

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

Friday
February 20, 2009
9:00 A.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. APPROVE CHANGE ORDER NO. 1 TO THE CONTRACT WITH SPIESS CONSTRUCTION FOR THE CONSTRUCTION OF THE 850-4 RESERVOIR PROJECT FOR A DEDUCTIVE AMOUNT NOT TO EXCEED <\$250,778.45> (RIPPERGER/KAY) [5 minutes]
4. APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE SWEETWATER AUTHORITY, SOUTH BAY EXPRESSWAY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION CONCERNING THE PROCESSING OF THE SERVICE AREA BOUNDARY ADJUSTMENT BETWEEN THE DISTRICT AND SWEETWATER AUTHORITY (RIPPERGER/KENNEDY) [5 minutes]
5. APPROVE AN AGREEMENT BETWEEN SWEETWATER AUTHORITY AND OTAY WATER DISTRICT FOR JOINT PARTICIPATION IN THE OTAY RIVER GROUNDWATER DESALINATION FACILITY PROJECT (PEASLEY) [5 minutes]

6. AUTHORIZE THE CREATION OF A NEW CIP PROJECT FOR THE RUXTON AVENUE UTILITY RELOCATIONS IN THE AMOUNT OF \$100,000 AND TO REIMBURSE TC CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$25,000 FOR PIPELINE REPAIRS ON THE PROJECT (RIPPERGER/KUBE) [5 minutes]
7. FISCAL YEAR 2009 2ND QUARTER CIP UPDATE REPORT (RIPPERGER) [10 minutes]
8. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Gary Croucher, Chair
Larry Breitfelder

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

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

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

Certification of Posting

I certify that on February 17, 2009 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on February 17, 2009.


Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

| | | | |
|-----------------------------|---|--------------------------|-----------------------------|
| TYPE MEETING: | Regular Board | MEETING DATE: | March 4, 2009 |
| SUBMITTED BY: | Daniel Kay <i>DK</i> Associate Civil Engineer | PROJECT / SUBPROJECT: | P2191- DIV. 3 001103 NO. |
| | Ron Ripperger <i>RR</i> Engineering Manager | | |
| APPROVED BY: (Chief) | Rod Posada <i>RP</i> Chief, Engineering | | |
| APPROVED BY: (Asst. GM): | Manny Magaña <i>MM</i> Assistant General Manager, Engineering and Operations | | |
| SUBJECT: | Change Order No. 1 to the Contract with Spiess Construction for the 850-4 Reservoir Project | | |

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board Change Order No. 1 to the original contract with Spiess Construction (Spiess), for construction of the 850-4 Reservoir Project for a deductive amount not to exceed <\$250,778.45> (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. 1 (see Exhibit B) for a deductive amount not to exceed <\$250,778.45> to the original contract with Spiess for construction of the 850-4 Reservoir.

ANALYSIS:

At the January 16, 2008 Board Meeting, Spiess was awarded the construction contract for the 850-4 Reservoir, 2.2 Million Gallon Project. Project construction began in February 2008. Overall, construction is approximately 50% complete.

Change Order No. 1 provides reimbursement to the District in a net deductive amount of <\$250,778.45>. A summary of each item in the change order is described below:

The first item is for changes made to the solar equipment. The inverter specified was not compatible with the solar panels specified. The inverter had to be upgraded increasing the original cost. The amount for this change is \$752.40.

The second item is for the tie-in location of the inlet pipe. The proposed location could not be built per plan due to the steep terrain and accessibility, therefore, the tie-in location was moved. The new location required extra material and additional labor. The amount for this additional work is \$1,925.

The third item is for changes required to connect the tank drain and overflow into a catch basin. The proposed alignment could not be constructed per plan due to the angle of entry into the catch basin. The amount for this additional work is \$1,524.15.

The fourth item is a credit to the District for eliminating the installation of 3-inch conduit carrying electrical, telemetry and control wiring along the access road. An existing abandoned 2-inch conduit that runs from the bottom of the access road to the reservoir was discovered in good condition. This existing conduit was used to carry the proposed wiring in-lieu of a new 3-inch conduit. The amount of this deductive change is <\$16,260>.

The fifth item is a credit back to the District for installing cold mix in-lieu of oil sand beneath the reservoir floor and reducing the thickness from 6 inches to 4 inches. The oil sand specified was not available therefore, cold mix was used. The American Water Works Association (AWWA) Standard for Steel Reservoirs states that an asphaltic road mix may be used in-lieu of oil sand, should oil sand not be available. The AWWA Standard also states a minimum foundation thickness under the floor shall be 3-inches, therefore, to save material costs the thickness was reduced to 4-inches. The amount of this deductive change is <\$8,620>.

The sixth item is for two bid items District Staff has decided not to use as part of this contract. The original contract called for the contractor to re-coat the exterior of the existing 850-2 Reservoir and dispose of any hazardous material encountered during surface preparation. This work was to be funded by the operating budget. However, funding for reservoir coating in Fiscal Year 2009 was canceled due to the lack of incoming revenue. The condition of the exterior coating on the

existing 850-2 Reservoir is still in working condition, however, it will need to be re-coated in the future due to signs of peeling. District staff will include this reservoir on the priority list for re-coating. The amount for this deductive change is <\$230,100>.

The following is a table summarizing the value for each item:

| Item | Issue | Amount |
|------|-----------------------|-----------------------------|
| 1 | Solar Equipment | \$ 752.40 |
| 2 | Inlet Tie-In | \$ 1,925.00 |
| 3 | Tank Overflow & Drain | \$ 1,524.15 |
| 4 | Electrical Credit | <\$ 16,260.00> |
| 5 | Oil Sand Credit | <\$ 8,620.00> |
| 6 | Bid Item Credit | <\$230,100.00> |
| | Total | <\$250,778.45> |

FISCAL IMPACT:



The approved total budget for CIP P2191, as approved in the FY 2009 budget, is \$3,250,000. Expenditures to date are \$1,882,331. Total commitments to date, including this Change Order, are approximately \$3,250,000. (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 27% of the funding is available from the Expansion Fund and 73% is available from the designated Betterment 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 P2191\Staff Reports\BD 03-04-09, Staff Report, Spiess C. O. #1 for 850-4 Reservoir, (DK-RR).doc

DK/RR:jf

Attachments: Attachment A
Attachment B
Exhibit A
Exhibit B



ATTACHMENT A

| | |
|---|---|
| SUBJECT/PROJECT: P2191-001103 | Change Order No. 1 to the Contract with Spiess Construction for the 850-4 Reservoir Project |
|---|---|

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 20, 2009. 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.



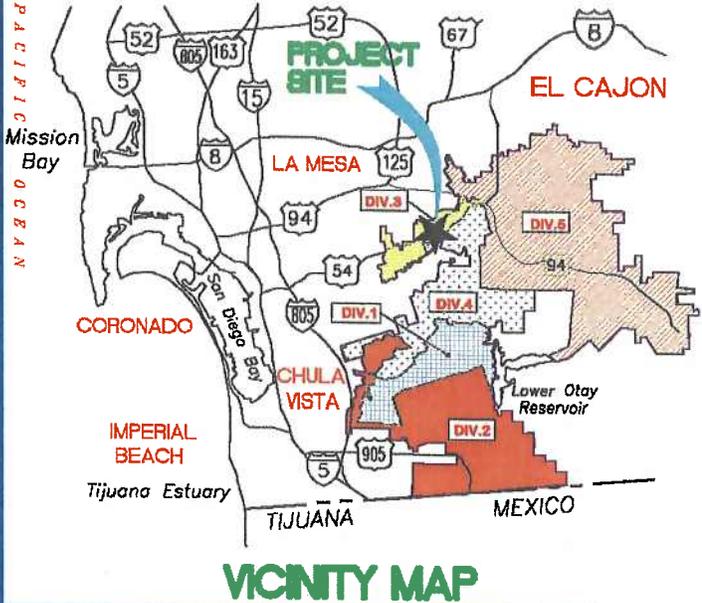
ATTACHMENT B

SUBJECT/PROJECT: Change Order No. 1 to the Contract with Spiess Construction for the 850-4 Reservoir Project
 P2191-001103

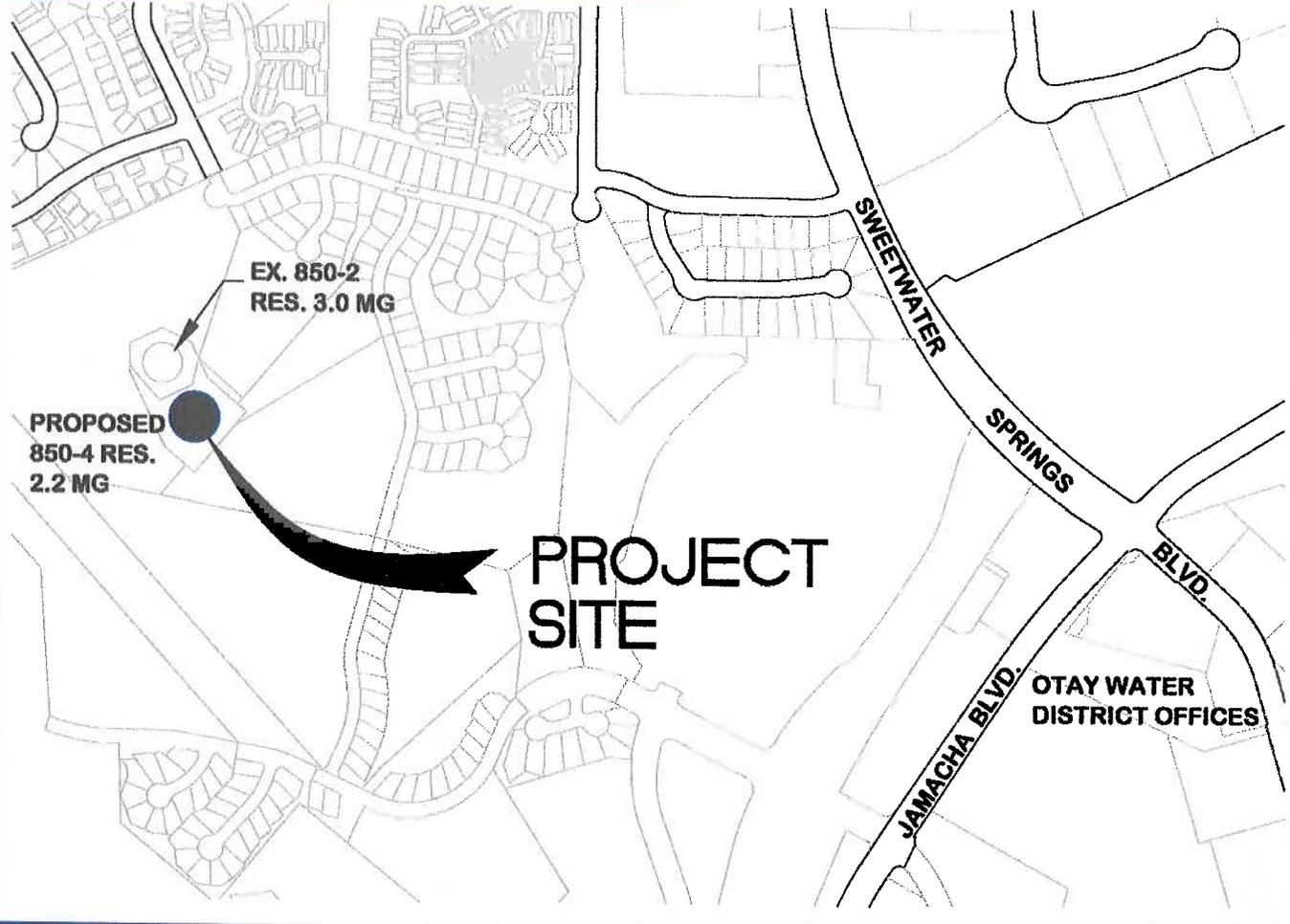
Otay Water District
 P2191- Res - 850-4 Reservoir 2.2 MG

Date Updated: February 04, 2009

| Budget | Committed | Expenditures | Outstanding Commitment & Forecast | Projected Final Cost | Vendor / Comments |
|---------------------------|--------------|--------------|---|-------------------------|--|
| \$3,250,000 | | | | | |
| Planning | | | | | |
| Labor | 114,992 | 114,992 | | 114,992 | |
| Subcontract | 2,950 | 2,950 | - | 2,950 | ANDREW A. SMITH COMPANY |
| | 37,739 | 37,739 | - | 37,739 | JOHN POWELL & ASSOCIATES, INC. |
| | 300 | 300 | - | 300 | MICHAEL D. KEAGY |
| | 6,177 | 6,177 | - | 6,177 | P&D CONSULTANTS, INC. |
| | 5,164 | 5,164 | - | 5,164 | RECON |
| | 1,328 | 1,328 | - | 1,328 | ASL CONSULTING ENGINEERS |
| | 30,364 | 30,364 | - | 30,364 | REGIONAL ENVIRONMENTAL |
| Materials | 103 | 103 | - | 103 | TIGER REPRO GRAPHICS |
| Temporary Labor | 16 | 16 | - | 16 | ATWORK PERSONNEL SERVICE |
| | 632 | 632 | - | 632 | PRIMARY FUNDING CORP. |
| | 245 | 245 | - | 245 | SEDONA STAFFING SERVICES |
| | 45 | 45 | - | 45 | TEMPRO INC., SEDONA |
| Consultant Contracts | 48,176 | 48,176 | - | 48,176 | RECON |
| Outside Services | 1,275 | 1,275 | - | 1,275 | COUNTY OF SAN DIEGO RECORDER |
| | 27 | 27 | - | 27 | FEDEX |
| | 889 | 889 | - | 889 | MERKEL & ASSOCIATES, INC. |
| | 1,647 | 1,647 | - | 1,647 | RECON |
| | 1,438 | 1,438 | - | 1,438 | UNION TRIBUNE PUBLISHING |
| Service Contracts | 108 | 108 | - | 108 | SAN DIEGO DAILY TRANSCRIPT |
| Other Agency Fees | 16,811 | 16,811 | - | 16,811 | COUNTY OF SAN DIEGO |
| Total Planning | \$ 270,425 | \$ 270,425 | \$ - | \$ 270,425 | |
| Design | | | | | |
| In House/Labor | 399,246 | 399,246 | | 399,246 | |
| In House/Labor (future) | | | | - | |
| Consultant Contracts | 8,846 | 8,846 | - | 8,846 | NINYO & MOORE |
| | 17,800 | 17,800 | - | 17,800 | ENGINEERING PARTNERS INC, THE |
| | 13,601 | 12,343 | 1,258 | 13,601 | KTU+A |
| | 10,352 | 10,352 | - | 10,352 | MERKEL & ASSOCIATES INC |
| | 3,925 | 3,925 | - | 3,925 | J C HEDEN AND ASSOCIATES INC |
| | 15,695 | 14,210 | 1,485 | 15,695 | NOLTE ASSOCIATES INC |
| Temporary Labor | 14 | 14 | - | 14 | ATWORK PERSONNEL SERVICE |
| | 165 | 165 | - | 165 | SEDONA STAFFING SERVICES |
| Professional Legal Fees | 3,609 | 3,609 | - | 3,609 | BURKE, WILLIAMS & SORENSEN LLP |
| | 954 | 954 | - | 954 | GARCIA CALDERON & RUIZ LLP |
| Service Contracts | 1,000 | 1,000 | - | 1,000 | SOUTHLAND TITLE |
| | 6,500 | 6,500 | - | 6,500 | BOWEN & ASSOCIATES |
| | 5 | 5 | - | 5 | PETTY CASH CUSTODIAN |
| Advertising/Bid | 3,726 | 3,726 | - | 3,726 | MERKEL & ASSOCIATES INC |
| Settlement/Easement | 10,000 | 10,000 | - | 10,000 | HIGHLAND RANCH COMMUNITY |
| Total Design | \$ 495,439 | \$ 492,696 | \$ 2,743 | \$ 495,439 | |
| Construction | | | | | |
| In House/Labor | 127,678 | 127,678 | 13,764 | 141,442 | |
| Service Contracts | 7,401 | 7,401 | - | 7,401 | OCB REPROGRAPHICS |
| Professional & Legal Fees | 1,012 | 1,012 | - | 1,012 | GARCIA CALDERON & RUIZ LLP |
| Construction Contracts | 2,309,670 | 876,969 | 1,432,701 | 2,309,670 | SPIESS CONSTRUCTION CO INC |
| | 256,630 | 97,441 | 159,189 | 256,630 | RABO BANK |
| Change Order No. 1 | (250,778) | | (250,778) | (250,778) | CO TO SPIESS FOR DELETION OF BID ITEMS, FIELD CREDITS, AND FIELD CHANGES |
| | 8,115 | 8,115 | - | 8,115 | SAN DIEGO GAS & ELECTRIC |
| Outside Services | 293 | 293 | - | 293 | HELIX ENVIRONMENTAL PLANNING, |
| Advertisement/Bid | 344 | 344 | - | 344 | UNION TRIBUNE |
| Water Loss | 7 | 7 | - | 7 | |
| Acpt/close-out | 10,000 | | 10,000 | 10,000 | |
| Total Construction | \$ 2,470,372 | \$ 1,119,261 | \$ 1,364,876 | \$ 2,484,136 | |
| Grand Total | \$ 3,236,236 | \$ 1,882,381 | \$ 1,367,618 | \$ 3,250,000 | |



SCALE: 1"=600'



P:\LDD Projects\Wo8808-(850-4 Res)\dwg\RFP Exhibit A.dwg 2/4/2004 10:30:57 AM PST



**OTAY WATER DISTRICT
850-4 RESERVOIR**

LOCATION MAP

CIP P2191

EXHIBIT A

CONTRACT/P.O. CHANGE ORDER No. 01

PROJECT/ITEM: 850-4 Reservoir

CONTRACTOR/VENDOR: Spiess Construction

REF.CIP No.: P2191

APPROVED BY: Board

REF. P.O. No: 707937

REF. W.O. No.: N/A

DATE: 03-04-09

DESCRIPTION:

Six separate items are part of this change order:

1. Upgraded Solar Equipment
2. New Inlet Tie In Location
3. Tank Overflow & Drain
4. Electrical Credit
5. Oil Sand Credit
6. Bid Items 12 & 12A Credit

See attached Change Order Proposals for items 1 through 5 from Spiess Construction.

REASON:

1. The inverter specified was not compatible with the solar panels specified. An upgraded inverter needed to be purchased in order for it to be compatible. The amount of this change is \$752.40.
2. The proposed location of the inlet tie in could not be constructed per plan due to the steep terrain and accessibility issues. The tie in was moved closer to the existing inlet vault for the 850-2 Reservoir. The new location required extra material and labor. The amount of this change is \$1,925.00.
3. The reservoir overflow and drain needed field modifications to enter into a catch basin perpendicularly. For the flapper valve to work properly the drain has to come into the catch basin perpendicularly. The amount of this change is \$1,524.15.
4. The installation of a 3" conduit for electrical, telemetry, and control lines along the access road was not installed because it was discovered that there was an existing 2" conduit in good condition that could carry the same wires. The amount of this deductive change is <\$16,260.00>.
5. The contractor installed cold mix in lieu of oil sand under the reservoir floor and reduced the thickness from 6 inches to 4 inches. According to the AWWA Standard for Welded Reservoirs cold mix is an acceptable substitute and the minimum thickness for soil under the reservoir floor is 3 inches. The amount of this deductive change is <\$8,620.00>.
6. The District will not be using bid items No. 12 & 12A of the contract. These items are coating the exterior of the existing reservoir and handling of hazardous material respectively. There is not sufficient funds in the operating budget to cover the cost to re-coat the existing reservoir.

CHANGE P.O. TO READ:

Revise contract to deduct \$250,778.45 for a total contract amount of \$2,315,521.55.

| | |
|---------------------------------------|-----------------|
| ORIGINAL CONTRACT/P.O. AMOUNT: | \$ 2,566,300.00 |
| ADJUSTED AMOUNT FROM PREVIOUS CHANGE: | \$ 0.00 |
| TOTAL COST OF THIS CHANGE ORDER: | \$ (250,778.45) |
| NEW CONTRACT/P.O. AMOUNT IS: | \$ 2,315,521.55 |

ORIGINAL CONTRACT COMPLETION DATE:
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:
REVISED CONTRACT COMPLETION DATE:

5/12/09
No
N/A

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:

SIGNATURE: _____
NAME : _____
TITLE: _____ DATE : _____
ADDRESS: _____

STAFF APPROVALS:

PROJ. MGR : _____ Sr Eng (Int) DATE: _____
DIV. MGR : _____ DATE: _____
CHIEF: _____ DATE: _____
ASST. GM : _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

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

CHANGE ORDER LOG

850-4 Reservoir 2.2MG

EXHIBIT B P2191-
001103

| C.O. | AMOUNT | APPROVED | | DESCRIPTION | TYPE C.O. |
|------|----------------|----------|----------|--|-----------------|
| | | BY | DATE | | |
| 1 | (\$250,778.45) | Board | 3/4/2009 | Six items: Solar Equipment, Tie In Location, Tank Overflow & Drain, Electrical Credit, Oil Sand Credit, and Bid Items 12 & 12A credit. | Owner Initiated |
| 2 | | | | | |
| 3 | | | | | |
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| 39 | | | | | |
| 40 | | | | | |

Total C.O.'s To Date: (\$250,778.45) -9.8%

Original Contract Amount: \$2,566,300.00

Current Contract Amount: \$2,315,521.55

Change Order Breakdown for the Month:

| Month | Net C.O.\$ | Limit | Authorization | Absolute C.O.\$ | Absolute C.O. % |
|-------|----------------|--------------|---------------|-----------------|-----------------|
| 2/09 | (\$250,778.45) | \$5,000/5% | PM/Supervisor | \$0.00 | 0.0% |
| | | \$10,000/10% | Manager | \$0.00 | 0.0% |
| | | \$15,000/20% | Chief | \$0.00 | 0.0% |
| | | \$50,000/30% | GM | (\$250,778.45) | -9.8% |

AGENDA ITEM 4



STAFF REPORT

| | | | |
|---------------|--|---------------|---------------|
| TYPE MEETING: | Regular Board | MEETING DATE: | March 4, 2009 |
| SUBMITTED BY: | Bob Kennedy <i>BK</i> Associate Civil Engineer | PROJECT/ | D0562- DIV. 3 |
| | Ron Ripperger <i>m</i> Engineering Manager | SUBPROJECT: | 090043 NO. |
| APPROVED BY: | Rod Posada <i>R. Posada</i> (Chief) Chief, Engineering | | |
| APPROVED BY: | Manny Magaña <i>M. Magaña</i> (Asst. GM): Assistant General Manager, Engineering and Operations | | |
| SUBJECT: | Approval of Memorandum of Understanding Concerning Adjustment of Boundary between Otay Water District and Sweetwater Authority | | |

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board authorizes the General Manager to enter into a Memorandum of Understanding (MOU) (see Attachment B) with the Sweetwater Authority (SWA), South Bay Expressway, L.P., a California Limited Partnership (SBX), and the California Department of Transportation (Caltrans) concerning the processing of the service area boundary adjustment between the District and SWA.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a MOU which will set forth the understanding of the District, SWA, SBX, and Caltrans concerning the process for a boundary adjustment between the District and SWA and memorializes the agreement of the parties concerning their respective responsibilities.

ANALYSIS:

An adjustment of the service area boundary between the District and SWA has been requested by SBX to facilitate providing

landscape irrigation service to the SR-125 median and shoulders. The proposed boundary adjustment is shown on the two exhibits in Attachment B.

Due to large areas requiring landscaping, and to be efficient with the design, the proposed irrigation system would be extended outside of SWA's service area and into the District's service area. Conversely, some of the irrigation system connected to the District's meter has extended into SWA's service area. It is deemed best to adjust the service area boundary to accommodate this design.

The District and SWA have agreed in principle to the proposed boundary adjustment with the requirement that SBX prepare, process, and fund the adjustment through the Local Agency Formation Commission (LAFCO) Change of Organization or Reorganization process. Since this is a lengthy process, the District and SWA require a Memorandum of Understanding among all parties, to ensure that SBX is committed to funding and processing the boundary adjustment. The MOU (Attachment B) has been reviewed by staff and the District's legal counsel.

The proposed boundary adjustment will not result in any loss of potential developable land for future service by the District as it only covers the SR-125 freeway area.

FISCAL IMPACT:



There will be no fiscal impact. South Bay Expressway will pay for all processing costs, which includes staff time and boundary adjustment fees by LAFCO.

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:

The District commits to work with SBX, Caltrans, and SWA, as needed to facilitate the processing of the boundary adjustment.



General Manager

P:\Working\WO D0562\Staff Reports\BD 03-04-09, Staff Report, Boundary Adjustment with CWA, (BK-RR).doc

BK/RR:jf

Attachments: Attachment A
Attachment B



ATTACHMENT A

| | |
|---|---|
| SUBJECT/PROJECT: D0562-090043 | Approval of Memorandum of Understanding Concerning Adjustment of Boundary between Otay and Sweetwater Authority |
|---|---|

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 20, 2009. 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

MEMORANDUM OF UNDERSTANDING

**BETWEEN
OTAY WATER DISTRICT,
SWEETWATER AUTHORITY, CALTRANS
AND SOUTH BAY EXPRESSWAY**

**FOR COORDINATION OF AGENCY BOUNDARY
ADJUSTMENTS RELATED TO SR 125 LANDSCAPE IRRIGATION**

PREAMBLE

This Memorandum of Understanding (MOU) is made and entered into effective _____, 2008 by and between:

Otay Water District (OWD), with offices at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978 and Sweetwater Authority (SWA), with offices at P.O. Box 2328, Chula Vista, CA 91912, and California Department of Transportation (Caltrans), with offices at 4050 Taylor Street, San Diego, CA 92110 and South Bay Expressway L.P. (SBX), with offices at 1129 La Media Road, San Diego, CA 92154 (each a "Party," and collectively the "Parties").

Caltrans and SBX are parties to that certain Development Franchise Agreement for a Privatized Transportation Project dated as of January 6, 1991, as amended (the "Development Franchise Agreement") for development, design and construction of the SR-125 South Toll Road Project as more particularly described therein. For purposes of this MOU, Caltrans, SBX and its contractors will be herein collectively referred to as the "PROJECT."

This MOU is to serve as the basis for the coordination and completion of water district boundary adjustments related to SR 125 South landscape irrigation. The boundary adjustments are needed to prevent placing two mainline irrigation lines in Caltrans right-of-way due to existing district boundary lines.

This MOU is to the mutual and exclusive benefit of the Parties and is intended to be a guideline to the timely completion of the boundary adjustments. This MOU shall not amend, modify, waive or alter in any way any existing contracts between or among the Parties or between a Party and its contractors, including but not limited to the Development Franchise Agreement, or any contract between SBX and Otay River Constructors, and shall not be deemed a Contract Document as defined in the Development Franchise Agreement. This MOU is intended to benefit the Parties only, and there shall be no third party beneficiaries of this MOU.

UNDERSTANDING

This MOU sets forth the process by which the boundary adjustments will take place and the respective responsibilities of each Party in connection with such process. It is therefore mutually agreed as follows:

- By execution of this MOU, OWD and SWA hereby evidence their approval of the proposed water district boundary adjustments as shown on the two exhibits dated August, 12, 2008 and August 26, 2008, attached hereto and incorporated herein by reference (the "Boundary Adjustment Exhibits"), and agree that all actions to be taken by the PROJECT in accordance with the following paragraphs shall be in reliance upon such approval by OWD and SWA. Any proposed alternations to the Boundary Adjustment Exhibits shall be subject to the mutual approval of the Parties, and shall not be effective unless and until evidenced by a written amendment to this MOU executed by all Parties. OWD and SWA agree to reasonably, in good faith and timely consider any proposed amendment to effect a change in the Boundary Adjustment Exhibits submitted by the PROJECT for their approval.
- The PROJECT will draft and submit the San Diego Local Agency Formation Commission's (LAFCO) Change of Organization or Reorganization Application.
 - OWD and SWA will assist as needed to review and complete the application, including but not limited to completing a certified resolution of application, and reasonably and in good faith providing evidence of such other approvals or actions as may be necessary in accordance therewith.
 - The PROJECT will obtain a metes-and-bounds legal description of the boundary adjustment and submit the same to OWD and SWA for their review and approval, and complete environmental documentation if needed. If OWD and SWA do not provide any comments on such documents submitted for their review and approval within fifteen (15) business days, the PROJECT may consider the same approved and proceed with the application in reliance upon such approval.
 - The PROJECT will pay all associated fees in processing the application including OWD and SWA's time. Promptly upon execution of this MOU and receipt of an invoice from OWD and SWA for their anticipated costs, the PROJECT shall advance payment to an account for OWD's and SWA's benefit. OWD and SWA shall bill their time against funds on deposit in such account and provide back-up to the PROJECT as requested.
- The PROJECT will pay all costs associated with adjusting the water connections as needed for the landscaping irrigation system. The Project shall obtain all required approvals from the appropriate agency. OWD and SWA shall cooperate in reasonably, promptly and in good faith assisting the PROJECT to obtain such approvals by reviewing documents, providing any required approvals, and taking such other actions as otherwise may be necessary in connection with such agency approvals.
- Caltrans and SBX do not presently anticipate that the land included in the adjustment will be developed as it is adjacent to the highway and is owned by the Caltrans. The Parties anticipate that after the initial plant establishment, irrigation water usage will be reduced.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the date written above.

OTAY WATER DISTRICT

By: _____
MARK WATTON
General Manager

SWEETWATER AUTHORITY

By: _____
General Manager

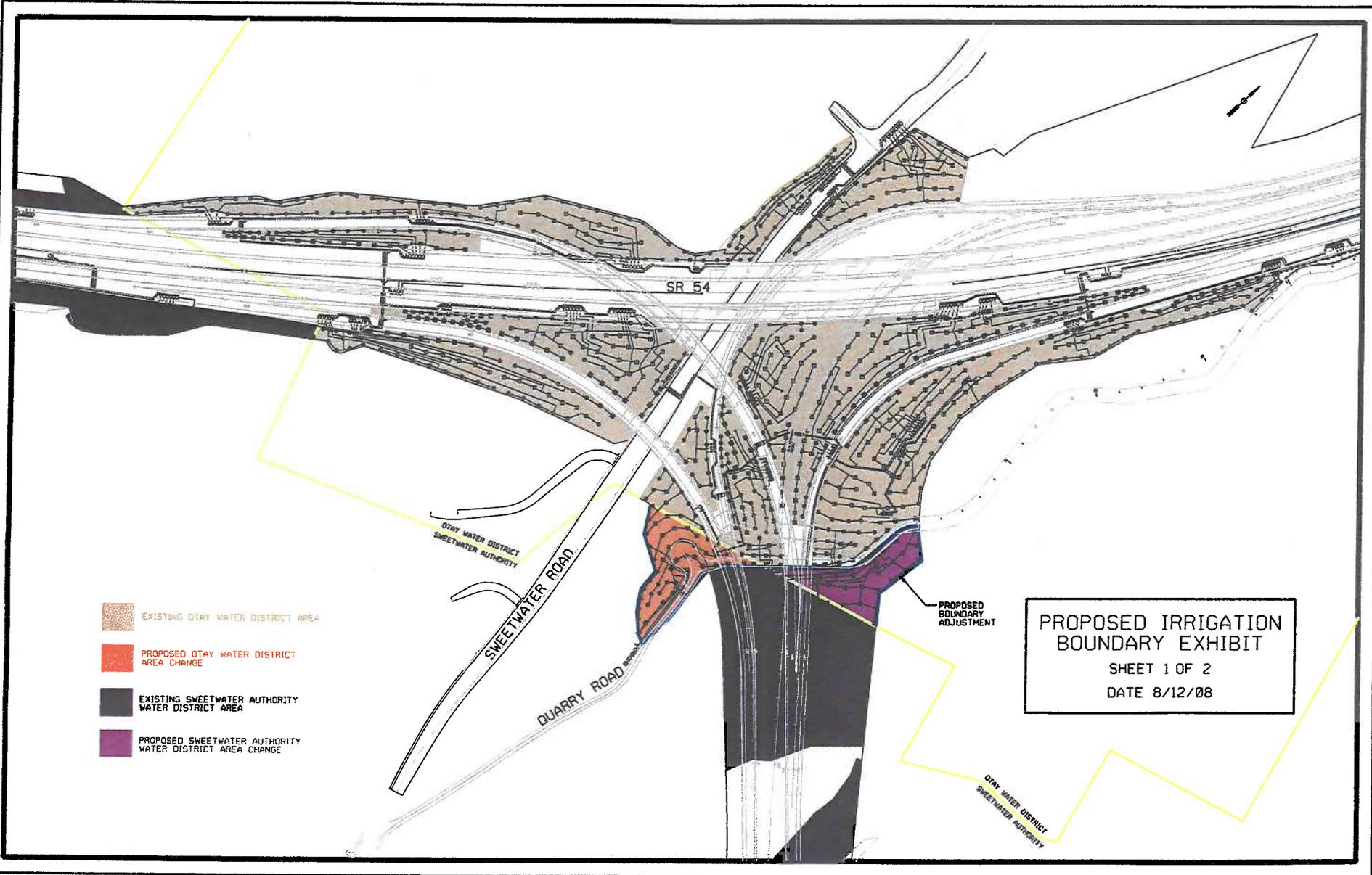
CALTRANS

By: _____
District Director

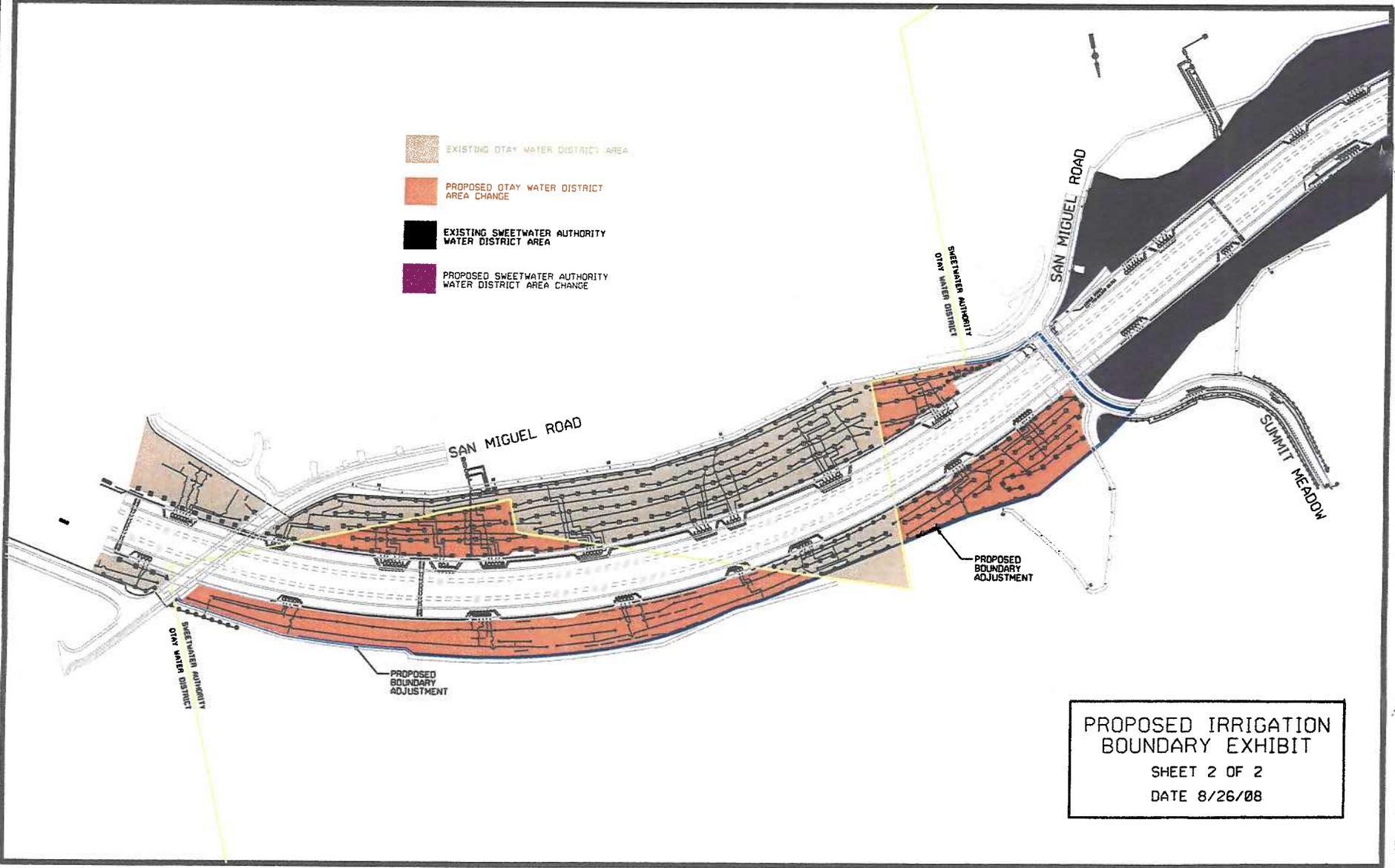
SOUTH BAY EXPRESSWAY, L.P., a California limited partnership

By: _____
GREG HULSIZER
Chief Executive Officer

Exhibits



-  EXISTING OTAY WATER DISTRICT AREA
-  PROPOSED OTAY WATER DISTRICT AREA CHANGE
-  EXISTING SWEETWATER AUTHORITY WATER DISTRICT AREA
-  PROPOSED SWEETWATER AUTHORITY WATER DISTRICT AREA CHANGE



PROPOSED IRRIGATION
 BOUNDARY EXHIBIT
 SHEET 2 OF 2
 DATE 8/26/08

AGENDA ITEM 5



STAFF REPORT

| | | | |
|-----------------------------|--|--------------------------|---|
| TYPE MEETING: | Regular Board | MEETING DATE: | March 4, 2009 |
| SUBMITTED BY: | James F. Peasley Engineering Manager <i>JFP</i> | PROJECT/ SUBPROJECTS: | P2467- DIV. n/a 001000 & NO. P2462- 001000 |
| 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: | Authorization to Execute an Agreement Between Sweetwater Authority and Otay Water District for Joint Participation in the Otay River Groundwater Desalination Facility Project | | |

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorizes the General Manager to execute the Agreement between Sweetwater Authority and Otay Water District for joint participation in the Otay River Groundwater Desalination Facility Project (Agreement).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute the Agreement (Attachment B) to allow for reimbursement to Sweetwater Authority (SWA) an amount of \$750,000 for the United States Department of the Interior Geological Survey San Diego Formation Potential In-Lieu Conjunctive Use Project and for reimbursement to Sweetwater Authority in the amount of \$178,500 for the Otay River Basin Brackish Groundwater Desalination Feasibility Study.

ANALYSIS:

The District, in partnership with SWA as the lead agency, successfully applied for and acquired a San Diego County Water Authority (Water Authority) Local Investigations and Studies Assistance (LISA) Program Grant in the amount of \$1,500,000 for the United States Department of the Interior Geological Survey San Diego Formation Potential In-Lieu Conjunctive Use Project (SDF Project). The total project cost is projected to be \$3,000,000 with the District and SWA sharing funding at \$750,000 each.

The SDF Project is being accomplished utilizing the expertise of the United States Department of the Interior Geological Survey (USGS). The SDF Project scope of work over the next few years will continue the work of the USGS in the San Diego Formation. The work will focus primarily on hydrogeologic and geochemical interpretations elements and includes the construction of multi-depth monitoring wells within the Otay River, development of a groundwater computer model, and development of a report.

SWA is the lead agency for accomplishing the tasks of the SDF Project in cooperation with the District and is the agency that entered into the LISA Grant Agreement with the Water Authority. The SWA will expend funds for the SDF Project and receive the LISA Grant funds. The District will reimburse SWA for their expenditures in the projected amount of \$750,000.

The SWA and the District will equally share the costs of the USGS annual fee to maintain the multi-depth monitoring wells associated with the USGS San Diego Formation efforts. The annual costs are currently projected to be \$55,000 for five monitoring wells. These costs are planned to be funded as a part of the District's annual Operating Budget.

Also, the District, in partnership with SWA as the lead agency, successfully applied for and acquired a State of California Proposition 50 Grant in the amount of \$242,000 for the Otay River Basin Brackish Groundwater Desalination Feasibility Study (Desalination Study) located within the San Diego Formation. The total project cost is projected to be \$599,000 with the District and SWA sharing funding at \$178,500 each.

The Desalination Study is being accomplished utilizing the expertise of the USGS and MWH, an engineering consulting firm.

The objectives of the Desalination Study are to, (1) develop an integrated, comprehensive understanding of the geology and hydrology of the San Diego Formation; and (2) further understand how to expand use of the San Diego Formation for sustainable

water extraction and potential in-lieu conjunctive use. Existing data contributed to various components of the Desalination Study and have provided important water quality data and information regarding depth-dependent flow rates, etc.

SWA is the lead agency for accomplishing the tasks of the Desalination Study in cooperation with the District and is the agency that entered into the Proposition 50 Grant Agreement with the State. The SWA will expend funds for the project and receive the Proposition 50 Grant funds. The District will reimburse SWA for their expenditures in the projected amount of \$178,500.

Both the SDF Project and the Desalination Study are intended to assist in development of a work program that is planned to eventually lead to project design and implementation of a proposed Otay River Brackish Groundwater Desalination Facility. It is envisioned that the water supply costs, benefits, and risks derived from a joint SWA and District Otay River Brackish Groundwater Desalination Facility would be shared equally.

Having a comprehensive understanding of the San Diego Formation will yield knowledge of the sustainable yield. The proposed Otay River Brackish Groundwater Desalination Facility hopefully will yield 6,000 acre-feet per year or more of potable water.

FISCAL IMPACT:

The total budget for CIP P2467, as approved in the FY 2009 budget, is \$1,600,000 for the SDF Project. Expenditures to date are \$5,180. Total expenditures, plus outstanding commitments, including this agreement, totals \$755,180. Based on a review of the budget, the Project Manager has determined the budget is deemed sufficient to support this project.

The total budget for CIP P2462, as approved in the FY 2009 budget, is \$200,000 for the Desalination Project. Expenditures to date are \$1,389. Total expenditures, plus outstanding commitments including this agreement, totals \$179,889. Based on a review of the budget, the Project Manager has determined the budget is deemed sufficient to support this project.

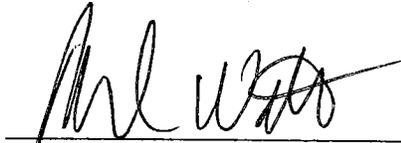
Finance has determined that 100% of the funding is available from the Expansion Fund for both CIP projects.

STRATEGIC GOAL:

Both the USGS San Diego Formation Potential In-Lieu Conjunctive Use Project and the Otay River Basin Brackish Groundwater Desalination Feasibility Study efforts support the District's Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced." ...and the Otay strategic goal, in planning for infrastructure and supply to meet current and future potable water demands.

LEGAL IMPACT: _____

None.



General Manager

P:\jpeasley\BD 03-04-09, Staff Report, Otay River Wells Study SWA Otay Agreement USGS, (JFP-RP).doc

JFP/RP:jf

Attachment: Attachment A
Attachment B



ATTACHMENT A

| | |
|---|--|
| SUBJECT/PROJECT: P2467-001000 P2462-001000 | Authorization to Execute an Agreement Between Sweetwater Authority and Otay Water District for Joint Participation in the Otay River Groundwater Desalination Facility Project |
|---|--|

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 20, 2009. 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

AGREEMENT BETWEEN SWEETWATER AUTHORITY AND OTAY WATER DISTRICT FOR JOINT PARTICIPATION IN THE OTAY RIVER GROUNDWATER DESALINATION FACILITY PROJECT

This Agreement is entered into on _____, 2009, by and between Otay Water District, a municipal water district established under the Municipal Water District Law of 1911, (hereinafter referred to as Otay), and Sweetwater Authority, a Joint Powers Authority organized and operating under the Irrigation District Law of the State of California, Water Code Section 20500 et seq. (hereinafter referred to as Sweetwater). Otay and Sweetwater are collectively referred to hereinafter as the Parties and singularly, Party. Sweetwater and Otay, in consideration of their mutual covenants, and for other valuable consideration, agree as follows:

RECITALS

- A. The economy, employment, and quality of life within the San Diego County region is dependent on a reliable and affordable water supply that is provided through cooperation of regional and local water agencies.
- B. The objective of Otay and Sweetwater is to plan, and potentially design, and construct an Otay River Groundwater Desalination Facility (Otay River Desal) Project within the Lower Otay River Basin capable of producing a sustainable yield of potable water as a local supply.
- C. The purpose of the Otay River Desal Project is to increase the quantity of local water supply within the South San Diego Bay region by development of a brackish groundwater well and desalination production system to extract, to the maximum extent practical, groundwater from the San Diego Formation; thereby, reducing treated water demand from the San Diego County Water Authority and the Metropolitan Water District of Southern California. A map of the Otay River Desal Project and the San Diego Formation area is attached as Exhibit A.
- D. The Parties to this Agreement will proceed with the development of the Otay River Desal Project in a phased approach. Sweetwater and Otay will proceed on the Otay River Desal Project with the intent to participate equally in the first phase of project feasibility. Future participation and cost sharing would be determined by separate agreement.
- E. The Otay River Desal Project effort is currently contemplated to be accomplished in two phases. Phase I is envisioned as the planning and feasibility aspects of the Project, and is intended to determine the feasibility and viability of extracting brackish groundwater from the San Diego Formation where it underlies the Otay River Basin with the purpose to eventually construct brackish groundwater desalination treatment and transport facilities. Phase II is envisioned as proceeding with a pilot project, environmental, design, construction, operation, maintenance, and other requirements of the Otay River Desal Project production and transport

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

facilities to treat the groundwater and deliver the produced potable water to customers of both Sweetwater and Otay. Proceeding with Phase II is dependent upon the outcomes of the Phase I efforts.

F. In 2006, Sweetwater, in partnership with Otay received notification from the California Department of Water Resources (DWR) that Sweetwater had been selected to receive a matching grant for the Otay River Basin Brackish Groundwater Desalination Study. The grant amount from DWR is \$242,000. The combined Sweetwater and Otay contribution is \$357,000, as further described below, for a total of \$599,000.

G. Through the Otay River Basin Brackish Groundwater Desalination Study, Sweetwater and Otay will determine the feasibility of extracting brackish groundwater from the San Diego Formation. A portion of the work involves the United States Geological Society (USGS) services to construct a multi-depth monitoring well near the Otay River.

H. In 2007, Sweetwater, in partnership with Otay received notification from the San Diego County Water Authority (SDCWA) that Sweetwater had been selected to receive a matching grant from the SDCWA Local Investigations and Studies Assistance (LISA) grant funding program for the U.S. Geological Survey Study of the San Diego Formation for Potential In-lieu Conjunctive Use concept. The grant amount from SDCWA is \$1,500,000. The combined Sweetwater and Otay contribution is \$1,500,000, as further described below, for a total of \$3,000,000.

I. The U.S. Geological Survey Study of the San Diego Formation for Potential In-lieu Conjunctive Use effort has two primary objectives as follows:

- a. Develop an integrated, comprehensive understanding of the geology and hydrology of the San Diego Formation and the overlying alluvial deposits. With this understanding, the sustainable yield of the San Diego Formation can be determined founded upon good science.
- b. Use this understanding to evaluate use of the alluvial deposits and the San Diego Formation for an in-lieu conjunctive use project for expanded extraction.

J. Sweetwater and Otay each have determined that it is in their respective best interest and in the interest of their customers and constituents to enter into this Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. All exhibits attached to this Agreement constitute an integral part of this Agreement and are incorporated into the terms hereof.

2. The Parties will jointly and equally participate in any and all Phase I efforts of the Otay River Desal Project .

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

3. The Parties agree to a 50 % cost share in any and all Otay River Desal Project Phase I efforts.
4. The Sweetwater and Otay staff expenses, for implementation of the Phase I efforts, shall be paid for by each Party and not shared by or between the Parties and shall not be included or considered in each party's computation of its participation toward costs of the project.
5. The Phase I DWR grant amount for the Otay River Basin Brackish Groundwater Desalination Study is \$242,000. The combined Sweetwater and Otay contribution is \$257,000, for a total of \$499,000 for the study. The Parties also agree to share equally in the additional cost of \$100,000 for the USGS multi-depth monitoring well. This cost and corresponding additional contribution is above and beyond the cost of the monitoring well that was included in the original grant application to DWR. Therefore, each Party agrees to pay a total of \$178,500 as their portion of the study and monitoring well. A copy of the DWR agreement is attached as Exhibit B.
6. The Phase I SDCWA LISA grant amount for the U.S. Geological Survey Study of the San Diego Formation for Potential In-lieu Conjunctive Use concept is \$1,500,000. The combined Sweetwater and Otay contribution is \$1,500,000, for a total of \$3,000,000 for the study. Therefore, each Party agrees to pay a total of \$750,000 as their portion of the study. A copy of the LISA agreement is attached as Exhibit C.
7. The Parties agree to pay for half of the USGS annual fee to maintain the five (5) existing multi-depth monitoring wells associated with the U.S. Geological Survey Study of the San Diego Formation. The annual costs are currently \$55,000 for the five (5) monitoring wells.
8. The Parties agree to amend this Agreement as may be necessary to address any additional Phase I planning, feasibility, and groundwater studies, etc. efforts for the Otay River Desal Project that may arise. The Parties agree to negotiate and execute any required amendments to this Agreement in a timely fashion.
9. The Parties agree that a separate agreement will be entered into to establish the terms and conditions for the Phase II effort intended to consist of a pilot project, environmental, design, construction, operation, maintenance, replacement, and others conditions of the Otay River Desal treatment and transport facilities. In the event of any conflict between the terms of this Agreement and the separate agreement, the terms of this Agreement shall govern in connection with Phase I efforts and the terms of the other agreement will govern in connection with Phase II efforts. If, based on the results of Phase I, the Parties determine that Phase II efforts are required, the Parties agree to execute such an agreement in a timely fashion. This Agreement does not obligate either Otay or Sweetwater to agree to proceed to Phase II.
10. In the event the Parties proceed to Phase II, the Parties will jointly and equally participate in any and all Phase II efforts of the Otay River Desal Project and share equally all aspects and outcomes such as costs, risks, outcomes, information, resulting water supply, and any other benefits.

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

11. The Parties agree that this Agreement, by itself, is not a project subject to CEQA.
12. The current projected schedule for the Otay River Desal Project is as follows:
 - a. DWR grant study completion: June 30, 2009
 - b. SDCWA LISA grant study completion: June 30, 2010.
 - c. Phase II pilot project, environmental and design completion: TBD
 - d. Phase II construction complete: TBD
 - e. Initiation of Otay River Desal facility operations: TBD
13. The Parties shall seek, in good faith and within a reasonable time, to resolve any disputes regarding this Agreement first by meeting and conferring among two designated staff representatives, one each from Sweetwater and Otay. Any disputes that cannot be resolved by the staff representatives may be referred by either Party to the Sweetwater General Manager and to the Otay General Manager for resolution. Neither Party will resort to litigation until there is an impasse between the two General Managers.
14. The Parties shall bill each other as appropriate at the Otay address of 2554 Sweetwater Springs Boulevard, Spring Valley, CA 91978-2096, Attention: James Peasley and at the Sweetwater Authority address of P.O. Box 2328, Chula Vista, CA 91912, Attention: Michael Garrod.
15. Payment shall be received at either Parties address listed on the invoice on or before 45 calendar days following receipt of the invoice by either Party after the date of execution of this Agreement.
16. In the event either Party fails to pay any amount when due, interest thereon shall accrue at the rate of ten percent per annum from the date when due until payment is received by either Party.
17. The term of this Agreement shall be for that time until when the Phase II agreement is fully executed by both Parties or this Agreement is terminated by mutual agreement.
18. Each Party agrees to indemnify, defend at its expense, including attorneys' fees, and hold the other harmless from and against all claims, costs, demands, losses, and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use), or violation of law, caused by or arising out of any error, omission, negligent act, or willful misconduct of that Party, its officers, directors, employees, agents, volunteers, or any other person acting pursuant to its control in performing under this Agreement.

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

19. This Agreement, and any and all Exhibits attached to it, represent the entire understanding of the Parties as to those matters contained in it, and supersedes and cancels any prior oral or written understandings, promises, or representations with respect to those matters covered in it.
20. All Exhibits and Recitals contained herein are incorporated into this Agreement by this reference.
21. This Agreement will be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in the County of San Diego, State of California; provided that the dispute resolution procedure outlined in paragraph 22, below, has been completed. California law shall apply, without regard to any conflict of laws principles, to the interpretation of any provision of this Agreement.
22. This Agreement may be modified only by a subsequent written amendment executed by the Parties. Either Party may give notice that it wishes to amend this Agreement at any time with written notice. Any amendments will have to be mutually agreed upon by both Sweetwater and Otay, in writing.
23. If a dispute arises out of, or relates to this Agreement, or the breach thereof, which cannot be resolved by the Parties, the Parties will first submit to mandatory mediation under the Rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law. Any agreements resulting from mediation shall be documented in writing by all Parties. Mediation shall be confidential in accordance with the provisions of California law. All mediation results shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless all Parties otherwise agree upon such admission in writing.
24. No failure of a Party to insist upon the strict performance by the other of any covenant, term, or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or of such covenant, term, or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
25. None of the Parties shall assign its respective obligations under this Agreement without the prior written approval of the other Party. Any assignment in violation of this paragraph shall constitute a default by the Party attempting the assignment and is grounds for immediate termination of this Agreement or for the enforcement of any available equitable remedies, at the discretion of the other Party. In no event shall any putative assignment create a contractual relationship between the other Party and any putative assignee.
26. This Agreement and all rights and obligations contained herein shall be in effect whether or not any or all Parties to this Agreement have been succeeded by another entity, and all rights and obligations of the Parties shall be vested and binding on their successors-in-interest.

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

27. If the performance of any act required of the Parties is directly prevented or delayed by reason of strikes, lockouts, labor disputes, vandalism, terrorism or other criminal act, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the Party required to perform an act, that Party shall be excused from performing that act for the period of time equal to the period of time of the prevention or delay. In the event the Party claims the existence of such a delay, the Party claiming the delay shall notify the other Party in writing of that fact within 14 calendar days after the beginning of any such claimed delay.

28. The Parties agree that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this Agreement, and the decision whether to seek advice of counsel with respect to this Agreement is the sole responsibility of each of the Parties. This Agreement shall not be construed in favor of or against any Party by reason of the extent to which each Party participated in the drafting of this Agreement.

29. In the event any one of the provisions of this Agreement shall for any reason be held invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal, or unenforceable provision(s) shall be replaced by a mutually acceptable provision which being valid, legal, and enforceable, comes closest to the intention of the Parties underlying the invalid, illegal, or unenforceable provision.

30. This Agreement may be executed in multiple counterparts, which when taken together shall constitute a single signed original as though all Parties had executed the same page.

31. If any part of this Agreement is abandoned or indefinitely delayed, due to circumstances beyond the control of the Parties, this Agreement may be terminated by the either Party.

32. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

Otay Water District
General Manager
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2096

Sweetwater Authority
General Manager
505 Garrett Avenue
Chula Vista, CA 91910

and shall be effective upon receipt thereof.

33. This Agreement shall not be deemed to have been accepted and shall not be binding upon either Party until duly authorized officers of both Parties have executed it.

Agreement Between Sweetwater Authority
and Otay Water District for Joint Participation
in the Otay River Groundwater Desalination Facility Project

34. The individuals executing this agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Sweetwater Authority

Otay Water District

By: _____
Mark Rogers
General Manager

By: _____
Mark Watton
General Manager

Approved as to form and legality:

Approved as to form:

Michael Cowett
General Counsel

Yuri A. Calderon
General Counsel

Attachments: Exhibit A
Exhibit B
Exhibit C

San Diego Formation - Otay River Desalination Project



La Mesa

Lake Murray

San Diego Formation
79,724 Acres

San Diego

Lemon Grove

Coronado

Sweetwater Reservoir

National City

Bay of San Diego

Sweetwater River



0 0.25 0.5 1 1.5 2 Miles

Chula Vista

Proposed Otay River Desalination Facility

Otay River

Imperial Beach

Exhibit "A"

San Ysidro

Tijuana River

Tijuana

n:\mxd\sd_formation_exhibit_b.mxd

EXHIBIT "B"

Agreement 4600007432
Sweetwater Authority
Otay River Basin Brackish Groundwater Desalination Study, Phase I

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

SWEETWATER AUTHORITY

FOR A WATER DESALINATION GRANT UNDER THE
WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND
BEACH PROTECTION ACT OF 2002

STATE OF CALIFORNIA

This agreement is entered into between the State of California, acting by and through the Department of Water Resources, (State) and the Sweetwater Authority (Grantee). The State and Grantee agree as follows:

SECTION 1. PURPOSE OF GRANT

This State Grant is made by the State to the Grantee to assist in financing a Water Desalination Project pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, [Chapter 6 (commencing with Section 79545(a)) of Division 26.5 of the California Water Code]. Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein and attached as Exhibit B, "Statement of Work" and Exhibit C, "Budget".

SECTION 2. TERM OF STATE GRANT

The term of this Agreement is from the date of execution of this agreement through three years.

SECTION 3. PROJECT COSTS

The Project Costs (identified in Exhibit C) are estimated to be \$499,000.00

SECTION 4. STATE GRANT

Subject to the availability of funds, the State will grant to the Grantee in accordance with the terms of this Agreement an amount not to exceed \$242,000.00 for Eligible Project Costs.

SECTION 5. GRANTEE'S COST SHARE AMOUNT

The Grantee agrees to fund the difference, if any, between the estimated Project Cost (Section 3) and the State Grant (Section 4). Grantee's Costs are estimated to be \$257,000.00.

SECTION 6. INCORPORATION OF STANDARD CONDITIONS AND GRANTEE COMMITMENTS

In addition to Exhibits B and C, this agreement incorporates Exhibit A, "Standard Terms". The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Grantee in the application, documents, amendments and communications filed in support of its request for financing.

SECTION 7. CONDITIONS FOR DISBURSEMENT

The Grantee shall meet all conditions for disbursement of money under this Agreement, including the provisions of Exhibit A-6. Failure by Grantee to comply may, at the option of the State, result in termination of the Agreement.

SECTION 8. PROGRESS REPORTS AND STATEMENT OF COSTS

During the time period that the State Grant Funds will be used to fund the Project, the Grantee shall submit quarterly progress reports, starting within six months from the date of execution, on the status of the Project and a Statement of Costs to the Department of Water Resources. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget. Statement of Costs shall be detailed and provide supporting documents for expenditures associated with the work. In lieu of the fourth progress report, the Grantee shall submit an annual report summarizing the progress up to date.

SECTION 9. FINAL REPORTS

Within 90 days of Project completion or termination, the Grantee shall submit a draft final report on Project completion or termination and expenditures for the State's review and comment. The draft final report shall be modified to incorporate the State's comments, if any, and resubmitted, as a final report, within sixty (60) days of the Grantee's receipt of the State's comments. If Grantee does not agree with the State's comments, the final report shall discuss the State's comments and explain why they were not incorporated.

SECTION 10. OPERATIONS AND MAINTENANCE OF "CONSTRUCTION" PROJECT

In consideration of the State Grant, the Grantee agrees, for the useful life of the Project, for 5 years from the completion of the project, to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the Project; and shall cause the Project to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Grantee to operate and maintain the Project in accordance with this provision may, at the option of the State, be considered a material breach of contract and may be treated as default under default provisions Exhibit A-24.

SECTION 11. RELATIONSHIPS OF PARTIES

The Grantee, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Agreement shall act in an independent capacity and not as officers, employees, or agents of the State.

The Grantee is solely responsible for planning and implementation of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of State Grant funds and shall not be deemed to relieve or restrict the Grantee's responsibility.

SECTION 12. PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

The Grantee shall be responsible for obtaining any and all permits, licenses and approvals required for performing any work under this Agreement, including those necessary for planning and implementing the Project. The Grantee shall be responsible for complying with all applicable federal, State and local laws, rules or regulations affecting any such work, specifically including, but not limited to, environmental, labor, procurement and safety laws, rules, regulations and ordinances.

SECTION 13. GRANTEE'S RESPONSIBILITIES FOR WORK

The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers and providers of services. The Grantee shall give personal supervision to any work required under this Agreement or employ a competent representative, satisfactory to the State, with the authority to act for the Grantee. The Grantee or its authorized representative shall be present while work is in progress. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grantee's contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

SECTION 14. PROJECT OFFICIALS AND NOTICES

The Acting Chief, Office of Water Use Efficiency and Transfers, Department of Water Resources, shall be the State's representative and shall have the authority to sign this Agreement and amendments to the Agreement, if needed, and to make determinations to each controversy or discrepancy arising under or in connection with the interpretation, performance, or payment for work performed under the Agreement.

The Grantee Project Manager shall be Jack Adam. The Grantee Project Manager shall be the Grantee's representative for the administration of the Agreement and shall have full authority to act on behalf of the Grantee, including authority to execute all payment requests. All communications given to the Grantee Project Manager shall be as binding as if given to the Grantee.

Either party may change its representative upon written notice to the other party.

Notices required to be given to the State in writing by the Grantee under this Agreement shall generally be sent to:

Fawzi Karajeh
State of California
Department of Water Resources
Office of Water Use Efficiency and Transfers
901 P Street, Room 313A
Post Office Box 942836
Sacramento, California 94236-0001

Notices required to be given to the Grantee in writing by the State under this Agreement shall be sent to:

Dennis A. Bostad
Sweetwater Authority
505 Garrett Avenue
Chula Vista, California 91910

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

Agreement 4600007432
Sweetwater Authority
Otay River Basin Brackish Groundwater Desalination Study, Phase I

Approved as to Legal Form and Sufficiency:

DAS
7/16/07

By *David A. Sandino* *7/16/07*
David A. Sandino, Acting Chief Counsel Date
Department of Water Resources

SWEETWATER AUTHORITY

Approved as to Legal Form and Sufficiency:

By *[Signature]* *6/20/07*
Grantee's Attorney (if applicable) Date

By *Dennis A. Bostad* *6/21/07*
Dennis A. Bostad Date
General Manager

505 Garrett Avenue
Chula Vista, California 91910

P.O. Box 2328
Chula Vista, California 91912-2328

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By *[Signature]*
Manucher Alemi, Acting Chief, Office of Water Use Efficiency and Transfers

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

7/24/2007
Date

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

EXHIBIT A

STANDARD TERMS
WATER DESALINATION GRANT

- A-1. **GOVERNING LAW:** This Agreement shall be construed and governed pursuant to the laws of the State of California.
- A-2. **TIMELINESS:** Time is of the essence in this Agreement.
- A-3. **AMENDMENT:** This Agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request.
- A-4. **SUCCESSORS AND ASSIGNS:** This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
- A-5. **ELIGIBLE PROJECT COSTS:** Grantee shall apply State Grant funds received only to Eligible Project Costs as identified in Exhibit C.
- A-6. **CONDITIONS FOR DISBURSEMENT:** The State shall have no obligation to disburse money under this Agreement unless and until the Grantee has satisfied the State that the disbursement is in accordance with the tasks and budget as detailed in Exhibit B and Exhibit C as well as the requirements of the Water Security, Clean Drinking Water, Coastal and Beach Protection Act, Chapter 6, Section 79545(a) which include:
- (a) For Construction Projects, the Grantee submits to the State, final plans and specifications certified by a California Registered Civil Engineer or equivalent documentation as to compliance with the approved Project.

- (b) The Grantee submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other state, federal, and/or local agencies, as specified in Section 12 of this Agreement.
- (c) The Grantee demonstrates compliance with the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, legal notices and environmental permits as may be required prior to beginning the Project.
- (d) The Grantee submits timely periodic progress reports as required by Section 8 of this Agreement.
- (e) The Grantee demonstrates continuing availability of sufficient funds to complete the Project.

A-7. STATE GRANT DISBURSEMENTS:

- (a) Cost Statements: After the Conditions for Disbursement, Section A-6, are met, the State will disburse the whole or portions of the State Grant commitment to the Grantee following receipt from the Grantee of a statement or statements of incurred Eligible Project Costs, reviewed by the Grantee's designated representative, and timely progress reports as required by Section 8 of this Agreement. Requests for State Grant funds shall be filed quarterly or for such periods as the State and the Grantee may mutually agree. The Grantee shall provide the following information:
 - 1. A statement of the incurred Eligible Project Costs for work performed under the Agreement during the period identified in the particular statement and which matches the Budget in Exhibit C and tasks in Exhibit B.
 - 2. A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the implementation of the Project.

Otay River Basin Brackish Groundwater Desalination Study, Phase I

The Grantee shall submit two (2) copies of quarterly progress reports and 2 copies of statement of costs associated with work accomplished during that quarter, as well as 2 copies of invoice to:

Fawzi Karajeh
Department of Water Resources
Office of Water Use Efficiency and Transfers
901 P Street, Room 313A
P.O. Box 942836
Sacramento, CA 94236-0001

The statement of costs must be detailed and provide supporting documentation for both State and Local Share of costs for each quarterly progress report. Statement of costs shall be submitted in arrears, bearing the Agreement number.

The Grantee must also submit one (1) original copy of each invoice simultaneously to:

DWR Accounting Office
Contracts Payable Unit
Post Office Box 942836
Sacramento, CA 94236

All progress reports, statement of costs, and invoices must be on the Grantee's letterhead, have agency name, project title, Agreement number, invoice number, and the quarter and tasks for which progress reports and invoices cover.

Along with submittal of Draft Final Report, Grantee shall submit to the State a final statement of costs for incurred Eligible Project Costs, within 90 days of the termination date of the agreement.

- (b) Disbursement: Disbursements are subject to the availability of funds and budget contingencies. Following the review and approval of each statement of costs, the State will disburse to the Grantee the amount approved, subject to the availability of funds through the State's normal procedures. Funds will be disbursed by the State in response to each approved statement of costs on a pro rata basis in accordance with the relative payment obligations of the Grantee, Section 5 of this Agreement, and the State, Section 4 of this Agreement for the Project Costs, Section 3 of this Agreement. Any and all money disbursed to the Grantee under this Agreement and any and all interest earned by the Grantee on such money shall be used solely to pay Eligible Project Costs.

A-8. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE

- (a) Withholding clause: The State, at its discretion, may withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of eligible Project Costs until the Project is completed and Final Report is received.
- (b) Additional Conditions for Withholding: If the State determines that the Project is not being completed substantially in accordance with the provisions of this Agreement or that the Grantee has failed in any other respect to comply substantially with the provisions of this Agreement, and if the Grantee does not remedy any such failure, the State may withhold from the Grantee all or any portion of the State Grant commitment and take any other action that it deems necessary to protect its interests.
- (c) Withholding Entire State Grant Commitment: If the State notifies the Grantee of its decision to withhold all of the State Grant commitment from the Grantee pursuant to Subdivision (b) of this Article, this Agreement shall terminate upon receipt of such notice by the Grantee and shall no longer be binding on either party.
- (d) Notwithstanding any other provision to the contrary in this agreement, if the agreement is terminated for any reason, State shall reimburse Grantee for all costs incurred by Grantee per the Statement of Work and Budget as shown in Exhibit B up to the termination date, including without limitation, all uncancelable obligations.

A-9. TIMING AND MANNER OF PROJECT UNDERTAKING

- (a) Project Undertaking Pursuant to Agreement: The Project shall be undertaken in strict accordance with this Agreement.
- (b) Determination of Project Completion: For the purposes of this Agreement, once the entire statement of work has been finished by the Grantee, the Project shall be considered to be completed.
- (c) Acknowledgement of Credit: The Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under the Agreement.

Otay River Basin Brackish Groundwater Desalination Study, Phase I

- (d) Audit Requirement: Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State for a period of three (3) years after final payment under this Agreement with respect to all matters connected with the performance of this Agreement, including but not limited to, the cost of administering this Agreement. All records of the Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after completion of the Project. Completion of the project herein includes the submittal of a satisfactory final report.
- (e) Competitive Bidding of Contracts and Procurements: Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods, and services and construction of public works with funds provided by the State under this Agreement.
- (f) Final Inspection and Certification of Registered Civil Engineer (Construction Projects): Upon completion of the Project the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement. The Grantee shall notify the Office of Water Use Efficiency and Transfers, Department of Water Resources, of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

A-10. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- (a) Separate Accounting of State Grant Disbursements and Interest Records

The Grantee shall account for the money disbursed pursuant to this Agreement separately from all other Grantee's funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

(b) Disposition of Money Disbursed

All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpended Funds

The Grantee, within a period of thirty (30) days from the final disbursement from the State to the Grantee of State Grant funds, shall remit to the State any unexpended funds that were disbursed to the Grantee under this Agreement and were not needed to pay Eligible Project Costs.

(d) Interim and Final Audits

The State reserves the right to conduct an audit at any time between the execution of this Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit, at the State's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement, and the State may elect to pursue any remedies provided in Exhibit A-24 or take any other action it deems necessary to protect its interests.

A-11. CLAIMS DISPUTE CLAUSE: Any claim that the Grantee may have regarding the performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Project Manager, Department of Water Resources, within thirty (30) days of the Grantee's knowledge of the claim. Project Director shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

A-12. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any other remedy provided by law.

A-13. STATE TO BE HELD HARMLESS: The Grantee agrees to indemnify, defend and hold harmless the State and its officers, agents and employees from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the performance of this Agreement to the extent caused by the Grantee.

- A-14. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any financial books, records, or reports of either party pertaining to this Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- A-15. **INSPECTIONS OF PROJECT BY STATE:** The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the State.
- A-16. **PROHIBITION AGAINST DISPOSAL OF PROPERTY WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real property be remitted to the State up to the amount of the grant if such disposition occurs within 5 years of the completion of the project. For the purposes of this paragraph, the State's permission shall not be unreasonably withheld.
- A-17. **NO THIRD PARTY RIGHTS:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation or undertaking established herein.
- A-18. **NOTICES:** All notices that are required either expressly or by implications to be given by one party to the other under this Agreement shall be signed for the Project Manager and for the Grantee by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

- A-19. **PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Agreement and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. The State reserves the right to seek further written assurances from the Grantee that the work of the Project under this Agreement will be performed consistent with the terms of this Agreement.
- A-20. **SEVERABILITY:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
- A-21. **WAIVER OF RIGHTS:** None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- A-22. **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred, including uncancelable obligations, up to the date of termination.
- A-23. **TERMINATION FOR CAUSE:** The Grantee may terminate this Agreement for cause on 30 days advance notice. The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided including but not limited to reasons of default under Exhibit A-24. The Grantee shall be reimbursed for all reasonable expenses incurred, including uncancelable obligations, up to the effective date of termination.
- A-24. **DEFAULT PROVISIONS:**
- (a) The grantee will be in default under this agreement if any of the following occur:
1. Substantial breach of this Agreement, or any supplement or amendment to it;
 2. Making any false warranty, representation, or statement with respect to this Agreement;

- (b) Should an event of default occur, the State may do any or all of the following:
 - 1. Terminate any obligation to make future payments to the Grantee, with the qualifications as set forth in Exhibit A-22 and A-23;
 - 2. Terminate the Agreement; and
 - 3. Take any other action that it deems necessary to protect its interests.
- (c) Both parties agree that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to a party as a result of a breach of this Agreement by either party.
- (d) No waiver by either party of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

A-25. CONFLICT OF INTEREST:

- (a) Current State Employees:
 - 1. No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.
 - 2. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- (b) Former State Employees:
 - 1. For the two year period from the date he or she left State employment, no former State officer or employee may enter into an agreement in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the agreement while employed in any capacity by any State agency.

2. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into an agreement with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed agreement within the twelve-month period prior to his or her leaving State service.

A-26. **WORKERS' COMPENSATION CLAUSE:** The Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

A-27. **AMERICANS WITH DISABILITIES ACT:** By signing this Agreement, Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

A-28. **DRUG-FREE WORKPLACE CERTIFICATION:**

(a) Certification of Compliance

By signing this Agreement, the Grantee, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).
2. Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors and subcontractors about all of the following:
 - a. The dangers of drug abuse in the workplace,

- b. The Grantee's policy of maintaining a drug-free workplace,
 - c. Any available counseling, rehabilitation and employee assistance programs, and
 - d. Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.
3. Provide, as required by Government Code Section 8355(c), that every employee, contractor and subcontractor who works under this Agreement:
- a. Will receive a copy of the Grantee's drug-free policy statement, and
 - b. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.
- (b) Suspension of Payments: This Agreement or State Grant may be subject to termination per Exhibit A-23 and A-24, and the Grantee may be subject to debarment if the Department determines that:
1. The Grantee, its contractors or subcontractors have made a false certification, or;
 2. Grantee, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

A-29. **NONDISCRIMINATION CLAUSE:** During the performance of this Agreement, the Grantee, its contractors and subcontractors shall not deny the Agreement's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Grantee shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Grantee, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article. The Grantee shall provide notice to its

contractors and subcontractors that they are also required to comply with the provisions and regulations described in this paragraph.

The Grantee, its contractors and subcontractors shall give written notice of their obligations under this clause to notify labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Agreement.

The Grantee's signature on this Agreement shall constitute a certification under the penalty of perjury under the laws of the State of California that the Grantee has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

- A-30. **UNION ORGANIZING:** No State funds disbursed by this State Grant will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.

EXHIBIT B

STATEMENT OF WORK DWR ID: F 2006-03 SWEETWATER AUTHORITY

PROJECT DESCRIPTION

This is a \$242,000 agreement between Sweetwater Authority (Sweetwater) and Department of Water Resources (DWR) to conduct a desalination feasibility study. The total estimated budget of the brackish water feasibility study is \$499,000. DWR share through this agreement with Sweetwater is \$242,000.

The purpose of the Otay River Basin Brackish Groundwater Desalination Project is to determine the feasibility of extracting brackish groundwater from the San Diego Formation (SDF) where it underlies the Otay River Basin, treat it at a new desalination facility, and deliver the potable water to customers of both Sweetwater and Otay Water District (the Districts), who are partnering on this project. The first phase of the study is to collect necessary geologic, groundwater and water quality data that can be used to determine the characteristics of the aquifer and to develop a solidified plan for completing a project that could potentially yield four (4) million gallons per day (mgd) of desalinated potable water.

The achievable goals of this Project are to:

- Obtain valuable well data that can be used to determine the hydrogeological conditions of the SDF in the Otay River Basin.
- Determine the water quality of the aquifer in this region.
- Conceptually layout the facilities and costs needed to collect, treat and deliver desalinated water to potable water customers of the Districts.
- Develop a long-term monitoring program for well development and an implementation plan that clearly identifies the steps needed to complete the ultimate project.

The DWR funding will permit the Districts to complete a significant step towards developing, through the use of desalination technologies, a new potable water source from brackish groundwater that is currently not used.

The SDF extends from the California-Mexico border to near Mission Bay in San Diego County, a distance of approximately 16 miles from the coast, and approximately 5-6 miles inland. What is known about the SDF is that the geology is complex and at present only partly understood. The heterogeneity of the aquifer makes it extremely difficult to accurately predict groundwater flow or well performance. Few, if any,

Otay River Basin Brackish Groundwater Desalination Study, Phase I

investigations have been performed on the SDF in the Otay River Basin (previous wells had been measured at 2,000 milligram per liter [mg/l] total dissolved solids). Most of the knowledge is based in and adjacent to the Sweetwater River Valley and in the Tijuana River Valley. Therefore, this project will produce valuable and useful data to aid in characterizing the SDF that could ultimately lead to the production of potable water in the Otay River Basin.

Sweetwater has successfully developed a brackish groundwater desalinated water facility, the Reynolds Groundwater Desalination Plant (Reynolds), in the Sweetwater River Valley that produced 1,986 acre-feet of potable water in 2005 and is expected to produce up to 4,400 acre-feet per year by 2010. Sweetwater and its existing and proposed groundwater desalination projects are compliant with the Groundwater Quality Monitoring Act of 2001 (AB 599). Sweetwater participated in the Groundwater Ambient Monitoring Assessment (GAMA) program in 2005. This program was implemented by the California State Water Resources Control Board to satisfy the Groundwater Quality Monitoring Act of 2001. Additionally, Sweetwater is committed to continue their relationship with the GAMA project in the future.

Otay Water District (Otay) imports 100% of its potable water from the San Diego County Water Authority, the wholesale supplier for the region. To date, they have been unsuccessful in attempts to develop groundwater resources in their service area, and stated in their 2005 Urban Water Management Plan that the SDF is of particular interest to them and other agencies. With Sweetwater taking the lead on this project, their experience will enable the implementation of an economical and environmentally acceptable project.

The Districts are both implementing conservation and recycling programs within their service areas to the maximum extent practicable. They are signatories to the "Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California" and actively implement the fourteen best management practices of the California Urban Water Conservation Council. They are committed to water conservation, knowing that water conservation is the best way to protect their water supply resources. Otay also owns and operates the Ralph W. Chapman Water Reclamation Facility that produces 1.1 mgd of recycled water and has signed an agreement with the City of San Diego to purchase an average of at least 6 mgd of recycled water from their South Bay Water Reclamation Plant. Otay continues to expand its recycled water system and has one of the largest distribution systems for recycled water in San Diego County.

Benefits to be gained by Phase I alone include increasing the data available on the SDF and providing this information to the U.S. Geological Survey (USGS) to include in their current study of the SDF. This will allow USGS to better characterize the whole aquifer and its potential and will be a valuable resource to the entire region. This proposed project will help advance desalination technology by providing an implementation plan for the development of new potable water supplies through brackish groundwater desalination that would be applicable for other water purveyors. With the water quality

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data from the proposed wells and transferring the experience from the Reynolds Desalination Plant, the feedwater treatment processes and strategies will be improved. The proposed desalination facility will utilize new, low pressure reverse osmosis membranes that will reduce power costs over the Reynolds facility. Should the Otay River Basin prove feasible, beach wells for additional feedwater intake will be studied as part of a subsequent phase of the project.

PROJECT OBJECTIVES, TASKS, AND SERVICES TO BE PERFORMED

The project plan of this agreement will be performed primarily by consultants to Sweetwater and consists of the tasks, deliverables, and project costs shown below.

1. Collect and Review Available Geologic and Groundwater Data and Reports (Task Budget = \$12,000)

This task consists of collecting and reviewing prior studies and reports and any well data available. Sources of information include the Sweetwater, Otay, San Diego County Water Authority, USGS, DWR, and the County of San Diego. This includes meeting with operating staff of Reynolds to document areas of known improvements to be applied to an Otay River Groundwater Desalination Plant.

2. Conceptual Facilities Layout and Preliminary Construction Costs: Well, Collection, Treatment, Distribution and Brine Disposal (Task Budget = \$105,000) – Deliverable = Conceptual Facility Plans (11x 17) and Cost Estimates

The facilities envisioned for the ultimate constructed project will be conceptually designed and construction costs estimated. This includes siting the groundwater well(s), collection system, desalinated water treatment plant, product water delivery system, and brine disposal facilities (brine disposal will be coordinated with Sweetwater's proposed brine disposal study). It is envisioned that the desalination facility will be similar to Reynolds, modified by lessons learned at Reynolds.

3. Design and Construct Monitoring/Test Well(s) - (Task Budget = \$300,000)

Prepare design plans and obtain County of San Diego Environmental Health Department permit to drill new wells. Construct two monitoring/test wells in the Otay River Basin.

4. Geologist Logs, Evaluate Borings and Monitoring (Task Budget = \$9,000) – Deliverable = Database of all Logs, Test and Monitoring Data Collected

The purpose of this task is to obtain lithologic logging, geophysical logging, soil samples, aquifer pumping tests, sieve analysis, infiltration testing data and to

monitor groundwater levels. This work is essential to begin to understand the nature of the SDF in the Otay River Basin. The data collected will be provided to USGS for them to add to the data they have already collected on the SDF and help them to determine its safe yield.

5. Conduct Water Quality Analyses (Task Budget = \$13,000) – Deliverable = Water Quality Laboratory Test Results

Conduct water quality analyses to determine the groundwater quality in the test wells. Groundwater constituents will be identified and the laboratory test results will be entered into a Water Quality Data Log. The water quality information will help in determining the processes and operating conditions required at the desalinated water treatment plant to meet drinking water standards.

6. Prepare Environmental Initial Study (Task Budget = \$8,000) – Deliverable = Environmental Initial Study will be included with the Task 8 deliverable

This task will complete an Environmental Initial Study based upon the Conceptual Facilities Layouts. The type of environmental document that will be required for the ultimate project will be identified, along with the potential regulatory permits/approvals.

7. Develop Long-Term Well Monitoring and Development Program and Project Implementation Plan (Task Budget = \$13,000) – Deliverable = Will be delivered with Task 8 Report

Under this task, a Long-Term Well Monitoring and Development Program will be created to identify what should be monitored over time and how the wells should be developed to generate the most useful data and/or best yield from them. A Project Implementation Plan will also be created that will define the steps to be taken in order to construct the ultimate project. These plans are essential for the ultimate understanding of the nature of the SDF in the Otay River Basin and for the safe yield of brackish groundwater.

8. Summarize Findings in a Report (Task Budget = \$25,000) – Deliverables = Draft and Final Phase I Study

The purpose of this task is to develop the final report, which will describe in detail the procedures used to implement the study and all findings. It will include the Conceptual Facilities Layouts, cost estimates, well data, water quality data, Environmental Initial Study, Long-Term Well Monitoring and Development Program and the Project Implementation Plan. A draft and final report will be prepared under this task.

9. Project Management (Task Budget = \$14,000) – Deliverable = DWR Reports

Sweetwater's consultant will assume primary responsibility for Project Management activities, including budget and schedule tracking, resource management, performance monitoring, quality control and communication between project team members. Sweetwater will assume primary responsibility for communicating with the consultant and reporting to DWR.

PROJECT ASSESSMENT AND MONITORING

Through progress, annual, final reports, and field visits, DWR staff will monitor and assess the project in terms of providing the projected new or alternative potable water supplies.

EXHIBIT C

BUDGET

DWR ID: F 2006-03

SWEETWATER AUTHORITY

| | Budget Category (I) | Non State Share (II) | State Share (Grant) (III) | Total Project Costs (IV) = (II+III) |
|-----|--|----------------------------|---------------------------------|---|
| (a) | Administration: | | | |
| | Salaries, wages | \$2,800 | | \$2,800 |
| | Fringe benefits | \$110 | | \$110 |
| | Supplies | | | |
| | Equipment | | | |
| | Consulting services | \$5,000 | \$5,000 | \$10,000 |
| | Travel | | | |
| (b) | Planning/Design/Engineering | \$35,000 | \$35,000 | \$70,000 |
| (c) | Equipment Purchases/Rentals/ Rebates/Vouchers | | | |
| (d) | Materials/Installation/Implementation | | | |
| (e) | Implementation Verification | | | |
| (f) | Project Legal/License Fees | \$500 | \$500 | \$1,000 |
| (g) | Structures | | | |
| (h) | Land Purchase/Easement | | | |
| (i) | Environmental Compliance/Mitigation/Enhancement | \$4,000 | \$4,000 | \$8,000 |
| (j) | Construction | \$150,000 | \$150,000 | \$300,000 |
| (k) | Other (specify) (Water Quality Lab Tests) | \$5,000 | \$5,000 | \$10,000 |
| (l) | Monitoring and Assessment | \$4,500 | \$4,500 | \$9,000 |
| (m) | Report Preparation | \$16,000 | \$16,000 | \$32,000 |
| (n) | SUBTOTAL (a+ ... + m) | \$222,910 | \$220,000 | \$442,910 |
| (o) | Overhead | \$11,799 | | \$11,799 |
| (p) | Contingency (specify % used) (10%) | \$22,291 | \$22,000 | \$44,291 |
| (q) | TOTAL (n + o + p) | \$257,000 | \$242,000 | \$499,000 |

JOINT PARTICIPATION AGREEMENT FOR
LOCAL INVESTIGATIONS AND STUDIES ASSISTANCE PROGRAM FUNDING
BETWEEN
SAN DIEGO COUNTY WATER AUTHORITY
AND
SWEETWATER AUTHORITY

See: E-SW-273

THIS AGREEMENT is made this 12th day of December 2007, between the San Diego County Water Authority, a county water authority (Water Authority) and the Sweetwater Authority, a joint powers agency (Lead Agency) with respect to the following facts:

RECITALS

1. The Water Authority has established the Local Investigations and Studies Assistance Program (LISA Program), for the purpose of facilitating local agency studies and investigations of new local water supply opportunities.
2. The purpose of the LISA Program is to encourage, through assistance in project funding, local groundwater conjunctive-use studies and investigations that could lead to local water supply projects that provide new annual core (baseload) supplies or increased dry-year supplies.
3. On June 28, 2007, the Water Authority Board of Directors approved the first funding cycle for the LISA Program.
4. The Lead Agency and the Otay Water District (Co-applicant) are conducting a study of the San Diego Formation titled "*U.S. Geological Survey Study of the San Diego Formation for Potential In-lieu Conjunctive Use*" (Study) to evaluate the potential for groundwater conjunctive-use operations in that southern portion of the San Diego Formation that underlies the Sweetwater Authority service area. The primary objectives of the Study are: (1) to develop an integrated, comprehensive understanding of the geology and hydrology of the San Diego Formation, including the sustainable yield of the formation, and (2) to use this understanding to evaluate expanded use, such as in-lieu

conjunctive use of the San Diego Formation. See **Attachment A – Scope of Work** for description of work to be performed under the Study.

5. Water Authority funding for this LISA Program Agreement is being derived from groundwater conjunctive-use funding provided by the State of California Department of Water Resources (DWR) as a result of the passage of SB 1765 (1998).
6. Studies receiving funding under this Agreement must be related to groundwater conjunctive use.

Section 1. Term of Agreement

The term of the Agreement begins at the date of execution of the Agreement and ends three (3) years from the date of execution. The final invoice for reimbursement must be submitted to the Water Authority for approval and payment within three (3) years and three (3) months from the date of the execution of the Agreement.

Section 2. Work to be Performed Under this Agreement

The approved scope of work, schedule, and budget for this Agreement is included as **Attachment A – Scope of Work, Attachment B – Project Schedule, and Attachment C – Project Budget.**

Section 3. Amount of Funding and Agency Match

The Water Authority Board has approved \$1,500,000 in matching LISA Program Funds to be provided to the Lead Agency to conduct the Study. The Lead Agency match shall be equal to or greater than the total awarded funds under the LISA Program. Agency match must also be equal to or greater than 50 percent of the total project cost. Eligible Project matching funds are described in Section 4

below. The Lead Agency may designate as matching funds eligible expenditures for work conducted by the Lead Agency and Co-applicant for a period of up to two years prior to the date of the award of the grant, June 28, 2007, but reimbursement is only authorized for work done on the Study after June 28, 2007.

Contributions to the Lead Agency and the Co-applicant from: 1) private entities; and 2) public entities located outside the County of San Diego, including but not limited to the Metropolitan Water District of Southern California, the U.S. Bureau of Reclamation, U. S. Environmental Protection Agency, California Energy Commission, American Waterworks Association, etc., shall be subtracted from the cost of the Study for the purposes of calculating eligible reimbursable funds, LISA Program grant matching requirements, and total project cost.

Section 4. Eligible Agency Matching Funds

Eligible matching funds include expenditures for third party costs or in-kind specialized services conducted in-house by either the Lead Agency or Co-applicant. Overhead and general administrative services do not qualify as in-kind matching funds. Third party costs include subcontractor work for technical support services. In-kind specialized services include technical services such as GIS, environmental review, lab work, field monitoring, and direct costs for project management. Third party costs also include qualifying expenditures by the Co-applicant.

The Water Authority retains sole discretion to determine eligible matching funds based on criteria identified above. The Water Authority shall not unreasonably deny eligibility of Lead Agency or Co-applicant matching funds.

Section 5. Funding Documentation

Before the Lead Agency can request reimbursement, the Lead Agency must submit the following documents:

- a. Executed copies of any contract or agreement for professional services with respect to the Study.
- b. Proof of formal approval of the Study by its governing Board and expenditure of matching funds solely for the purpose of the Study. Proof of approval may be in the form of a copy of an adopted resolution, or minutes of a meeting of which a motion is adopted, and the copy is certified as a true copy of an official record of the agency.
- c. Documentation of expenditure of agency matching funds, including but not limited to, copies of consultant/contractor invoices and statements of agency in-house labor time and expenses (if applicable).

Section 6. Disbursement Conditions

Funding of this Agreement is contingent upon receipt by the Water Authority of funds for the Study from the California Department of Water Resources (DWR), administered under Senate Bill 1765. If the State does not appropriate sufficient funds for this program during the current year or any subsequent years covered under this Agreement, this Agreement shall be null and void. In that event, the Water Authority will have no liability to pay any funds to the Lead Agency. If payment of invoices for reimbursement is denied by DWR, the Water Authority will have no liability to pay those funds to the Lead Agency.

Matching funds must be expended first before reimbursement is requested. The Lead Agency shall submit invoices to the Water Authority on a quarterly basis. The Water Authority will prepare and submit invoices to DWR for reimbursement to Lead Agency after the following has been completed by the Lead Agency:

For each quarterly invoice, the Lead Agency shall submit the following:

- a. Four copies of the Quarterly Report and Statement of Costs, as specified in Section 8, for the period for which reimbursement is being requested.

- b. One original invoice and three (3) copies from the Lead Agency requesting reimbursement.
- c. Four copies of consultant/contractor paid invoices and documentation of payment of those invoices; documentation of in-house labor time and expenses (if applicable) for work conducted during the quarter; and any bills of materials.

Payment of Lead Agency invoices for reimbursement is contingent upon ability of the Lead Agency and the Water Authority to meet and comply with DWR Exhibit D – “Special Terms and Conditions for Department of Water Resources (Local Public Entities - Payables)” and Exhibit E – “Additional Provisions” of DWR Agreement No. 4600007621 with the Water Authority which are combined into **Attachment F** and made part of this agreement.

Section 7. Co-Applicants

Co-applicant for the Study is the Otay Water District. Sweetwater Authority shall be designated as the Lead Agency, and will bear responsibility for meeting the terms of this Agreement. Enforcement and all related correspondence of this Agreement shall be between the Water Authority and the Lead Agency only. The Lead Agency shall be responsible for submitting quarterly reports, invoices, and statement of costs for work conducted by the Lead Agency and the Co-applicant. Reimbursable funds will be distributed to the Lead Agency only.

Section 8. Quarterly Progress Reports and Statement of Costs

The Lead Agency shall submit quarterly progress reports, January 31, April 30, July 31, and October 31, on the status of the Study and a Statement of Costs. The Quarterly Progress Report shall include work completed during the previous quarter, anticipated work to be conducted during the next quarter, percent completion of tasks (as outlined in the approved schedule), and percent completion of the total Study. The Lead Agency shall use the reporting format as shown in **Attachment D – Quarterly Progress Report**.

Statement of Costs shall include the expenditures for the previous quarter and total expenditures to date. See **Attachment E – Statement of Costs** for example of Statement of Costs.

Section 9. Performance Criteria

The following performance criteria are established:

- a. Work on the approved scope must begin within six months of award of funding.
- b. Work on the approved scope must be completed within three (3) years of the date of execution of this Agreement.
- c. If the schedule lags for greater than two quarters from the schedule included as **Attachment B**, a meeting between the Lead Agency and Water Authority staff will be held to determine cause, remedies, and a possible amendment to the schedule or Agreement.
- d. If the schedule continues to lag for an additional two quarters, Water Authority staff will have a follow up meeting with Lead Agency staff to determine continued viability of the Study.
- e. A report of the outcome of the meeting(s) and recommendations regarding the continued viability of the Agreement will be made to the Water Authority General Manager.

Section 10. Withholding of Grant Disbursement by Water Authority

If the Water Authority determines that the Study is not being completed in accordance with the Performance Criteria in Section 9 and in accordance with the provisions of the Agreement, or that the Lead Agency has failed in other respects to comply substantially with the provisions of this Agreement, the Water Authority will

demand compliance. If the Lead Agency does not remedy such failure to the Water Authority's satisfaction within a reasonable period, the Water Authority may withhold from the Lead Agency all or any portion of the Water Authority grant commitment and take any other action it deems necessary to protect its interest and to meet the goals of the LISA Program.

Section 11. Acknowledgement of Credit

In the Final Study Report, and when promoting the Study or using any data and/or information developed under the Agreement, the Lead Agency shall include appropriate acknowledgement of credit to DWR (as the funding source for the LISA Program), the Water Authority, and all cost-sharing partners for their support.

Section 12. Audit Requirements

Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit for a period of three (3) years after the final payment under this Agreement with respect to all matters connected with the performance of this Agreement. All records of the Lead Agency and the Co-applicant, or their contractors or subcontractors, shall be preserved for this purpose for at least three (3) years after the completion of the Study.

Section 13. Competitive Bidding of Contracts and Procurements

The Lead Agency and Co-applicant shall comply with all applicable laws and regulations regarding securing competitive bids, payment of prevailing wages where applicable, and undertaking competitive negotiations in contracts for procurement of goods and services provided under this Agreement.

Section 14. Amendments

This Agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to

applicable law. Requests by the Agency for amendments must be in writing stating the amendment request and the reason for the request.

Any changes in project scope that are requested after the Water Authority Board has approved the funding recommendations must be submitted to the Water Authority for approval. If approved, Agreement shall be amended to reflect the scope change.

Section 15. Relationships of Parties

The Lead Agency, the Co-applicant, contractors, subcontractors, and their respective agents and employees required for performing work under this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the Water Authority.

Section 16. Project Officials and Notices

The Director of Water Resources of the Water Authority shall be the Water Authority's representative and shall have the authority to sign agreements and amendments to the agreement if needed.

The Lead Agency Project Manager shall be Michael E. Garrod. The Lead Agency Project Manager shall be Lead Agency's representative for the administration of the Agreement and shall have full authority to act on behalf of the Lead Agency, including authority to execute all payment requests. All communications given to the Lead Agency Project Manager shall be as binding as if given to the Lead Agency.

Either party may change its Project Manager upon written notice to the other party. Notices required to be given to the Water Authority in writing by the Lead Agency under this Agreement shall be sent to:

San Diego County Water Authority
Attention: LISA Program Manger – Ken Weinberg
4677 Overland Avenue
San Diego, CA 92117

Notices required to be given to the Lead Agency in writing by the Water Authority under this Agreement shall be sent to:

Sweetwater Authority
Attention: Michael E. Garrod, Project Manager
P.O. Box 2328
Chula Vista, CA 91912-2328

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

Section 17. Cooperation

The Lead Agency will provide the Water Authority with Quarterly Progress Reports as specified in Section 8. The Lead Agency will provide the Water Authority with copies of the draft and Final Study Report and any interim documents for the Water Authority staff's review and input. The Lead Agency will provide the Water Authority with reasonable access to information being developed or secured for the Study and report purposes including, upon request of the Water Authority, an audit of costs associated with the Study.

Water Authority reserves the right to conduct periodic review meetings with the Lead Agency and its project team. The purpose of these meetings is to provide a detailed update on Study progress, findings to date, and any challenges or other issues that have arisen during the Study.

Section 18. Completion

Within 90 days of the conclusion of the Study, the Lead Agency will submit to the Water Authority: (1) the final invoice for reimbursement; (2) final Statement of Costs; (3) Final Report; and (4) the Final Quarterly Progress Report. The Lead Agency shall furnish the Water Authority with two hardcopies of the final report and two electronic copies on CD.

Section 19. Defaults and Remedies

Any claim the Lead Agency may have regarding the performance of this Agreement including, but not limited to, claims for extension of time, shall be submitted to the Water Authority Director of Water Resources within thirty (30) days of the Lead Agency's knowledge of the claim. The Water Authority and the Lead Agency shall then attempt to negotiate a resolution of such claim. If a resolution is reached, an amendment to this Agreement will be processed to implement the terms of such resolution.

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the applicability of, any other remedy provided by law.

Section 20. Public Record

All reports, including the Final Report, submitted as part of the Study fall under Government Code § 6250 et. seq. are public records, and as such may be subject to public review.

Section 21. Indemnity - Hold Harmless

The Lead Agency agrees to defend, indemnify, and hold harmless the Water Authority, its officers, and employees, from all damage, injury, claims, demands, losses, and liability to the extent that the same are the result of conducting the Study, or the negligence or willful misconduct of the Lead Agency or any of its officers, employees or any other person acting pursuant to its control in performing the work under this Agreement.

Section 22. Laws and Venue

This Agreement shall be interpreted in accordance with the laws of the state of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in the county of San Diego.

Section 23. Assignment

The Lead Agency shall not assign, sublet, or transfer this Agreement or any rights or interest in this Agreement without the written consent of the Water Authority, which may be withheld for any reason.

Section 24. Integration

This Agreement represents the entire understanding of the Water Authority and the Lead Agency as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the Water Authority and the Lead Agency.

Section 25. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, registered or certified, postage prepaid, addressed to:

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attn: Ken Weinberg
Director of Water Resources

Sweetwater Authority
505 Garrett Avenue
Chula Vista, CA. 91912-2328
Attn: Michael E. Garrod, P.E.
Engineering Manager

Section 26: Signatures

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above:

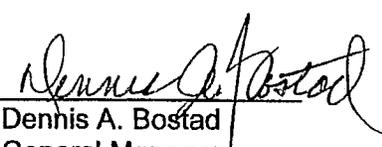
SAN DIEGO COUNTY WATER AUTHORITY

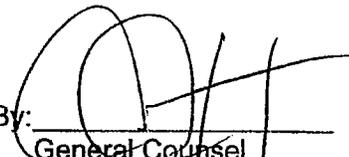
By: 
Ken Weinberg
Director of Water Resources

Approved as to form and legality:

By: 
General Counsel
San Diego County Water Authority

SWEETWATER AUTHORITY

By: 
Dennis A. Bostad
General Manager

By: 
General Counsel
Sweetwater Authority

ATTACHMENT A

SCOPE OF WORK

ATTACHMENT A

SCOPE OF WORK

Phase I

•**Task I-1: Compile geohydrologic reports and data.** This background information includes geologic maps and sections, geophysical data, offshore bathymetry, water and oil well construction and lithologic data, ground-water quality data, and surface-water discharge and quality data. These data are needed to interpret results from Phase I. A comprehensive literature review was done to augment data that was collected as part of Phase I. Electronically available USGS surface-water, ground-water, and water-quality data were reviewed and integrated into the GIS. Surficial geologic maps of the area were obtained, digitized, and incorporated in the GIS.

•**Task I-2: Collect samples of ground-water quality.** Both areal and downhole samples will be collected. The areal sample sites will be selected to include a broad distribution of the San Diego Formation throughout the watershed. The downhole samples will be collected from production wells, and will include measurement of flow within the well bore in order to optimally select the depth to collect the sample.

•**Task I-2: Analyze InSAR data.** This type of remotely sensed data obtained from satellites can be used to help determine aquifer structure, the presence of faults and other hydrologic barriers, areas of recharge and discharge, and how the aquifer responds to different pumping amounts and temporal distribution. Some of this information was obtained and combined with surficial geologic mapping to help define the extent of the aquifer.

•**Task I-3: Conduct aquifer test.** A regional aquifer test was completed and indicated that a hydrogeologic connection exists between the brackish ground-water wells that supply the Richard A. Reynolds Desalination Facility (Desalination Facility) and the National City production wells two miles to the north. This test will be helpful in calibrating the groundwater computer model.

•**Task I-4: Installed one multiple-depth monitoring well.** The multiple-depth monitoring well was constructed approximately 1.5 miles west of the National City production wells on the San Diego Navy Base. In addition to standard lithologic and geophysical logging, core samples were taken from selected depths and analyzed for physical and chemical characteristics. The wells were constructed to provide long-term monitoring of depth-dependent water levels and water quality.

•**Task I-5: Create a public website.** This project website [ca.water.usgs.gov/sandiego] integrates and presents the data and information

collected in tasks I-1 through I-4.

The scope mentioned above, has been primarily funded by the Sweetwater Authority, with a total cost of approximately \$2 million. Sweetwater will be submitting costs of \$750,000, associated with funds spent from July 1, 2005 to June 30, 2007 in Phase I of the USGS study, as Sweetwater's share of the matching funds for the LISA program. Otay's matching funds will be part of the Phase II portion of the study.

Phase II

Phase II extends the findings of Phase I into the adjacent Otay River drainage basin, which is the southerly side of the Sweetwater River drainage basin. The approach is similar to Phase I, focusing primarily on integrating geologic data with ground-water quality constituents that identify the age, source, and three-dimensional movement of ground water.

•**Task II-1: Measure depth-dependent flow rate and collect depth-dependent water quality samples from selected production or monitoring wells in the Otay River Basin.** Following measurement of the depth-dependent flow rate of each well, samples will be collected from specific depths and then analyzed for major and minor ions, selected trace elements, tritium, and stable isotopes of oxygen and hydrogen.

•**Task II-2: Collect samples of ground-water quality.** A single composite water sample will be obtained from each selected wells and will be analyzed for major and minor ions, selected trace elements, nutrients, dissolved oxygen, noble gases, tritium, carbon-14, and stable isotopes of oxygen and hydrogen. Wells to be sampled will be selected based on their broad distribution covering the horizontal distribution of the San Diego Formation in the Otay River drainage basin. Candidate wells include a multiple-depth piezometer well that was previously installed and sampled by the USGS.

•**Task II-3a: Install multiple-depth monitoring well in the Otay River basin.** In addition to standard lithologic and geophysical logging, core samples will be taken from selected depths and analyzed for physical and chemical characteristics. The wells will be constructed to provide long-term monitoring of depth-dependent water levels and water quality. A total of three wells will be drilled through the San Diego Formation in the Otay River drainage basin.

•**Task II-3b: Install one multiple-depth monitoring well in the Sweetwater River basin.** This monitoring well will be constructed near the existing production wells that provide water to the Desalination Facility in Chula Vista. The well will be constructed to provide long-term monitoring of depth-dependent water levels and water quality.

•**Task II-3c: Install one multiple-depth monitoring well with the location to be determined.** This monitoring well will be constructed in the San Diego Formation, but the location has not yet been determined.

•**Task II-3c: Install one multiple-depth monitoring well with the location to be determined.** This monitoring well will be constructed in the San Diego

Formation, but the location has not yet been determined.

•**Task II-4: Collect and analyse geophysical and remotely-sensed data.** Types of data include surficial and airborne (gravity, aeromagnetic, seismic, InSAR, bathymetric) and borehole geophysics. This analysis will allow interpolation of point data of geologic formations throughout the drainage basins.

•**Task II-5: Data analysis and interpretation.** Data collected as part of Phase II will be analyzed together with data from Phase I in order to critique and expand the Phase I findings. The interpretation will include the regional geologic mapping, lithologic data from wells, surface and borehole geophysical data, InSAR data, GIS coverages, and historical surface-water and ground-water quality data.

•**Task II-6: Develop a water budget.** A comprehensive surface-water and ground-water budget will facilitate understanding of these systems. The budget also will provide the necessary data for development of simulation and optimization models.

•**Task II-7: Develop a regional ground-water flow model.** This interpretative tool will facilitate a better understanding of how the surface-water and ground-water systems interrelate, and will provide a basis for quantitative analysis of regional water operations. If necessary, the flow model will be modified to include the density effects of brackish and saline water.

•**Task II-8: Develop a simulation-optimization model.** A constrained optimization model will be linked to the regional ground-water flow model in order to quantitatively analyze water-management plans.

•**Task II-9: Evaluate optimal water management.** Alternative water management plans will be evaluated and compared with results from the simulation-optimization model. Specific topics to be analyzed can include in-lieu conjunctive use, effects of ground-water extraction, and enhanced interaction between rivers and near-surface ground water.

•**Task II-10: Prepare technical reports.** USGS technical reports will be prepared documenting and summarizing the geology and hydrology of the San Diego Formation.

The cost of Phase II would be approximately \$2.25 million for the work to be completed between July 1, 2007 and June 30, 2010. Sweetwater will be submitting costs of \$750,000, associated with funds spent for Phase I of the USGS study from July 1, 2005 to June 30, 2007 for Phase I of the USGS study, as Sweetwater's share of the matching funds for the LISA program.

ATTACHMENT B
PROJECT SCHEDULE

Attachment B Schedule for USGS Studies of the San Diego Formation

| ID | Task Name | Duration | Start | Finish | 2005 | | | 2006 | | | 2007 | | | 2008 | | | 2009 | | | 2010 | | | | |
|----|---|-----------|-------------|--------------|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|--|--|
| | | | | | Apr | Jul | Oct | Jan | Apr | Jul | Oct | Jan | Apr | Jul | Oct | Jan | Apr | Jul | Oct | Jan | Apr | Jul | | |
| 1 | Construct Multi-Depth Monitoring Well No. 1 | 66 days | Mon 4/3/06 | Mon 7/3/06 | | | | | | | | | | | | | | | | | | | | |
| 2 | Construct Multi-Depth Monitoring Well No. 2 | 66 days | Mon 10/1/07 | Mon 12/31/07 | | | | | | | | | | | | | | | | | | | | |
| 3 | Construct Multi-Depth Monitoring Well No. 3 | 66 days | Tue 4/1/08 | Tue 7/1/08 | | | | | | | | | | | | | | | | | | | | |
| 4 | Construct Multi-Depth Monitoring Well No. 4 | 66 days | Wed 10/1/08 | Wed 12/31/08 | | | | | | | | | | | | | | | | | | | | |
| 5 | Water Quality Sampling | 1110 days | Fri 7/1/05 | Thu 10/1/09 | | | | | | | | | | | | | | | | | | | | |
| 6 | Groundwater Computer Model | 914 days | Mon 7/3/06 | Thu 12/31/09 | | | | | | | | | | | | | | | | | | | | |
| 7 | Preliminary GW Model Complete | 0 days | Mon 6/2/08 | Mon 6/2/08 | | | | | | | | | | | | | | | | | | | | |
| 8 | Report | 261 days | Wed 7/1/09 | Wed 6/30/10 | | | | | | | | | | | | | | | | | | | | |

| | | | | | | |
|--|----------|--|-----------------|--|--------------------|--|
| Project: LISA Schedule Date: Wed 11/21/07 | Task | | Milestone | | External Tasks | |
| | Split | | Summary | | External Milestone | |
| | Progress | | Project Summary | | Deadline | |

ATTACHMENT C
PROJECT BUDGET

ATTACHMENT C

USGS Study of the San Diego Formation for Potential In-lieu Conjunctive Use

Phase 1

| | | | |
|-----------------|--|-----------|----------------|
| Task I-1 | Compile geohydrologic reports and data | \$ | 60,000 |
| Task I-2 | Collect water-quality data | \$ | 200,000 |
| Task I-2 | Analyze InSAR data | \$ | 30,000 |
| Task I-3 | Conduct aquifer test | \$ | 50,000 |
| Task I-4 | Install one multiple-depth monitoring well | \$ | 350,000 |
| Task I-5 | Create a public website | \$ | 60,000 |
| Subtotal | | \$ | 750,000 |

Phase II

| | | | |
|-----------------|--|-----------|------------------|
| Task II-1 | Measure depth-dependent flow rate | \$ | 50,000 |
| Task II-2 | Collect samples of ground-water quality | \$ | 50,000 |
| Task II-3a | Install multiple-depth monitoring well in the Otay River basin | \$ | 400,000 |
| Task II-3b | Install one multiple-depth monitoring well in the Sweetwater River basin | \$ | 400,000 |
| Task II-3c | Install one multiple-depth monitoring well, location to be determined. | \$ | 400,000 |
| Task II-4 | Collect and analyze geophysical and remotely sensed data | \$ | 30,000 |
| Task II-5 | Data analysis and interpretation | \$ | 250,000 |
| Task II-6 | Develop a water budget | \$ | 50,000 |
| Task II-7 | Develop a regional ground-water flow model | \$ | 300,000 |
| Task II-8 | Develop a simulation-optimization model | \$ | 100,000 |
| Task II-9 | Evaluate optimal water management | \$ | 100,000 |
| Task II-10 | Prepare final report | \$ | 120,000 |
| Subtotal | | \$ | 2,250,000 |
| Total | Phase I and II | \$ | 3,000,000 |

ATTACHMENT D

QUARTERLY PROGRESS REPORT
FORM

ATTACHMENT D
Quarterly Technical Progress Report #1

Covering Period: January 1, 200X to March 31, 200X

Project Title: Project Title

Recipient : Name of Agency
Address

Partners: Co-applicants
Consultants

Contact Person: Name
Contact information

Date Submitted: Date

Name, Title

Signed, Reviewed by designated representative

1. Project Objective:

Discuss overall project objective

2. Project Description / Background:

Describe the project and project background

3. Progress and Status:

List project progress and status by task, including work completed during the reporting quarter and work anticipated to be conducted during the next quarter.

4. Percent Complete of Total Project:

Indicate total percent completion of project

5. Deliverables:

List deliverables, if any, for this reporting period. This may include any intermediate reports that were completed during the reporting period

6. Expenditures:

Expenditures for work performed on the project to date are as follows:

| | Previous expenditures | This Quarter | Total to Date | Total Budget | Remaining Budget |
|-----------------------|-----------------------|--------------|---------------|--------------|------------------|
| Task 1 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 2 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 3 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 4 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 5 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 6 - Task name | \$0 | \$0 | \$0 | \$0 | \$0 |
| Task 9 - Final Report | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |

7. Schedule Status:

Discuss project schedule status, including any delays that may have been encountered

8. Plans for Next Quarter:

Summarize the work plans for the next quarter

9. Attachments:

Discuss any attachments to the report

10. Miscellaneous Issues

Discuss any miscellaneous issues encountered during the quarter

All quarterly reports should be publicly disclosable and not contain confidential, proprietary or business sensitive information.

ATTACHMENT E
STATEMENT OF COSTS

Attachment E - Statement of Costs

Invoice

1

Date Prepared: Date
Organization: Member Agency Name
Grant Title: LISA Program
Project Title: Title of Project
Invoice Period: From Date To Date

Invoice Amount (Reimbursable)

Budget Summary - 4th Quarter Calendar Year 2007

| | Agency Cost Share | | | | Reimbursable | | | |
|----------------------|-----------------------|-----------------------------|------------------------|-----------------|-----------------------|-------------------------|------------------------|-----------------|
| | Prior Amount Expended | Amount Expended for Quarter | Total Expended to Date | Contract Budget | Prior Amount Invoiced | Current Amount Invoiced | Total Invoiced to Date | Contract Budget |
| Task 1 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Task 2 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Task 3 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Task 4 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Task 5 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Task 6 (name) | | | | | | | | |
| 3rd Party | | | | | | | | |
| Inkind | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Subtotal \$0.00 **Subtotal** \$0.00
Grand total \$0

ATTACHMENT F

SELECTED
DWR EXHIBITS D & E

OF AGREEMENT
WITH
SAN DIEGO COUNTY WATER
AUTHORITY

**EXHIBIT D—Special Terms and Conditions for
Department of Water Resources
(Local Public Entities - Payables)**

1. **RESOLUTION OF DISPUTES:** In the event of a dispute, Contractor shall file a "Notice of Dispute" with the Director or the Director's Designee within ten (10) days of discovery of the problem. The State and Contractor shall then attempt to negotiate a resolution of such claim and, if appropriate, process an amendment to implement the terms of any such resolution. If the State and Contractor are unable to resolve the dispute, the decision of the Director or the Director's Designee shall be final, unless appealed to a court of competent jurisdiction.

In the event of a dispute, the language contained within this agreement shall prevail over any other language including that of the bid proposal.
2. **PAYMENT RETENTION CLAUSE:** Ten percent of any progress payments that may be provided for under this contract shall be withheld per Public Contract Code Section 10346 pending satisfactory completion of all services under the contract.
3. **RENEWAL OF CCC:** Contractor shall renew the Contractor Certification Clauses or successor documents every (3) years or as changes occur, whichever occurs sooner.
4. **AGENCY LIABILITY:** The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
5. **POTENTIAL SUBCONTRACTORS:** Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or enforce the payment of any moneys to any subcontractor.
6. **SUBCONTRACTING:** "Should it be necessary to subcontract for supplemental services or specialists, the Contractor shall obtain prior written consent from DWR. If the subcontracts total more than \$50,000 or 25% of the total contract, whichever is less, then the Contractor must certify that the subcontractor has been selected by the Contractor pursuant to a bidding process requiring at least three bids from responsible bidders or pursuant to the procedures set forth in Government Code Section 4525 et seq., as applicable. If Contractor is unable to obtain three competitive bids or three Statement of Qualifications, Contractor shall submit a written explanation to DWR. DWR will then decide whether to seek authorization to allow Contractor to proceed with the proposed subcontract. Contractors shall assure that all administrative fees for subcontracts are reasonable considering the services being provided and the oversight required. Contractor shall only pay overhead charges on the first \$25,000 for each subcontract."

7. **COMPUTER SOFTWARE:** For contracts in which software usage is an essential element of performance under this Agreement, the Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. **REPORT OF RECYCLED CONTENT CERTIFICATION:** In accordance with Public Contract Code Sections 12200, 12205, 12209, and 12156(e), the contractor must complete and return the form DWR 9557, Recycled Content Certification, for each required products to the Department at the conclusion of the services specified in this contract. Form DWR 9557 is attached to this Exhibit and made a part of this contract by this reference.
9. **REIMBURSEMENT CLAUSE:** If applicable, travel and per diem expenses to be reimbursed under this contract shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations. Contractor's designated headquarters for the purpose of computing such expenses shall be: San Diego, California.
10. **TERMINATION CLAUSE:** The State may terminate this contract without cause upon 30 days advance written notice. The Contractor shall be reimbursed for all reasonable expenses incurred up to the date of termination.
11. **CONFLICT OF INTEREST:**
 - a. **Current and Former State Employees:** Contractor should be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.
 - (1) **Current State Employees:** (PCC §10410)
 - (a) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
 - (b) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
 - (2) **Former State Employees:** (PCC §10411)
 - (a) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
 - (b) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.
 - b. **Penalty for Violation:**
 - (a) If the Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC §10420)

c. Members of Boards and Commissions:

- (a) Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC §10430 (e))

d. Representational Conflicts of Interest:

The Contractor must disclose to the DWR Program Manager any activities by contractor or subcontractor personnel involving representation of parties, or provision of consultation services to parties, who are adversarial to DWR. DWR may immediately terminate this contract if the contractor fails to disclose the information required by this section. DWR may immediately terminate this contract if any conflicts of interest cannot be reconciled with the performance of services under this contract.

e. Financial Interest in Contracts:

Contractor should also be aware of the following provisions of Government Code §1090:

"Members of the Legislature, state, county district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity."

f. Prohibition for Consulting Services Contracts:

For consulting services contracts (see PCC §10335.5), the Contractor and any subcontractors (except for subcontractors who provide services amounting to 10 percent or less of the contract price) may not submit a bid/SOQ, or be awarded a contract, for the provision of services, procurement of goods or supplies or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of such a consulting services contract (see PCC §10365.5).

1. Postconsumer material comes from products that were bought by consumers, used, then recycled. For example: a newspaper that has been purchased and read, next recycled, and then used to make another product would be postconsumer material.

If the product does not fit into any of the product categories, enter "N/A". Common N/A products include wood products, natural textiles, aggregate, concrete, electronics such as computers, TV, software on a disk or CD, telephone.

2. Product category refers to one of the product categories listed below, into which the reportable purchase falls. For products made from multiple materials, choose the category that comprises most of the product by weight, or volume.

Note: For reuse or refurbished products, there are no minimum content requirements.

For additional information visit www.ciwmb.ca.gov/BuyRecycled/

| Description Product Categories | Minimum Content Requirement |
|---|--|
| Paper Products – Recycled | 30 percent postconsumer fiber, by fiber weight |
| Printing and Writing – Recycled | 30 percent postconsumer fiber, by fiber weight |
| Compost, Co-compost, and Mulch – Recycled | 80 percent recovered materials i.e., material that would otherwise be normally disposed of in a landfill |
| Glass – Recycled | 10 percent postconsumer, by weight |
| Re-refined Lubricating Oil – Recycled | 70 percent re-refined base oil |
| Plastic – Recycled | 10 percent postconsumer, by weight |
| Printer or duplication cartridges | <ul style="list-style-type: none"> a. Have 10 percent postconsumer material, or b. Are purchased as remanufactured, or c. Are backed by a vendor-offered program that will take back the printer cartridges after their useful life and ensure that the cartridges are recycled and comply with the definition of recycled as set forth in Section 12156 of the Public Contract Code. |
| Paint – Recycled | 50 percent postconsumer paint (exceptions when 50 percent postconsumer content is not available or is restricted by a local air quality management district, then 10 percent postconsumer content may be substituted) |
| Antifreeze – Recycled | 70 percent postconsumer material |
| Retreated Tires – Recycled | Use existing casing that has undergone retreading or recapping process in accordance with Public Resource Code (commencing with section 42400). |
| Tire – Derived – Recycled | 50 percent post consumer tires |
| Metals – Recycled | 10 percent postconsumer, by weight |

TRAVEL AND PER DIEM EXPENSES

I. SHORT-TERM PER DIEM EXPENSES

A. In computing reimbursement for continuous short-term travel of more than 24 hours and less than 31 consecutive days, the employee will be reimbursed for actual costs up to the maximum allowed for each meal, incidental, and lodging expense for each complete 24 hours of travel, beginning with the traveler's times of departure and return, as follows:

1. On the first day of travel on a trip of 24 hours or more:

| | |
|----------------------------------|--|
| Trip begins at or before 6 a.m. | Breakfast may be claimed on the first day. |
| Trip begins at or before 11 a.m. | Lunch may be claimed on the first day. |
| Trip begins at or before 5 p.m. | Dinner may be claimed on the first day. |

2. On the fractional day of travel at the end of a trip of more than 24 hours:

| | |
|------------------------------|---------------------------|
| Trip ends at or after 8 a.m. | Breakfast may be claimed. |
| Trip ends at or after 2 p.m. | Lunch may be claimed. |
| Trip ends at or after 7 p.m. | Dinner may be claimed. |

If the fractional day includes an overnight stay, receipted lodging may also be claimed. No meal or lodging expense may be claimed or reimbursed more than once on any given date or during any 24-hour period.

3. Reimbursement shall be for actual expenses, subject to the following maximum rates:

Meals:

| | | |
|-------------|----------|---|
| Breakfast | \$ 6.00 | Receipts are not required for regular short-term travel meals |
| Lunch | \$ 10.00 | |
| Dinner | \$ 18.00 | |
| Incidentals | \$ 6.00 | |

Lodging:

| | |
|-----------|-------------------------------|
| Statewide | Actual up to \$84.00 plus tax |
|-----------|-------------------------------|

When required to conduct State business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging to a maximum of \$110 plus tax.

When required to conduct State business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging to a maximum of \$140 plus tax.

If lodging receipts are not submitted, reimbursement will be for meals only at the rates and time frames set forth in B#1 below.

B. In computing reimbursement for continuous travel of less than 24 hours, actual expenses, up to the maximums in #3 above, will be reimbursed for breakfast and/or dinner and/or lodging in accordance the following time frames:

1. Travel begins at or before 6 a.m. and ends at or after 9 a.m.: Breakfast may be claimed. Travel begins at or before 4 p.m. and ends at or after 7 p.m.: Dinner may be claimed. If the trip of less than 24 hours includes an overnight stay, receipted lodging may be claimed. No lunch or incidentals may be reimbursed on travel of less than 24 hours.

2. Employees on short-term travel who stay in commercial lodging establishments or **commercial campgrounds** will be reimbursed for actual lodging expenses substantiated by a receipt. Employees who stay with friends or relatives, or who do not produce a lodging receipt, will be eligible to claim meals only.

II. LONG-TERM TRAVEL AND PER DIEM EXPENSES

A. Employee maintains a separate residence in the headquarters area:

1. Long-term travelers who maintain a permanent residence at their primary headquarters may claim daily long-term lodging up to \$24.00 with a receipt, and long-term meals of \$24.00 for each period of travel from 12 to 24 hours at the long-term location. For travel of less than 12 hours, the traveler may claim either \$24.00 in receipted lodging or \$24.00 in long-term meals.

B. Employee does not maintain a separate residence in headquarters area:

1. Long-term travelers who do not maintain a permanent residence at their headquarters may claim daily receipted lodging up to \$12.00, and long-term meals of \$12.00 for each period of travel from 12 to 24 hours at the long-term locations. For travel of less than 12 hours, the travelers may claim either \$12.00 in receipted lodging or \$12.00 in long-term meals.

III. MILEAGE REIMBURSEMENT

Reimbursement for personal vehicle mileage is 48.5 cents per mile.

There is no specific rate determined for the reimbursement for personal vehicle mileage using a specialized vehicle that has been modified to accommodate disabilities. In these cases, the 48.5 cents per mile reimbursement will apply.

IV. VEHICLE RENTAL

Reimbursement for vehicle rental shall be for actual and necessary costs of such rental and airplane usage shall be allowed at the lowest fare available. Claims for reimbursements shall be allowed upon submittal of the appropriate receipt. Refer to California Code of Regulations, Title 2, Sections 599.627 and 599.628.

EXHIBIT E
ADDITIONAL PROVISIONS

1. **COPYRIGHT**: All rights in copyright works created by Contractor and any subcontractors in the performance of work under this Agreement are the property of State, Department of Water Resources. State shall grant Contractor a royalty-free, nonexclusive, nontransferable, irrevocable license to reproduce, prepare derivative works and distribute copies of the deliverables so long as such deliverables are used for government, and not commercial, purposes.
2. **PUBLIC WORKS AGREEMENTS**: Contractor shall comply with the language stated in the Standard Clauses for Public Works, DWR 4197, Attachment 1, and the Standard California Nondiscrimination Construction Contract Specifications, Std. 18, Attachment 2. Contractor must use prevailing wage rates for the Apprentice Electrician, Journeyman Electrician, Laborer, and any other classifications used in the performance of the work specified in the Scope of Work. Contractor can access these rates on the internet at <http://www.dir.ca.gov> or by calling the California Department of Industrial Relations at (415) 703-4774 in San Francisco for paper copies of the rates.
3. **PREVAILING WAGES**: Labor Code Certifications.
 - a. Contractor is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code and Contractor and any subcontractors will comply with such provisions before commencing the performance of the work of this contract.
 - b. In accordance with the applicable provisions of the Labor Code, the Contractor and any subcontractors shall pay their employees Prevailing Wages for the performance of work. The Director of the State Department of Industrial Relations has made the general prevailing wage rate determination covering the locality where work on this contract is to be performed. The general prevailing wage rates can be obtained from the Department of Industrial Relations or any source authorized by the Department of Industrial Relations. On the Internet, they can be found at www.dir.ca.gov. A copy of the general prevailing wage rates is also on file at the State Department of Water Resources 1416 9th Street, Sacramento CA and is available to any interested party on request. The Contractor agrees to post a copy of the applicable general prevailing wage rates for the locality of each job site.
 - c. It is hereby mutually agreed that, pursuant to Labor Code section 1775, the Contractor shall forfeit to the State 50 dollars (\$50) for each calendar day, or portion thereof, for each worker paid by him or her, or subcontractor under him or her, less than the prevailing wage so stipulated and in addition, the Contractor further agrees to pay to each worker the difference between the actual amount paid for each calendar day, or portion thereof, and the stipulated prevailing wage rate for the same. This provision shall not apply to properly registered apprentices.
 - d. It is further agreed that the maximum hours a worker is to be employed is limited to eight hours a day and 40 hours a week and the contractor shall forfeit, as a penalty to the State, twenty-five dollars (\$25) for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than 40 hours in any calendar week, in violation of Labor Code sections 1810-1815, inclusive.
 - e. Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the contract.

- e. Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered. The Contractor and each subcontractor must comply with the requirements of Labor Code section 1775.5 and any related regulations regarding the employment of registered apprentices.
 - f. Contractor and any subcontractors shall comply with all other applicable Labor Code requirements, including section 1776 regarding record keeping.
4. PERMITS AND LICENSES: Contractor shall procure all permits and licenses, pay all charges and fees and give all notices necessary and incidental to the due and lawful prosecution of the work.
5. PROGRESS PAYMENTS: Progress payments are permitted for tasks completed under this contract. Ten percent of the invoiced amount shall be withheld pending final completion of each task. Any funds withheld with regard to a particular task may be paid upon completion of that task.

**STANDARD CLAUSES –
GENERAL CONDITIONS FOR PUBLIC WORKS AND/OR DRILLING CONTRACTS**

LICENSE. No bidder may bid on work for which it is not properly licensed by the Contractor's State License Board. Joint Venture bidders must possess a Joint Venture License. Bidders for this Agreement must have _____ classification(s) of contractor's license. Provide license number and expiration date and certify under penalty of perjury that the foregoing is true and correct.

EXAMINATION OF BID DOCUMENTS AND SITE. Bidder shall carefully examine site of work, plans and specifications. The bidder shall investigate conditions, character, quality of surface, or subsurface materials or obstacles to be encountered. No additions to the contract amount will be made because of the Contractor's failure to examine the site of work, plans and specifications.

SUBCONTRACTORS. (See Public Contract Code Section 4104.) The bidder shall set forth in its bid:

- a. The name and business address of each subcontractor who will perform work or labor or render services in an amount in excess of one-half of one percent (.5%) of the General Contractor's total bid; and
- b. The portion of work to be done by each subcontractor. (See Public Contract Code Section 4104.)

PAYMENT BOND. The Contractor shall furnish, concurrently with signing the contract, a Payment Bond to Accompany Construction Contract, Standard Form 807, in an amount not less than 100% of the amount of the contract when the contract exceeds \$5000 (for non-construction drilling contracts, when the contract exceeds \$25,000). Such bond shall be executed by the Contractor and a corporate surety approved by the State.

NOTICE. Failure to obtain a payment bond within ten (10) days of notification of award shall cause the State to reject the bid.

WORKERS' COMPENSATION INSURANCE CERTIFICATION. Upon execution of the contract, the Contractor shall provide the State either with a certificate of insurance issued by an insurance carrier licensed to write workers' compensation insurance in the State of California, including the name of the carrier and date of expiration of the insurance, or a certificate of consent to self insure issued by the Director of the Department of Industrial Relations.

PREVAILING WAGE. It is hereby mutually agreed that the Contractor shall forfeit to the State a penalty of \$50 for each calendar day, or portion thereof, for each worker paid by it, or subcontractor under it, less than the prevailing wage so stipulated. In addition the Contractor further agrees to pay to each worker the difference between the actual amount paid for each calendar day, or portion thereof, and the stipulated prevailing wage rate for the same. This provision shall not apply to properly registered apprentices.

MAXIMUM HOURS. It is further agreed that the maximum hours a worker is to be employed is limited to 8 hours a day and 40 hours a week and the Contractor shall forfeit, as a penalty to the State, \$25 for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than 8 hours in any calendar day or more than 40 hours in any calendar week in violation of Labor Code Sections 1810-1815, inclusive.

TRAVEL AND SUBSISTENCE PAYMENTS. Travel and subsistence payments shall be paid to each worker needed to execute the work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with Labor Code Section 1773.8.

APPRENTICES. Properly registered apprentices may be employed in the prosecution of the work. Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered. The Contractor and each subcontractor must comply with the requirements of Labor Code Section 1777.5 and any related regulations regarding the employment of registered apprentices.

SUBSTITUTIONS. Pursuant to Section 3400 of the Public Contract Code, should the Contractor seek to substitute a brand of materials other than specified, the Contractor shall submit data substantiating the request for substitution of "an equal" item. The substantiating data must be presented for approval within thirty-five (35) days after the award of the agreement. The State shall be the sole judge as the comparative quality and suitability of "an equal" item.

ANTI-TRUST CLAIMS. The Contractor offers and agrees and will require all of his subcontractors and suppliers to agree to assign to the awarding body all rights, title, and interest in and to all causes of action they may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act [Chapter 2 (commencing with Sec. 165700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchases of goods, services, or materials, pursuant to the public works contract or the subcontract. The assignment made by the Contractor and all additional assignments made by the subcontractors and suppliers shall be deemed to have been made and will become effective at the time the awarding body tenders final payment to the Contractor, without further acknowledgment or the necessity of tendering to the awarding body any written assignments.

If an awarding body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under Government Code Sections 4550-4554, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.

Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under Government Code Section 4550-4554, if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

PROGRESS PAYMENTS.

- a. Ten percent of any progress payments that may be provided for under this contract shall be withheld pending satisfactory completion of all services under the contract. The Contractor may substitute securities for such retentions and receive any interest accrued provided in Section 22300 of the Public Contract Code.
- b. Upon execution of the contract, the Contractor shall furnish a faithful performance bond for not less than the total amount payable under the contract if the contract exceeds \$10,000 and progress payments will be made.

PAYROLL RECORDS. The Contractor and each subcontractor shall comply with Labor Code Section 1776 regarding payroll records.

NONCOLLUSION AFFIDAVIT. All bidders shall submit with their bids a signed and notarized Noncollusion Affidavit (DWR 4206). (Not required for non-construction drilling contracts.)

LABOR CODE PROVISIONS. Pursuant to Sections 1770 et seq. of the California Labor Code, the Director of the State Department of Industrial Relations has made the general prevailing wage determination covering the locality where work for this contract is to be performed. The general prevailing wage rates can be obtained from the Department of Industrial Relations or any source authorized by the Department of Industrial Relations. They are also made available at

www.dir.ca.gov/.

The Contractor agrees to post a copy of the **General Prevailing Wage Determination** for the locality of each job site. The Contractor also agrees to comply with all requirements of the California Labor Code and to pay for the forfeiture penalties and monies, which may become due as provided in Sections 1775 and 1813 of that Code.

UNDOCUMENTED ALIENS. No bidder or Contractor shall be eligible to bid for or receive a public works or purchase contract, who has, in the preceding five years, been convicted of violating a State or federal law respecting the employment of undocumented aliens.

SUBSTITUTION OF SUBCONTRACTORS. A prime contractor whose bid is accepted may not substitute a subcontractor listed in the original bid unless the provisions of PCC 4107 or 4107.5 apply and a hearing is held, if required.

**STANDARD CALIFORNIA NONDISCRIMINATION
CONSTRUCTION CONTRACT SPECIFICATIONS**
(GOVERNMENT CODE, SECTION 12990)

STD. 18 (REV. 1/85)

These specifications are applicable to all state contractors and subcontractors having a construction contract or subcontract of \$5,000 or more.

1. As used in the specifications:
 - a. "Administrator" means Administrator, Office of Compliance Programs, California Department of Fair Employment and Housing (DFEH), or any person to whom the Administrator delegates authority;
 - b. "Minority" includes:
 - (i) Black (all persons having primary origins in any of the black racial groups of Africa, but not of Hispanic origin);
 - (ii) Hispanic (all persons of primary culture or origin in Mexico, Puerto Rico, Cuba, Central or South America or other Spanish derived culture or origin regardless of race);
 - (iii) Asian/Pacific Islander (all persons having primary origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); and
 - (iv) American Indian/Alaskan Native (all persons having primary origins in any of the original peoples of North America and who maintain culture identification through tribal affiliation or community recognition).
2. Whenever the contractor or any subcontractor subcontracts a portion of the work, it shall physically include in each subcontract of \$5,000 or more the non-discrimination clause in this contract directly or through incorporation by reference. Any subcontract for work involving a construction trade shall also include the Standard California Construction Contract Specifications either directly or through incorporation by reference. Any subcontract for work involving a construction trade shall also include the Standard California Construction Contract Specifications, either directly or through incorporation by reference.
3. The contractor shall implement the specific non-discrimination standards provided in paragraphs 6(a) through (e) of these specifications.
4. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations under these specifications, Government Code, Section 12990, or the regulations promulgated pursuant thereto.
5. In order for the nonworking training hours of apprentices and trainees to be counted, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor or the California Department of Industrial Relations.
6. The contractor shall take specific actions to implement its nondiscrimination program. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor must be able to demonstrate fully its efforts under Steps a. through e. below:
 - a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and at all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women each construction project. The contractor shall specifically ensure that all leadpersons, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor's obligations to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - b. Provide written notification within seven days to the director of DFEH when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.
 - c. Disseminate the Contractor's equal employment opportunity policy by providing notice of the policy to unions and training, recruitment and outreach programs and requesting their cooperation in assisting the Contractor to meet its obligations; and by posting the company policy on bulletin boards accessible to all employees at each location where construction work is performed.

- d. Ensure all personnel making management and employment decisions regarding hiring, assignment, layoff, termination, conditions of work, training, rates of pay or other employment decisions, including all supervisory personnel, superintendents, general leadpersons, on-site leadpersons, etc., are aware of the Contractor's equal employment opportunity policy and obligations, and discharge their responsibilities accordingly.
 - e. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the equal employment opportunity policy and the Contractor's obligations under these specifications are being carried out.
7. Contractors are encouraged to participate in voluntary associations which assist in fulfilling their equal employment opportunity obligations. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's.
 8. The Contractor is required to provide equal employment opportunity for all minority groups, both male and female, and all women, both minority and nonminority. Consequently, the Contractor may be in violation of the Fair Employment and Housing Act (Gov. Code Section 12990 et seq.) if a particular group is employed in a substantially disparate manner.
 9. Establishment and implementation of a bona fide affirmative action plan pursuant to Section 8104(b) of this Chapter shall create a rebuttable presumption that a contractor is in compliance with the requirements of Section 12990 of the Government Code and its implementing regulations.
 10. The Contractor shall not use the nondiscrimination standards to discriminate, harass or allow harassment against any person because of race, color, religious-creed, sex, national origin, ancestry, disability (including HIV and AIDS), medical condition (cancer), age, marital status, or denial of family and medical care leave and denial of pregnancy disability leave.
 11. The Contractor shall not enter into any subcontract with any person or firm decertified from state contracts pursuant to Government Code Section 12990.
 12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and the nondiscrimination clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Government Code Section 12990 and its implementing regulations by the awarding agency. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Government Code Section 12990.
 13. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company equal employment opportunity policy is being carried out, to submit reports relating to the provisions hereof as may be required by OCP and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status, (e.g., mechanic, apprentice trainee, helper or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in any easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

AGENDA ITEM 6



STAFF REPORT

| | | | |
|-----------------------------|---|-------------------------|------------------------|
| TYPE MEETING: | Regular Board | MEETING DATE: | March 4, 2009 |
| SUBMITTED BY: | Ron Ripperger <i>RR</i> Engineering Manager | PROJECT/ SUBPROJECT: | N/A DIV. 3 NO. |
| | Scott Kube <i>S.K.</i> Utility Services Manager | | |
| APPROVED BY: (Chief) | Rod Posada <i>R. Posada</i> Chief, Engineering | | |
| | Pedro Porras <i>P. Porras</i> Chief, Water Operations | | |
| APPROVED BY: (Asst. GM): | Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations | | |
| SUBJECT: | Create a new CIP project for the Ruxton Avenue Utility Relocations Project and waive the requirement of the District Purchasing Manual regarding competitive bids | | |

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board authorizes the General Manager to create a new CIP project for the Ruxton Avenue Utility Relocations in the amount of \$100,000 (see Exhibit A for project location) and to reimburse TC Construction in an amount not to exceed \$25,000 for pipeline repairs on the project.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board approval authorizing the General Manager to create a new CIP project for the Ruxton Avenue Utility Relocations in an amount not to exceed \$100,000, and to reimburse TC Construction in an amount not to exceed \$25,000 for pipeline repairs on the project.

ANALYSIS:

During each fiscal year, the District receives a variety of requests from other agencies to review their plans for upcoming projects such as new construction or road improvements. District Staff reviews the plans and responds as to whether or not there are any conflicts with District facilities. In general, these requests are minor in nature requiring primarily plan check review and, in some cases, some relocation of appurtenances in the field. There is really no way of knowing what requests will be received during the year and therefore, no way to budget for this work in the CIP budget. The minor relocations are completed by the Operations Department and funded from the Operating Budget.

When District facilities are in conflict with other agency proposed improvements, the first order of business is for Staff to determine if the District has prior and superior rights. In the case where the District has prior rights the requesting agency is responsible for paying all costs to relocate any facilities, if needed. When the District does not have prior rights then the cost for any relocation must be borne by the District.

Staff received the first request to review plans from the County of San Diego (County) for Ruxton Avenue in July, 2007. Staff reviewed the 30% plans and determined that there was an impact to District facilities. Staff requested a redesign of the County plans to avoid conflicts with District pipelines. In November 2007, Staff received a 70% design which addressed the Staff's concerns contingent upon pothole information. Staff potholed the pipelines and provided the information to the County. After the potholing was completed the suggestion was made to abandon a section of 8-inch pipeline in the intersection of Jamacha Boulevard and Ruxton Avenue to avoid having to relocate a portion of the pipeline due to the conflict with the County's improvements. Staff changed the plans by adding a necessary interconnection in Ruxton Avenue from the 8-inch pipeline to the 18-inch service main to satisfy fire flow requirements.

Staff received 100% plans in March 2008 which incorporated the pothole information and all other added information. After Staff reviewed the 100% plans in late March, the suggestion was made to include concrete protection pads over both the 36-inch La Presa Transmission Pipeline and the 18-inch service main. At this point, the District's costs were still relatively minor and could be funded from the Operating budget. Staff completed the interconnect work in October of 2008 prior to the County beginning their improvement work.

In January 2009, a concern arose, that if repair and maintenance was required, access would be very difficult, if not impossible and time-consuming, for the 36-Inch La Presa Transmission Pipeline and the 18-inch service main, under the County's proposed 26-foot wide triple box drainage culvert. So the decision was made to add a redundant 18-inch pipeline with steel casing parallel to the existing 18-inch service main in Ruxton Avenue. If a break occurs to the active 18-inch, Staff will have trouble-free access to reconnect to the redundant 18-inch service main. In addition, Staff plans to further evaluate the need for a new CIP project in the FY 2010 budget to add a new segment of pipe for the La Presa Transmission Pipeline 36-Inch Pipeline to add the redundancy in the event that repair is needed to the La Presa Pipeline under the County's culvert.

T.C. Construction, the Contractor hired by the County to build the Ruxton Avenue Channel Conversion, was mobilized on-site and proceeding with their critical path placement. To avoid substantial construction delay costs, Staff directed T.C. Construction to proceed with the placement of the redundant 18-inch service main. When the concern arose, Staff did not have the luxury of obtaining three (3) quotes for work exceeding \$5,000, as outlined in the Purchasing Manual requirements. The additional cost was analyzed by Staff and a mutual agreement was reached with T.C. Construction in an amount not to exceed \$25,000.

In summary, the costs to date to the District have increased much more than anticipated due to the increased scope of the relocation of facilities. Also, Staff has engaged TC Construction to install the 18-inch redundant pipeline and casing due to the County's immediate need to complete their improvement work. Staff recommends creating a new CIP project in the amount of \$100,000 to cover all costs for the Ruxton Avenue work.

FISCAL IMPACT:



Total expenditures plus outstanding commitments and forecast are \$100,000. Based on a review of the financial budget, the Project Manager has determined that the proposed budget is sufficient to support the project. See Attachment B for budget detail.

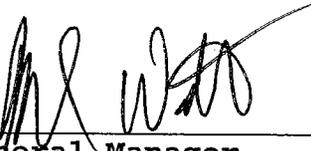
Finance has determined that due to the reduced level of CIP expenditures this fiscal year 100% of the funding will be available from the Betterment Fund.

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

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RR/SK/RP/PP:jf

Attachments: Attachment A
Attachment B
Exhibit A



ATTACHMENT A

| | |
|-------------------------|---|
| SUBJECT/PROJECT: | Create a new CIP project for the Ruxton Avenue Utility Relocations Project and waive the requirement of the District Purchasing Manual regarding competitive bids |
| N/A | |

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 20, 2009. 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.

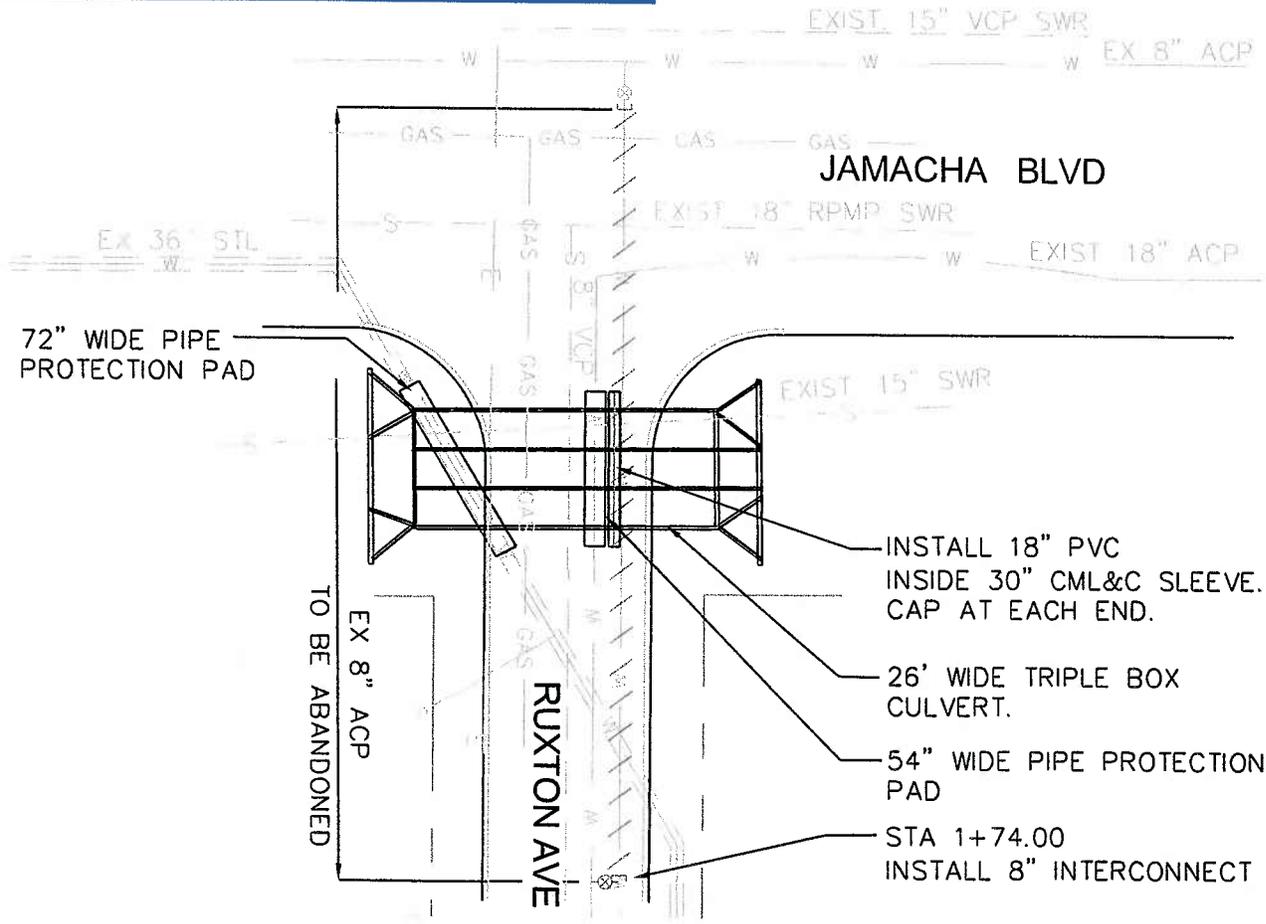
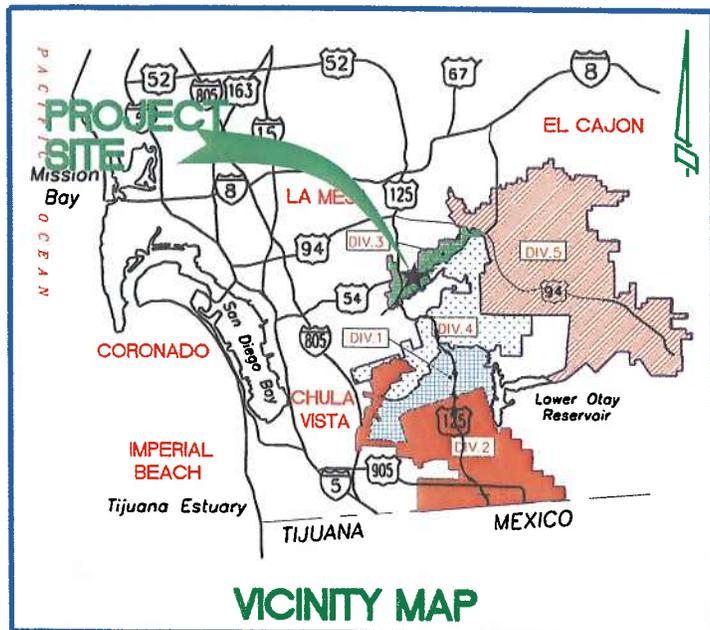


ATTACHMENT B

Otay Water District
Ruxton Avenue Utilities Relocation

Date Updated: Feb. 05, 2009

| <i>Budget</i> | <i>Committed</i> | <i>Expenditures</i> | <i>Outstanding Commitment & Forecast</i> | <i>Projected Final Cost</i> | <i>Vendor / Comments</i> |
|------------------------------|------------------|---------------------|--|-----------------------------|------------------------------|
| \$125,000 | | | | | |
| Construction | | | | | |
| In House/Labor | 43,376 | 43,376 | | 43,376 | |
| Materials | 9,400 | 9,400 | - | 9,400 | IMS WO# 08-02516 |
| Water Loss | 3 | 3 | - | 3 | IMS WO# 08-02516 |
| Service Contracts | 3,524 | 3,524 | - | 3,524 | Kirk Paving |
| Construction Contracts | 25,000 | 25,000 | - | 25,000 | TC Construction Company Inc. |
| | 10,000 | 10,000 | - | 10,000 | County of San Diego |
| Contingency/Project Closeout | 8,697 | | 8,697 | 8,697 | Staff Time/Unforeseen items |
| | | | - | - | |
| | | | - | - | |
| | | | - | - | |
| | | | - | - | |
| | | | - | - | |
| | | | - | - | |
| Total Construction | \$ 100,000 | \$ 91,303 | \$ 8,697 | \$ 100,000 | |
| Grand Total | \$ 100,000 | \$ 91,303 | \$ 8,697 | \$ 100,000 | |



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OTAY WATER DISTRICT
 RUXTON AVENUE UTILITY RELOCATIONS

P1287

EXHIBIT A



AGENDA ITEM 7

STAFF REPORT

| | | | |
|---------------------------|--|---------------|--------------------|
| TYPE MEETING: | Regular Board | MEETING DATE: | March 4, 2009 |
| SUBMITTED BY: | Ron Ripperger <i>~</i> Engineering Manager | PROJECT: | P2210 DIV. NO. ALL |
| APPROVED BY: (Chief) | Rod Posada <i>[Signature]</i> Chief, Engineering | | |
| APPROVED BY: (Asst GM) | Manny Magaña <i>[Signature]</i> Assistant General Manager, Engineering and Operations | | |
| SUBJECT: | Informational Item - Second Quarter Fiscal Year 2009 Capital Improvement Program (CIP) Report | | |

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors accepts the Second Quarter Fiscal Year CIP Report for review and receives a summary via PowerPoint presentation.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

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

ANALYSIS:

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

The Second Quarter Fiscal Year 2009 Report is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget.

Expenditures through the Second Quarter of Fiscal Year 2009 totaled \$8.2 million. This is 27% of the \$31 million Fiscal Year 2009 budget. The decrease in projected expenditures is due primarily to delay in the 36-Inch Pipeline Project (CIP P2009).

FISCAL IMPACT:



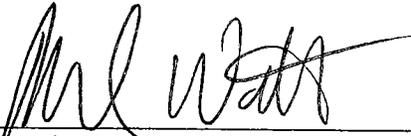
None.

STRATEGIC GOAL:

The CIP supports the mission of providing the best quality of water and wastewater services to the customers of the District in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment, and quality of life are enhanced.

LEGAL IMPACT:

None.



General Manager

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RR/RP:jf

Attachments: Attachment A
Presentation



ATTACHMENT A

| | |
|--------------------------------------|--|
| SUBJECT/PROJECT: P2210 | Informational Item - Second Quarter Fiscal Year 2009 Capital Improvement Program (CIP) Report |
|--------------------------------------|--|

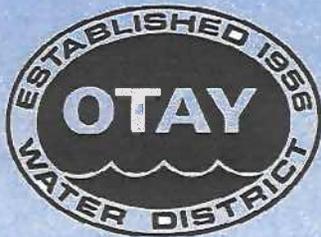
COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on February 20, 2009. The Committee supported Staff's recommendation.

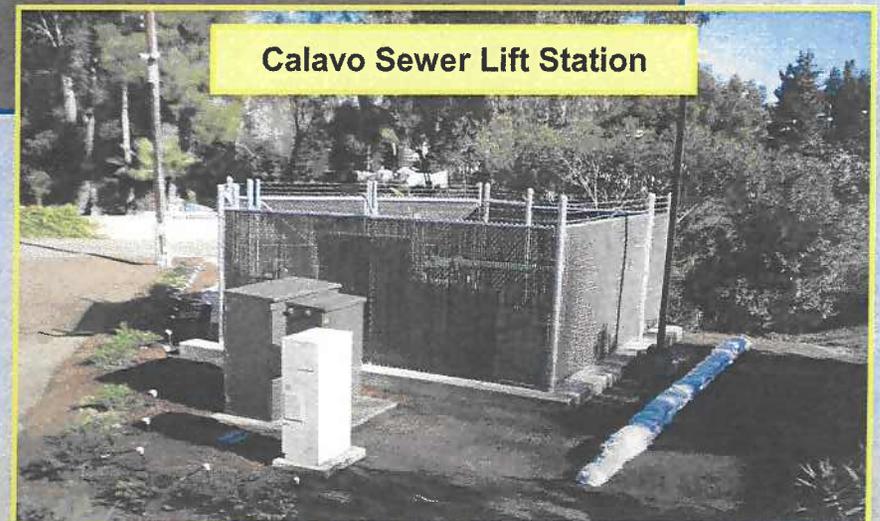
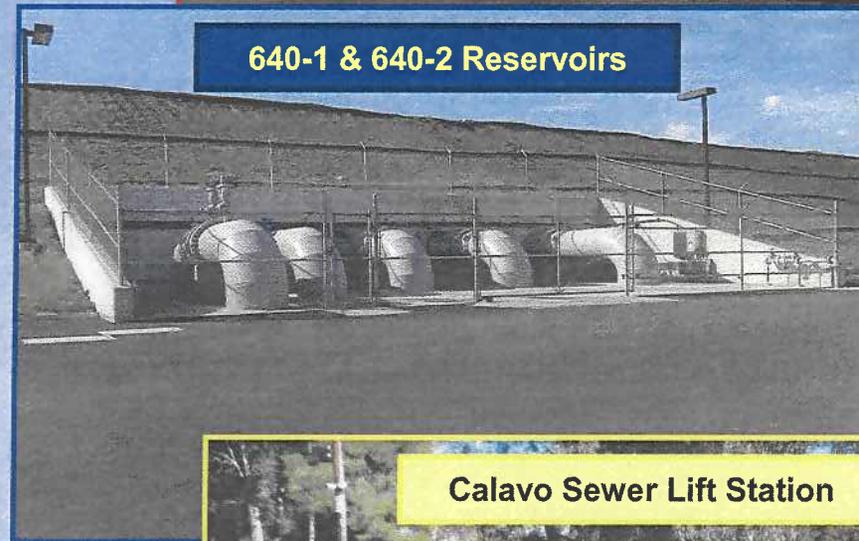
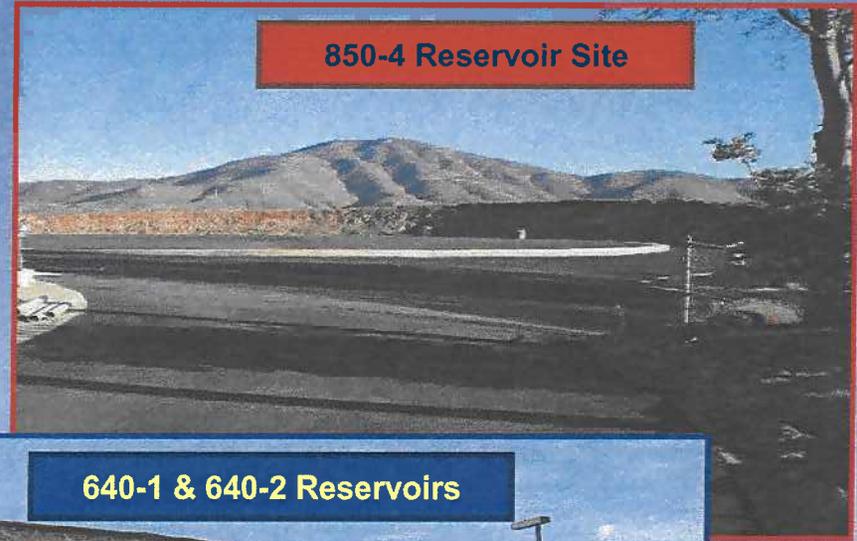
NOTE:

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CAPITAL IMPROVEMENT PROGRAM



**Fiscal Year 2009
Second Quarter**
(through December 31, 2008)



Background

The approved CIP budget for Fiscal Year 2009 consists of **66** projects that total **\$31 million**. These projects are broken down into four categories:

1. Capital Facilities: \$ 23.0 million
2. Replacement/Renewal: \$ 5.8 million
3. Capital Purchases: \$ 1.6 million
4. Developer Reimbursement: \$.6 million

Overall expenditures through the Second Quarter totaled **\$8.2 million** which is **27%** of the Fiscal Year 2009 budget. The current Fiscal Year forecast expenditure of **\$23.6 million** is **77%**. The decrease in projected expenditures is due primarily to a delay in the 36-inch Pipeline Project (CIP 2009).

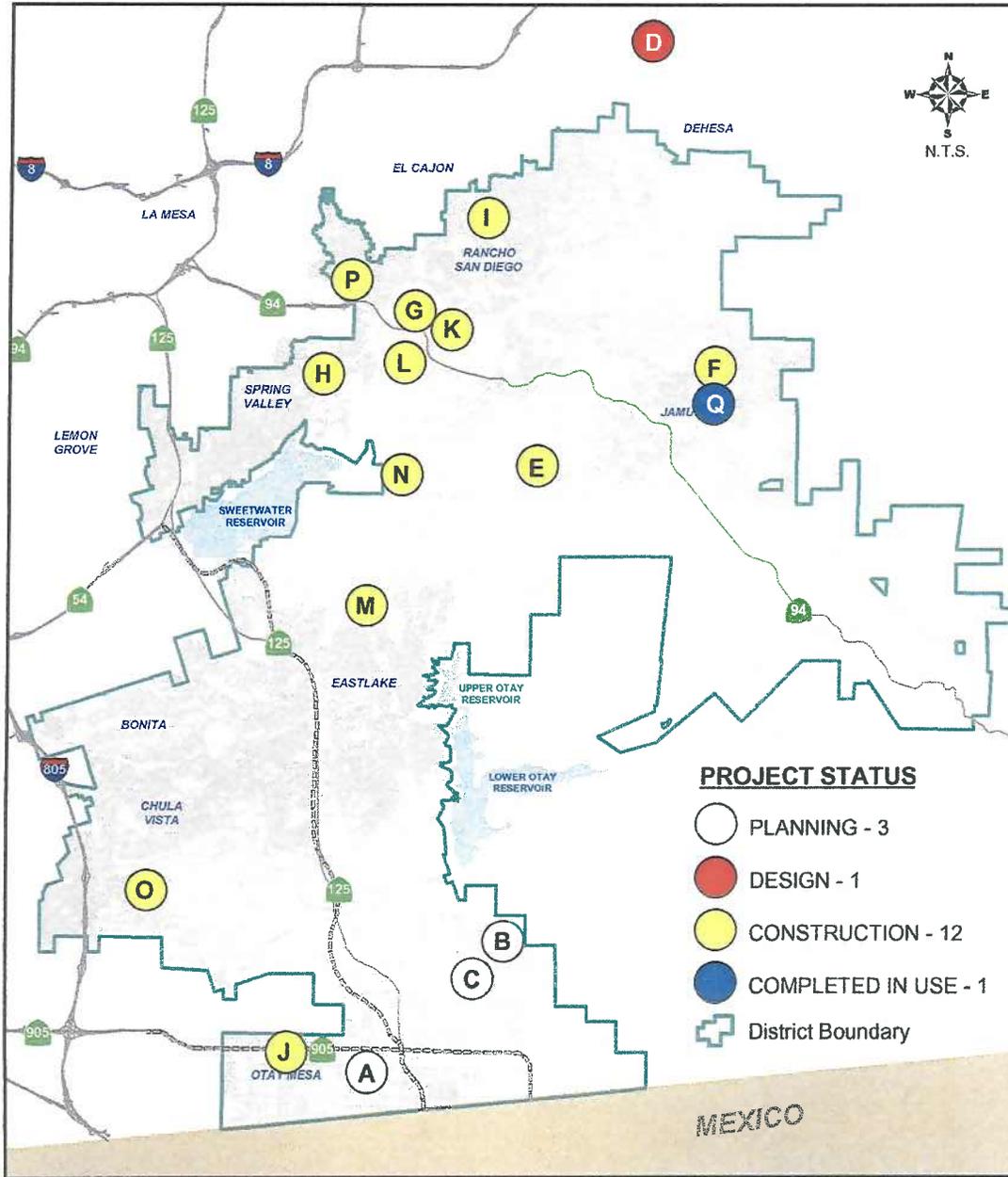
Construction change orders are at -0.63%.

Second Quarter Fiscal Year 2009 Report

(through December 31, 2008)

| CIP Cat | Description | FY09 Budget | FY09 Expenditures | % FY09 Budget Spent | Total LTD Budget | Total LTD Expenditures | LTD % Budget Spent |
|------------|----------------------------|---------------------|----------------------|---------------------------|------------------------|------------------------------|--------------------------|
| 1 | Capital Facilities | \$22,992,000 | \$5,326,000 | 23% | \$135,425,000 | \$40,987,000 | 30% |
| 2 | Replacement/Renewal | \$5,834,000 | \$2,095,000 | 36% | \$31,558,000 | \$13,797,000 | 44% |
| 3 | Capital Purchases | \$1,553,000 | \$283,000 | 18% | \$9,438,000 | \$3,470,000 | 37% |
| 4 | Developer Reimbursement | \$640,000 | \$529,000 | 83% | \$6,420,000 | \$1,226,000 | 19% |
| | Total: | \$31,019,000 | \$8,233,000 | 27% | \$182,841,000 | \$59,480,000 | 33% |

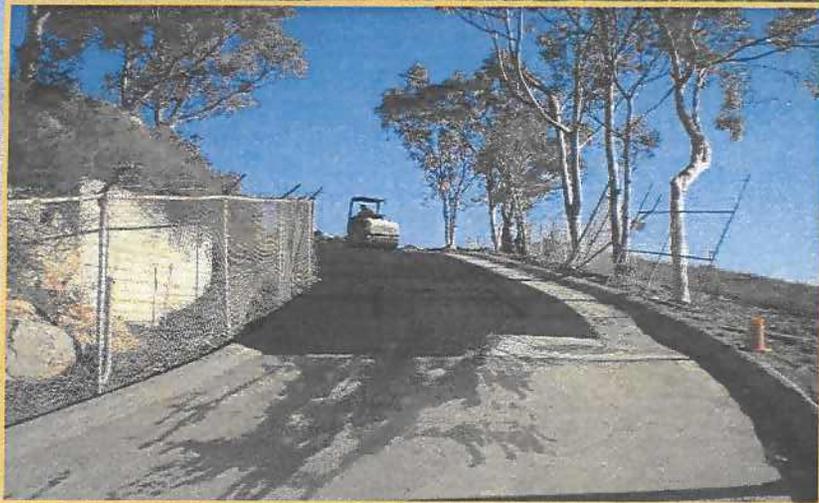
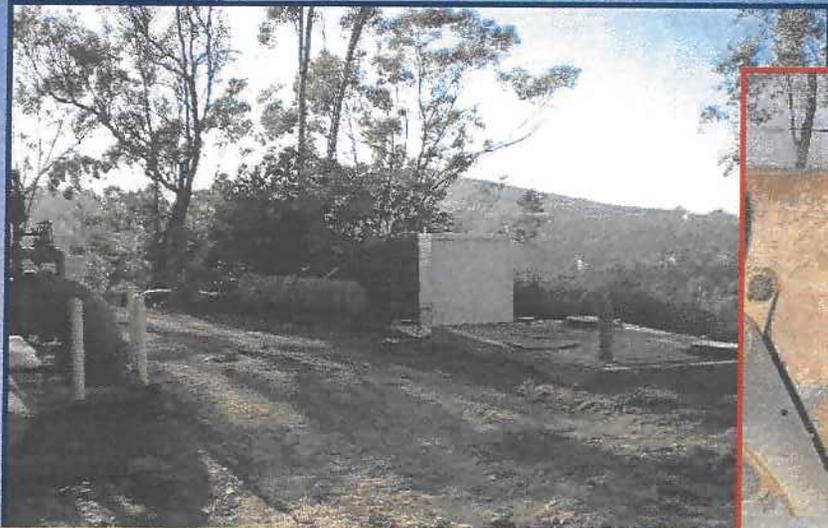
Major CIP Projects



MAJOR CIP PROJECTS

- A** P2129 Ground Water Exploration Program
- B** R2034 Res - 860-1 Recycled Reservoir 4.0 MG
- C** R2058, R2077, R2087, R2088 Recycled Water Pipelines
- D** P2009 PL-36" SDCWA Otay FCF No. 14 to OWD Regulatory Site
- E** P2143 Res - 1296-3 Reservoir 2.0 MG
- F** P2172 1485-1 Pump Station Replacement
- G** P2185 Res - 640-1 & 640-2 Reservoirs 20.0 MG
- H** P2191 Res - 850-4 Reservoir 2.2 MG
- I** P2038, P2356, P2387 12" Pipeline Upsize and Replacement
- J** P2440 SR905 Utility Relocations
- K** P2465 Reg Site Material Storage Bins and Equipment Cover Relocation
- L** R2053 Reclamation Plant Office Building and Recycled Operators Offices
- M** R2081 RecPL-20-Inch, 944 Zone, Lane Ave - Proctor Valley Rd/Pond No. 1
- N** R2086 RWCWRF Recycled Water Force Main Upgrade
- O** R2092 450-1 Reservoir Disinfection Facility
- P** S2015 Calavo Sewer Lift Station
- Q** P2459 Olive Vista Drive Utility Relocations

Flagship CIP Project in Construction



850-4 RESERVOIR (P2191)

This project was awarded to Spiess Construction and was started in February 2008. This project includes the construction of a 2.2 MG steel reservoir.

Flagship CIP Project in Construction

□ 850-4 Reservoir 2.2 MG

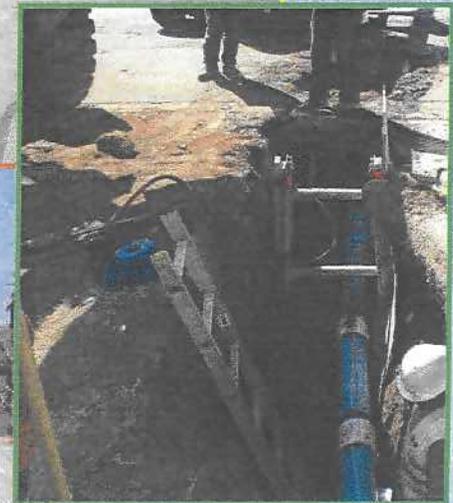
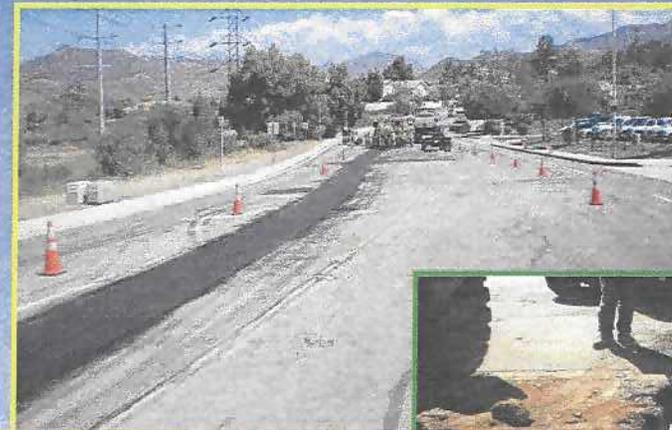
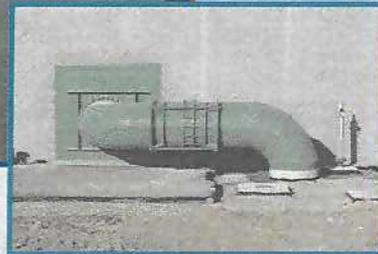
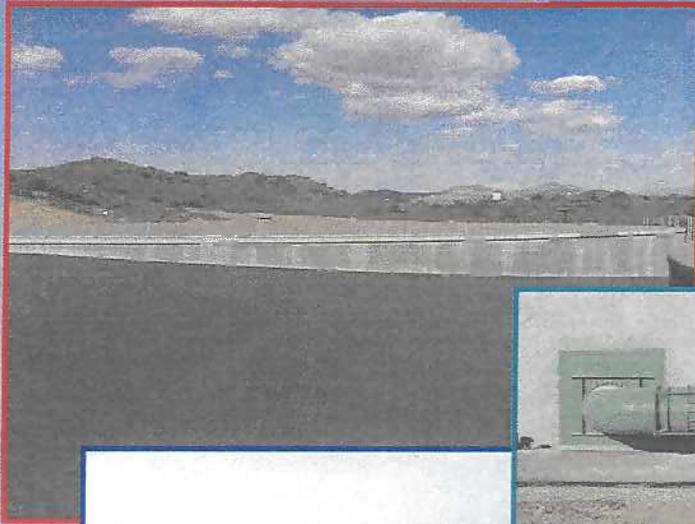
Key Component: A new 2.2 MG Steel Reservoir to meet the ultimate demand in the 850 pressure zone.

Schedule: Construction is approximately 50% complete. The project is scheduled for completion in May 2009.

Cost: The project budget is \$3.25 million, of which \$1.88 million, or 58%, has been spent.

Significant Issues: The design includes a solar panel capable of producing a minimum of 1 kW that will be tied back to the grid.

Flagship CIP Projects in Construction



640-1 & 640-2 Reservoirs Project (P2185)
This project was awarded to Pacific Hydrotech and was started in January 2007. Project consists of two 10 million gallon circular pre-stressed concrete reservoirs, 11,000 feet of large diameter pipe, several valve and control vaults and demolition of the 520-1 Concrete Reservoir. This project was substantially complete in December 2008.

PL - 12-Inch, 978 Zone (P2038, P2356, P2387)
This project was awarded to Arrieta Construction and was started in April 2008. The existing pipelines in Chase Avenue and Jamacha Boulevard are undersized and the existing pipeline in Hidden Mesa Road is deteriorated steel pipe that needs to be replaced and located within the roadway right-of-way away from the existing residences. Anticipated contract completion is January 2009.

Flagship CIP Project in Construction

❑ 640-1 and 640-2 Reservoirs Project (20.0 MG):

Key Component: Construction of two 10-MG pre-stressed circular reservoirs and associated piping.

Schedule: Notice to Proceed was issued to Pacific Hydrotech in January 2007. This project was substantially complete in December 2008. Anticipate project acceptance process to start in January 2009.

Cost: The project budget is \$28.5 million, of which \$27.4 million, or 96%, has been spent.

Significant Issues: 640-1 Reservoir: Completed construction.
640-2 Reservoir: Completed construction.

Flagship CIP Project in Design

❑ 36-Inch Pipeline From FCF No. 14 to Regulatory Site Project:

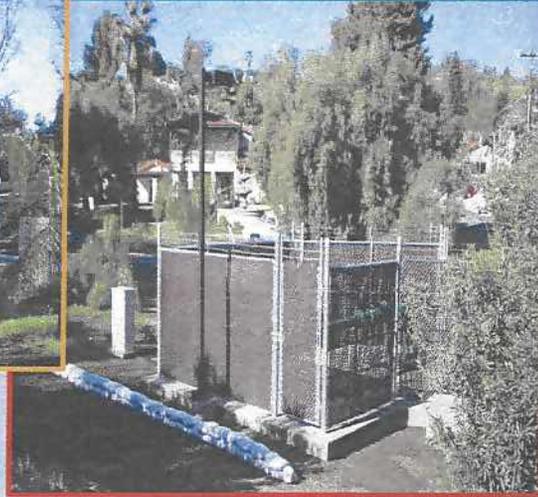
Key Component: Approximately 5 miles of 36-inch pipeline for potable water from Otay's FCF No. 14 to the Regulatory Site.

Schedule: Preparing 90% design drawings for the alternative alignment and revising IEC's design as appropriate.

Cost: The project budget is \$22.0 million, of which \$2.5 million, or 11% has been spent.

Significant Issues: Lee & Ro continues the design of the alternative alignment. District continues coordination with CalTrans, City of El Cajon, Cuyamaca College, and other agencies to incorporate comments into the project design.

CIP Projects in Construction



Calavo Sewer Lift (S2015)

This project was awarded to NEWest Construction and was started in May 2008. Project consists of construction of a new sewer lift station to replace the existing lift station. The existing lift station has no remaining useful life, has groundwater intrusion problems, and replacement and repair components are hard to find.

Material Storage Bins & Cover (P2465, P2466)

This project was awarded to Fox Construction and was started in August 2008. Project consists of installing material storage bins and equipment cover relocation at the Regulatory Site.

CIP Project in Construction



450-1 Reservoir Disinfection Facility (R2092)

This project was awarded to NEWest Construction in December 2008. The recycled water received from the City of San Diego South Bay Water Reclamation Plant is not planned to be sufficiently disinfected with chemicals. The recycled water will be disinfected prior to delivery to District customers.

Consultant Contract Status

(through December 31, 2008)

| CIP No. | Project Title | Consultant | Opened Date | Original Contract Amount | Total Change Orders | Revised Contract Amount | Approved Payment To Date | % Change Orders | % Contract Complete | Est. Comp. Date |
|------------------------------|--|--------------------------------|-------------|--------------------------|---------------------|-------------------------|--------------------------|-----------------|---------------------|-----------------|
| CONSTRUCTION SERVICES | | | | | | | | | | |
| P2172 | 1485-1 PUMP STATION/HVAC | HVAC ENGINEERING INC | 9/28/2006 | 12,330.00 | 0.00 | 12,330.00 | 9,930.00 | 0.0% | 80.5% | 1/1/2009 |
| | BACTERIOLOGICAL TESTING & LAB SERVICES | CLARKSON LAB & SUPPLY INC | 1/1/2008 | 30,000.00 | 0.00 | 30,000.00 | 4,582.00 | 0.0% | 15.3% | 1/1/2009 |
| P2185 | CONST MGMT & INSPECT SVCS | RBF CONSULTING | 3/29/2007 | 1,196,735.00 | 0.00 | 1,196,735.00 | 1,196,722.75 | 0.0% | 100.0% | Complete |
| P2009 | 36-INCH PIPELINE | RBF CONSULTING | 1/14/2008 | 1,088,785.00 | 0.00 | 1,088,785.00 | 145,935.00 | 0.0% | 13.4% | 3/1/2010 |
| | AS-NEEDED CONSTRUCTION MANAGEMENT SVCS | VALLEY CONSTRUCTION MANAGEMENT | 3/5/2008 | 175,000.00 | 0.00 | 175,000.00 | 24,722.50 | 0.0% | 14.1% | 6/30/2009 |
| DESIGN | | | | | | | | | | |
| | AS NEEDED ENGINEERING DRAFTING SERVICES | RBF CONSULTING | 12/6/2006 | 45,000.00 | 0.00 | 45,000.00 | 35,129.89 | 0.0% | 78.1% | 6/30/2009 |
| D0034/ P2143 | ON-CALL GEOTECHNICAL SERVICES | SOUTHERN CALIFORNIA SOIL | 6/30/2007 | 150,000.00 | 0.00 | 150,000.00 | 140,861.78 | 0.0% | 74.3% | 1/28/2009 |
| P2009 | 36-INCH PIPELINE | INFRASTRUCTURE ENGINEERING | 10/19/2006 | 1,338,108.00 | 0.00 | 1,338,108.00 | 1,062,875.67 | 100.0% | 79.4% | Closed |
| P2172 | 1485-1 PUMP STATION ENV. SVCS | PBS&J | 10/4/2006 | 41,254.50 | 0.00 | 41,254.50 | 38,632.03 | 0.0% | 93.6% | 6/30/2009 |
| P1043 | LAS PRESA 36-INCH PIPELINE - CATHODIC PROTECTION | SCHIFF ASSOCIATES | 3/6/2007 | 110,000.00 | 0.00 | 110,000.00 | 37,052.66 | 0.0% | 33.7% | 6/30/2009 |
| P2172 | 1485-1 PUMP STATION REPLACEMENT | ENGINEERING PARTNERS INC, THE | 11/3/2006 | 24,120.00 | 0.00 | 24,120.00 | 12,480.00 | 0.0% | 51.7% | 12/31/2009 |
| | AS-NEEDED ENG. DESIGN SERVICES CONTRACT | LEE & RO INC | 4/27/2007 | 175,000.00 | 0.00 | 175,000.00 | 149,461.23 | 0.0% | 85.4% | 6/30/2009 |
| P2172 | STRUCTURAL ENGINEERING ARCHITECTURAL SVC | SIMON WONG ENGINEERING | 4/27/2007 | 54,765.00 | 3,375.00 | 58,140.00 | 54,321.25 | 5.8% | 93.4% | 8/30/2009 |
| | PROFESSIONAL SERVICES | J C HEDEN AND ASSOCIATES INC | 5/16/2007 | 45,000.00 | 7,487.00 | 52,487.00 | 50,273.00 | 14.3% | 95.8% | 6/30/2009 |
| P2191 | 850-4 RESERVOIR STRUCTURAL | NOLTE ASSOCIATES INC | 12/7/2005 | 15,695.00 | 0.00 | 15,695.00 | 10,745.00 | 0.0% | 68.5% | 6/30/2009 |
| P2037 | ELECTRICAL SERVICES | ENGINEERING PARTNERS INC, THE | 3/13/2006 | 13,220.00 | 0.00 | 13,220.00 | 6,325.00 | 0.0% | 47.8% | 6/30/2009 |
| P2009 | PL - 30-INCH, SDCWA OTAY FCF NO. 14 TO R | SAN DIEGO COUNTY WATER | 5/10/2007 | 620,000.00 | 0.00 | 620,000.00 | 125,000.00 | 0.0% | 20.2% | 3/1/2010 |
| | AS-NEEDED ELECTRICAL ENG. SERVICES | ENGINEERING PARTNERS INC, THE | 8/16/2007 | 100,000.00 | 0.00 | 100,000.00 | 52,125.00 | 0.0% | 52.1% | 6/30/2009 |
| | AS-NEEDED ENGINEERING DESIGN SERVICES | LEE & RO INC | 12/3/2007 | 175,000.00 | 0.00 | 175,000.00 | 174,994.32 | 0.0% | 100.0% | Complete |
| P1043 | CATHODIC PROTECTION PROGRAM | SCHIFF ASSOCIATES | 11/20/2007 | 250,000.00 | 0.00 | 250,000.00 | 178,936.25 | 0.0% | 71.6% | 11/20/2009 |
| P2172 | 1485-1 PUMP STATION REPLACEMENT | ENGINEERING PARTNERS INC, THE | 4/25/2007 | 24,120.00 | 0.00 | 24,120.00 | 12,480.00 | 0.0% | 50.0% | 12/31/2009 |
| P2172 | 1485-1 PUMP PIPELINE REPLACEMENT | J C HEDEN AND ASSOCIATES INC | 12/9/2008 | 5,000.00 | 0.00 | 5,000.00 | 2,383.50 | 0.0% | 48.0% | 6/30/2009 |
| P1210/ S1000 | SANITARY SEWER CCTV INSPECTION | RBF CONSULTING | 6/12/2008 | 121,185.00 | 0.00 | 121,185.00 | 99,757.51 | 0.0% | 82.4% | 6/30/2009 |

Consultant Contract Status

(Continued)

| CIP No. | Project Title | Consultant | Opened Date | Original Contract Amount | Total Change Orders | Revised Contract Amount | Approved Payment To Date | % Change Orders | % Contract Complete | Est. Comp. Date |
|------------------------|---|-------------------------------|-------------|--------------------------|---------------------|-------------------------|--------------------------|-----------------|---------------------|-----------------|
| ENVIRONMENTAL | | | | | | | | | | |
| P1253 | REVEGETATION MONITORING & MAINT, SVCS | JONES & STOKES ASSOCIATES | 12/20/2005 | 9,111.00 | 0.00 | 9,111.00 | 7,661.45 | 0.0% | 84.1% | 6/30/2009 |
| p1253 | HABITAT MANAGEMENT ENVIRON SVCS | JONES & STOKES ASSOCIATES | 4/13/2006 | 566,443.78 | 22,662.00 | 589,105.78 | 577,221.51 | 4.0% | 98.0% | 6/30/2009 |
| | PROFESSIONAL ON-CALL ENVIRONMENTAL SVCS | JONES & STOKES ASSOCIATES | 8/24/2007 | 300,000.00 | 0.00 | 300,000.00 | 294,871.50 | 0.0% | 98.0% | 6/30/2010 |
| P1253 | PREPARATION OF THE SUBAREA PLAN | RECON | 3/28/2008 | 270,853.00 | 0.00 | 270,853.00 | 2,620.75 | 0.0% | 1.0% | 3/28/2011 |
| PLANNING | | | | | | | | | | |
| P2185 | 640-1 RESERVOIR | INFRASTRUCTURE ENGINEERING | 9/14/2004 | 722,000.00 | 125,000.00 | 847,000.00 | 842,313.15 | 14.8% | 99.4% | 2/1/2009 |
| P2472 | PROFESSIONAL SERVICES RENDERED | MWH AMERICAS INC | 12/7/2005 | 25,000.00 | 25,000.00 | 49,066.00 | 23,456.62 | 50.0% | 45.4% | 6/30/2009 |
| P1210 | 2009 MASTER PLAN UPDATE | PBS&J | 8/16/2007 | 499,748.00 | 0.00 | 499,748.00 | 374,564.66 | 0.0% | 75.0% | 5/7/2009 |
| R2089 | RECYCLED WATER CONCEPT STUDY | PBS&J | 11/20/2007 | 149,595.00 | 0.00 | 149,595.00 | 128,915.69 | 0.0% | 86.2% | 1/1/2009 |
| PUBLIC SERVICES | | | | | | | | | | |
| P1438 | RECYCLED WATER PLAN CHECKING SERVICES | BOYLE ENGINEERING CORPORATION | 5/1/2007 | 250,000.00 | 30,000.00 | 280,000.00 | 176,614.92 | 10.7% | 70.1% | 7/1/2009 |
| P1438 | PLAN CHECKS & INSPECTION SERVICE | BOYLE ENGINEERING CORPORATION | 9/4/2007 | 300,000.00 | 0.00 | 300,000.00 | 108,045.07 | 0.0% | 36.0% | 9/4/2009 |
| P1438 | AS-NEEDED PLAN CHECK SERVICES | BOYLE ENGINEERING CORPORATION | 11/20/2007 | 150,000.00 | 0.00 | 150,000.00 | 38,916.74 | 0.0% | 26.0% | 6/30/2009 |
| P1438 | ONLINE MAP PURCHASING SERVICE | FIRST AMERICAN DATA TREE | 8/7/2008 | 1,500.00 | 0.00 | 1,500.00 | 816.58 | 0.0% | 54.4% | 6/30/2009 |
| WATER RESOURCES | | | | | | | | | | |
| P2451 | BI-NATIONAL OCEAN DESALINATION | CAMP DRESSER & MCKEE INC | 3/5/2008 | 94,552.00 | 0.00 | 94,552.00 | 56,214.86 | 0.0% | 59.0% | 6/30/2009 |
| P2129 | PROFESSIONAL SVCS FOR MIDDLE SWEETWATER RIVER BASIN SCOPE OF WORK | MICHAEL WELCH | 12/22/2008 | 5,000.00 | 0.00 | 5,000.00 | 0.00 | 0.0% | 0.0% | 12/22/2009 |
| P1210 | ASSET MANAGEMENT PLAN | WESTIN ENGINEERING INC | 1/29/2008 | 194,280.00 | 0.00 | 194,280.00 | 131,182.92 | 0.0% | 67.5% | 6/30/2009 |

Construction Contract Status

(through December 31, 2008)

| CIP NO. | PROJECT TITLE | CONSTRUCTION CONTRACTOR | ORIGINAL CONTRACT AMOUNT | TOTAL CHANGE ORDERS | REVISED CONTRACT AMOUNT | TOTAL EARNED TO DATE | % OF CHANGE ORDERS * | % PROJECT COMPLETE | EST. COMP. DATE |
|-------------------------|--|-------------------------|--------------------------|---------------------|-------------------------|----------------------|----------------------|--------------------|-----------------|
| P2185 | 640-1 & 640-2 Reservoirs | Pacific Hydrotech Corp | \$24,894,000 | (\$434,290) | \$24,459,710 | \$23,276,122 | -1.74% | 99% | January 2009 |
| P2191 | 850-4 Reservoir | Spieß Const Co | \$2,566,300 | \$0 | \$2,566,300 | \$844,066 | 0.00% | 33% | May 2009 |
| P2038 P2356 P2387 | PL-12 Inch Upsize | Arrietta Const Inc | \$1,688,022 | \$18,383 | \$1,706,405 | \$1,185,124 | 1.09% | 40% | January 2009 |
| R2081 | 20-Inch Lane Avenue Conversion | ARB | \$660,256 | \$78,938 | \$739,194 | \$600,202 | 11.96% | 81% | April 2009 |
| R2053 | RWCWR Office Building & Meter Shop Remodel | Telliard Const | \$275,800 | \$21,463 | \$297,263 | \$281,694 | 7.78% | 95% | January 2009 |
| R2422 | RWCWRF Force Main | Arrieta Const | \$844,486 | \$0 | \$844,486 | \$207,107 | 0.00% | 25% | January 2009 |
| P2465/P 2466 | Regulatory Site Material Storage Bins | Fox Const | \$225,000 | \$0 | \$225,000 | \$153,000 | 0.00% | 68% | March 2009 |
| P2459 | Olive Vista Utility Relocation | Ortiz Corp | \$831,000 | \$65,845 | \$896,845 | \$852,011 | 7.92% | 95% | January 2009 |
| P2422 | Interagency Water Meter Connection | Jose Pereira Eng | \$129,542 | \$0 | \$129,542 | \$0 | 0.00% | 0% | June 2009 |
| R2092 | 450-1 Reservoir Disinfection Facility | NEWest Const | \$342,865 | \$0 | \$342,865 | \$0 | 0.00% | 0% | June 2009 |
| P2143 | 1296-3 Reservoir 2.0 MG Water Storage Facility | Natgun Corp | \$2,373,220 | \$0 | \$2,373,220 | \$0 | 0.00% | 0% | February 2010 |
| P2172 | 1485-1 Pump Station Replacement | SCW | \$1,530,000 | \$0 | \$1,530,000 | \$0 | 0.00% | 0% | June 2010 |
| S2015 | Calavo Sewer Lift Station | NEWest Const | \$267,900 | \$18,339 | \$286,239 | \$249,590 | 6.85% | 87% | January 2009 |
| | TOTALS: | | \$36,628,391 | (\$231,322) | \$36,397,069 | \$27,648,915 | -0.63% | | |

Expenditures

(through December 31, 2008)

(\$000)

| Current CIP No. | Description | Project Manager | FY 09 Budget | FY09 Expenditures through 12/31/08 | FY09 Percent Budget Spent through 12/31/08 | Total Project Budget | Total Remaining Balance | Comments |
|----------------------------------|---|-----------------|--------------|------------------------------------|--|----------------------|-------------------------|--|
| CAPITAL FACILITY PROJECTS | | | | | | | | |
| P2009 | PL - 36-Inch, SDCWA Otay FCF No. 14 to Regulatory Site | Kennedy | 8,000 | 732 | 9% | 22,000 | 19,519 | 100% design plans submitted for review. |
| P2033 | PL - 16-Inch, 1296 Zone, Melody Road - Campo/Presilla | Ripperger | 2 | 0 | 0% | 1,826 | 1,821 | Developer driven. |
| P2037 | Res - 980-3 Reservoir 15 MG | Ripperger | 0 | 0 | 0% | 14,205 | 13,663 | Project deferred to future years. |
| P2038 | PL - 12-Inch, 978 Zone, Jamacha, Hidden Mesa, and Chase Upsize and Replacements | Kay | 900 | 300 | 33% | 2,400 | 1,206 | Construction completed. Job close-out and project acceptance process started. |
| P2040 | Res - 1655-1 Reservoir 0.5 MG | Ripperger | 1 | 1 | 100% | 2,055 | 1,577 | Developer driven. |
| P2129 | Groundwater Exploration Program | Peasley | 10 | 13 | 130% | 2,530 | 1,959 | Groundwater development planning efforts continue to focus on the Middle Sweetwater River Concept, the Otay River Demineralization Feasibility Study (P2462), and San Diego Formation Groundwater Feasibility Study (P2467) in conjunction with SWA. |
| P2143 | Res - 1296-3 Reservoir 2 MG | Kay | 1,900 | 225 | 12% | 3,640 | 2,945 | |
| P2172 | PS - 1485-1 Pump Station Replacement | Ripperger | 1,125 | 103 | 9% | 2,375 | 1,851 | Project awarded for construction |
| P2185 | Res - 640-1 Reservoir 20.0 MG | Ripperger | 3,900 | 2,085 | 53% | 28,500 | 1,152 | Construction completed. Job close-out and project acceptance process started. |
| P2190 | PL - 10-Inch, 1485 Zone, Jamul Highlands Road to Presilla Drive | Ripperger | 5 | 0 | 0% | 228 | 225 | Developer driven. |
| P2191 | Res - 850-4 Reservoir 2.2 MG | Kay | 1,950 | 410 | 21% | 3,250 | 1,506 | Project under construction. Underground piping completed. |
| P2258 | PS - Lower Otay Pump Station Phase 1 (9,000 GPM) | Ripperger | 0 | 1 | 0% | 7,805 | 5,722 | On Hold - Low priority. |
| P2267 | 36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations | Munoz | 0 | 0 | 0% | 345 | 111 | \$0 Budget in FY 09. |
| P2318 | PL - 20-Inch, 657 Zone, Summit Cross-Tie and 36-Inch Main Connections | Kennedy | 200 | 13 | 7% | 601 | 532 | Preliminary design by OWD. |
| P2370 | Res - Dorchester Reservoir and Pump Station Demolition | Kennedy | 0 | 0 | 0% | 150 | 137 | On Hold - Low priority. |

Expenditures (Continued)

| Current CIP No. | Description | Project Manager | FY 09 Budget | FY09 Expenditures through 12/31/08 | FY09 Percent Budget Spent through 12/31/08 | Total Project Budget | Total Remaining Balance | Comments |
|----------------------------------|---|-----------------|--------------|------------------------------------|--|----------------------|-------------------------|--|
| CAPITAL FACILITY PROJECTS | | | | | | | | |
| P2387 | PL - 12-Inch, 832 Zone, Steele Canyon Road - Via Caliente/Campo | Kay | 500 | 293 | 59% | 584 | 160 | Construction completed. Job close-out and project acceptance process started. |
| P2450 | Otay River Groundwater Well Demineralization/Development | Peasley | 115 | 2 | 2% | 5,000 | 4,995 | Pending the outcome of the joint SWA/Otay Study (P2462), environmental and planning work may begin to occur late 2009. |
| P2451 | Rosarito Desalination Facility Conveyance System | Peasley | 150 | 39 | 26% | 5,000 | 4,928 | A consultant contract was awarded by the Board to CDM for the development of a Feasibility Study on the Rosarito Desal Concept. The Study is well underway. |
| P2457 | Otay Mountain Groundwater Well Development | Peasley | 10 | 0 | 0% | 6,500 | 6,500 | The outcome of the Otay Mountain Well exploration efforts per terms of an existing agreement may result in expenditures in FY 2009. |
| P2460 | I.D. 7 Trestle and Pipeline Demolition | Kennedy | 20 | 1 | 5% | 376 | 371 | In planning. |
| P2462 | Otay River Demineralization Feasibility Study | Peasley | 150 | 1 | 1% | 200 | 199 | Joint SWA/Otay Prop 50 grant was awarded and consultant contract for the Feasibility Study was awarded to MWH in 2007. Study efforts are well underway. Otay River participation agreement under preparation between SWA and Otay. |
| P2463 | South Bay Regional Concentrate Conveyance Feasibility Study | Peasley | 15 | 7 | 47% | 25 | 10 | The project is jointly funded by SDCWA, SWA, the City of San Diego, and Otay. Proposition 50 funding for 50% of the cost has been secured by the SDCWA. A consultant contract was awarded to CDM. SDCWA has stated that they will pay 100% of the cost, thus |
| P2464 | San Diego 17 Pump Station and Flow Control Facility | Peasley | 15 | 3 | 20% | 30 | 8 | SD17 pump station agreement negotiations have been moving along slowly between the parties. |
| P2465 | Regulatory Site Material Storage Bins | Kay | 220 | 97 | 44% | 250 | 109 | Project under construction. Equipment cover installation is complete. |
| P2466 | Regional Training Facility | Coburn-Boyd | 150 | 55 | 37% | 220 | 122 | MND being prepared for project. Completion expected early 2009. |
| P2467 | San Diego Formation Groundwater Feasibility Study | Peasley | 400 | 4 | 1% | 1,600 | 1,595 | This project is jointly funded by SWA and Otay. The SDCWA awarded a LISA grant to SWA to fund up to 50% of the cost of the effort. Monitoring well in the Otay River has been completed by USGS. Data gathering on well information within the San Diego For |
| P2471 | 850/657 PRS at La Presa Pump Station | Kennedy | 5 | 4 | 80% | 300 | 296 | 100% PDR distributed for review. |

Expenditures (Continued)

| Current CIP No. | Description | Project Manager | FY 09 Budget | FY09 Expenditures through 12/31/08 | FY09 Percent Budget Spent through 12/31/08 | Total Project Budget | Total Remaining Balance | Comments |
|--|---|-----------------|---------------|------------------------------------|--|----------------------|-------------------------|---|
| CAPITAL FACILITY PROJECTS | | | | | | | | |
| P2472 | Water Supply Feasibility Studies | Peasley | 150 | 1 | 1% | 400 | 399 | This project is for Water Supply Feasibility Study efforts that may arise during the fiscal year. |
| P2473 | PS - 711-1 Pump Station Improvement | Ripperger | 50 | 2 | 4% | 200 | 198 | Preliminary design started. |
| P2474 | Fuel Storage Covers and Containment | Kennedy | 100 | 3 | 3% | 100 | 97 | Preparing bid proposal. |
| P2475 | Pump Station Fire Safety Improvements | Kennedy | 50 | 1 | 2% | 50 | 49 | No update at this time. |
| P2476 | Dis - 1090-1 Pump Station Disinfection System Upgrade | Ripperger | 100 | 0 | 0% | 100 | 100 | Preliminary design started. |
| P2477 | Res - 624-1 Reservoir Cover Replacement | Kennedy | 250 | 3 | 1% | 450 | 447 | Preparing testing scope of work. |
| R2034 | RecRes - 860-1 Reservoir 4 MG | Kay | 104 | 23 | 22% | 3,800 | 3,776 | PDR completed. |
| R2048 | RecPL - Otay Mesa Distribution Pipelines and Conversions | Kennedy | 10 | 7 | 70% | 2,000 | 1,993 | In planning. |
| R2053 | RWCWRF - R.O. Building Remodel and Office Furniture | Kay | 130 | 253 | 195% | 575 | 5 | Construction completed. Job close-out and project acceptance process started. |
| R2077 | RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway | Kennedy | 200 | 30 | 15% | 4,100 | 4,001 | PDR completed. |
| R2081 | RecPL - 20-Inch, 944 Zone, Lane Avenue - Proctor Valley/Pond No. 1 | Kennedy | 590 | 361 | 61% | 1,090 | 135 | Project under construction. All potable connections are complete. |
| R2087 | RecPL - 20-Inch, 944 Zone, Wueste Road - Olympic/Otay WTP | Kennedy | 100 | 30 | 30% | 2,000 | 1,909 | PDR completed. |
| R2088 | RecPL - 20-Inch, 860 Zone, County Jail - Roll Reservoir/860-1 Reservoir | Kennedy | 81 | 31 | 38% | 1,500 | 1,445 | PDR completed. |
| R2089 | North District Recycled Water Regulatory Compliance | Coburn-Boyd | 110 | 68 | 62% | 200 | 41 | Project on-going and on-track, final report by 1/09. |
| R2091 | RecPS - 944-1 Pump Station Upgrade | Kennedy | 324 | 1 | 0% | 325 | 322 | Scheduled for FY09 3rd quarter. |
| R2092 | Dis - 450-1 Reservoir Disinfection Facility | Kay | 750 | 113 | 15% | 830 | 623 | Project under construction. Static mixer has been installed. |
| R2093 | MBR City of Chula Vista | Peasley | 50 | 4 | 8% | 5,000 | 4,996 | The RMC Consultant MBR Study effort was completed. The City of Chula Vista and Otay are developing a scope of work and RFP to focus on the treatment facility and related requirements. |
| S2016 | Solar Panel Installation Phase I | Ripperger | 100 | 6 | 6% | 710 | 683 | Draft PDR completed. |
| Total Capital Facilities Projects | | | Total: | 22,992 | 5,326 | 23% | 135,425 | 94,438 |

Expenditures (Continued)

| Current CIP No. | Description | Project Manager | FY 09 Budget | FY09 Expenditures through 12/31/08 | FY09 Percent Budget Spent through 12/31/08 | Total Project Budget | Total Remaining Balance | Comments |
|--|---|-----------------|--------------|------------------------------------|--|----------------------|-------------------------|---|
| CAPITAL FACILITY PROJECTS | | | | | | | | |
| MAINTENANCE (RENEWAL/REPLACEMENT) | | | | | | | | |
| P2356 | PL - 12-Inch, 803 Zone, Jamul Drive Permastran Pipeline Replacement | Kay | 705 | 553 | 78% | 815 | 78 | Construction completed. Job close-out and project acceptance process started. |
| P2366 | APCD Engine Replacements and Retrofits | Rahders | 170 | 127 | 75% | 2,798 | 1,167 | Project on track; 100% available budget remaining will be spent thru FY 09. |
| P2382 | Safety and Security Improvements | Cudal | 169 | 24 | 14% | 1,317 | 281 | The installation of new security cameras in the lobby and Admin bldg parking planned. Purchase of NVR servers is being done this 2 Qtr FY 09. |
| P2416 | SR-125 Utility Relocations | Kay | 10 | 11 | 110% | 870 | 16 | Substantially complete. Pending reimbursements to Otay. |
| P2422 | Agency Interconnections | Kay | 250 | 31 | 12% | 1,600 | 1,371 | Construction contract awarded. Pre-construction meeting has been held. |
| P2440 | I-905 Utility Relocations | Kay | 925 | 71 | 8% | 2,460 | -273 | Substantially Complete. Pending reimbursements to Otay. |
| P2441 | NG/RAMAR Meter Replacements | Keeran | 100 | 60 | 60% | 2,035 | 16 | In the Expenditure of \$60K there is \$2,400 charged for meters which Tim K. will reallocate to P2458; \$220 for vehicles that Rick A. is checking and may be reallocated. The balance are costs from the Lawyer. |
| P2453 | SR-11 Utility Relocations | Kennedy | 5 | 1 | 20% | 500 | 499 | Caltrans driven. |
| P2456 | Air and Vacuum Valve Upgrades | Acuna | 520 | 163 | 31% | 4,214 | 3,162 | Project is on track with 72 Air-Vac's installed and 58 remaining to be installed. |
| P2458 | AMR Manual Meter Replacement | Keeran | 1,250 | 552 | 44% | 10,277 | 8,234 | The balance remaining is sufficient to complete the balance of projected work. |
| R2086 | RWCWRF Force Main AirVac Replacements and Road Improvements | Kay | 1,000 | 275 | 28% | 1,300 | 688 | Project under construction. Access road improvements are complete. |
| S2012 | SVSD Outfall and RSD Replacement and OM Reimbursement | Peasley | 430 | 0 | 0% | 2,846 | 2,424 | Expenditure typically is billed by SVSD in third quarter of the fiscal year. |
| S2015 | Calavo Lift Station Replacement | Kay | 300 | 227 | 76% | 526 | 98 | Project under construction. Lift station piping and layout are 95% complete. |
| Total Maintenance | | | 5,834 | 2,095 | 36% | 31,558 | 17,761 | |

Expenditures (Continued)

| Current CIP No. | Description | Project Manager | FY 09 Budget | FY09 Expenditures through 12/31/08 | FY09 Percent Budget Spent through 12/31/08 | Total Project Budget | Total Remaining Balance | Comments |
|---|--|-----------------|-----------------|------------------------------------|--|----------------------|-------------------------|--|
| CAPITAL FACILITY PROJECTS | | | | | | | | |
| CAPITAL PURCHASE PROJECTS | | | | | | | | |
| P2282 | Vehicle Capital Purchases | Rahders | 228 | 4 | 2% | 2,689 | 1,107 | The \$4,000 in expenditures shown is actually \$3,500; this expenditure was incorrectly allocated to CIP P2282. NOTE: A Staff Report was submitted and accepted by the Committee for Final Board Approval; the expenditure (3rd Quarter) will be \$195,262.81. |
| P2285 | Office Equipment and Furniture Capital Purchases | Bell | 20 | 0 | 0% | 576 | 184 | Not an expenditure for FY2009 yet. |
| P2286 | Field Equipment Capital Purchases | Rahders | 45 | 0 | 0% | 1,161 | 532 | The expenditure at \$0 is correct thru 2nd Quarter |
| P2443 | Information Technology Mobile Services | Stevens | 250 | 27 | 11% | 1,502 | 994 | On-going project. |
| P2461 | Records Management System Upgrade | Jenkins | 50 | 49 | 98% | 150 | -6 | Remaining budget to be spent FY09. |
| P2469 | Information Technology Network and Hardware | Jenkins | 500 | 80 | 16% | 1,900 | 1,820 | Expected to use all of the FY09 allocated budget. |
| P2470 | Application Systems Development and Integration | Stevens | 380 | 123 | 32% | 1,380 | 1,257 | Projects in planning phase. |
| P2478 | Administration Building Engine/Generator Set | Anderson | 80 | 0 | 0% | 80 | 80 | We are in the process of receiving quotes. This will take a several months. |
| Total Capital Purchase Projects | | | Total: | 1,553 | 283 | 18% | 9,438 | 5,968 |
| DEVELOPER REIMBURSEMENT PROJECTS | | | | | | | | |
| P2134 | PL - 16-Inch, 711 Zone, Birch Road - SR 125/EastLake | Charles | 200 | 185 | 93% | 210 | 25 | The project is completed. Reimbursement will be processed in FY09. |
| P2367 | PL - 16-Inch, 980 Zone, Olympic Parkway - East Palomar/EastLake | Charles | 0 | 0 | 0% | 1,500 | 1,265 | Three projects with this CIP. All complete and accepted, awaiting reimbursement request. |
| P2414 | PL - 12" to 16" Oversize, 803 Zone, Dehesa Road - Dehesa Meadow/OWD Bndy | Charles | 10 | 0 | 0% | 153 | 11 | Project accepted. Potential litigation of claims. |
| R2033 | RecPL - 12-Inch, 944 Zone, Birch Road - La Media/EastLake | Charles | 330 | 325 | 98% | 330 | 5 | The project is completed. Reimbursement will be processed in FY09. |
| R2058 | RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta | Kennedy | 100 | 19 | 19% | 3,000 | 2,662 | PDR completed. |
| R2082 | RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage | Charles | 0 | 0 | 0% | 801 | 801 | Project started. |
| R2084 | RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media | Charles | 0 | 0 | 0% | 426 | 425 | Project started. |
| Total Developer Reimbursement Projects | | | Total: | 640 | 529 | 83% | 6,420 | 5,194 |
| GRAND TOTAL | | | \$31,019 | \$8,233 | 27% | \$182,841 | \$123,361 | 19 |