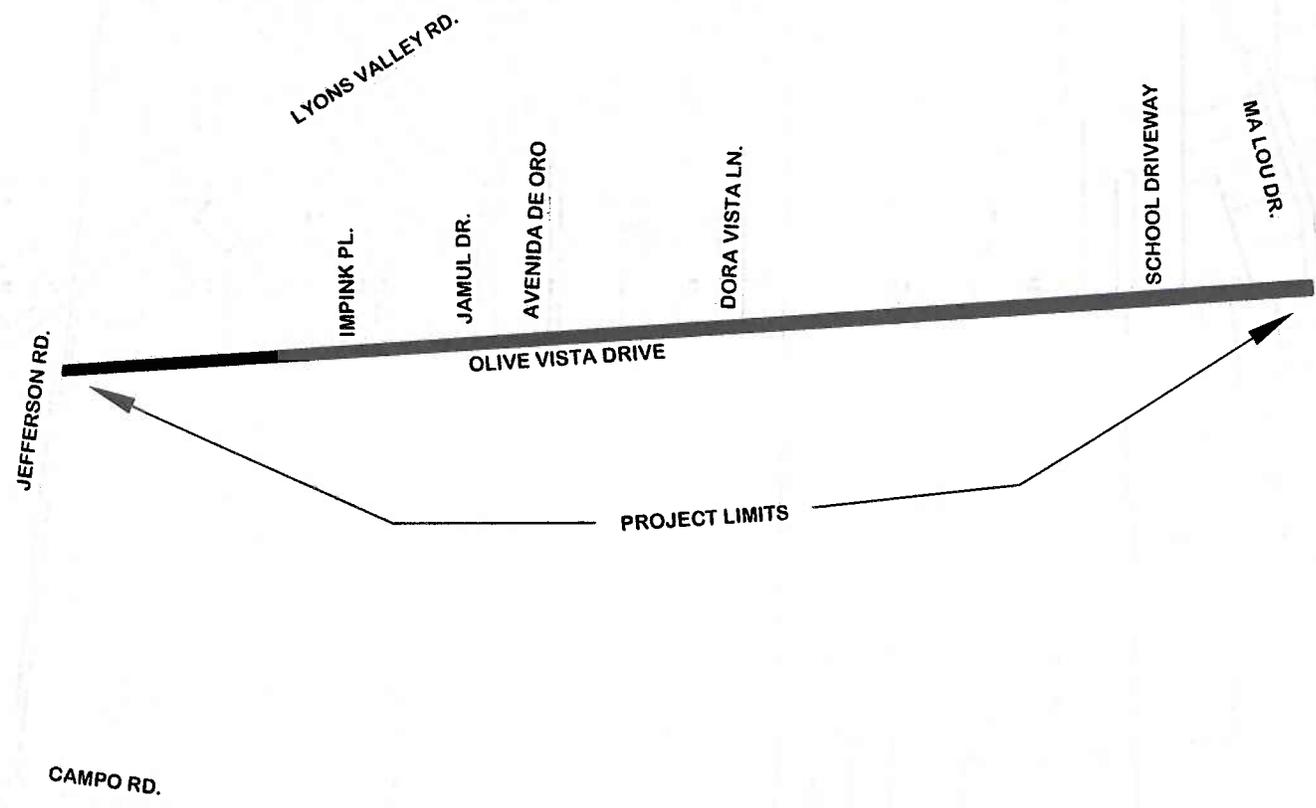
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$1,242,000					
Planning					
Studies				-	
Labor		-		-	
Printing		-		-	
Professional Legal Fees		-		-	
Service Contracts		-		-	
Subcontract		-		-	
Temporary Labor		-		-	
Total Planning	\$ -	\$ -	\$ -	\$ -	
Design					
In House/Labor	119,378	119,378	-	119,378	
In House/Labor (future)		-	-	-	
Consultant Contracts	21,888	21,888	-	21,888	JC Heden & Assoc. Inc.
Contracted Services	5,850	5,850	-	5,850	Southern California Soil
Materials	1,445	1,445	-	1,445	Frank & Son Paving Inc
320	320	320	-	320	C.W. Mcgrath Inc
480	480	480	-	480	Penhall Company
138	138	138	-	138	United Rentals Northwest
760	760	760	-	760	Rick Post Welding
Inventory	23	23	0	23	Sewer Fittings & Green Bell
2,073	2,073	2,073	0	2,073	Fire Hydrant & Extension items
158	158	158	0	158	Pipe C900
291	291	291	0	291	Adaptor RTxGLG
Rents & Leases	194	194	-	194	Allied Trench Shoring Service
Professional Legal Fees	270	270	-	270	Garcia, Calderon & Ruiz LP
Agency Fee	50	50	-	50	Petty Cash Custodian
929	929	929	-	929	County of San Diego-DPW
				-	
Total Design	\$ 154,247	\$ 154,246	\$ 1	\$ 154,247	
Construction					
In House/Labor	150,000	112,569	37,431	150,000	
Consultant Contracts	8,842	8,842	-	8,842	JC Heden & Assoc. Inc.
Construction Contracts	4,975	-	4,975	4,975	RBF Consulting
Service Contracts	831,000	465,176	365,825	831,000	Ortiz Construction
65,845	65,845	-	-	65,845	C.O. #1
3,771	3,771	569	3,202	3,771	OCB Reprographics
800	800	-	800	800	Rick Post Welding
Contracted Services	312	312	-	312	Frank & Son Paving Inc
Advertising	468	468	-	468	Union Tribune
Training	69	69	-	69	San Diego Daily Transcript
Agency Fee	45	45	-	45	Petty Cash Custodian
Inventory	2,113	2,113	-	2,113	County of San Diego-DPW
Acceptance/Closeout	779	779	-	779	
	18,734	-	18,734	18,734	
				-	
Total Construction	\$ 1,087,753	\$ 656,787	\$ 430,967	\$ 1,087,754	
Grand Total	\$ 1,242,000	\$ 811,032	\$ 430,968	\$ 1,242,000	

P:\WORKING\CIP P2459 Olive Vista\Graphics\Exhibits-Figures-Exhibit A - Ortiz Change Order No. 1.dwg 3/10/2008 1:37:06 PM PDT



SCALE: 1"=64'

LYONS VALLEY RD.



OTAY WATER DISTRICT
 CHANGE ORDER NO. 1 WITH ORTIZ CONSTRUCTION
 OLIVE VISTA DRIVE UTILITY RELOCATION PROJECT

LOCATION MAP

CIP# P2459

EXHIBIT A

CONTRACT/P.O. CHANGE ORDER No. 1

PROJECT/ITEM: Olive Vista Drive Utility Relocations

CONTRACTOR/VENDOR: Ortiz Corporation

REF.CIP No.: P2459-001103

APPROVED BY: Board:

REF. P.O. No: 707180

REF. W.O. No.:

DATE: 03/11/2008

DESCRIPTION:

This Change Order provides for all cost and time impacts associated with County of San Diego Traffic Control (Encroachment) Permit Constraints which were not known at time of bid per the February 26, 2008 Memorandum of Understanding.

REASON:

Subsequent to acquisition of the County of San Diego Traffic Control (Encroachment) Permit it was discovered that the Contractor would be required to cease construction operations and have traffic and road conditions restored from 1:50pm to 2:30pm each workday due to school traffic on Olive Vista Ave. This constraint was not relayed by the County prior to time of bid and could not have been anticipated by the Contractor. As a result of clean-up, restoration, cessation and resumption of work the constraint resulted in a 1.25 hour delay to the entire pipeline operation for each workday.

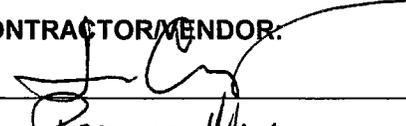
CHANGE P.O. TO READ:

Revise Contract to add \$65,845.00 and 93 days time for a total Contract amount of \$896,845.00 with a Contract Duration of 273 Calendar Days.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	831,000.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	0.00
TOTAL COST OF THIS CHANGE ORDER:	\$	65,845.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	896,845.00
ORIGINAL CONTRACT COMPLETION DATE:		Jan. 28, 2008
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		93 days
CONTRACT COMPLETION DATE:		Apr. 30, 2008

IT IS UNDERSTOOD WITH THE FOLLOWING APPROVALS, THAT THE CONTRACTOR/VENDOR IS AUTHORIZED AND DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES. IT IS ALSO AGREED THAT THE TOTAL COST FOR THIS CHANGE ORDER CONSTITUTES FULL AND COMPLETE COMPENSATION FOR OBLIGATIONS REQUIRED BY THE CONTRACT/P.O. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

CONTRACTOR/VENDOR:


 TITLE: Project Manager DATE: 3-11-08
 ADDRESS: Ortiz Corporation
 788 Energy Way, Chula Vista, CA 91911

STAFF APPROVALS:

PROJ. MGR. _____ DATE: _____
 DIV. MGR: _____ DATE: _____
 CHIEF: _____ DATE: _____
 ASSIST G.M.: _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, CHIEF-ENGINEERING., ASST CHIEF.-FINANCE ENGR. MGR.
 ACCTS PAYABLE INSPECTION PROJ MGR ENGR. SECRETARY PURCHASING

CHANGE ORDER LOG

Olive Vista Drive Utility Relocations

P2459-001103

C.O.	AMOUNT	APPROVED		DESCRIPTION	TYPE C.O.
		BY	DATE		
1	\$65,845.00	Board		1. County Traffic Control Impacts	Differing Site Conditions
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Total C.O.'s To Date: \$65,845.00 7.92%

Original Contract Amount: \$831,000.00

Current Contract Amount: \$896,845.00

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	Absolute C.O.\$	Absolute C.O. %
4/08	\$0.00	\$10,000/5%	PM/Supervisor	\$0.00	0.0%
		\$20,000/10%	Manager	\$0.00	0.0%
		\$25,000/20%	Chief	\$0.00	0.0%
		\$35,000/20%	AGM	\$0.00	0.0%
		\$50,000/30%	GM	\$0.00	0.0%
		>\$50,000/30%	Board	\$65,845.00	7.9%

FIELD TRANSMITTAL MEMORANDUM

CONTRACTOR
Ortiz Corporation Jon Cady

PN:
P-2459-001102

JN:
25-103290.001

SUBJECT: Memorandum of Understanding (MOU) for the February 26, 2008 Issue Resolution Meeting, Olive Vista Drive Utility Relocations

This MOU summarizes global agreements reached at the issue resolution meeting held on February 26, 2008 at Otay Water District offices, involving rock excavation, pipeline installation delays, contract time and back-charges.

The persons present at the meeting included the following:

Ron Ripperger	Otay Water District
Marcelino Ortiz	Ortiz Corporation
Jon Cady	Ortiz Corporation
Lucy Ortiz	Ortiz Corporation
Wayne Papac	RBF Consulting
Doug Cook	RBF Consulting

The parties agree to the following:

1. Full payment of Bid Item No.7R is a fair and reasonable settlement for all rock excavation and associated delay impacts as related to rock excavation, and that amount (\$30,000.00) is all inclusive of costs through completion of the project.
2. The San Diego County Encroachment Permit Constraints, which were not known at bid time, imposed a 1.25-hour delay each day of highline installation and pipeline installation inclusive of equipment downtime. The fair and reasonable daily cost during highline work is \$400.00 per day, and the justified impacted days are 25, therefore the value of the delay during high-lining is 25 x \$400.00 = \$10,000.00. The fair and reasonable daily cost during pipeline installation work is \$850.00 per day, and the justified impacted days are 65.7, therefore the value of the delay during pipeline installation work is 65.7 x \$850.00 = \$55,845.00. The herein agreed upon total value for the delay is \$65,845.00 and Contract Time extension through 30 April 2008.
3. Both parties agree to absorb their own costs related to the waterline break at Jefferson Road and Olive Vista Drive in which the District and Ortiz provided repairs.

In Summary:

The undersigned agree that the above resolutions are fair and reasonable to all parties. The District will compensate Ortiz per Contract Bid Item No.7R in full (\$30,000.00). A Contract Change Order will be prepared to compensate Ortiz in the amount of \$65,845.00 and Contract Time extension through 30 April 2008.

I have reviewed, and agree to the terms included in the above document

Ortiz Corporation *Marcelino Ortiz*

RBF Consulting *MJ* — 2/26/08

AGENDA ITEM 9



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	April 2, 2008
SUBMITTED BY:	Geoffrey Stevens, Chief Information Technology and Strategic Planning	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	German Alvarez, Assistant General Manager, Administration and Finance		
APPROVED BY: (Asst. GM):			
SUBJECT:	Fiscal Years 2009-2011 Draft Strategic Plan		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION: _____

See "Attachment A".

PURPOSE:

To present the District's Fiscal Years 2009-2011 Strategic Plan.

ANALYSIS:

Attached is the draft Fiscal Years 2009-2011 Strategic Plan. The plan was developed over the last seven months. The plan employs the framework of the Balanced Scorecard. The planning process began with a thorough evaluation of the existing plan. Next, a series of approximately 50 one-on-one interviews were conducted with all members of the Board, a sampling of line staff, union representatives, key managers, and all members of the senior team. Group workshops were held with all Otay staff. Professional consultation and facilitation was provided by Westin Engineering. Once the initial draft was developed, the senior team met in a series of workshops to review and critique the plan.

The plan is composed of 4 areas of focus (Customer, Finance, Business Process, and Learning and Growth). Each area has strategies, goals, and objectives defined to meet our future needs. The team is finalizing detailed project plans to accomplish the objectives. These are due by the end of March. We are also still modifying

performance measures to better capture the specific items we want to improve and monitor. Once the Board has reviewed the strategic plan objectives, we will finalize the detailed plans and performance measures. We will alert the Board when final details are available for inspection on the Board Intranet. In terms of the Budget, all the strategic plan items have budget support in the fiscal year 2009 Budget. Approval of the budget will fully fund the strategic plan objectives.

In conclusion, District staff are enthusiastic and supportive of this plan. As the attached document describes, the major theme in the plan is building upon our strengths to position ourselves for the future. As the plan administrator, I am convinced that approval and execution of this plan will achieve the Board's and General Manager's vision to create:

"A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

FISCAL IMPACT: _____

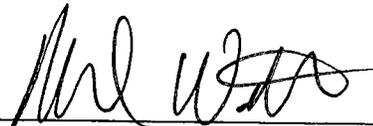
None at this time.

STRATEGIC GOAL:

The Strategic Plan is the core document for all District planning.

LEGAL IMPACT: _____

None



General Manager



ATTACHMENT A

SUBJECT/PROJECT:	Fiscal Years 2009-2011 Draft Strategic Plan
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COMMITTEE ACTION:

The Administration and Finance Committees and the Engineering and Operations Committee met in March and reviewed this item. Based upon this discussion, the Committees recommend that the Board receive the attached information.

NOTE:

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



Strategic Plan FY09-11

March 2008



Overall Summary

- 9 Strategies
- 22 Goals
- 106 Objectives



Customer Service Strategies

1. "Maximize Our Customer's Satisfaction"
2. "Educate Our Customers on Important Water Related Matters"
3. "Help Shape Industry Best Practices"



"Maximize Our Customers' Satisfaction"

A. Listen to Our Customers.

- Expand a proactive, repeatable, multi-tiered customer survey program for all customer classes.
- Implement a formal call and complaint tracking and reporting system by category for all customer contacts.
- Formalize and document Customer Service Procedures

B. Enhance our Customers' Experience through Effective Multi-Channel Communications

1. **Incoming calls** - Streamline and document the District's incoming customer call processes.
2. **Interactive Voice Response** - Enhance the usefulness of the Interactive Voice Response for better customer service across the District.
3. **Autodialer** - Enhance the usefulness of the Autodialer to efficiently notify customers of District events.



"Maximize Our Customers' Satisfaction"

4. **Web Page** - Evaluate and enhance the District's web page design.
5. **E-Customer Account** - Enhance the customer's ease to personalized account information including water use, payment status, and historical trending.
6. **E-Mail** - Evaluate the use of e-mail to provide publications, bill presentations, and to notify customers in the event of preventive or reactive maintenance, construction, and system upsets.
7. **Written Publications** - Enhance written publications on the District's installation of air vacs, water rates, reclaimed water use, water conservation, water availability, water supply, water quality, capital projects, and fluoridation and post on the District's web site. Evaluate bi-lingual options.
8. **Door Tags** - Evaluate the use and cost effectiveness of door tags.
9. **Speakers Bureau** - Optimize community outreach to specific community groups, committees, home owner associations, etc with additional presentations on drought, recycled water, and water conservation.
10. **Multilingual Program** - Continue to evaluate and expand the District's multilingual program.



"Educate our Customers on Important Water Related Matters"

Expand the District's Water Conservation Programs to maximize District-wide water conservation.

1. Promote and encourage adoption of conservation practices for new construction within District service territory.
2. Promote commercial water surveys for all large commercial users and residential water surveys to highest water users.
3. Continue a regional approach and evaluate conservation programs to maximize water conservation.
4. Update policy and procedures for authority, inspection and enforcement of Water Waste Program.



"Educate our Customers on Important Water Related Matters"

B. Maximize Recycled Water Use and Public Knowledge

1. Continue a regional approach and expand District's recycled water outreach program to landscape architects, maintenance companies, developers, contractors, and home owner associations.
2. Enhance reclaimed water guidelines on District website.
3. Enhance Recycled Water Rules and Regulations format for site supervisors with link to website.
4. Promote use of recycled water in Sub-Area Master Plan Process.
5. Identify specific projects that are good candidates for conversion of recycled water.



"Help Shape the Water Industry's Direction"

A. Legislative and Political Influence for District's Programs

1. Continue to actively participate in County Water Authority, Metropolitan Water District of Southern California, State policy making and pending legislative review and comment.
2. Promote enhancements to City, County and State water conservation requirements (political side).

B. Optimize the District's Water Industry Participation

1. Evaluate leadership opportunities in water industry committees.
2. Evaluate American Water Works Association Peer Review for District.



Financial Strategies

1. "Develop a Long Term Financial Planning Program"
2. "Optimize All Revenue Streams"



"Develop a Long Term Financial Planning Program"

- A. Establish a long-term (20 year) financial plan including scenarios and contingencies for changes in demographics, local economy and drought uncertainties, and including:**
 1. Capital Improvement needs.
 2. Facilities and Staffing Plan needs.
 3. Develop the long term financial plan.
- B. Conduct financial threat assessment for growth, water availability, inflation and other revenue sources.**
- C. Re-calculate Capacity/Corrugate Aluminum Pipe and Annexation Fees with New Rehabilitation and Repair Plan.**



"Optimize All Revenue Streams"

- A. Modify existing rate structures.**
 1. Simplify residential fee structures and the billing system.
 2. Reduce complexity of and simplify rate structure.
 3. Evaluate tiered commercial rates and propose changes.
 4. Evaluate drought stage rates and propose changes.
 5. Evaluate and improve effectiveness of bill (including fees for Chula Vista sewer billing).
- B. Maximize non-rate revenues.**
 1. Pursue all security and technology grants.
 2. Pursue all water conservation grants.
 3. Pursue all water and recycle/solar related grants.
 4. Maximize regional cost-sharing opportunities.
 5. Ensure full cost recovery (legal/insurance).



Business Processes Strategies

1. "Implement Industry Best Practices for Utility Development"
2. "Optimize the District's Operating Efficiency"
3. "Improve Financial Analysis and Reporting"

Implement Industry Best Practices for Utility Development"

A. Potable Water

1. Prioritize and implement recommendations contained in the Integrated Resources Plan, Water Resources Master Plan and Urban Water Management Plan to maintain potable water supply.
2. Prioritize and complete construction of new infrastructure needed to obtain or deliver potable water.
3. Develop a program to minimize water losses.
4. Update District's Drought Management Plan including actions for enforcement.
5. Create a comprehensive environmental program that is cost-effective and proactive in response to environmental compliance.

B. Sewers

1. Evaluate long-term cost/benefit of seeking additional sewer demand, treatment and disposal capacity.
2. Develop a Sewer Master Plan and implement recommendations including the prioritization of Capital Improvement Plan.
3. Implement a programmatic manhole replacement or repair program.
4. Develop and implement Treatment Plant Enhancements including automation for remote operation and shutdown, technology improvements, and upgrade of administration facilities.
5. Continue to develop and comply with the District's Sewer System Management Plan Program requirements.

C. Recycled Water

1. Obtain new recycled water supplies.

"Optimize the District's Operating Efficiency"

A. Minimize the District's total life cycle asset costs.

1. Develop and implement an Asset Management Program Plan.
2. Develop a comprehensive Easement Enhancement and Inspection Program
3. Develop a formal maintenance plan for pump stations. Ensure that all preventive maintenance tasks are tracked by Infrastructure Management System.
4. Implement comprehensive meter testing, calibration and replacement program.
5. Evaluate increasing the completion schedule of District's valve actuation, valve replacement, and air voc programs.
6. Enhance Construction Inspection on construction projects.

B. Update the District's IT Strategic Plan.

1. Evaluate the long-term viability of Eden financials and billing system.
2. Enhance the integration of Infrastructure Management System, Eden, Customer Information System, Supervisory Control and Data Acquisition, Geographic Information System.
3. Enhance existing Capital Project Tracking System.
4. Enhance the District's data management and data architecture including enterprise standard data.
5. Develop and deploy the field wireless network.

"Optimize the District's Operating Efficiency"

C. Optimize the use of existing technologies.

1. Optimize functionality, business continuity, bandwidth, and use of Supervisory Control and Data Acquisition.
2. Optimize functionality, business continuity, bandwidth, and use of CITRIX.
3. Optimize the use of Radio Frequency Identification.
4. Optimize use of Voice Over Internet Protocol and unified messaging.
5. Evaluate implementing a fixed network Automated Meter Reading.
6. Optimize the use of SharePoint.
7. Develop optimized field work processing using integrated technology.
8. Assess and implement security best practices for all Otay networks.

D. Increase field productivity through improved efficiency.

1. Evaluate efficiency improvements and prioritization of calls, leveraging Geographic Information System and Global Positioning System with appropriate skill sets (Optimize field routing to minimize windshield time).

"Optimize the District's Operating Efficiency"

E. Improve the efficiency of business processes.

1. Investigate using electronic signatures on staff reports, shutdown plans, contracts, magazines, newsletters, reimbursements, project closeout, etc.
2. Evaluate web-based employee performance reviews.
3. Enhance AP to electronically pay bills for frequent vendors and routine bills and maximize the use of e-bills.
4. Implement Vehicle Replacement Policy and track vehicle use through Infrastructure Management System.
5. Enhance fuel tracking and reporting system.
6. Automate resume and application process.
7. Track regulatory activities for completed projects with link to Infrastructure Management System and contract manager (including installation of Laboratory Information Management System).
8. Document business process for redline verification of completed as-built drawings.
9. Develop a Heavy Equipment Capital Replacement Plan.

F. Optimize Disaster Preparedness.

1. Implement recommendations from Fire Assessment.
2. Update Security Assessment and implement recommendations.

"Improve Financial Analysis and Reporting"

A. Improve per cost unit reporting.

1. Develop and measure cost per unit expenditures and forecasts.
2. Link all direct costs (including Operating and Maintenance and Capitol Improvement Plan) to associated facility and equipment including parts, labor, energy, etc.
3. Ensure District wide accurate timely access to performance data.

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1. Develop a centralized inventory of reports, emergency response plans, regulatory reports, etc.
2. Utilize existing reporting technology contained within Infrastructure Management System, Report Manger and Eden's Contract Module, and automate routine reports.
3. Enhance water loss reporting.
4. Investigate water modeling for water loss.

Learning & Growth Strategy

1. "Results-oriented Workforce"

"Results-oriented Workforce"

A. Retain Dedicated Workforce

1. Evaluate effective communication tools throughout the organization.
2. Evaluate the Pay For Performance Program.
3. Evaluate the Employee Recognition Program.
4. Assess findings of 2008 Employee Survey.
5. Conduct Employee Survey in preparation for 2012 Strategic Plan development

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1. Identify new areas where skills/performance tests might streamline the recruitment process.
2. Review and update classification plan and revise critical areas.
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"Results-oriented Workforce"

C. Staff Development

1. Develop and implement training matrix to identify required and desired training for all classifications.
2. Develop and maintain a formal program to track and evaluate employee training.

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1. Identify core elements of Succession Planning that can be tailored to the District's needs.

E. Performance Management

1. Continue to evaluate current performance measures, accountabilities, and targets/trends.
2. Update and expand annual review process to include greater emphasis of understanding of career goals and use of strategic plan objectives and performance measures.



"Results-oriented Workforce"

F. Knowledge Management

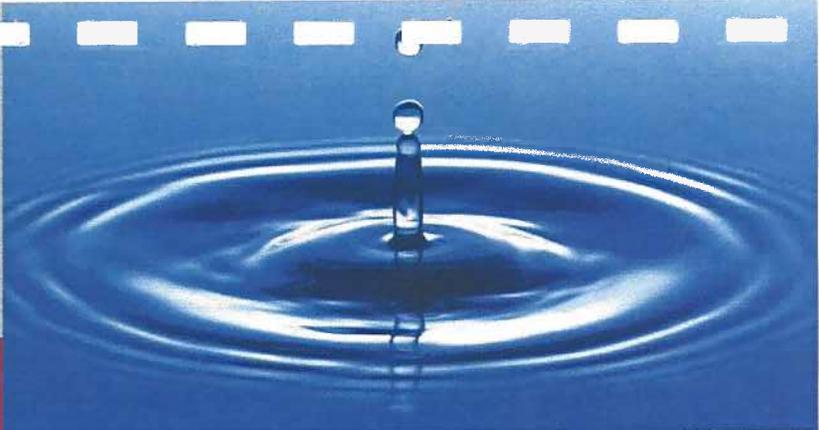
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2. Develop efficient mechanisms to capture relevant land and facilities information.

G. Community involvement/District Outreach

1. Optimize community involvement throughout the District.

H. Update and execute District's Public Relations Plan

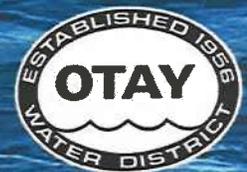
1. Actively promote District's achievements through execution of the Public Relations Plan.



OTAY WATER DISTRICT



Strategic Plan Fiscal Years 2009 - 2011



3/14/2008

**Otay Water District
Strategic Plan
Fiscal Years 2009-2011**

**STRATEGIC PLAN
FISCAL YEARS 2009-2011**

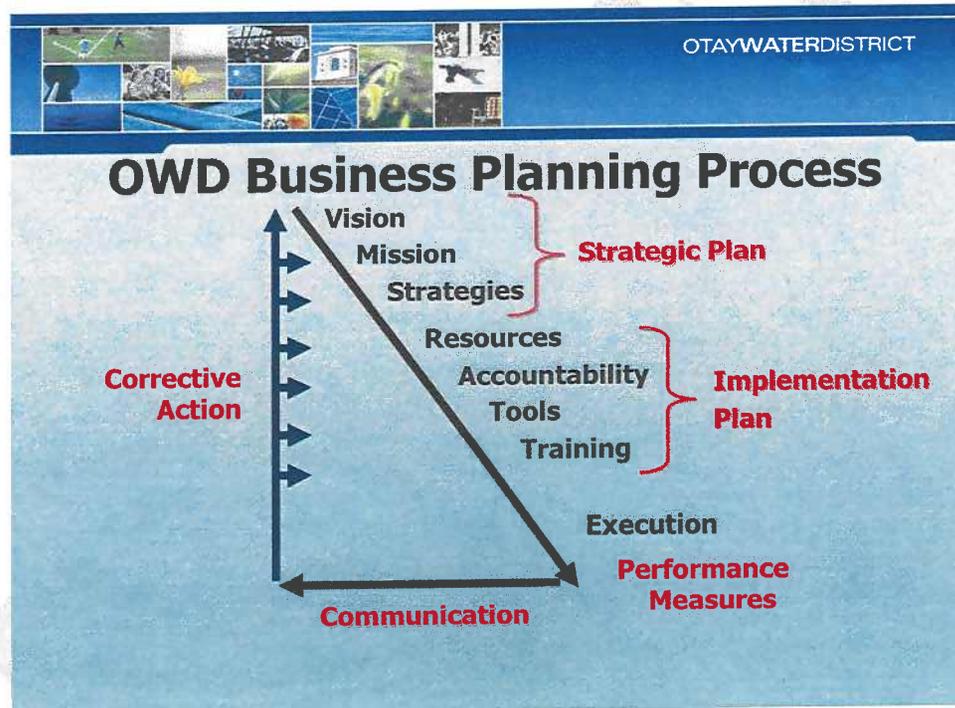
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OTAY WATER DISTRICT

Strategic Plan

Fiscal Years 2009 – 2011



INTRODUCTION

The strategic plan is the core document which guides the agency's efforts to meet and positively adapt to change. The plan examines a three year timeframe and explicitly defines the strategies, goals, objectives and performance measures needed to meet these challenges.

MISSION STATEMENT

District's Mission: To provide safe and reliable water, recycled water and wastewater services to our community in an innovative, cost efficient, water-wise and environmentally responsible manner.

VISION STATEMENT

General Manager's Vision Statement: "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

STATEMENT OF VALUES

As Otay Water District employees we dedicate ourselves to:

CUSTOMERS:

We take pride that our commitment to customer-centered service is our highest priority.

EXCELLENCE:

We strive to provide the highest quality and value in all that we do.

INTEGRITY:

We commit ourselves to doing the right thing. Ethical behavior, trustworthiness and accountability are the District's foundation.

TEAMWORK:

We promote mutual trust by sharing information, knowledge and ideas to reach our common goals.

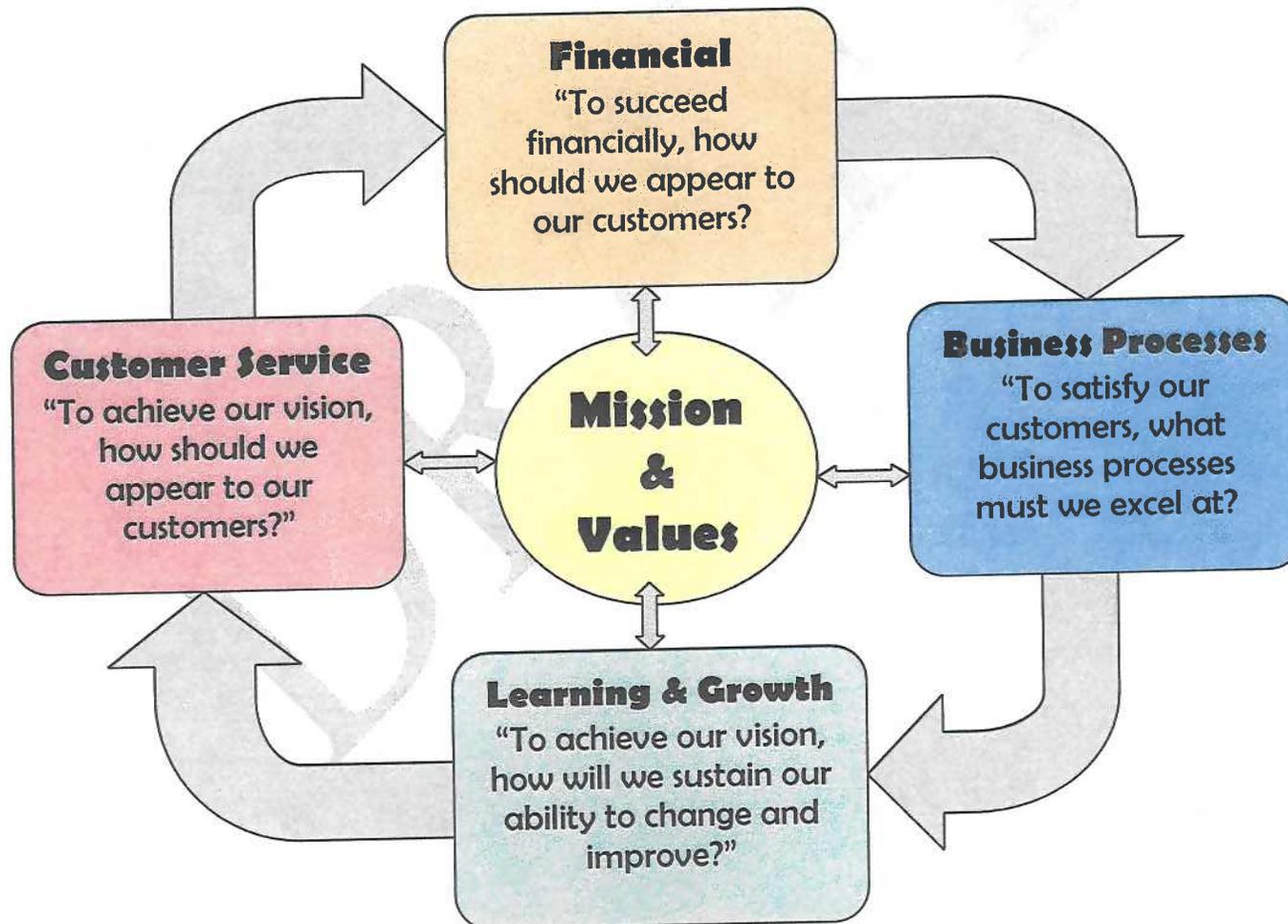
EMPLOYEES:

We see each individual as unique and important. We value diversity and open communication to promote fairness, dignity and respect.

METHODOLOGY

Balanced Scorecard

The Balanced Scorecard focuses on four perspectives as a mechanism for setting strategic direction and balancing competing priorities. This industry best practice has been adopted by the District because it allows us to examine our plans from different perspectives.



Every three years the District engages in a major revision of its strategic plan. This current plan (covering fiscal years 2009-2011) is the third in a series of three-year plans beginning in 2002. The process is inclusive. Starting with a thorough review of the last effort, the District's Vision, Mission, and Key Challenge statements are examined and revised. Individual interviews are conducted with our Board, approximately thirty line staff, union representatives, alongside team meetings involving all Otay staff. Assistance from professional consultants recommending "industry best practices" are taken into account to provide third party input.

The primary tool, however, is a very thorough review process by the Senior Management Team of every strategy, goal, objective, project plan, performance measure, and target contained in the plan. Through this team discussion process the General Manager gains consensus with his staff on the exact priorities for the District, including detailed financial and resource considerations required to execute the plan. Thus the plan serves as an informal contract between the agency staff and the General Manager on the strategic work will be done and what the agency hopes to achieve over the next three years. In turn, the General Manager presents the plan to the Board for approval. Through the strategic plan and budget approval processes, the Board is then able to make well informed oversight decisions about the utility's direction.

KEY CHALLENGE

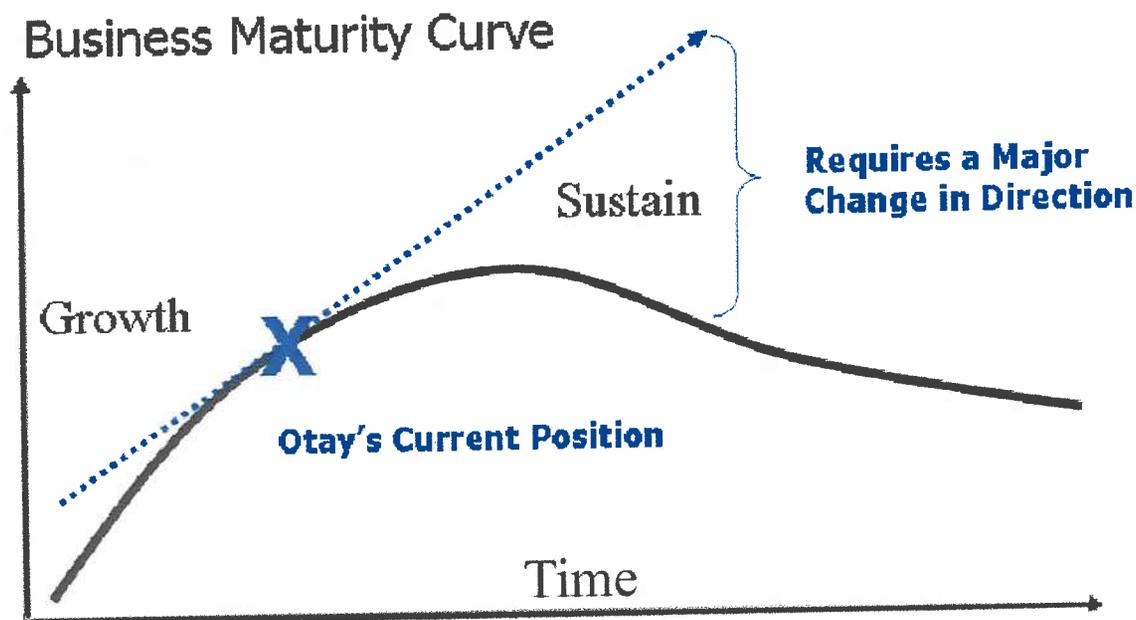
The theme of the 2009-2011 plan is to capitalize on the infrastructure investments we have already made in the last few years. The District has begun to address the transformation from a growth centric to a maintenance based organization. Capital and developer fees support growth but replacement and maintenance is supported by rates and operating expenses. Otay has been very successful in managing growth but now needs to become more focused in managing long-term maintenance and replacement of its infrastructure. As the current economic environment cools we have the opportunity to realign our energies and optimize how we manage and maintain the nearly half billion dollars of “in-ground” assets we maintain.

Efficiency improvements have become the new competitive advantage for utilities. Staff will need to do more with the same or fewer resources. The primary way to achieve this target is to improve all aspects of our core business processes.

Key Challenge

“The improvements of District efficiency and effectiveness will require a dedication to continuous improvement and the adoption of new technologies and methods as an integral part of our day to day responsibilities.”

This necessary change is illustrated by the business maturity curve. During high growth, we focused on achieving the macro targets of building and installing new infrastructure. In the future, the resources required to support slower growth are reduced but the effort to maintain and improve assets is increasing. Income, however, will be derived more from rates and less from fees. Consequently, increased costs place pressure more directly on rates. Therefore, to meet our customer and financial goals, the District will need to emphasize internal efficiency and development of technology assisted best practices.



PERFORMANCE MANAGEMENT

Performance metrics and targets are a critical element of the strategic plan but differ from strategic plan objectives. Objectives identify the action items that are necessary to achieve the strategic vision. Performance measures are designed to ensure the day-to-day operations of the utility are meeting agreed upon expectations. Performance measures are in the process of being revised and will be finalized prior to plan initiation on July 1, 2008. We will advise the board in June when the measures have been thoroughly developed and meaningful targets have been identified.

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OTAY WATER DISTRICT

Strategic Plan Fiscal Years 2009-2011

I. CUSTOMER

1. "Maximize Our Customers' Satisfaction"

A. *Listen to Our Customers.*

1. Expand a proactive, repeatable, multi-tiered customer survey program for all customer classes.
2. Implement a formal call and complaint tracking and reporting system by category for all customer contacts.
3. Formalize and document Customer Service Procedures

B. *Enhance our Customers' Experience through Effective Multi-Channel Communications*

1. *Incoming calls* – Streamline and document the District's incoming customer call processes.
2. *Interactive Voice Response* - Enhance the usefulness of the Interactive Voice Response for better customer service across the District.
3. *Autodialer* - Enhance the usefulness of the Autodialer to efficiently notify customers of District events.
4. *Web Page* - Evaluate and enhance the District's web page design.
5. *E-Customer Account* - Enhance the customer's ease to personalized account information including water use, payment status, and historical trending.
6. *E-Mail* – Evaluate the use of e-mail to provide publications, bill presentations, and to notify customers in the event of preventive or reactive maintenance, construction, and system upsets.
7. *Written Publications* – Enhance written publications on the District's installation of air vacs, water rates, reclaimed water use, water conservation, water availability, water supply, water quality, capital projects, and fluoridation and post on the District's web site. Evaluate bi-lingual options.
8. *Door Tags*- Evaluate the use and cost effectiveness of door tags.

9. *Speakers Bureau* – Optimize community outreach to specific community groups, committees, home owner associations, etc with additional presentations on drought, recycled water, and water conservation.
10. *Multilingual Program* – Continue to evaluate and expand the District’s multilingual program.

2. “Educate our Customers on Important Water Related Matters”

A. *Expand the District’s Water Conservation Programs to maximize District-wide water conservation.*

1. Promote and encourage adoption of conservation practices for new construction within District service territory.
2. Promote commercial water surveys for all large commercial users and residential water surveys to highest water users.
3. Continue a regional approach and evaluate conservation programs to maximize water conservation.
4. Update policy and procedures for authority, inspection and enforcement of Water Waste Program.

B. *Maximize Recycled Water Use and Public Knowledge*

1. Continue a regional approach and expand District’s recycled water outreach program to landscape architects, maintenance companies, developers, contractors, and home owner associations.
2. Enhance reclaimed water guidelines on District website.
3. Enhance Recycled Water Rules and Regulations format for site supervisors with link to website.
4. Promote use of recycled water in Sub-Area Master Plan Process.
5. Identify specific projects that are good candidates for conversion of recycled water.

3. “Help Shape the Water Industry’s Direction”

A. *Legislative and Political Influence for District’s Programs*

1. Continue to actively participate in County Water Authority, Metropolitan Water District of Southern California, State policy making and pending legislative review and comment.
2. Promote enhancements to City, County and State water conservation requirements (political side).

B. Optimize the District's Water Industry Participation

1. Evaluate leadership opportunities in water industry committees.
2. Evaluate American Water Works Association Peer Review for District.

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II. FINANCIAL

1. “Develop a Long Term Financial Planning Program”

A. Establish a long-term (20 year) financial plan including scenarios and contingencies for changes in demographics, local economy and drought uncertainties, and including:

1. Capital Improvement needs.
2. Facilities and Staffing Plan needs.
3. Develop the long term financial plan.

B. Conduct financial threat assessment for growth, water availability, inflation and other revenue sources.

C. Re-calculate Capacity/Corrugate Aluminum Pipe and Annexation Fees with New Remo

2. “Optimize All Revenue Streams”

A. Modify existing rate structures.

1. Simplify residential fee structures and the billing system.
2. Reduce complexity of and simplify rate structure.
3. Evaluate tiered commercial rates and propose changes.
4. Evaluate drought stage rates and propose changes.
5. Evaluate and improve effectiveness of bill (including fees for Chula Vista sewer billing).

B. Maximize non-rate revenues.

1. Pursue all security and technology grants.
2. Pursue all water conservation grants.
3. Pursue all water and recycle/solar related grants.
4. Maximize regional cost-sharing opportunities.
5. Ensure full cost recovery (legal/insurance).

III. BUSINESS PROCESSES

1. “Implement Industry Best Practices for Utility Development”

A. Potable Water

1. Prioritize and implement recommendations contained in the Integrated Resources Plan, Water Resources Master Plan and Urban Water Management Plan to maintain potable water supply.
2. Prioritize and complete construction of new infrastructure needed to obtain or deliver potable water.
3. Develop a program to minimize water losses.
4. Update District’s Drought Management Plan including actions for enforcement.
5. Create a comprehensive environmental program that is cost-effective and proactive in response to environmental compliance.

B. Sewers

1. Evaluate long-term cost/benefit of seeking additional sewer demand, treatment and disposal capacity.
2. Develop a Sewer Master Plan and implement recommendations including the prioritization of Capital Improvement Plan.
3. Implement a programmatic manhole replacement or repair program.
4. Develop and implement Treatment Plant Enhancements including automation for remote operation and shutdown, technology improvements, and upgrade of administration facilities.
5. Continue to develop and comply with the District’s Sewer System Management Plan Program requirements.

C. Recycled Water

1. Obtain new recycled water supplies.

2. “Optimize the District’s Operating Efficiency”

A. Minimize the District’s total life cycle asset costs.

1. Develop and implement an Asset Management Program Plan.

2. Develop a comprehensive Easement Enhancement and Inspection Program
3. Develop a formal maintenance plan for pump stations. Ensure that all preventive maintenance tasks are tracked by Infrastructure Management System.
4. Implement comprehensive meter testing, calibration and replacement program.
5. Evaluate increasing the completion schedule of District's valve actuation, valve replacement, and air vac programs.
6. Enhance Construction Inspection on construction projects.

B. Update the District's IT Strategic Plan.

1. Evaluate the long-term viability of Eden financials and billing system.
2. Enhance the integration of Infrastructure Management System, Eden, Customer Information System, Supervisory Control and Data Acquisition, Geographic Information System.
3. Enhance existing Capital Project Tracking System.
4. Enhance the District's data management and data architecture including enterprise standard data.
5. Develop and deploy the field wireless network.

C. Optimize the use of existing technologies.

1. Optimize functionality, business continuity, bandwidth, and use of Supervisory Control and Data Acquisition.
2. Optimize functionality, business continuity, bandwidth, and use of CITRIX.
3. Optimize the use of Radio Frequency Identification.
4. Optimize use of Voice Over Internet Protocol and unified messaging.
5. Evaluate implementing a fixed network Automated Meter Reading.
6. Optimize the use of SharePoint.
7. Develop optimized field work processing using integrated technology.
8. Assess and implement security best practices for all Otay networks.

D. Increase field productivity through improved efficiency.

1. Evaluate efficiency improvements and prioritization of calls, leveraging Geographic Information System and Global Positioning System with appropriate skill sets (Optimize field routing to minimize windshield time).

E. Improve the efficiency of business processes.

1. Investigate using electronic signatures on staff reports, shutdown plans, contracts, magazines, newsletters, reimbursements, project closeout, etc.
2. Evaluate web-based employee performance reviews.
3. Enhance AP to electronically pay bills for frequent vendors and routine bills and maximize the use of e-bills.
4. Implement Vehicle Replacement Policy and track vehicle use through Infrastructure Management System.
5. Enhance fuel tracking and reporting system.
6. Automate resume and application process.
7. Track regulatory activities for completed projects with link to Infrastructure Management System and contract manager (including installation of Laboratory Information Management System).
8. Document business process for redline verification of completed as-built drawings.
9. Develop a Heavy Equipment Capital Replacement Plan.

F. Optimize Disaster Preparedness.

1. Implement recommendations from Fire Assessment.
2. Update Security Assessment and implement recommendations.
3. Improve our Emergency Operations Center and add enhanced communications technology.

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A. Improve per cost unit reporting.

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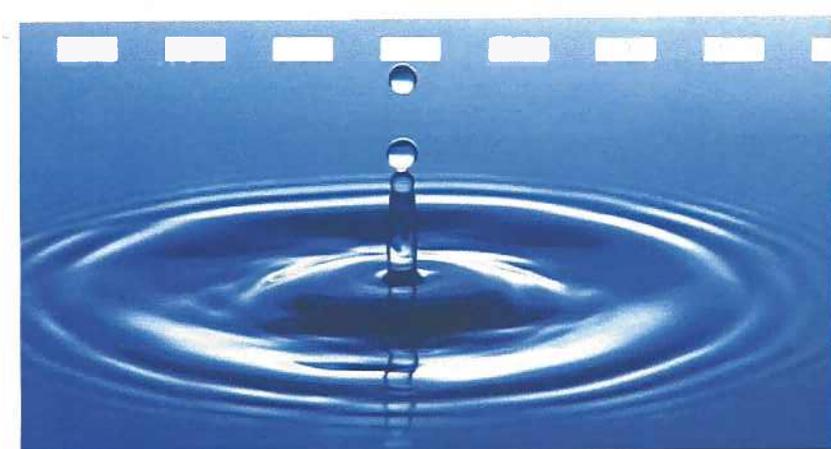
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