

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

**THURSDAY**  
**May 19, 2011**  
**12:00 P.M.**

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

**AGENDA**

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

DISCUSSION ITEMS

3. HOLD A PUBLIC HEARING FOR THE OTAY WATER DISTRICT'S 2010 URBAN WATER MANAGEMENT PLAN AND FOLLOWING THE HEARING, ADOPT RESOLUTION NO. 4175 APPROVING THE DISTRICT'S 2010 URBAN WATER MANAGEMENT PLAN (KENNEDY) [5 minutes]
4. APPROVE THE ISSUANCE OF A PURCHASE ORDER TO PROPULSION CONTROLS ENGINEERING IN THE AMOUNT OF \$103,356 FOR THE REMANUFACTURE OF MOTORS FOR THE 803-1 AND 850-2 PUMP STATIONS (SILVERMAN) [5 minutes]
5. APPROVE AN INCREASE TO THE FISCAL YEAR 2011 BUDGET FOR CIP P2490 FOR THE 1296-1 RESERVOIR INTERIOR/EXTERIOR COATING PROJECT FROM \$350,000 TO \$475,000 (KAY) [5 minutes]
6. APPROVE THE ISSUANCE OF A PURCHASE ORDER TO KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$200,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM JULY 1, 2011 THROUGH JUNE 30, 2012 (ANDERSON) [5 minutes]
7. APPROVE A REIMBURSEMENT AGREEMENT WITH MS. DEVELOPMENT COMPANY (MSDC) LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT-TO-EXCEED \$162,305.85 AND TO REIMBURSE MSDC FOR THE COMPLETION OF THE CONSTRUCTION OF A PORTION OF THE CAPITAL IMPROVEMENT PROJECT FOR AIRWAY BUSINESS CENTER – RECPL-16-INCH 860 ZONE RECYCLED PIPELINE ON AIRWAY ROAD (CHARLES) [5 minutes]

8. APPROVE A REIMBURSEMENT AGREEMENT WITH ASPIRE-ENCORE AT RANCHO DEL REY HOMEOWNER'S ASSOCIATION FOR UP TO 50% OF THE CONSTRUCTION COSTS, NOT-TO-EXCEED \$25,500, FOR THE CONVERSION OF AN EXISTING MULTI-FAMILY DEVELOPMENT FROM A POTABLE WATER IRRIGATION SYSTEM TO A RECYCLED WATER IRRIGATION SYSTEM (CHARLES) [5 minutes]
9. CAPITAL IMPROVEMENT PROGRAM 3<sup>RD</sup> QUARTER OF FISCAL YEAR 2011 UPDATE (KAY) [10 minutes]
10. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
11. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Jose Lopez, Chair  
Gary Croucher

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

The Agenda, and any attachments containing written information, are available at the District's website at [www.otaywater.gov](http://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 May 13, 2011 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on May 13, 2011.

  
Susan Cruz, District Secretary

# AGENDA ITEM 3



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	Bob Kennedy <i>BK</i> Associate Civil Engineer	PROJECT / SUBPROJECTS:	P1210-      DIV.      ALL 001000      NO.
	Ron Ripperger <i>ur</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R.P.</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>m magane</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Public Hearing for the Otay Water District's 2010 Urban Water Management Plan and Approve Resolution No. 4175 Approving the District's 2010 Urban Water Management Plan		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board), after holding a public hearing on the District's 2010 Urban Water Management Plan (UWMP), approve Resolution No. 4175 approving the District's 2010 UWMP.

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

That the Board, after holding a public hearing on the District's 2010 UWMP, approve Resolution No. 4175 (Attachment B) approving the District's 2010 UWMP (Attachment C).

### ANALYSIS:

Since 1984, California's Urban Water Management Planning Act (Act) has required each urban water supplier in the State to prepare an UWMP. The requirement applies to each urban water supplier that provides water for municipal purposes either directly or indirectly to more than 3,000 customers or supplies more than 3,000 acre-feet (AF) of water annually. These agencies must update their UWMP at least once every five years

on or before December 31<sup>st</sup> in years ending in five and zero. The deadline for submittal of the 2010 UWMP for retail water purveyors was extended to July 31, 2011 as a result of recent legislation. Sections 10610 through 10657 of the California Water Code detail the information that must be included in these plans. In accordance with the Act, the District is required to update and adopt its plan for submittal to the California Department of Water Resources (DWR) by July 1, 2011. Appendix A in Attachment C contains the text of the Act.

The District utilized DWR's "Guidebook to Assist Urban Water Suppliers to Prepare a 2010 Urban Water Management Plan" dated March 2011 and Senate Bill 7-7 (SBX 7-7) to prepare the UWMP. SBX 7-7 was passed in November 2009 with the goal of reducing California's urban per capita water use by 20 percent by December 31, 2020 with an incremental goal of reducing per capita water use by 10 percent by December 31, 2015.

An UWMP is required in order for a water supplier to receive DWR administered State grants, loans, and drought assistance. In addition, the UWMP is the reference document cited in Water Supply Assessment and Verification Reports mandated in 2001 by Senate Bill 610 and Senate Bill 221 for new developments.

Each urban water supplier is also required to meet SBX 7-7 goals, which are discussed in the UWMP. The UWMP includes projections of the District's future demands and supplies, based on estimates of future growth in the District's service area. It also discusses the steps the District has taken to promote water conservation and ensure water is being used wisely. The strategies outlined in UWMP are intended to allow the District to continue to provide a safe and reliable water supply to its customers.

As required by the Act, the public hearing was noticed in newspapers of general circulation including the San Diego Union Tribune, the Star News, and the East County Californian. In addition, a draft notice was posted on the District's webpage. The District also noticed and solicited comments from the Water Authority, the City of Chula Vista, the City of San Diego, the County of San Diego, local planning groups and sent copies of the draft UWMP to local libraries.

The District's 2010 UWMP is consistent with the Water Authority's 2010 UWMP. Demand and population estimates, along with service reliability, are consistent with those used by the

Water Authority. The table below outlines the projected population and the water demand for the District through 2035.

	2015	2020	2025	2030	2035
Service Area Population	219,223	242,241	258,037	269,522	284,997
Annual Demand (AF/year)	44,883	53,768	63,811	70,669	77,171
Demands with Conservation (AF/year)	44,883	46,321	49,815	52,774	56,614

One amendment made to the Act since preparation of the District's 2005 UWMP require a plan to include water use projections for lower income and affordable households, to assist with compliance with the existing requirement under Section 65589.7 of the Government Code, that suppliers grant priority for the provision of service to affordable and lower income households.

**FISCAL IMPACT:**



An approved UWMP is required in order for the District to receive DWR administered grants, loans, and to receive drought assistance.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

In accordance with the Act, the District will meet its legal requirement if its 2010 UWMP is approved by its Board by July 1, 2011 and copies of the UWMP are submitted to DWR by July 30, 2011.



**General Manager**

P:\WORKING\CIP 00210 WMP & PEIR\UWMP 2010 Update\Staff Report\BD 06-01-11, UWMP, (BK-RR).doc  
BK/RR/RP:jf

- Attachments:      Attachment A - Committee Action  
                         Attachment B - Resolution No. 4175  
                         Attachment C - Otay Water District 2010 UWMP



## ATTACHMENT A

SUBJECT/PROJECT:  P1210-001000	Public Hearing for the Otay Water District's 2010 Urban Water Management Plan and Approve Resolution No. 4175 Approving the District's 2010 Urban Water Management Plan
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### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. The Committee supported Staff's recommendation.

### NOTES:

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

## ATTACHMENT B

RESOLUTION NO. 4175

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE OTAY WATER DISTRICT ADOPTING THE  
2010 URBAN WATER MANAGMENT PLAN

WHEREAS, the Otay Water District (District) has completed the 2010 Urban Water Management Plan pursuant to the requirements of the California Water Code section 10610 et seq.; and

WHEREAS, the plan is the formal document to discuss past, current, and projected water demands; current and alternative water conservation measures; water supply deficiencies; and future management practices.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District approves and adopts the plan entitled "2010 Urban Water Management Plan" for the Otay Water District; and

BE IT FURTHER RESOLVED that the General Manager of the District is authorized and directed to implement the water conservation measures included in the plan as the District's part in the local and regional water conservation effort.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of  
the Otay Water District at a regular meeting this 1<sup>st</sup> day of  
June, 2011.

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President

ATTEST:

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District Secretary

**ATTACHMENT C**

2010 URBAN WATER MANAGEMENT PLAN

## Quality Assurance Approval Sheet

Subject: Public Hearing for the Otay Water District's  
2010 Urban Water Management Plan  
(UWMP) and Approve Resolution No. 4175  
Approving the District's 2010 Urban Water  
Management Plan

Project No.: P1210-001000

Document Description: Staff Report for the June 1, 2011 Board Meeting.

Author: Bob Kennedy 5/10/11  
Signature Date

Bob Kennedy  
Printed Name

QA Reviewer: Gary Silverman 5/10/11  
Signature Date

Gary Silverman  
Printed Name

Manager: Ron Ripperger 5/10/11  
Signature Date

Ron Ripperger  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.



**OTAY WATER DISTRICT**

# 2010 Urban Water Management Plan

# Public Hearing and Plan Adoption

Draft

## **Otay Water District 2010 Urban Water Management Plan**

Adopted June xx, 2011

Prepared for:



Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978

Prepared by:

**ATKINS**

9275 Sky Park Court, Suite 200  
San Diego, California 92123

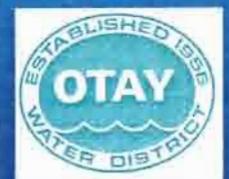
# *Preparation of 2010 UWMP*

- ◆ Update Required by law every 5 years.
- ◆ Purpose and importance has grown since first required 10 years ago.
- ◆ Includes detailed information (actions, steps, schedule) on future supply development.
- ◆ Includes elements of drought management planning.
- ◆ Coordination with member agencies.



# *Benefits of Preparing an UWMP*

- ◆ Document existing and future supplies available to reliably meet demands.
- ◆ Utilize as supporting documents in preparation of water supply assessments and verification reports under SB 610 & SB 221.
- ◆ Required to be eligible to receive funding or drought assistance from the State.



# *What's New for the 2010 UWMP?*

## ◆ SBX 7-7 Compliance:

- Establish Baseline gallons per capita day (gpcd) water use.
- Set target for interim gpcd water reduction by 2015.
- Set target for 20% gpcd reduction by 2020.

## ◆ Water use projections for lower income and affordable households

## ◆ Scenario Planning to deal with uncertainties:

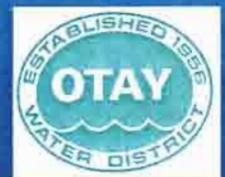
- Climate change
- Regulatory/Legislative actions
- Water supply development & conservation



# **SANDAG Series 12 Forecasts for 2030**

Water Authority Service Area.

<b>Forecast</b>	<b>Series 12</b>
Population	3,759,000
Single-Family Housing Units	713,400
Multi-Family Housing Units	570,900
Employment Counts	1,682,100



# *Water Use Target Methods*

## ◆ Method 1

- 80% of Baseline gallons per capita (gpcd) potable water use

## ◆ Method 2

- Performance standard applied for indoor residential use, Landscape area water use, and CII uses.

## ◆ Method 3

- 95% of hydrologic region target of state's 20x2020 Water Conservation Plan.

## ◆ Method 4 (February 2011)

- Draft provisional target method to be updated 2014
- Excel Spreadsheet calculator of baseline target
  - ◆ Assumed savings of metering of unmetered connections
  - ◆ Assumed water conservation for residential indoor, CII, and Landscape water use



# Method 1 Baseline

10 Year Base Period (SDCWA Method for Estimated Total Potable Demands)														
Estimated Potable Water Use (AF)-Excluding Recycled Water														
Fiscal Year	1996-2005		1997-2006		1998-2007		1999-2008		2000-2009		2001-2010		Population	Annual (gpcd)
	AFY <sup>a</sup>	gpcd												
1996	23,753	176.5											120,102	176.5
1997	24,560	176.9	24,560	176.9									123,901	176.9
1998	22,874	159.9	22,874	159.9	22,874	159.9							127,700	159.9
1999	25,442	172.7	25,442	172.7	25,442	172.7	25,442	172.7					131,499	172.7
2000	29,901	197.3	29,901	197.3	29,901	197.3	29,901	197.3	29,901	197.3			135,301	197.3
2001	30,002	187.0	30,002	187.0	30,002	187.0	30,002	187.0	30,002	187.0	30,002	187.0	143,228	187.0
2002	35,182	201.4	35,182	201.4	35,182	201.4	35,182	201.4	35,182	201.4	35,182	201.4	155,946	201.4
2003	34,536	186.3	34,536	186.3	34,536	186.3	34,536	186.3	34,536	186.3	34,536	186.3	165,514	186.3
2004	39,579	204.4	39,579	204.4	39,579	204.4	39,579	204.4	39,579	204.4	39,579	204.4	172,868	204.4
2005	37,678	185.0	37,678	185.0	37,678	185.0	37,678	185.0	37,678	185.0	37,678	185.0	181,792	185.0
2006	41,258		41,258	197.3	41,258	197.3	41,258	197.3	41,258	197.3	41,258	197.3	186,688	197.3
2007	41,909				41,909	196.6	41,909	196.6	41,909	196.6	41,909	196.6	190,263	196.6
2008	38,045						38,045	175.4	38,045	175.4	38,045	175.4	193,586	175.4
2009	34,971								34,971	159.3	34,971	159.3	195,932	159.3
10-Year gpcd		185		187		189		190		189		188		
Notes:														

a. From CWA Draft Member Agency Demand Forecast For Otay WD

b. Population from SANDAG Population and Housing 1994-2010 (rec'd 2/22/2011)



# ***Demand Target 20% Reduction by 2020***

<b>Year</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>
<b>GPCD Goal</b>	<b>171</b>	<b>152</b>	<b>152</b>	<b>152</b>	<b>152</b>
<b>Population Projection</b>	<b>219,223</b>	<b>242,241</b>	<b>258,037</b>	<b>269,522</b>	<b>284,997</b>
<b>20% by 2020 Demand Target (AF)</b>	<b>42,069</b>	<b>41,321</b>	<b>44,015</b>	<b>45,974</b>	<b>48,614</b>

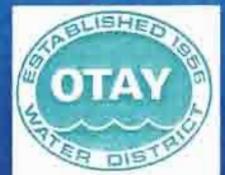
Population projections from SANDAG Series 12 forecast.



# **Baseline Demand Forecast (AF)**

<b>Year</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>
<b>Baseline M&amp;I Demand (SANDAG)</b>	<b>41,811</b>	<b>50,709</b>	<b>60,760</b>	<b>67,625</b>	<b>71,135</b>
<b>Baseline Ag. Demand (CWA)</b>	<b>99</b>	<b>86</b>	<b>78</b>	<b>71</b>	<b>63</b>
<b>Near-term Annexations</b>	<b>2,973</b>	<b>2,973</b>	<b>2,973</b>	<b>2,973</b>	<b>2,973</b>
<b>Total Baseline Demand</b>	<b>44,883</b>	<b>53,768</b>	<b>63,811</b>	<b>70,669</b>	<b>77,171</b>

Population and M&I demand projections from SANDAG Series 12 forecast.



# Water Use Efficiency (WUE) Goal & Additional Conservation Requirement (AF)

Year	2015	2020	2025	2030	2035
Total Baseline Demand	44,883	53,768	63,811	70,669	77,171
20% by 2020 Demand Target	42,069	41,321	44,015	45,974	48,614
Water Use Efficiency Goal	-2,814	-12,447	-19,796	-24,695	-28,557
Recycled Water	4,400	5,000	5,800	6,800	8,000
Adjusted WUE Goal	0 (Surplus)	-7,447	-13,996	-17,895	-20,552

Based on SBX 7-7 Method 1 Calculation



# Population and Demand Through 2035

Year	2015	2020	2025	2030	2035
Population Projection	219,223	242,241	258,037	269,522	284,997
Total Baseline Demand (AF)	44,883	53,768	63,811	70,669	77,171
Adjusted WUE Goal (AF)	0 (Surplus)	-7,447	-13,996	-17,895	-20,552
Total Baseline Demand w/ conservation (AF)	44,883	46,321	49,815	52,774	56,614

Table from Staff Report



# Preparation of 2010 UWMP

Sources of Gradual Change and Uncertainty	Sources of Sudden or Short-term Change and Uncertainty
<b>Demographic Shift</b>	<b>Droughts</b>
Growth deviates from SANDAG Forecast	Severity, timing, and frequency
<b>Climate Change</b>	<b>SWP Regulatory Restrictions</b>
Impacts from long-term changes in temperature and rainfall	Regulatory restrictions are put in place that further limit supply availability
<b>State Water Project Reliability</b>	
Willingness to pay for Delta fix.	
<b>Local supplies not developed as planned</b>	



# **Water Shortage Contingency Plan**

## **Water Authority Water Supply Water Stages**

<b>Water Authority Water Supply Conditions</b>	<b>DMP Stage</b>
<b>A temporary general water supply shortage due to increased demand or limited supplies such as a disruption to the potable water treatment, distribution or storage facilities of Metropolitan or the Water Authority, or of other agencies whereby such systems become inadequate to meet local or regional demand.</b>	<b>Stage 1</b>
<b>A long-term scheduled or unscheduled shutdown, major system disruption, or multi-year drought.</b>	<b>Stage 2</b>
<b>A major unscheduled shutdown or disruption to the treated or untreated water systems such as those caused by natural disaster, major system failure, or acts of war.</b>	<b>Stage 3</b>

Table 38 of the OWD 2010 UWMP



## ***District Water Shortage Response Levels***

<b>Water Shortage Response Levels</b>	<b>Water Use Restrictions</b>	<b>Conservation Target</b>	<b>DMP Stage</b>
<b>1 – Supply Watch</b>	<b>Voluntary</b>	<b>Up to 10%</b>	<b>Stage 1 or 2</b>
<b>2 – Supply Alert</b>	<b>Mandatory</b>	<b>&gt; 10% - 20%</b>	<b>Stage 2 or 3</b>
<b>3 – Supply Critical</b>	<b>Mandatory</b>	<b>&gt; 20% - 40%</b>	<b>Stage 3</b>
<b>4 – Supply Emergency</b>	<b>Mandatory</b>	<b>Above 40%</b>	<b>Stage 3</b>

Table 39 of the OWD 2010 UWMP and from District Code of Ordinance Section 39





**OTAY WATER DISTRICT**

# 2010 Urban Water Management Plan

## Questions ?

Draft

## Otay Water District 2010 Urban Water Management Plan

Adopted June xx, 2011

Prepared for:



Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978

Prepared by:

**ATKINS**

9275 Sky Park Court, Suite 200  
San Diego, California 92123



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	Gary Silverman <i>GS</i> Senior Civil Engineer	PROJECT/ SUBPROJECT:	P2502-001102 DIV. 5 P2503-001102 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:	Authorize the Issuance of a Purchase Order to Remanufacture Motors for the 803-1 and 850-2 Pump Stations		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) authorizes the General Manager to issue a purchase order to Propulsion Controls Engineering (PCE) in the amount of \$103,356 for the remanufacture of motors at 803-1 and 850-2 Pump Stations (see Exhibit A for Project location).

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

Please see Attachment A.

**PURPOSE:**

To obtain Board authorization for the General Manager to issue a purchase order in the amount of \$103,356 to PCE for the remanufacture of motors at the 803-1 and 850-2 Pump Stations.

**ANALYSIS:**

The 803-1 and 850-2 Pump Stations are located adjacent to each other at the Regulatory Site. Both pump stations currently lift water from the 520 Reservoirs to their respective pressure zones. With the new 640-1 and 640-2 Reservoirs in place since 2008, and the completion of

the 36-inch Jamacha Road pipeline in the fall of 2010, the District now has the opportunity for significant energy cost savings by modifying these stations to enable pumping from the 640-1 and 640-2 Reservoirs rather than the 520-2 and 520-3 Reservoirs.

To accomplish this change in pumping operation, it is necessary to replace the motor starters in the existing motor control centers (MCCs) with VFDs. This will allow the existing pumps to operate at a lower speed to match the reduced pumping head. It will also provide the operational flexibility to return to the higher pumping head configuration, if necessary. The VFDs related controls were approved at the May 4, 2011 Board Meeting.

The 120-foot decrease in pumping head will result in an estimated savings in energy usage of approximately \$85,000 per year. At this rate, the estimated project costs will be recovered within 12 years, well within the useful life of the two pump stations. In addition, because the Project reduces energy consumption, it qualifies under the SDG&E Energy Efficiency Business Incentive Program. Application has been made and the Project has been pre-approved by SDG&E for an incentive payment of approximately \$75,000, reducing the payback time by about one year.

In association with installing VFDs, it is also necessary to remanufacture the existing motors so they are compatible with the VFDs. Quotations were solicited on April 12, 2011 from vendors to remanufacture a total of eight (8) motors (four (4) for the 803-1 Pump Station and four (4) for the 850-2 Pump Station). The selected vendor will pick up the motors at the project site, do the specified work off-site at its shop, and deliver the remanufactured motors to the project site when the work is complete. District staff will dismount and remount the motors in coordination with the vendor.

In accordance with District Purchasing Procedures, three quotations were received on April 26, 2011, as presented in the following table:

Pump Station	PCE	EMS	Sloan
803-1 PS (P2502)	\$52,924.00	\$58,000.00	\$59,811.08
850-2 PS (P2503)	\$50,432.00	\$54,000.00	\$75,020.44
<b>Total</b>	<b>\$103,356.00</b>	<b>\$112,000.00</b>	<b>\$134,831.52</b>

All three vendors have offered the services that were requested. Therefore, by virtue of their quotation being the lowest, it is recommended that the required motor remanufacturing services be purchased from PCE for \$103,356.

**FISCAL IMPACT:**



The budget for CIP P2502 is \$525,000. Total expenditures, plus outstanding commitments and forecast, including this contract, is \$447,861. See Attachment B-1 for budget detail.

The budget for CIP P2503 is \$650,000. Total expenditures, plus outstanding commitments and forecast, including this contract, is \$407,743. See Attachment B-2 for budget detail.

Based on a review of the financial budgets, the Project Manager has determined that each budget is sufficient to support the project.

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

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

\_\_\_\_\_

None.



**General Manager**

P:\WORKING\CIP P2502 803-1 Pump Station Modifications\Staff Reports\BD-05-04-11, Staff Report, Authorize Purchase of VFDs and ALCs, (GS-RR).doc

GS/RR:jf

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



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> P2502-001102 P2503-001102	Authorize the Issuance of a Purchase Order to Remanufacture Motors for the 803-1 and 850-2 Pump Stations
---------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

### **COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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-1

<b>SUBJECT/PROJECT:</b>	Authorize the Issuance of a Purchase Order to Remanufacture
P2502-001102	Motors for the 803-1 and 850-2 Pump Stations
P2503-001102	

Otay Water District  
P2502 - 803-1 Pump Station Modifications

Date Updated: March 01, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
525,000					
<b>Planning</b>					
Labor	11,545	11,545	-	11,545	
Consultant Contracts	9,710	675	9,035	9,710	HVAC ENGINEERING INC
<b>Total Planning</b>	21,255	12,220	9,035	21,255	
<b>Design</b>					
Labor	30,712	15,712	15,000	30,712	
Consultant Contracts	175	175	-	175	MWH CONSTRUCTORS INC
	3,750	-	3,750	3,750	EPI
<b>Total Design</b>	34,637	15,887	18,750	34,637	
<b>Construction</b>					
Labor	80,000		80,000	80,000	
VFD Procurement	141,919		141,919	141,919	SLOAN
ALC Procurement	67,126		67,126	67,126	ONE SOURCE
Motor Remanufacture	52,924		52,924	52,924	PCE
A/C Installation			50,000	50,000	
<b>Total Construction</b>	341,969	-	391,969	391,969	
<b>Grand Total</b>	397,861	28,107	419,754	447,861	



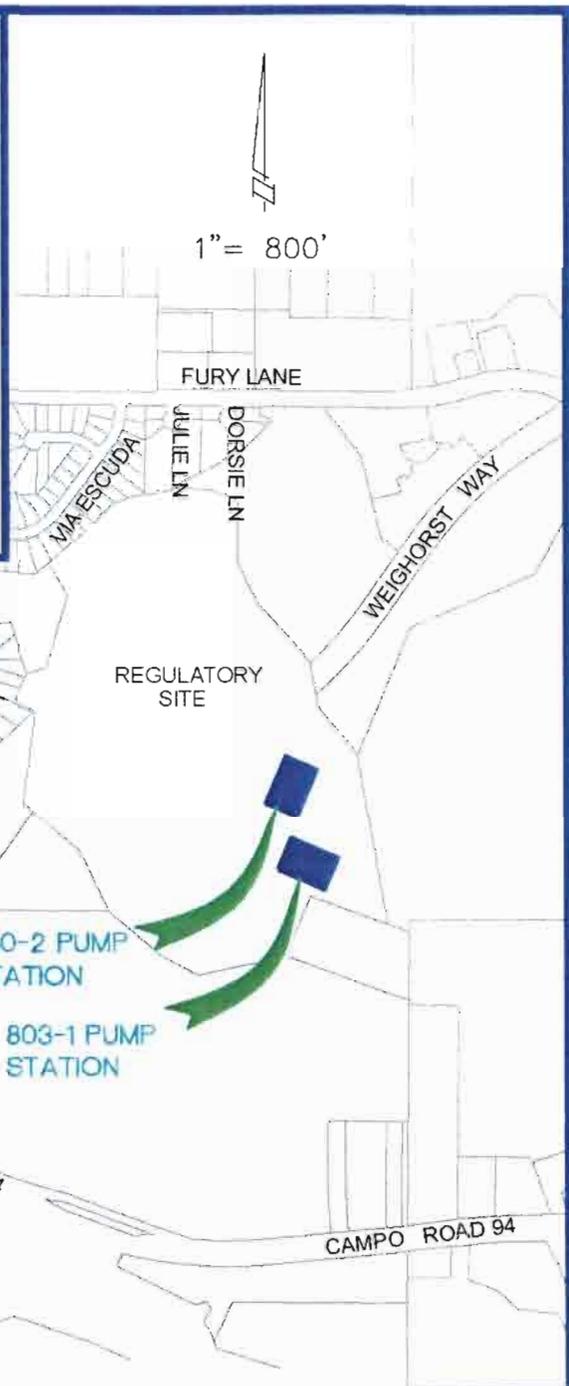
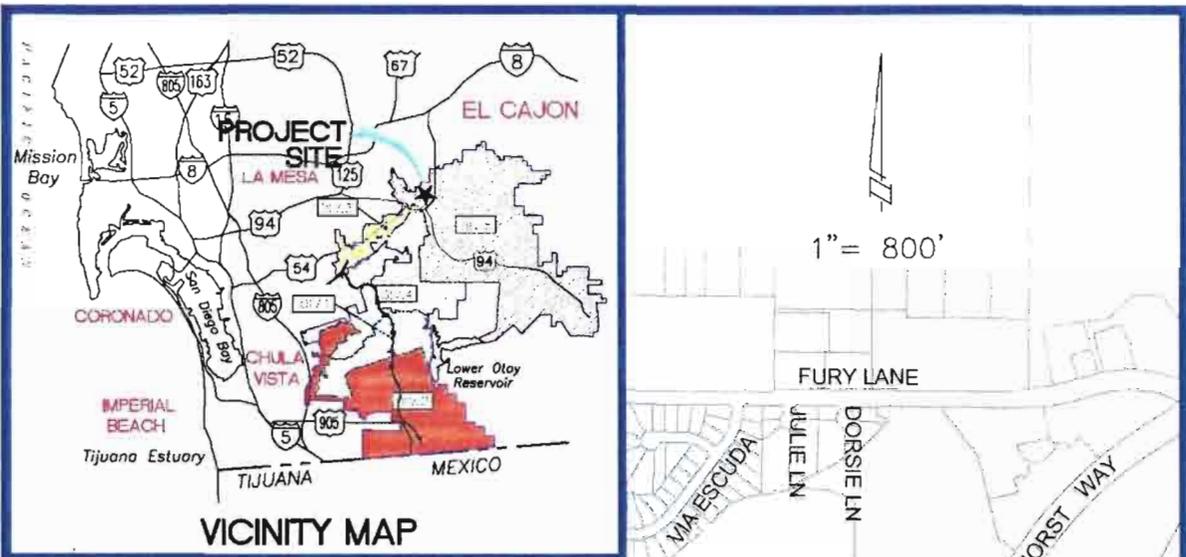
## ATTACHMENT B-2

<b>SUBJECT/PROJECT:</b> P2502-001102 P2503-001102	Authorize the Issuance of a Purchase Order to Remanufacture Motors for the 803-1 and 850-2 Pump Stations
---------------------------------------------------------	----------------------------------------------------------------------------------------------------------

Otay Water District  
 P2503 - 850-2 Pump Station Modifications

Date Updated: April 26, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
650,000					
<b>Planning</b>					
Labor	18,930	18,930		18,930	
Consultant Contracts	9,710	1,000	8,710	9,710	HVAC ENGINEERING INC
<b>Total Planning</b>	28,640	19,930	8,710	28,640	
<b>Design</b>					
Labor	24,864	14,864	10,000	24,864	
Consultant Contracts	175	175	-	175	MWH CONSTRUCTORS INC
	3,750	-	3,750	3,750	EPI
Equipment Rental	2,790	2,790	-	2,790	ART'S TRENCH PLATE
<b>Total Design</b>	31,579	17,829	13,750	31,579	
<b>Construction</b>					
Labor	75,000	-	75,000	75,000	
VFD Procurement	104,966	-	104,966	104,966	SLOAN
ALC Procurement	67,126	-	67,126	67,126	ONE SOURCE
Motor Remanufacture	50,432	-	50,432	50,432	PCE
A/C Installation	-	-	50,000	50,000	
<b>Total Construction</b>	297,524	-	347,524	347,524	
<b>Grand Total</b>	<b>357,743</b>	<b>37,759</b>	<b>369,984</b>	<b>407,743</b>	



1" = 800'

P:\WORKING\CIP P2502\Staff Reports\Staff Report - Exhibit A.dwg 3/7/2011 9:08:02 AM PST



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

LOCATION MAP

CIP P2502  
CF P2503

**EXHIBIT A**

# Quality Assurance Approval Sheet

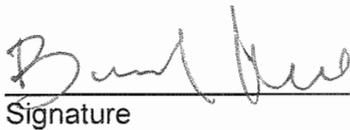
Subject: Authorize the Issuance of a Purchase Order to  
Remanufacture Motors for the 803-1 and 850-2  
Pump Stations

Project Nos.: P2502-001102  
P2503-001102

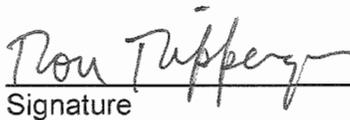
Document Description: Staff Report for June 1, 2011 Board Meeting

Author:  5/11/11  
Signature Date

Gary Silverman  
Printed Name

QA Reviewer:  5/11/11  
Signature Date

Bob Kennedy  
Printed Name

Manager:  5/11/11  
Signature Date

Ron Ripperger  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.

# AGENDA ITEM 5



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT/ SUBPROJECTS:	P2490- DIV. 5 001103 NO.
	Ron Ripperger <i>u</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>rod posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>m magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Increase the Budget for CIP P2490 for the 1296-1 Reservoir Interior/Exterior Coating Project		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorize an increase to the FY 2011 Budget for CIP P2490 for the 1296-1 Reservoir Interior/Exterior Coating Project from \$350,000 to \$475,000 (see Exhibit A for Project location).

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

Please see Attachment A.

### PURPOSE:

To obtain Board approval to increase the budget for the 1296-1 Reservoir Interior/Exterior Coating Project by \$125,000.

### ANALYSIS:

On February 3, 2010, the Board awarded a construction contract to West Coast Industrial Corporation (West Coast) in the amount of \$690,000 for coating the interior and exterior of both the 1296-1 and 1296-2 Reservoirs and to perform structural upgrades to each reservoir. When the construction project was awarded,

the total expenditures, plus outstanding commitments and forecast, for the 1296-1 Reservoir (1.0MG) portion of the work, were \$347,615. The FY 2010 CIP project budget was \$350,000. This amount was not revised for FY 2011 since the project had just begun and the forecast at that time still showed that the budget was adequate. However, due to the complexity of the 1296-1 Reservoir, consisting of lead removal and containment along with removal of coal tar on the interior, the budget should have been increased by \$55,000 for FY 2011 to account for an increased level of inspection. The budget for the 1296-2 Reservoir (2.0MG) project is adequate.

The second reason for staff's request to increase the 1296-1 Reservoir project budget is for extended costs incurred due to the contractor's low productivity rate and inability to complete the project on time. The original contract completion date was August 19, 2010, but was extended to December 23, 2010 due to additional scope of work required and weather delays. Taking into account the current forecast completion date of June 30, 2011, the project completion will be delayed by over six (6) months. This delay translates into additional costs for the District that were not anticipated when the project budget was updated for FY 2011.

West Coast took seven (7) months to complete the coating and structural upgrades on the 1296-2 Reservoir. The 1296-1 Reservoir work began in October 2010, and will be completed on June 30, 2011. The District required additional Construction Management (CM), full-time specialty inspection along with additional staff time that will amount to \$70,000. The table below details the two (2) components of the budget increase request.

FY 2011 Budget Shortfall (Staff)	\$55,000
Costs incurred since 12-23-10 (Staff, specialty inspection, CM, misc)	\$70,000
<b>TOTAL</b>	<b>\$125,000</b>

Currently, West Coast is in the process of removing and recoating the top coat for the lower portion of the interior walls and the floor of the 1296-1 Reservoir. This work is required in order to pass the Volatile Organic Compound (VOC) tests. The new coating failed the VOC tests twice due to the lack of curing of the first two coats. Once this work is finished, the project will be complete.

Staff is evaluating the merits of assessing liquidated damages to West Coast in order to recoup a portion of the District's costs due to the unapproved extended duration of the contract.

The total amount of liquidated damages from December 23, 2010 to June 30, 2011 will be \$47,500.

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

The total budget for CIP P2490, as approved in the FY 2011 budget, is \$350,000. Total expenditures, plus outstanding commitments and forecast to date, are \$474,579 (see Attachment B for budget details). The Project Manager has determined that with a budget increase of \$125,000, the project will be completed within the new budget amount of \$475,000.

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

**STRATEGIC GOAL:**

These projects support 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, to be "... prepared for the future..." by guaranteeing that the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

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

None.

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

P:\WORKING\CIP P2490\Staff Reports\Staff Report Budget Increase\BD 06-01-11 Staff Report Increase to Total Project Budgets (P2490, P2492), (DK-RR).doc  
DK/RR/RP:jf

Attachments: Attachment A - Committee Action  
Attachment B - Budget Detail for P2490  
Exhibit A - Location Map



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> P2490-001103	Increase the Budget for CIP P2490 for the 1296-1 Reservoir Interior/Exterior Coating Project
-----------------------------------------	-------------------------------------------------------------------------------------------------

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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.

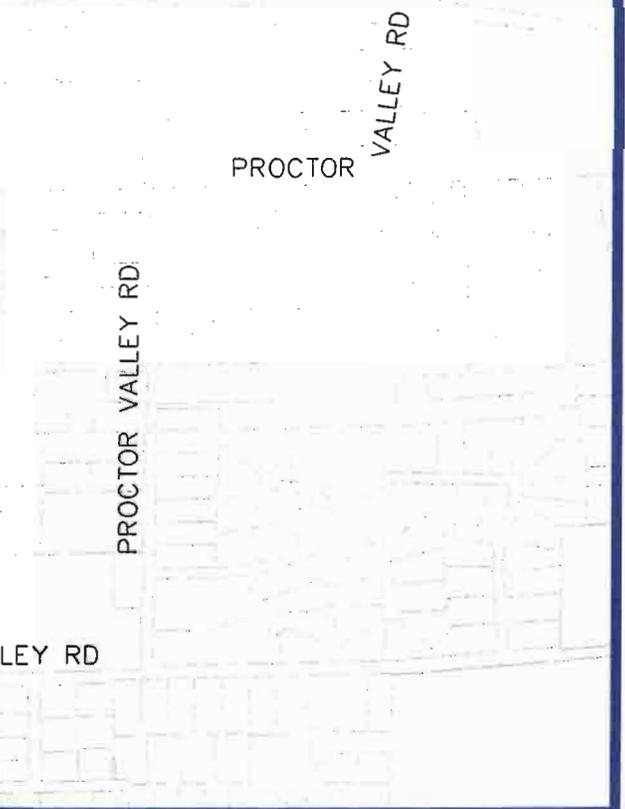
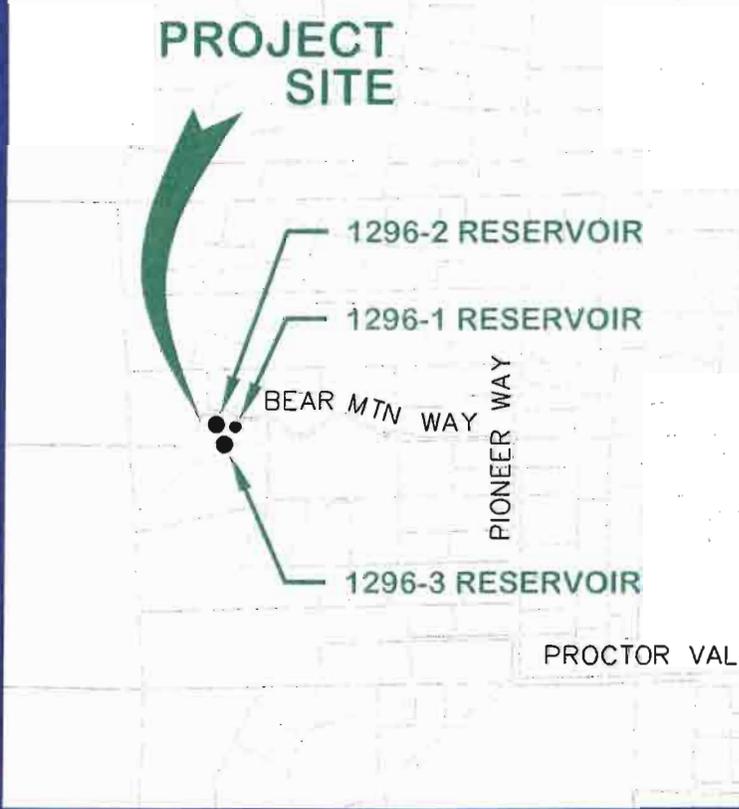
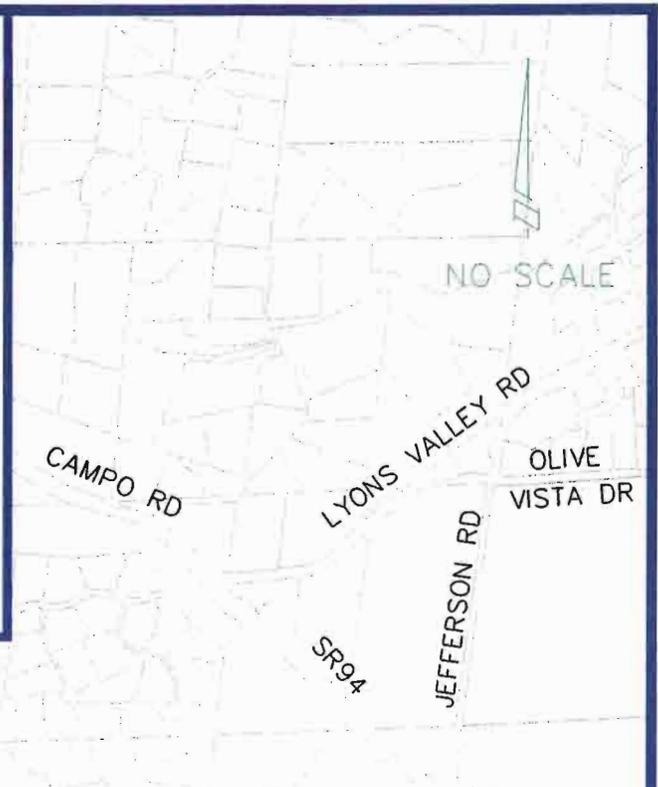
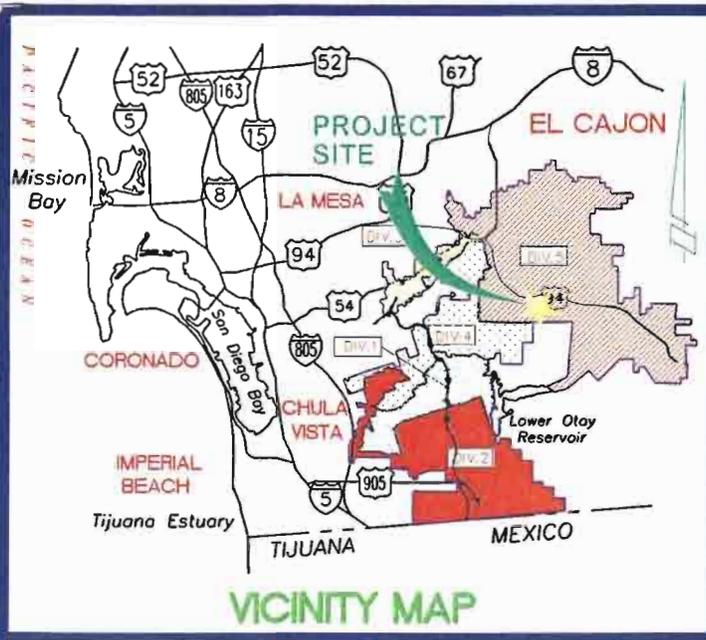


## ATTACHMENT B

Otay Water District  
P2490 - 1296-1 Reservoir Int/Ext Coating & Upgrade

Date Updated: May 04, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
475,000					
<b>Planning</b>					
Labor	7,832	7,832		7,832	
Regulatory Agency Fees	50	50	-	50	PETTY CASH CUSTODIAN
<b>Total Planning</b>	7,882	7,882	-	7,882	
<b>Design</b>					
Labor	40,136	40,136		40,136	
Professional Legal Fees	1,206	1,206	-	1,206	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	700	700	-	700	MWH CONSTRUCTORS INC
	-	-	-	-	
<b>Total Design</b>	42,043	42,043	-	42,043	
<b>Construction</b>					
Labor	46,754	46,754	10,000	56,754	
Consultant Contracts	1,160	1,160	-	1,160	VALLEY CONSTRUCTION MANAGEMENT
Construction Contracts	4,640	4,640	-	4,640	VALLEY CONSTRUCTION MANAGEMENT
	314,040	254,040	60,000	314,040	WEST COAST IND COATINGS INC
	1,110	1,110	-	1,110	CLARKSON LAB & SUPPLY INC
Service Contracts	126	126	-	126	UNION TRIBUNE PUBLISHING CO
	787	787	-	787	MAYER REPROGRAPHICS INC
	36,000	36,000	-	36,000	SCHIFF ASSOCIATES
	36	36	-	36	SAN DIEGO DAILY TRANSCRIPT
Closeout/Acceptance	-	-	10,000	10,000	
<b>Total Construction</b>	404,654	344,654	80,000	424,654	
<b>Grand Total</b>	454,579	394,579	80,000	474,579	



**OTAY WATER DISTRICT**  
 1296-1 & 1296-2 RESERVOIR  
 EXTERIOR/INTERIOR COATING AND UPGRADES  
 CIP P2490 & CIP P2492

# Quality Assurance Approval Sheet

Subject: Increase the Budget for CIP P2490 for the  
1296-1 Reservoir Interior/Exterior Coating Project

Project No.: P2490-001103

Document Description: Staff Report for June 1, 2010 Board Meeting

Author:  5/12/11  
Signature Date

Daniel Kay  
Printed Name

QA Reviewer:  5/12/11  
Signature Date

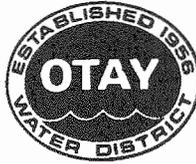
Gary Silverman  
Printed Name

Manager:  5/12/11  
Signature Date

Ron Ripperger  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.

# AGENDA ITEM 6



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	Frank Anderson, Utility Services Manager <i>F.A.</i>	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Pedro Porras, <i>P.P.</i> Chief, Water Operations		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>M. Magaña</i> Assistant General Manager, Engineering & Operations		
SUBJECT:	AWARD PURCHASE ORDER TO KIRK PAVING FOR ANNUAL AS NEEDED PAVING SERVICES		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize issuing a blanket purchase order to Kirk Paving in an amount not to exceed \$200,000 for as-needed asphalt paving services from July 1, 2011 through June 30, 2012.

### COMMITTEE ACTION:

Please see Attachment "A".

### PURPOSE:

To present bid results and request that the Board authorize issuing a blanket purchase order to Kirk Paving for as-needed asphalt paving services from July 1, 2011 through June 30, 2012 in an amount not to exceed \$200,000.

### ANALYSIS:

As a regular course of business, the District is required to maintain and repair its water delivery infrastructure. Routinely this work requires the removal and re-installation of asphalt paving in public roadways. It has been proven more effective and efficient for the District to use outside contractors for its asphalt paving work.

Therefore, the District has used outside asphalt paving contract service for more than six (6) years.

As-needed paving service has been included in the FY 2012 Operating Budget under Contracted Services. The FY 2012 budget for Contracted Services is \$200,000.

In accordance with District purchasing requirements, a notice was published and bids were solicited for this work on a "unit price" basis. On May 3, 2011 six (6) contractors attended a mandatory pre-bid meeting and on May 10 2011, bids were received and publicly opened with the following results from four(4) bidders:

Bidder	Weighted Score
Kirk Paving	838.30
SC Services	843.50
Frank & Son	1017.70
Hardy & Harper	1084.90

The low bidder was determined to be Kirk Paving, Lakeside, CA. Attachment B was produced by the purchasing manager and is attached.

Kirk Paving served as the FY10 as-needed paving services contractor for the District for a yearly contract of \$200,000 with no change orders. We are confident that they will be able to perform the required work.

**FISCAL IMPACT:** *RLB*

The FY 2012 budget request includes \$200,000 for as-needed paving services. The project manager has projected that this requested amount is sufficient to meet the paving needs in the 2012 fiscal year.

**STRATEGIC GOAL:**

Strategy: Stewards of Public Infrastructure  
Goal: Conduct the best practice preventative maintenance activities.

**LEGAL IMPACT:**

None.



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**General Manager**

Attachment "A", Committee Action



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Award Purchase Order to Kirk Paving for Annual As-Needed Paving Services
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### COMMITTEE ACTION:

The Engineering/Operations and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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"

### As-Needed Paving FY12 Evaluation Work Sheet

**Months 1-6**

Item	Wght	Type of Service	Kirk Paving		Hardy & Harper		Frank & Son		SC Services	
			Bid Price	Total Score	Bid Price	Total Score	Bid Price	Total Score	Bid Price	Total Score
1	10	Asphalt 0"-6"	\$ 19.00	190	\$ 22.00	220.00	\$ 16.25	162.50	\$ 16.00	160.00
2	5	Asphalt 7"-12"	\$ 19.50	97.5	\$ 27.00	135.00	\$ 18.25	91.25	\$ 18.00	90.00
3	5	Cap/Sheet 0"-1"	\$ 2.50	12.5	\$ 4.50	22.50	\$ 2.75	13.75	\$ 2.75	13.75
4	1	Satin Seal	\$ 0.50	0.5	\$ 0.40	0.40	\$ 1.00	1.00	\$ 1.00	1.00
5	1	Traffic Stripping	\$ 1.00	1	\$ 1.50	1.50	\$ 1.25	1.25	\$ 1.50	1.50
6	1	Grinding	\$ 3.25	3.25	\$ 2.00	2.00	\$ 4.00	4.00	\$ 2.50	2.50
7	1	Traffic Loops	\$ 14.00	14	\$ 20.00	20.00	\$ 19.00	19.00	\$ 20.00	20.00
8	1	Sand/Seal	\$ 1.75	1.75	\$ 0.80	0.80	\$ 2.50	2.50	\$ 2.00	2.00
9	1	Base Rem/Rep	\$ 25.00	25	\$150.00	150.00	\$ 90.00	90.00	\$ 18.00	18.00
10	10	Saw Cut 0"-6"	\$ 3.00	30	\$ 2.50	25.00	\$ 5.00	50.00	\$ 5.00	50.00
11	10	Saw Cut 6"-12"	\$ 3.50	35	\$ 3.50	35.00	\$ 6.00	60.00	\$ 5.00	50.00
12	1	Saw Cut 12" +	\$ 4.00	4	\$ 4.50	4.50	\$ 8.25	8.25	\$ 6.00	6.00
<b>Score Months 1-6</b>			<b>414.5</b>		<b>616.7</b>		<b>503.5</b>		<b>414.75</b>	

**Months 7-12**

Item	Wght	Type of Service	Kirk Paving		Hardy & Harper		Frank & Son		SC Services	
			Bid Price	Total Score	Bid Price	Total Score	Bid Price	Total Score	Bid Price	Total Score
1	10	Asphalt 0"-6"	\$ 19.60	196	\$ 22.00	220.00	\$ 17.00	170	\$ 17.00	170
2	5	Asphalt 7"-12"	\$ 20.00	100	\$ 27.00	135.00	\$ 18.75	93.75	\$ 19.00	95
3	5	Cap/Sheet 0"-1"	\$ 2.65	13.25	\$ 4.50	22.50	\$ 2.75	13.75	\$ 2.75	13.75
4	1	Satin Seal	\$ 0.50	0.5	\$ 0.40	0.40	\$ 1.70	1.7	\$ 1.00	1
5	1	Traffic Stripping	\$ 1.00	1	\$ 1.50	1.50	\$ 1.25	1.25	\$ 1.50	1.5
6	1	Grinding	\$ 3.25	3.25	\$ 2.00	2.00	\$ 4.00	4	\$ 2.50	2.5
7	1	Traffic Loops	\$ 14.00	14	\$ 20.00	20.00	\$ 19.00	19	\$ 20.00	20
8	1	Sand/Seal	\$ 1.75	1.75	\$ 0.80	0.80	\$ 2.50	2.5	\$ 2.00	2
9	1	Base Rem/Rep	\$ 25.00	25	\$ 1.50	1.50	\$ 90.00	90	\$ 18.00	18
10	10	Saw Cut 0"-6"	\$ 3.00	30	\$ 2.50	25.00	\$ 5.00	50	\$ 5.00	50
11	10	Saw Cut 6"-12"	\$ 3.50	35	\$ 3.50	35.00	\$ 6.00	60	\$ 5.00	50
12	1	Saw Cut 12" +	\$ 4.00	4	\$ 4.50	4.50	\$ 8.25	8.25	\$ 5.00	5
<b>Score Months 7-12</b>			<b>423.75</b>		<b>468.2</b>		<b>514.2</b>		<b>428.75</b>	
<b>Total Score</b>			<b>838.25</b>		<b>1084.9</b>		<b>1017.7</b>		<b>843.5</b>	

## Quality Assurance Approval Sheet

Subject: Approval to award purchase order to Kirk Paving for FY12 annual as-needed paving services. Project No.: Utilities Maintenance Operating Budget-Contractual Services

Document Description: Staff report for the June 1, 2011 Board Meeting.

Author:  Date: 5-11-11  
Signature

FRANK ANDERSON  
Printed Name

QA Reviewer:  Date: 5-12-11  
Signature

TANEO VASQUEZ  
Printed Name

Manager:  Date: 5-12-11  
Signature

FRANK ANDERSON  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability, the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.

# AGENDA ITEM 7



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	David Charles <i>[Signature]</i> Public Services Manager	PROJECT/ SUBPROJECT:	D0672-      DIV.NO. 2 090017 R2058- 001103
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:	Reimbursement Agreement with MS. Development Company LLC, for a Portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone, Airway Road (CIP R2058)		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorizes the General Manager to enter into a Reimbursement Agreement with MS. Development Company LLC, a California Limited Liability Company (MSDC), in an amount not to exceed \$162,305.85 and to reimburse MSDC for the completion of construction of a portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone recycled pipeline on Airway Road (CIP R2058), (see Exhibit A for Project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

To obtain Board authorization for the General Manager to enter into a reimbursement agreement (see Attachment B) and authorize payment with MSDC for reimbursement of construction costs of a portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone recycled pipeline on Airway Road (CIP R2058), in an amount not to exceed \$162,305.85.

**ANALYSIS:**

Since the Developer was required to widen Airway Road, staff conditioned the Developer, MSDC, as part of the Otay Mesa Fed-Ex Project (Project), to install approximately 1,383 linear feet of 16-inch PVC pipe, in the Otay Mesa area.

The District would like to enter into a Reimbursement Agreement per Policy 26. Due to the expedited nature of the Project, the Developer had to build this Project and seek reimbursement at a later date.

The Developer received bids for the pipeline construction from three responsive bidders and submitted copies to the District. Staff and District Counsel evaluated and certified that these bids were in compliance with Policy 26 requirements and concurred with the award to Rand Engineering, the low bidder. The bids are as follows:

Bidders	Bid Amount
Rand Engineering	\$160,183.80
Western Pacific Pipeline	\$180,100.00
KTA Construction	\$178,540.00

Staff used the following methodology to evaluate the reimbursement request submitted by MSDC:

- a.) A quantity take-off (see Attachment C)
- b.) CIP price verification sheet (see Attachment D)
- c.) Comparison of prices and quantities against the reimbursement request (see Attachment E)

Staff reviewed and is in agreement with the information on the documents provided.

**FISCAL IMPACT:**

The total budget for CIP R2058, as approved in the FY 2011 budget, is \$3,500,000. Total expenditures, plus outstanding commitments and forecast, is \$1,298,546. See Attachment F for budget detail.

Based on a review of the financial budget, the Project Manager has determined that the budget is sufficient to support the project.

Finance has determined that 100% of the funding will be available from the Expansion Fund.





# EXHIBIT A

## AIRWAY BUSINESS CENTER

DEVELOPER: MS DEVELOPMENT CO. LLC

PROJECT#: D0672-090017

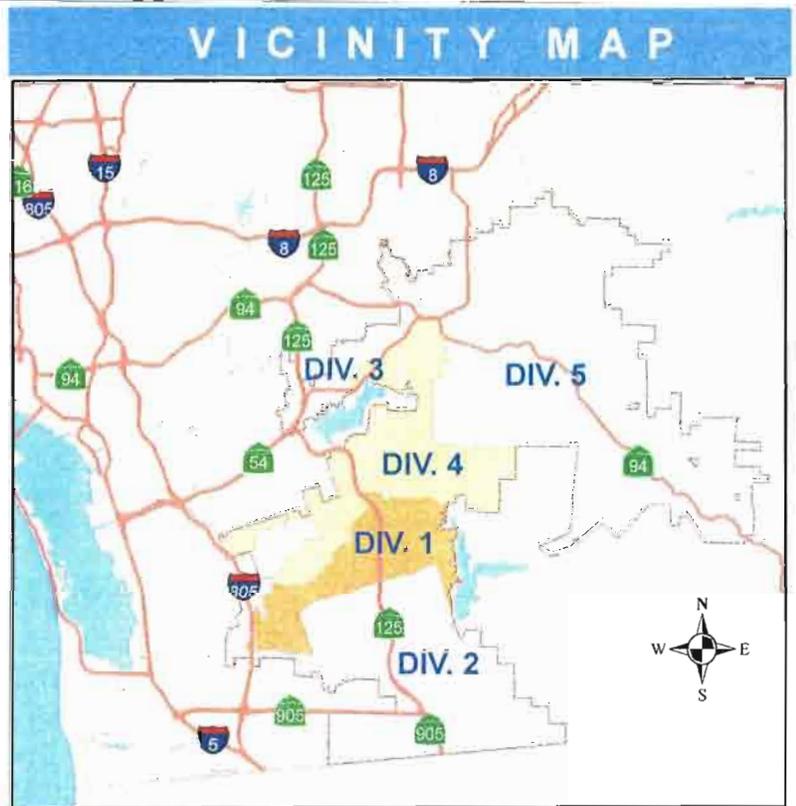
APN: 646-130-60, 61, 62, 63, 64-00

ADDRESS: AIRWAY ROAD

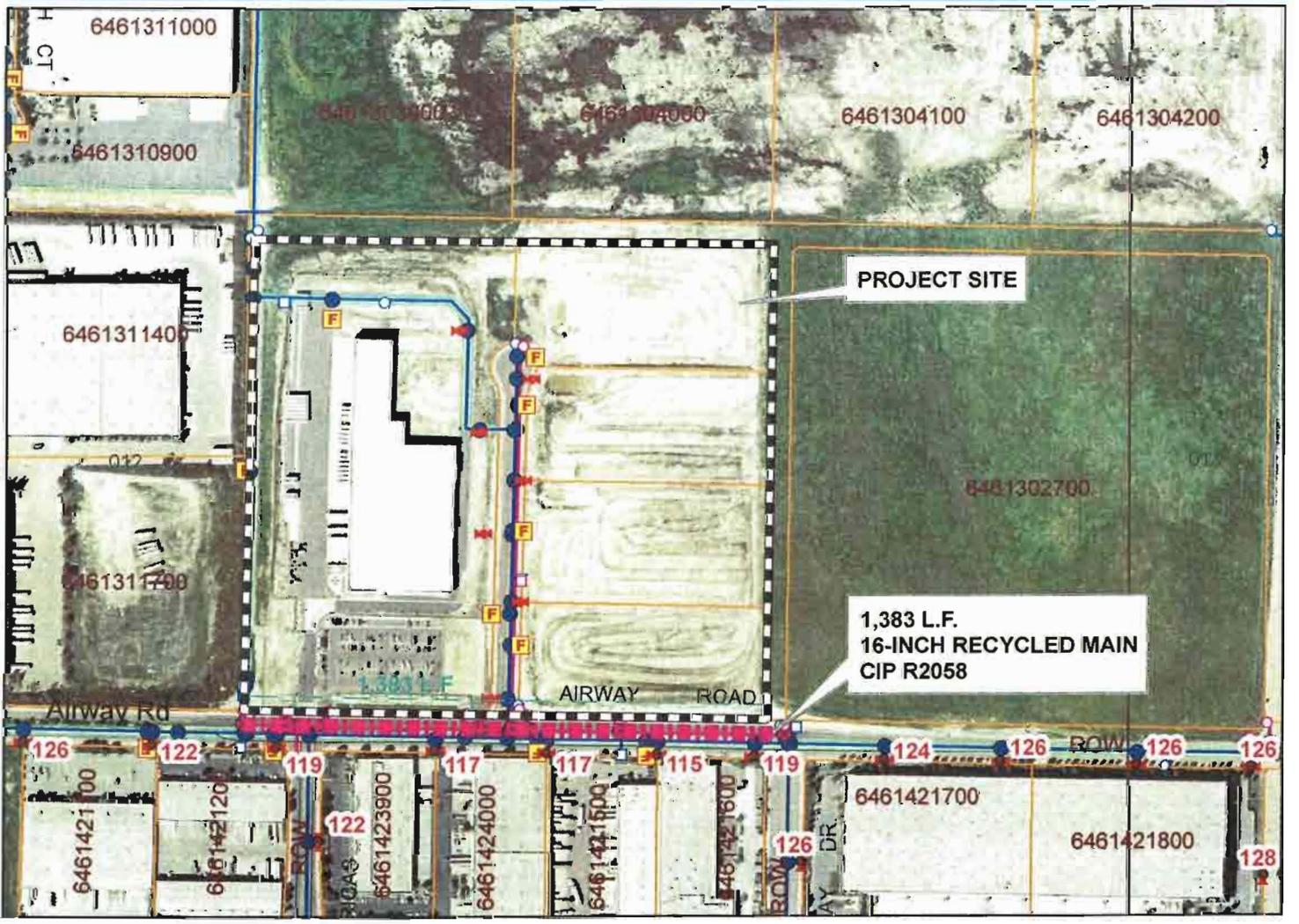
DIV: 2

ID: 7

DATE: 4/18/2011



## LOCATION MAP





## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>  D0672-090017	Reimbursement Agreement with MS. Development Company LLC, for a Portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone, Airway Road (CIP R2058)
---------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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**  
**REIMBURSEMENT AGREEMENT**

**REIMBURSEMENT AGREEMENT**  
**For**  
**CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES**  
**Associated With**  
**MS. DEVELOPMENT COMPANY LLC, A CALIFORNIA**  
**LIMITED LIABILITY COMPANY**  
**For A Portion Of The Project For**  
**AIRWAY BUSINESS CENTER**  
**RECPL-16-INCH 860 ZONE, AIRWAY ROAD (CIP R2058)**

This Reimbursement Agreement (“**Agreement**”) is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2011, by and between the OTAY WATER DISTRICT, a Municipal Water District formed under the Municipal Water District Act of 1911 (“**District**”) and MS. DEVELOPMENT COMPANY LLC, A CALIFORNIA LIMITED LIABILITY COMPANY with an address at 560 Ranchito Drive, Escondido, California 92025 (“**Developer**”), in view of the following facts and for the following purposes:

**RECITALS**

A. District’s Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (“**CIP**”) for all regional water facilities (“**Planned CIP Facilities**”) throughout District. There are a number of Planned CIP Facilities within and adjacent to Airway Business Center (the “**Development**”) (see Exhibit A), which Developer will construct within District’s service area in City of San Diego, California.

~~B. In connection with the Development and the Facilities, Developer was required to complete a Subarea Master Plan (the “SAMP”) upon which the Planned CIP Facilities are identified. If required, the SAMP has been completed, is entitled “Subarea Water Master Plan of Potable and Recycled Water for Otay Ranch Village 2”, dated June 1, 2006 and is incorporated herein by reference. Developer will complete the Planned CIP Facilities as identified in the SAMP, if any, or/and as depicted or described in Exhibit A attached hereto.~~

C. Developer intends to develop its property, which will include substantial public improvements, including the construction of certain of the Planned CIP Facilities within the Development (“**Required CIP Facilities**”) as more fully depicted or described in Exhibits B-1 and B-2.

D. Developer recognizes that District will need to construct regional facilities to support this development, typically in advance of the Developer paying all capacity fees.

E. Developer shall conform to, and comply with, all of the conditions set forth in District’s current Policy 26, attached hereto as Exhibit C.

F. Developer shall comply with all terms and conditions in the current District’s Code of Ordinances and in the District’s Standard Specifications.

G. Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this agreement.

H. In coordination with this Agreement, Developer and District have entered into that certain Agreement for Construction of a Water System dated March 16, 2009 (“**Construction Agreement**”) wherein Developer’s obligations regarding the construction and completion of the Required CIP Facilities are more fully set forth. The Parties acknowledge that where the terms and conditions of this agreement conflict with the Construction Agreement on matters pertaining to construction and completion of the Required CIP Facilities, the Construction Agreement will control. Similarly, where the terms and conditions of the Construction Agreement conflict with this Agreement on matters pertaining to the reimbursement of Developer by District, this Agreement will control.

### **OPERATIVE PROVISIONS**

**NOW, THEREFORE**, in consideration of the above Recitals and of the promises and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, District and the Developer do hereby promise and agree as follows:

1. **Project Cost**

Developer shall design and construct, install and complete the Required CIP facilities described in Exhibits B-1 and B-2 in the manner more fully set forth in the Construction Agreement, and shall provide all funds needed for the design, construction, installation and completion of the Required CIP Facilities. In order to remain eligible for reimbursement as provided under this Agreement, the Required CIP Facilities must be constructed and completed within the time provided in the Construction Agreement. Furthermore, to remain eligible for reimbursement, Developer must construct the Required CIP Facilities in compliance with all applicable laws, rules and regulations.

2. **Reimbursement**

Developer shall be entitled to reimbursement for the cost and expense of constructing and completing the Required CIP Facilities consistent with District’s Policy No. 26 and consistent with any Construction Agreement in form and function satisfactory to the District. Except as provided in Policy 26, the District will pay 100% of the reimbursement cost after the General Manager accepts the project and the Board approves the request for reimbursement.

Developer shall submit a request for reimbursement in writing to the District and shall attach all documents necessary to demonstrate, to the satisfaction of District, that the work has been completed and accepted and the costs and expenses have been actually and reasonably incurred. The necessary documents shall include (i) copies of bid documents, (ii) invoices, (iii) unconditional lien releases, and (iv) any other documentation as requested by the District.

3. **Termination**

If not otherwise earlier terminated, this agreement shall terminate on the earlier of (i) the date on which the reimbursements contemplated herein have been paid, or (ii) five (5) calendar years from the date first set forth above, which shall be the date of Board approval; provided that all Developer's warranties and indemnifications shall remain in effect until terminated in accordance with their respective terms. District may terminate this Agreement and its obligations if the General Manager determines that Developer has failed to comply with its obligations hereunder or under the Construction Agreement.

4. **Plan Removal**

Developer shall be required to adhere to District's process for submittal of improvement plans, which includes bonding for all facilities to be constructed, construction agreements, deposits for District staff time and project acceptance.

5. **Record Keeping**

Developer shall keep an accurate record of the actual cost to construct the Required CIP Facilities for which reimbursement is requested, in accordance with generally accepted accounting procedures. Developer shall allow an authorized District representative, during Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the Required CIP Facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation shall be kept by Developer for three (3) years after the completion of the facilities and be provided to District for its review upon its request.

6. **Change Orders**

No change orders will be permitted unless the change order results from a change in the work, design or specifications initiated by District during the construction of the Required CIP Facilities.

7. **General Provisions**

a. **Incorporation of Recitals and Exhibits.** The recitals set forth above and all exhibits referenced in this Agreement are hereby incorporated by reference into this Agreement to be given the same force and effect as if fully set forth herein.

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

c. **Notices.** Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party in connection with this Agreement shall be effective (i) on the date a personal delivery is accepted, (ii) on the date a facsimile of the notice is sent, or on the next business day if

the fax is sent after 5:00 p.m. or on a Saturday, Sunday, or holiday; provided that receipt and confirmation of the facsimile transmission is attached to a copy of the faxed notice, (iii) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (iv) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express), postage or fee prepaid as appropriate, addressed to the party at the address shown below:

**If to District:** Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978-2004  
Attn: General Manager  
Telephone: (619) 670-2222

**If to Developer:** Monaf Saeed  
MS. Development Company LLC,  
A California Limited Liability Company  
560 Ranchito Drive  
Escondido, California 92025  
Telephone: (619) 865-3900  
email: lebzanz@yahoo.com

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

d. Indemnity. Developer agrees to defend, indemnify, protect, and hold harmless District and its governing boards, agents, officers and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers, which arise from or are connected with or are caused or claimed to be caused by the negligent acts or omissions or willful misconduct of Developer or its agents, officers or employees, in performing the Work, or any part thereof, and all expenses of investigation and defending against same; provided, however, that Developer's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of District or its governing board, agents, officers or employees. District and Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

e. Applicable Law and Venue. This Agreement and each provision herein shall be interpreted in accordance with the laws of the State of California. The Parties agree that the proper venue for the resolution of any disputes under this Agreement shall be with the Superior Court of the County of San Diego.

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

g. Counterparts. This Agreement may be executed in multiple counterparts, each or which counterpart, if fully executed, shall be deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

h. Effective Date. This Agreement shall not bind the parties and become effective until such time as the authorized representative of Developer has executed the Agreement, and District has approved and the authorized representative of District has executed this Agreement.

i. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto represent and warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party; (iii) by so executing this Agreement, such party is formally bound to the provisions of any other Agreement to which said is bound.

IN WITNESS WHEREOF, this Agreement is executed by District and by Developer as of the date first above written.

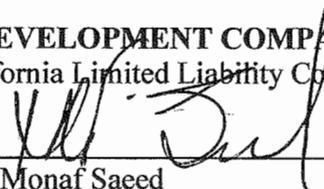
**OTAY WATER DISTRICT**  
A California Municipal Water District

By: \_\_\_\_\_  
General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Richard Romero  
General Counsel

**MS. DEVELOPMENT COMPANY**  
A California Limited Liability Company

By:   
\_\_\_\_\_  
Monaf Saeed  
Manager



# EXHIBIT A-1

## AIRWAY BUSINESS CENTER

DEVELOPER: MS DEVELOPMENT CO. LLC

PROJECT#: D0672-090017

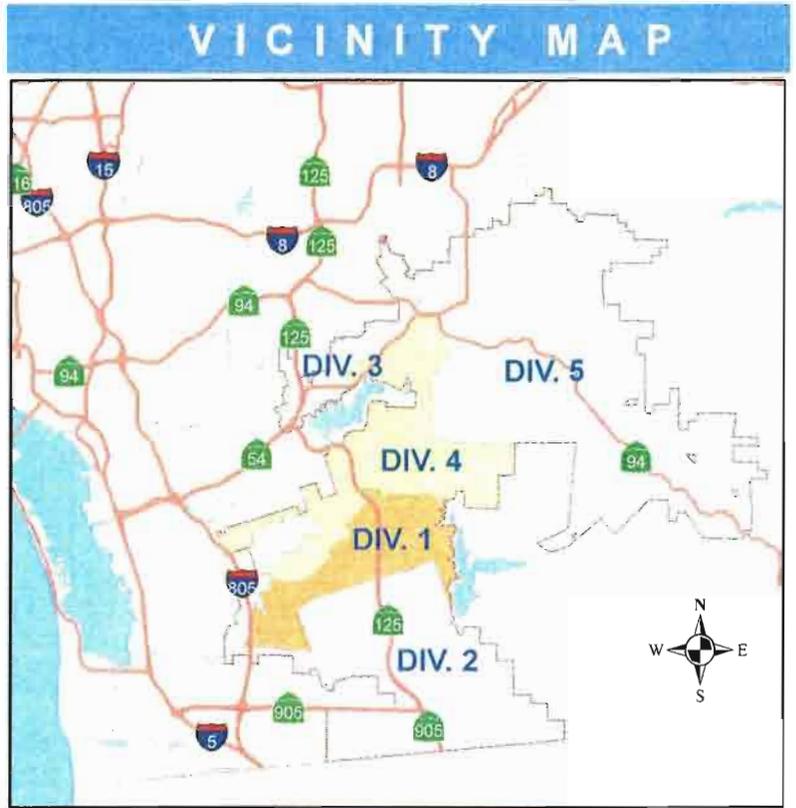
APN: 646-130-60, 61, 62, 63, 64-00

ADDRESS: AIRWAY ROAD

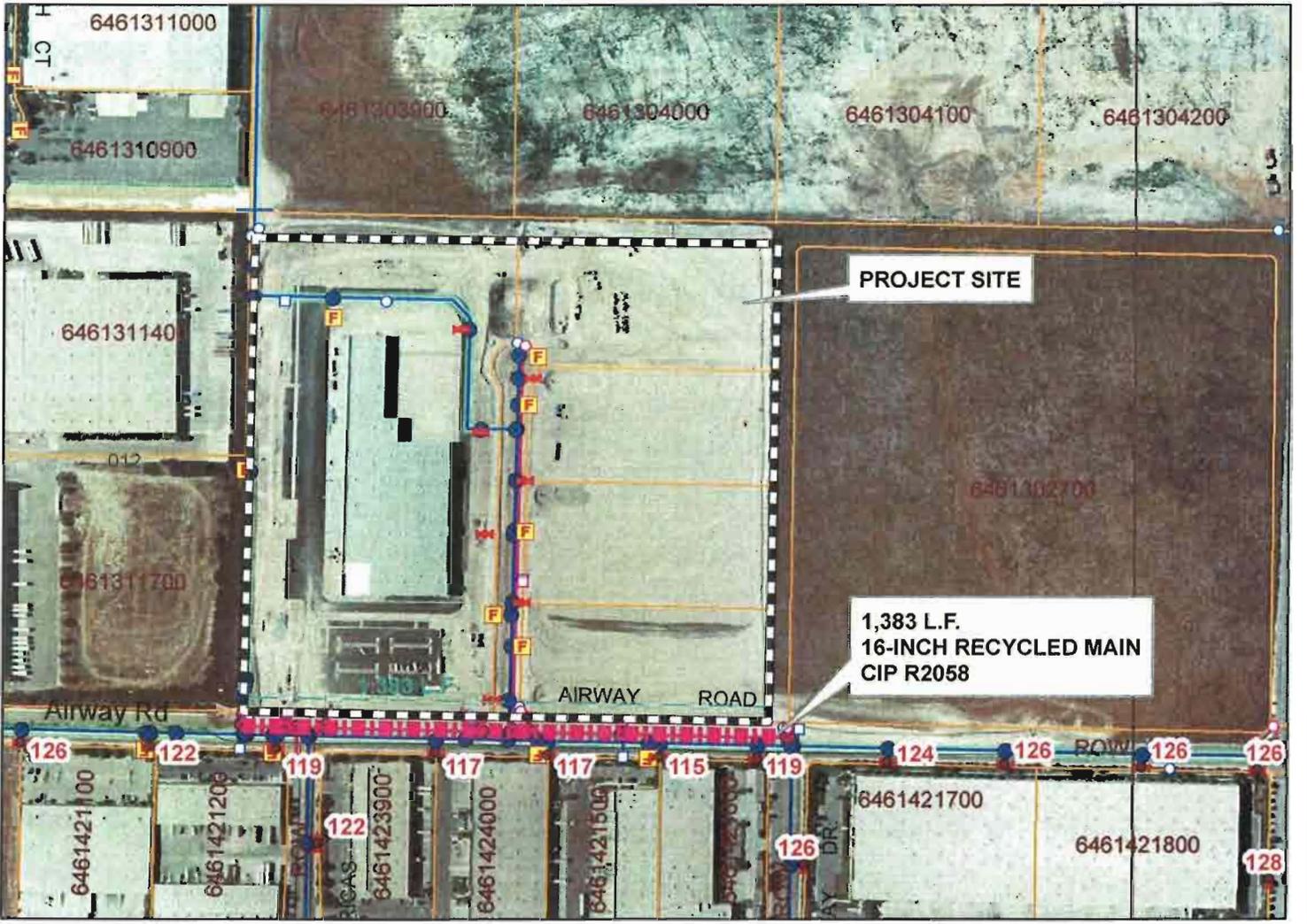
DIV: 2

ID: 7

DATE: 4/18/2011



## LOCATION MAP



**OTAY WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM**

Exhibit B-1

CIP Number: R2058

<b>PROJECT TITLE:</b>	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta		
<b>WORK ORDER NO:</b>	n/a	<b>DIRECTOR DIVISION:</b>	2
<b>PROJECT MANAGER:</b>	Kennedy	<b>I.D. LOCATION:</b>	7
<b>ORIGINAL APPROVED DATE:</b>	6/16/1999	<b>PRIORITY</b>	1
<b>RELATED CIP PROJECTS:</b>	R2048, R2077, R2087, R2088	<b>BUDGET AMOUNT:</b>	\$3,500,000

**DESCRIPTION OF PROJECT**

Construction of approximately 10,700 feet of 16-inch pipeline within the 860 Pressure Zone in Airway Road from Otay Mesa Road to Alta Road. Portions of this project will be constructed by developers and these are subject to reimbursement at actual cost per Board policy.

**JUSTIFICATION OF PROJECT:**

This project will provide transmission capacity for development of Otay Mesa within the 860 Pressure Zone.

**COMMENTS:**

Funding opportunity is the United States Bureau of Reclamation Water Reclamation and Reuse Program, Title XVI of P.L. 102-575.

**FUND DETAIL:**

<b>FUNDING SOURCE:</b>	<b>Expansion</b>	<b>Betterment</b>	<b>Replacement</b>	<b>Total</b>
Recycled	100%			100%
<b>TOTAL</b>	100%			100%

**EXPENDITURE SCHEDULE (X \$1000):**

<b>PRIOR YEARS:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	
<b>TOTAL</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>TOTAL</b>
\$1,000	\$1,000	\$1,495	\$5				\$3,500

# OTAY WATER DISTRICT CAPITAL IMPROVEMENT PROGRAM

Exhibit B-2

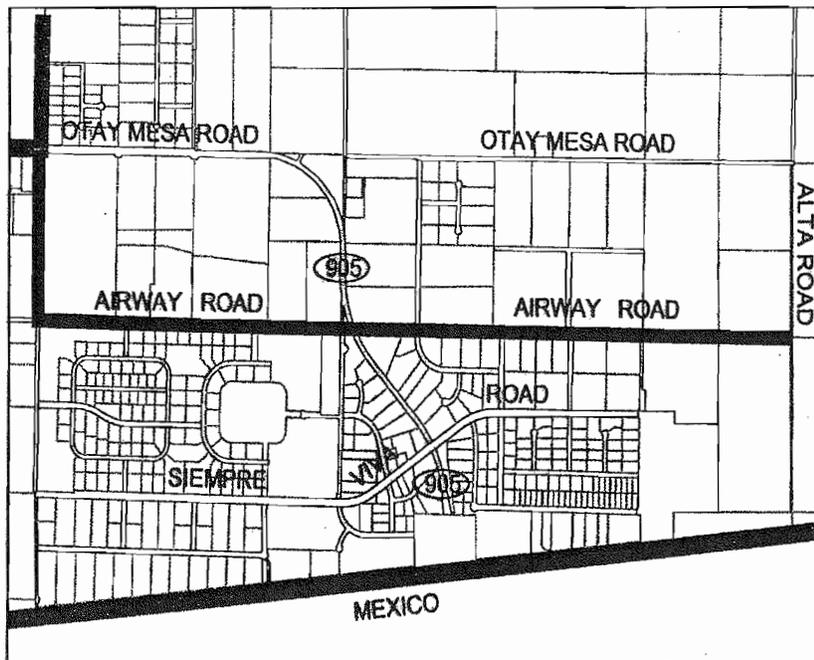
CIP Number: R2058

PROJECT SCHEDULE:	ESTIMATED START DATE:	ESTIMATED FINISH DATE:
PROJECT PHASE:		
PLANNING:	07/01	12/09
DESIGN:	01/10	06/11
CONSTRUCTION:	07/11	06/13

**PROJECTED INCREMENTAL OPERATION EXPENDITURES SCHEDULE (\$):**

FY	FY	FY	FY	FY	FY
2011	2012	2013	2014	2015	2016
			\$3,600	\$3,700	\$3,800

**PROJECT LOCATION:** Thomas Bros. Map: 1351      OWD Map Book: 12



**Submitted By:** Bob Kennedy

**Date:**

2/19/2010

OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY			
Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

#### PURPOSE

This policy establishes guidelines for how the District will administer reimbursement agreements for facilities, both Master Plan and Non-Master Plan. It also describes when and how the District will participate in the cost of such facilities.

#### BACKGROUND

Policy 25 requires that development which creates the need for new facilities must bear all costs to construct and finance the on-site, in-tract and off-site water, wastewater, and recycled water systems.

"On-site" facilities are defined as those pipelines, pump stations and reservoirs required within a developer's project boundaries. "Off-site" facilities are those facilities located outside a project's boundary that are required to serve the project. "In-tract" facilities are defined as those non-regional facilities that serve only the project being constructed. These facilities are typically 6 inch through 12 inch pipelines. In-tract facilities are the sole responsibility of the developer/property owner until the facilities and all required property easements are dedicated to, and accepted by, the District pursuant to authority granted by the Board to the General Manager.

The District's Master Plan includes all regional on-site and off-site facilities anticipated to be necessary to provide service throughout the District. The District's capacity fees have been calculated to pay for the cost of all the regional facilities identified in the Master Plan including the developer/property owner portion of such facilities. The District does not subsidize development but it does undertake responsibility to insure that those regional facilities necessary to serve a particular development are constructed and that the costs associated with the construction of said facilities is fairly distributed among all users.

#### POLICY

A. Master Plan Facilities-Reimbursement by the District: For facilities identified in the Master Plan, both on-site and off-site, the District may reimburse the developer for construction and design costs if the project meets the following guidelines:

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

1. The project must be in the District's approved five-year Capital Improvement Program (CIP) at the time of the request, and shall not exceed the CIP budget amount without prior Board approval.
2. The District has approved a Sub-Area Master Plan (SAMP) and any required maps, upon which the facilities are clearly described.
3. The developer makes an irrevocable offer to dedicate the facilities and any easements required for the operation and maintenance of the facilities to the District, which offer is accepted by the General Manager and all applicable language and documentation of the dedication(s) is prepared and recorded, all in the manner authorized by the Board.
4. The developer enters into an Agreement for Construction of a Water System with the District.
5. The developer/property owner obtains bids from qualified contractors and provides copies of the bids to the District. The developer/property owner is responsible for selecting the lowest responsive responsible bidder. The developer/property owner will be reimbursed for the CIP portions of the project based on the unit prices submitted with the lowest responsive responsible bid.
6. The cost of addressing environmental issues, such as burying a reservoir, shall not be reimbursable unless they are currently addressed in the District's Master Environmental Impact Report and CIP.
7. All soft costs, such as engineering, inspection, bonds, etc., will be included in the reimbursement cost at five percent of the construction costs.
8. Except as provided below, the District will pay 100 percent of the reimbursement cost after the General Manager accepts the project.
9. The District may elect to finance the facilities by borrowing if, after analysis by the Finance Department, it is determined that the borrowing fits into the District's financial plan as outlined in Policy 25.
10. If for any reason reimbursement funds are not available at the time the project is operationally complete, the District may elect to defer or a portion of the reimbursement the District determines is due the developer until the General Manager accepts

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

the dedication of the project and until all liens, claims and/or bonds, as applicable, have been released in the manner provided under the Agreement for Construction of a Water System.

11. Funds for reimbursement shall be carried as a CIP until the reimbursement is made.
12. Each reimbursement agreement requires approval by the Board. A Staff Report will be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.
13. This type of reimbursement agreement ends five (5) years after Board's original approval. The reimbursement agreement may be terminated prior to said (5) year term by the General Manager upon a determination that the developer has failed to comply with its obligations under the Reimbursement Agreement or the Agreement for Construction of a Water System.
14. If the reimbursement agreement expires prior to the facilities by the District or prior to payment of reimbursement, the Developer shall no longer be entitled to reimbursement. The Developer may submit new documentation and request that the District enter into a new reimbursement agreement. If the District agrees to enter into a new reimbursement agreement for the facilities, however, the District may revise the terms and amounts of reimbursement at its discretion based on information available at the time of the request.
15. All reimbursement requests shall be submitted to the Board for consideration and shall not be processed without prior Board approval.

B. Non-Master Plan Facilities-Reimbursement to Developer by Future Users: Occasionally, a developer/property owner requests the District to administer a reimbursement agreement to collect money from future customers who connect to the facility built by the developer/property owner. If the District agrees, the District collects the reimbursement amount from each customer connecting to the facility, together with any other District connection fees. The reimbursement portion of the customer's payment is forwarded by the District to the developer/property owner as reimbursement.

The District may administer this type of reimbursement agreement if the developer/property owner's project meets the following criteria and guidelines:

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

1. The developer/property owner demonstrates the facilities to be constructed have adequate capacity to serve future customers.
2. The developer/property owner requests and executes a reimbursement agreement, which is presented to the Board for approval in conjunction with the presentation of an agreement to construct.
3. The property owner deposits with the District the estimated cost for District staff to prepare a nexus study and obtain Board approval for the reimbursement agreement. District staff will provide a written estimate of the required deposit to the property owner within 15 days of the property owner's request.
4. The property owner provides three (3) bids from qualified contractors for the purpose of establishing the cost of the facilities and the portion of the reimbursement amount which is to be allocated to future connections.
5. A nexus study shall be performed by District staff to identify those who may benefit from the construction of the proposed facility and the amount they shall reimburse the developer/property owner who constructed the facility.
6. Prior to the public notice being sent to those property owners affected by the reimbursement agreement, an informational staff report will be presented to the Board.
7. The District shall notice all those property owners that will be subject to the reimbursement charge. These property owners will then be responsible to pay their fair share of the cost of the facilities at such time as they connect to the system. The fair share will be based on their Assigned Service Unit/Equivalent Dwelling Unit (ASU/EDU) contribution to the total projected ASU/EDU to use the system. The reimbursement charge will be in addition to any other fees a property owner would pay to the District to obtain service.
8. Each reimbursement agreement requires approval by the Board. Prior to presenting a reimbursement agreement to the Board, staff must obtain two originals signed by an authorized representative of the developer/property owner. A Staff Report must then be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

9. This type of reimbursement agreement shall be valid for 10 years from the date of Board approval. After the 10 year period has lapsed the collection of the reimbursement amount by the District shall cease.
  
10. Concurrently with submission of a signed reimbursement agreement, the developer/property owner must pay an administrative fee to the District to defray costs related to the review of the request and the negotiation and execution of the reimbursement agreement. The amount of the administrative fee will be calculated at the staff rate existing at the time of said submission.
  
11. In addition, concurrently with payment of the fee described above, developer must pay a fee to defray costs estimated to be incurred per each connection to be established during the term of the reimbursement agreement. The amount of this fee will be calculated based on an estimated 6 man hours per connection. The staff rate in existence at the time the reimbursement agreement is executed will be used as a base and it will be projected to change each year to account for changes in the COLA, as determined by the District's finance department.
  
12. The District will not distribute any reimbursement funds to the developer/property owner until the project has been accepted by the Board. The distribution of reimbursement funds will occur as the District collects the funds from new customers who connect to the facility, but not more frequently than once per year.
  
13. District staff shall collect the reimbursement amount due at the same time the standard District capacity fees for the new service are collected.
  
14. If the reimbursement agreement expires prior to the facilities by the District or prior to payment of reimbursement, the Developer shall no longer be entitled to reimbursement. The Developer may submit new documentation and request that the District enter into a new reimbursement agreement. If the District agrees to enter into a new reimbursement agreement for the facilities, however, the District may revise the terms and amounts of reimbursement at its discretion based on information available at the time of the request.
  
15. All reimbursement requests shall be submitted to the Board for consideration and shall not be processed without prior Board approval.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

C. Non-Master Plan Facilities-Reimbursement to Developer by the District: Normally the District would not participate in the cost of facilities which are not identified in the Master Plan. These facilities are of benefit only to the adjoining property and should ordinarily be financed solely by the developer/property owner proposing the new facility. Nonetheless, there may be circumstances where the General Manager determines that it is appropriate for the District to participate in the cost of a non-Master Plan facility. Typical reasons would be in order to accommodate future growth or betterment of the system. In these instances, the District may establish special fees to recover the reimbursement costs from benefiting property owners as they connect to the system.

The District may reimburse the developer/property owner for construction costs if the project meets the following criteria and guidelines:

1. The General Manager has determined that it is appropriate for the District's customers to participate in the construction of the project.
2. The developer/property owner shall obtain three (3) bids from qualified contractors and provide copies of the initial bids to the District. The developer/property owner is responsible for selecting the lowest responsive bidder. The developer/property owner will be reimbursed for the CIP portions of the project based on the unit prices submitted with the lowest responsive bid.
3. A nexus study will be performed by the District to identify those property owners who may benefit from the construction of the proposed facility.
4. Prior to the public notice being sent to those property owners affected by the reimbursement agreement, an informational Staff Report shall be presented to the Board.
5. The District shall notice all those property owners which will be subject to the reimbursement charge. These properties will then be responsible to pay their fair share of the cost of the facilities, plus interest, at such time as they connect to the system.
6. The developer/property owner shall request and execute the reimbursement agreement with the District prior to awarding any contracts for construction.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS	26	2/10/93	7/05/06

7. Each reimbursement agreement requires approval by the Board. A Staff Report shall be prepared and reviewed with the Finance Department prior to presentation to the Board for approval.
8. Except as provided below, the District will pay 100 percent of the reimbursement cost after the General Manager accepts the project.
9. The District may elect to finance the facilities by borrowing, if it is determined that borrowing is in the best interest of the District's customers.
10. If for any reason reimbursement funds are not available at the time the project is operationally complete, the District may elect to defer the reimbursement until the General Manager determines that it is appropriate to make payments.
11. Funds for reimbursement shall be carried as a CIP until the reimbursement has been made.
12. This type of reimbursement agreement contains no end date for the collection by the District of its contributed share of the cost, and shall be the responsibility of all current and subsequent property owners.
13. District staff shall collect the reimbursement amount due at the same time the standard District capacity fees for the new service are collected.
14. If the reimbursement agreement expires prior to the facilities by the District or prior to payment of reimbursement, the Developer shall no longer be entitled to reimbursement. The Developer may submit new documentation and request that the District enter into a new reimbursement agreement. If the District agrees to enter into a new reimbursement agreement for the facilities, however, the District may revise the terms and amounts of reimbursement at its discretion based on information available at the time of the request.
15. All reimbursement requests shall be submitted to the Board for consideration and shall not be processed without prior Board approval.

**OTAY WATER DISTRICT  
CIP QUANTITY TAKE OFFS**

**AIRWAY BUSINESS CENTER CO SAN DIEGO TRACT 5304-1  
REIMBURSEMENT AGREEMENT  
PROJECT# D0672-090017**

**CIP R2058 RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta Rd**

**LOWEST BID: RAND ENGINEERING**

Description	RAND	OTAY	Staff Recommendation
16" BUTTERFLY VALVE	2	2	2
16" PVC C905 C235 DR18	1340	1,383	* 1383 *
16" END CAP	1	1	1
10" PVC C900 CL 200	105	105	105
10" RPDA (Interconnect)	1	1	1
10" RSGV	2	2	2
8" END CAP	1	1	1
8" PVC C900 CL 200	88	88	88
8" RSGV	2	2	2
6" END CAP	1	1	1
6" PVC C900 CL 200	44	44	44
6" RSGV	1	1	1
4" AIR VAC	3	3	3
4" BLOW OFF	4	4	4
2" BLOW OFF	1	1	1
CONNECT TO EXISTING	1	1	1

Prepared By:   
David Charles  
Public Services Manager

Date: 4-14-11

\* Actual L.F. certified on site per Inspection

# ATTACHMENT D

## OTAY WATER DISTRICT CIP PRICE VERIFICATION SHEET

AIRWAY BUSINESS CENTER CO SAN DIEGO TRACT 5304-1  
REIMBURSEMENT AGREEMENT  
PROJECT# D0672-090017

CIP R2058 RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta Rd

### LOWEST BID: RAND ENGINEERING

Description	RAND	OTAY	Staff Recommendation
16" BUTTERFLY VALVE	\$4,950.00	\$4,950.00	\$4,950.00
16" PVC C905 C235 DR18	\$47.00	\$47.00	\$47.00
16" END CAP	\$900.00	\$900.00	\$900.00
10" PVC C900 CL 200	\$36.00	\$36.00	\$36.00
10" RPDA (Interconnect)	\$21,330.00	\$21,330.00	\$21,330.00
10" RSGV	\$1,650.00	\$1,650.00	\$1,650.00
8" END CAP	\$300.00	\$300.00	\$300.00
8" PVC C900 CL 200	\$29.00	\$29.00	\$29.00
8" RSGV	\$1,300.00	\$1,300.00	\$1,300.00
6" END CAP	\$750.00	\$750.00	\$750.00
6" PVC C900 CL 200	\$27.00	\$27.00	\$27.00
6" RSGV	\$1,100.00	\$1,100.00	\$1,100.00
4" AIR VAC	\$6,600.00	\$6,600.00	\$6,600.00
4" BLOW OFF	\$4,840.00	\$4,840.00	\$4,840.00
2" BLOW OFF	\$1,716.00	\$1,716.00	\$1,716.00
CONNECT TO EXISTING	\$1,000.00	\$1,000.00	\$1,000.00

Prepared By:   
Brandon DiPietro  
Inspection Supervisor

Date: 4.19.11

**OTAY WATER DISTRICT  
CIP REIMBURSEMENT SUMMARY SHEET**

**R2058 RecPI - 16-Inch, 860 Zone, Airway Rd - Otay Mesa/Alta Rd**

**Lowest Bid - Contractor Rand Engineering -  
Project# d0672-090017 Airway Business Center Co San Diego Tract 5304-1**

**CIP R2058 RecPI - 16-Inch, 860 Zone, Airway Rd - Otay  
Mesa/Alta Rd**

	Airway Business Center	Airway Business Center	Add Soft Cost 5%	Airway Business Center Total	Actual QTY	Actual OWD Unit Price	Actual OWD Cost	Add Soft Cost 5%	Actual OWD Total	
16" BUTTERFLY VALVE	2	\$4,950.00	\$ 9,900.00	\$ 495.00	\$ 10,395.00	2	\$4,950.00	\$9,900.00	\$495.00	\$10,395.00
16" PVC C905 C235 DR18	1340	\$47.00	\$62,980.00	\$ 3,149.00	\$ 66,129.00	* 1,383	\$47.00	\$65,001.00	\$3,250.05	\$68,251.05
16" END CAP	1	\$900.00	\$ 900.00	\$ 45.00	\$ 945.00	1	\$900.00	\$900.00	\$45.00	\$945.00
10" PVC C900 CL 200	105	\$36.00	\$ 3,780.00	\$ 189.00	\$ 3,969.00	105	\$36.00	\$3,780.00	\$189.00	\$3,969.00
10" RPDA (Interconnect)	1	\$21,330.00	\$21,330.00	\$ 1,066.50	\$ 22,396.50	1	\$21,330.00	\$21,330.00	\$1,066.50	\$22,396.50
10" RSGV	2	\$1,650.00	\$ 3,300.00	\$ 165.00	\$ 3,465.00	2	\$1,650.00	\$3,300.00	\$165.00	\$3,465.00
8" END CAP	1	\$300.00	\$ 300.00	\$ 15.00	\$ 315.00	1	\$300.00	\$300.00	\$15.00	\$315.00
8" PVC C900 CL 200	88	\$29.00	\$ 2,552.00	\$ 127.60	\$ 2,679.60	88	\$29.00	\$2,552.00	\$127.60	\$2,679.60
8" RSGV	2	\$1,300.00	\$ 2,600.00	\$ 130.00	\$ 2,730.00	2	\$1,300.00	\$2,600.00	\$130.00	\$2,730.00
6" END CAP	1	\$750.00	\$ 750.00	\$ 37.50	\$ 787.50	1	\$750.00	\$750.00	\$37.50	\$787.50
6" PVC C900 CL 200	44	\$27.00	\$ 1,188.00	\$ 59.40	\$ 1,247.40	44	\$27.00	\$1,188.00	\$59.40	\$1,247.40
6" RSGV	1	\$1,100.00	\$ 1,100.00	\$ 55.00	\$ 1,155.00	1	\$1,100.00	\$1,100.00	\$55.00	\$1,155.00
4" AIR VAC	3	\$6,600.00	\$19,800.00	\$ 990.00	\$ 20,790.00	3	\$6,600.00	\$19,800.00	\$990.00	\$20,790.00
4" BLOW OFF	4	\$4,840.00	\$19,360.00	\$ 968.00	\$ 20,328.00	4	\$4,840.00	\$19,360.00	\$968.00	\$20,328.00
2" BLOW OFF	1	\$1,716.00	\$ 1,716.00	\$ 85.80	\$ 1,801.80	1	\$1,716.00	\$1,716.00	\$85.80	\$1,801.80
CONNECT TO EXISTING	1	\$1,000.00	\$ 1,000.00	\$ 50.00	\$ 1,050.00	1	\$1,000.00	\$1,000.00	\$50.00	\$1,050.00
<b>TOTAL \$ 160,183.80</b>					<b>TOTAL \$162,305.85</b>					

\* Actual L.F. certified on site per inspection

**OWD Recommended Reimbursement \$162,305.85**



## ATTACHMENT F

<b>SUBJECT/PROJECT:</b>	Reimbursement Agreement with MS. Development Company LLC, for a Portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone, Airway Road (CIP R2058)
<b>D0672-090017</b>	
<b>R2058-001103</b>	

Otay Water District  
R2058 - RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta

Date Updated: May 11, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
3,500,000					
<b>Planning</b>					
Labor	74,525	74,525		74,525	
Business Meetings	17	17	-	17	PETTY CASH CUSTODIAN
Professional Legal Fees	385	385	-	385	GARCIA CALDERON & RUIZ LLP
Consultant Contracts	10,127	10,127	-	10,127	LEE & RO INC
Reimbursement R058	116,202	97,410	18,793	116,203	JONES & STOKES ASSOCIATES INC
	123,911	123,911	-	123,911	ORIX OTAY LLC
<b>Total Planning</b>	<b>325,167</b>	<b>306,375</b>	<b>18,793</b>	<b>325,168</b>	
<b>Design</b>					
Labor	372,895	372,895		372,895	
Office Supplies	32	32	-	32	US BANK CORPORATE PAYMENT
Regulatory Agency Fees	6,667	6,667	-	6,667	CITY TREASURER
	156	156	-	156	STATE WATER RESOURCES
	6,783	6,783	-	6,783	COUNTY OF SAN DIEGO
Consultant Contracts	10,500	10,500	-	10,500	SAN-LO AERIAL SURVEYS
	45,413	45,413	-	45,413	HDR ENGINEERING INC
	2,625	2,625	-	2,625	MWH CONSTRUCTORS INC
	42,424	42,424	-	42,424	SOUTHERN CALIFORNIA SOIL
	74,448	74,448	-	74,448	DARNELL & ASSOCIATES INC
	23,139	23,139	-	23,139	AEGIS ENGINEERING MGMT INC
	12,890	12,890	-	12,890	CPM PARTNERS INC
Service Contracts	3,100	3,100	-	3,100	SAN-LO AERIAL SURVEYS
	2,000	2,000	-	2,000	FIRST AMERICAN TITLE INS CO
	138	138	-	138	UNION TRIBUNE PUBLISHING CO
	6,660	2,461	4,199	6,660	REPROHAUS CORP
<b>Total Design</b>	<b>609,868</b>	<b>605,669</b>	<b>4,199</b>	<b>609,868</b>	
<b>Construction</b>					
Labor	2,452	2,452		2,452	
Consultant Contracts	4,653	4,653	-	4,653	RBF CONSULTING
	193,173	193,173	-	193,173	J GARY BURKE CORPORATION
	926	926	-	926	CPM PARTNERS INC
Reimbursement Agreement	162,306		162,306	162,306	MS DEVELOPMENT COMPANY LLC
<b>Total Construction</b>	<b>363,510</b>	<b>201,204</b>	<b>162,306</b>	<b>363,509</b>	
<b>Grand Total</b>	<b>1,298,545</b>	<b>1,113,248</b>	<b>185,298</b>	<b>1,298,546</b>	

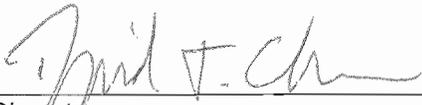
# Quality Assurance Approval Sheet

Subject: Reimbursement Agreement with MS. Development Company LLC, for a Portion of the Capital Improvement Project for Airway Business Center - RecPL-16-Inch 860 Zone, Airway Road (CIP R2058)

Project No.: D0672-090017  
R2058-001103

Document Description: Staff Report for the June 1, 2011 Board Meeting

Author:

  
\_\_\_\_\_  
Signature

5/12/11  
\_\_\_\_\_  
Date

David Charles  
\_\_\_\_\_  
Printed Name

QA Reviewer:

  
\_\_\_\_\_  
Signature

5/12/11  
\_\_\_\_\_  
Date

Gary Silverman  
\_\_\_\_\_  
Printed Name

Manager:

  
\_\_\_\_\_  
Signature

5/12/11  
\_\_\_\_\_  
Date

Rod Posada  
\_\_\_\_\_  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.

# AGENDA ITEM 8



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2011
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	PROJECT NO./	R2094- DIV. NO. 2
		SUB-PROJECT:	001101
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 a Reimbursement Agreement with Aspire-Encore at Rancho Del Rey Homeowners Association for the Conversion of a Potable Water Irrigation System to a Recycled Water Irrigation System		

### GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorizes the General Manager to execute a Reimbursement Agreement for up to 50% of the construction costs not to exceed \$25,500 for the conversion of an existing multi-family development from a potable water irrigation system to a recycled water irrigation system with Aspire-Encore at Rancho Del Rey Homeowners Association (HOA) (see Exhibit A for project location).

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

Please see Attachment A.

### PURPOSE:

To obtain Board authorization for the General Manager to enter into an agreement with the HOA for reimbursement of conversion costs associated with retrofitting an existing potable water irrigation system to a recycled water irrigation system (see Attachment B).

### ANALYSIS:

At the September 2, 2009 Board Meeting, the Board approved the implementation of a pilot program to convert multi-family dwelling projects that front recycled water mains to utilize recycled water

its ratepayers is the decrease in the utilization of potable water use and maximizing the use of recycled water. As a result of the Board action and adoption of Resolution 4145, "District Administration of Recycled Water Retrofit Program," an agreement is requested for Aspire-Encore at Rancho Del Rey Homeowners Association.

The HOA will, in accordance to the terms of this agreement, submit plans to the District and Department of Health Services for approval, perform the conversion, and retrofit in accordance with the District's Water Agency Standards. Upon completion and certification of this site to utilize recycled water for on-site irrigation, staff will bring to the Board a request for reimbursement. The estimated costs of the facilities is \$51,000. The District will then reimburse the HOA fifty percent (50%) of the approved on-site construction costs of the conversion from the lowest responsive bidder. Thus, the actual reimbursement would not exceed \$25,500.

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

The total budget for CIP R2094, as approved in the FY 2011 budget is \$3,100,000. Total expenditures, plus outstanding commitments and forecast, is \$1,440,309. See Attachment C for budget detail.

Based on a review of the financial budget, the Project Manager has determined that the budget is sufficient to support the reimbursement conversion for this CIP project.

Finance has determined that 40% of the funding is available from the Expansion Fund and 60% of the funding is available from the Betterment Fund.

**STRATEGIC GOAL:**

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, and efficient manner," and the Otay Strategic Goal "to develop and improve infrastructure for increased recycled water use."

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

None.



**General Manager**

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DC/RP:jf

Attachments:    Exhibit A - Map of Project Location  
                  Attachment A - Committee Action  
                  Attachment B - Reimbursement Agreement  
                  Attachment C - Budget Detail





## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> R2094-001101	Authorization to Execute a Reimbursement Agreement with Aspire-Encore at Rancho Del Rey Homeowners Association for the Conversion of a Potable Water Irrigation System to a Recycled Water Irrigation System
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### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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 FOR RECYCLED WATER RETROFIT  
(OWD Recycled Water Retrofit Program)**

This Agreement for Construction of a Water System (“Agreement”) is entered into by and between the **Otay Water District**, a Municipal Water District formed under the Municipal Water District Act of 1911 (“**District**”), and **Aspire-Encore at Rancho Del Rey Homeowners Association**, a non-profit mutual benefit corporation, with a business address at 9610 Waples Street, San Diego, California, 92121-2992 (“**Participant**”). The District and the Participant are sometimes collectively referred to herein as the “Parties” and each as a “Party.” All references to “Participant” herein are equally applicable to each and every heir, assign or successor in interest of the Participant. By mutual agreement of the parties, this Agreement shall be dated and effective on the date indicated on the signature page under the District’s signature.

**RECITALS**

A. Participant desires to install and construct new recycled water facilities or replace and retrofit existing facilities (the “**Retrofit Facilities**”), as further described in Recital C, below, to qualify the Development (defined below) to receive and use recycled water, in lieu of potable water, for its landscaping needs; and

B. The Retrofit Facilities will serve the real property located at Rancho Del Rey Parkway, Chula Vista, California, and will benefit a development currently commonly known as Aspire-Encore at Rancho Del Rey (the “**Development**”); and

C. The owner of the Development, or an authorized representative, submitted an application, dated August 18, 2010 (the “**Application**”), to participate in the District’s Recycled Water Retrofit Grant Pilot Program, authorized by the Board of Directors on September 2, 2009 (the “**Retrofit Program**”); and

D. The District staff reviewed the Application and has determined that the Development qualifies for the **Retrofit Program** because: (i) at present, the Development uses potable water for its irrigation needs; (ii) the location of the Development is such that the Retrofit Facilities could be connected to the District’s Recycled Water System; and (iii) the applicant has preliminarily demonstrated its willingness and ability to fulfill and satisfy on an ongoing basis all requirements to receive recycled water service and manage its recycled water facilities; and

E. The Participant is solely responsible for the cost of adequate and complete Plans and Specifications, which shall not be considered adequate until reviewed and approved by the District and any other agency whose approval is required in connection with the proposed Retrofit Facilities (as approved, the “**Plans and Specifications**”); and

F. In consideration of the benefit to the District and the region of the conservation of potable water by using recycled water to irrigate the Participant’s landscaping, if the Retrofit Facilities are installed in accordance with the terms of this Agreement and the approved Plans and Specifications, and after Completion (as defined below), the District will reimburse the Participant 50% of the approved on-site construction costs of the conversion, as further described

in this Agreement. Additionally, the District will waive its fees for plan-checking and inspection.

### OPERATIVE PROVISIONS

**NOW THEREFORE**, in consideration of the above Recitals and of the promises and agreements contained herein, and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, District and Participant do hereby promise and agree as follows:

#### **1. Installation and Operation of Retrofit Facilities**

**a. General.** In consideration of the Grant, as described below, Participant agrees to do and perform, or cause to be done and performed, at its expense and without cost or liability to District, all of the design, construction, installation and other work ("**Work**") required to construct and complete the Retrofit Facilities. Participant also agrees to furnish all of the labor, equipment, materials and improvements ("**Labor and Materials**"), except as may be specified on the Plans and Specifications, required for Completion (as defined in Section 3 of this Agreement) of the Retrofit Facilities. Participant shall promptly pay and discharge all bills and claims related to Work on, Labor and Materials for, and Completion of, the Retrofit Facilities.

**b. Strict Conformity Required.** The Work shall be done and performed in a good and workmanlike manner. The Retrofit Facilities shall be designed, constructed, installed and operated in strict conformity with the District requirements for recycled water facilities and service, as set forth in Section 26 of the District's Code of Ordinance (available at District offices and on the District's website at [www.otaywater.gov](http://www.otaywater.gov).) and other related documents and regulations, including without limitation the following documents incorporated herein by reference:

- i. Approved Plans and Specifications for the Retrofit Facilities
- ii. District's List of Approved Costs
- iii. Board Policy 52
- iv. DEH Requirements for the Retrofit Facilities
- v. Participant's Recycled Water Permit

If at any time during the term of this Agreement, Participant requires assistance to identify requirements applicable to the recycled water facilities or service, Participant shall contact the Recycled Water Manager at the District's Operation Department at 619-670-2510.

#### **2. Estimated Cost**

The estimated cost of the Work for the Retrofit Facilities, as approved by District pursuant to the Plans and Specifications, is fifty-one-thousand Dollars (\$51,000.00) (the "**Cost Estimate**"). Participant's obligations under this Agreement in connection with the construction and operation of the Retrofit Facilities are not limited by the amount of the Cost Estimate.

Participant understands that, although the District will contribute the agreed upon amounts after Completion (as defined below), Participant must ensure the Completion of the Retrofit Facilities and must operate and maintain them in accordance with all applicable requirements of the District and the law.

**3. Notice of Completion; Completion Date**

For purposes of this Agreement, the Retrofit Facilities, and all Work required therefor, shall only be deemed completed when all items identified on District's Final Inspection/Operations Punch List have been completed in accordance with the terms of this Agreement and the District approved Plans and Specifications, the District receives DEH acceptance letter and the District formally notifies the Participant ("**Notice of Completion**") that the Retrofit Facilities have been completed ("**Completion**" or "**Completed**"). Participant agrees to Complete the Retrofit Facilities on or before the Seven Hundred and Thirtieth (730<sup>th</sup>) day from and after the effective date of this Agreement ("**Completion Date**"). Participant MUST request and extension of the Completion Date at least 45 days prior to the Completion Date if it determines that it might not finish the Work on time. One or more extensions may be granted by District at its sole discretion and any such extension shall not affect the validity of this Agreement. District may request a Deposit, as described and defined in Section 9, below, prior to granting and extension.

Any defective work or material that may be discovered by the District before the Completion Date, or before payment on the Grant, must be removed and replaced or repaired, as appropriate, by the Participant. **No additional Grant money will be available for such repairs or replacements.**

The District may issue a written notice of substantial completion for the purpose of establishing the date that the District anticipates payment of the Grant might be made, pending satisfactory Completion and final inspections. If so, said notice shall not be considered as Completion of any portion of the work or relieve the Participant from completing the remaining work within the specified time and in full compliance with this Agreement and the Plans and Specifications.

**4. Grant**

The District will issue an initial list of approved on-site construction costs (the "**Approved Costs**") after the Participant provides the District a copy of the Participant's contract with the low bidder for the Retrofit Facilities. The list of Approved Costs may only be amended by the District if, during the construction of the Work, the District, at its sole discretion, determines that additional costs should be added to the list. Following the issuance of the Notice of Completion, the District will reimburse Participant for FIFTY percent (50%) of the Approved Costs (the "**Grant**"). Participant understands that the District the District will not contribute toward any costs that are not Approved Costs. Participant must provide copies of invoices for the Work and evidence of payment satisfactory to the District before the District disburses any portion of the Grant.

5. **Term**

The term of this Agreement shall be 730 days from the effective date unless extended, provided that Participant's obligations under Section 9, Participant Indemnity; Section 11, Changes to Work, Modifications; and Section 12, Responsibility for the Retrofit Facilities, shall survive the expiration or early termination (as provided below) of this Agreement.

6. **Termination**

This Agreement may be terminated by District as follows:

(a) Upon ten (10) days written notice to Participant following a failure by Participant to comply with any of the terms of this Agreement within thirty (30) days after written notice from District that Participant is non-compliant.

(b) Upon thirty (30) days written notice to Participant that a change in the provisions of law has occurred such that District would be unable to comply with its obligations hereunder.

(c) At the expiration of the 730<sup>th</sup> day from the effective date hereof if a determination by the General Manager of District is made that Participant will be unable to complete the Retrofit Facilities by the Completion Date and that District does not wish to grant an extension, as provided under Section 3, above.

7. **District Inspection**

District shall be allowed to inspect the Retrofit Facilities during all stages of the Work. District shall be notified a minimum of five (5) working days prior to the commencement of Work on the Retrofit Facilities. Except as provided in Section 9, below, District agrees to waive all plan-checking and inspection fees.

8. **Delivery of Record Drawings**

Upon completion of the Work on the Retrofit Facilities to the satisfaction of the District, Participant shall deliver to District one complete set of duplicate tracings together with two (2) prints of the Plans and Specifications for the Retrofit Facilities showing thereon "Record Drawings" conditions. Delivery of said Record Drawings shall be a prerequisite for the Retrofit Facilities to be deemed Completed and shall be a prerequisite to the payment of the Grant.

As required by law, the District will deliver copies of the Record Drawings to the San Diego County Department of Environmental Health ("DEH").

9. **Participant Deposit; Participant Waiver**

In consideration of Participant's commitment to complete the Retrofit Facilities and in consideration of the anticipated savings of potable water, which are of benefit to the District, the District will waive the Deposit herein described. If the Participant fails to complete the Retrofit Facilities in the manner herein contemplated, Participant shall pay District all costs and expenses

incurred in connection with the Retrofit Facilities, including without limitation plan checking, inspection, attorney’s fees, materials furnished, if any, and all other expenses of District directly attributable to the Retrofit Facilities, plus a reasonable amount for District’s overhead costs in connection therewith. At such time as requested by District, upon a determination in its sole discretion that Participant has failed to timely and satisfactorily complete the Retrofit Facilities, Participant shall deposit with District, an amount equal to the District costs and expenses (the “Deposit”). If an extension is granted, pursuant to Section 3, and Participant fails to ensure that the Retrofit Facilities are Completed and Accepted prior to the expiration of any such extension, the Deposit will be forfeited and District shall have no obligation to refund any balance or to provide any services herein contemplated.

In connection with such failure, Participant specifically waives any claim or right to receive any reimbursement of the Deposit, any portion of the Grant, any credit against potable water consumption or any other benefit under this Agreement.

Participant Initials     *RF*    

**10. Changes of Work; Modification**

It is agreed that conditions now unforeseen may require modifications of the Plans and Specifications heretofore approved by District. In such event Participant shall obtain District approval of such changes; provided that all changes shall be in compliance with all applicable requirements of law and regulation. No Work shall be commenced on any change requested by Participant until District’s General Manager has approved such change. Approved changes in Plans and Specifications shall be entered by Participant upon the original tracing of the Plans and Specifications Participant, and District’s approval of said changes shall be endorsed upon said tracing by District’s engineer.

Participant understands and agrees that *ANY and ALL modifications* to the Retrofit Facilities are subject to prior approval by District and the DEH; and such understanding is evidenced by the Participant’s initials below.

Participant Initials     *RF*    

**11. Responsibility for the Retrofit Facilities**

Participant, its heir, assigns or successors in interest (each, a “Responsible Party”), as applicable, shall be and, at all times, remain responsible for the care, maintenance of, and any damage to the Retrofit Facilities, and any liabilities arising from the Retrofit Facilities. Operation of the Retrofit Facilities shall at all times be in accordance with District’s rules and regulations and all laws, rules and regulations applicable to the recycled water service provided by District. *The Responsible Party shall neither make nor allow any changes or modifications to the Retrofit Facilities without prior written approval by District and the DEH.*

Participant guarantees all Work and Retrofit Facilities covered by this Agreement. Participant shall, at no cost or expense to District, correct all defective Work, and repair or replace all damaged, defective or malfunctioning Retrofit Facilities, or parts thereof.

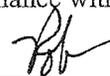
The Responsible Party shall ensure that, at all time while the Retrofit Facilities remain in operation, a properly trained and certified Site Supervisor in compliance with the requirements of Section 26 of the District's Code of Ordinance and DEH requirement shall be in charge of the regular maintenance and inspection of the Retrofit Facilities. If damage or defects cause a leak or other malfunction at any time, the Site Supervisor shall follow the applicable procedures established thereunder, and any other procedures as from time to time are formulated by the District or the DEH.

In the event of an emergency, District may disconnect or terminate service to the Retrofit Facilities without notice and the Responsible Party shall be liable for all costs and expenses incurred by District. Any and all sums left unpaid for more than Thirty (30) days after demand therefor has been made by District shall accrue interest at the legal rate of interest (currently ten percent (10%) per annum).

**12. District Recycled Water Service**

If the Retrofit Facilities are Completed and connected to the District's recycled water system, Participant shall at all times comply with all requirements of service, including without limitation all ordinance and provisions of the District's Code of Ordinance, timely payment of bills issued by the District, ongoing compliance with DEH and District requirements concerning the use of recycled water, and compliance with the terms of any permits or other federal, state or local laws or regulations.

Participant agrees that before Participant can purchase and have District install recycled water meter(s), the following must occur: (i) Participant must Complete the Retrofit Facilities; (ii) Participant must pay capacity fees and any other appropriate fees and charges; (iii) District must receive a letter of clearance from DEH; (iv) Participant must have submitted all required documentation for District to process the Grant; and (iv) Participant must be in compliance with all applicable provisions of the Code Ordinances of District.



INITIAL

Participant understands that, at the time it pays capacity to purchase the recycled water meter, it will have the opportunity to request to downsize its existing potable water meter. If the Participant requests a smaller potable meter, the District agrees to apply credits toward the purchase of capacity for the recycled water meter.

**13. Responsibility for Water Costs**

Participant, on behalf of itself, its heirs, assigns and successors in interest, agrees to be liable for the cost of all water or recycled water used for the Development, the Work and the Retrofit Facilities, without limitation.



INITIAL

**14. Use of Water without Meter; Unauthorized Connections; Liability**

No person, other than an employee or agent of District, has any right to operate any part of the District's distribution systems.

Participant acknowledges that the District has an obligation to ensure the security and integrity of its facilities and system and has adopted a strict liability standard for any unauthorized connection to, operation of, or use of any portion of the potable water, recycled water and/or sewer system. *Participant shall be subject to a fine, as from time to time determined by the District, and or criminal prosecution in connection with any unauthorized connection for any of its property or the Development.* Furthermore, at District's discretion, Participant's officers, employees, agents or any independent contractors or subcontractors may also be subject to criminal prosecution to the maximum extent allowed by law if there is evidence of their participation in connection with any such unauthorized connection, use or operation. In connection with this Agreement, the Work and the Retrofit Facilities, Participant shall inform all of its officers, employees, agents or any independent contractors or subcontractors of this potential liability and shall institute procedures to prevent any such unauthorized connection, use or operation; and to prevent any cross-connections.



INITIAL

**15. Easements to District**

If one or more easements are required in connection with the Retrofit Facilities, the facilities shall not be considered Completed until the date the easements are recorded with the San Diego County Recorder.

**16. Indemnity**

(a) Indemnity. Participant hereby agrees to indemnify, protect, defend and hold District, its elective and appointive boards, officials, officers, attorneys, agents, and employees, harmless from any liability, damage, suit or action at law or in equity, judgment, demand, or claim for damages for personal injury, including death, or for damages to property which may arise from, or are in any way related to, the acts and/or omissions of Participant, and/or contractors, subcontractors, agents, or employees in any way related to the Retrofit Facilities, the Work or otherwise under this Agreement, whether such acts and omissions be by Participant or any of Participant's contractors, sub-contractors, employees, or agents, or by one or more persons directly or indirectly employed by, or acting as agent for, Participant or any of Participant's contractors, subcontractors, employees or agents or any other person whomsoever.

(b) Defense. Participant agrees to appear and defend District and its elective and appointive boards, officials, officers, attorneys, agents and employees, with legal counsel reasonably acceptable to District, from any suits or actions at law or in equity, proceedings,

judgments, demands, and claims for damages alleged to have been caused, or in any way related to, any of the aforesaid acts or omissions; provided that:

(c) No Waiver. District does not waive any rights against Participant, which it may have by reason of the aforesaid indemnity agreement, because of any acceptance of Work or Retrofit Facilities by District; and

(d) Coverage of Indemnity. The indemnity agreement by Participant shall apply to all liabilities, damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph (8), regardless of whether or not District has prepared, supplied or approved plans and/or specifications for the Retrofit Facilities and/or the Development; and

(e) Limit of Indemnity. The agreement by Participant to indemnify, defend and hold District harmless shall not include liabilities, damages, or claims for damages caused by the negligent acts or omissions or willful misconduct of District, or its elective and appointive boards, officials, officers, agents, and employees.

#### 17. Insurance

At all times while doing any Work or activity concerning the Retrofit Facilities, Participant and any contractors and subcontractors or agents shall maintain, at minimum, *commercial or general liability* policy of insurance in the applicable amount indicated below based on the estimated cost of the Facilities, per incident coverage for personal injury, property damage and any other loss arising from or in connection with the Retrofit Facilities.

<b>Estimated Cost</b>	<b>Minimum Amount of Insurance Required</b>
Less than \$500,000	\$1,000,000 aggregate; \$500,000 per occurrence
\$500,000-5,000,000	\$3,000,000 aggregate; \$1,000,000 per occurrence
More than \$5,000,000	\$10,000,000 aggregate; \$2,000,000 per occurrence

In addition, Participant shall maintain all other insurance coverage required by law, including but not limited to any applicable *workers compensation* insurance.

#### 18. General Provisions

(a) Entire Agreement. The terms and conditions set forth in this Agreement constitute the entire understanding of the Parties with respect to the Retrofit Facilities; provided that, where reference is made to applicable laws, rules or regulations, including those of the District or DEH, such are incorporated herein by reference.

(b) Enforcement of Agreement. Should either party hereto sue to enforce the terms of this Agreement, the venue for such action shall be with the Superior Court of the County of San Diego.

(c) Applicable Law. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of California, without regard to its conflict of laws principles.

(d) Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

(e) Waiver. The waiver of any term, condition or provision of this Agreement is valid only as to that specific waiver and does not constitute a waiver of, and shall not be construed to waive, any other term, condition or provision of this Agreement.

(f) Effective Date. This Agreement become effective on the date on which District has approved, and the authorized representative of District has executed, this Agreement; provided that an authorized representative of Participant shall have executed this Agreement prior to the date on which the District executes this Agreement.

(g) Notices. Any notice required or given under this Agreement shall be in writing and, except as otherwise provided by law, shall be effective (i) upon personal delivery, (ii) on the day it is faxed, provided that the party giving facsimile notification must retain evidence of successful transmittal of the notice, (iii) on the second business day after mailing by certified or registered United States mail, return receipt requested, if addressed as follows:

**If to District:** Otay Water District  
**Attention: Public Services**  
2554 Sweetwater Springs Boulevard  
Spring Valley, California 91978-2004  
Telephone: (619) 670-2241  
Facsimile: (619) 670-6184

**If to Participant:** Aspire-Encore at Rancho Del Rey Homeowners  
Association  
Attention: Robert Davis, Board President  
9610 Waples Street  
San Diego, California 92121  
Telephone: (858) 550-7929  
Facsimile: (858) 550-7929

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

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which counterpart, if fully executed, shall be deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

(i) Corporate Authority. Each person executing this Agreement of behalf of the Participant warrants that: (i) such party is duly organized and existing; (ii) the signatory is duly authorized to execute and deliver this Agreement on behalf of said party; (iii) by so executing

this Agreement, such party is formally bound to the provisions of this Agreement; and (iv) the entering in this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, this Agreement has been executed by an authorized representative of Participant, on behalf of the Participant, and by the General Manager, on behalf of District.

**OTAY WATER DISTRICT**  
a California municipal water district

By: \_\_\_\_\_  
General Manager  
Date: \_\_\_\_\_, 2 \_\_\_\_\_

Approved as to Form:  
\_\_\_\_\_  
General Counsel

**ASPIRE-ENCORE AT RANCHO EL REY HOMEOWNERS ASSOCIATION**  
a non-profit mutual benefit corporation

BY: Robert Davis  
ITS: HOA BOARD PRESIDENT  
DATE: 5 MAY 2011

BY: \_\_\_\_\_  
ITS: \_\_\_\_\_  
DATE: \_\_\_\_\_



## ATTACHMENT C

Otay Water District  
R2094 - Potable Irrigation Meters to Recycled Water Conversions

Date Updated: May 02, 2011

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
3,100,000					
<b>Planning</b>					
Labor		72,258		72,258	
Meals and Incidentals	22	22	-	22	PETTY CASH CUSTODIAN
Professional Legal Fees	2,413	2,413	-	2,413	GARCIA CALDERON & RUIZ LLP
Service Contracts	983	983	-	983	JONES & STOKES ASSOCIATES INC
<b>Total Planning</b>	3,417	75,675	-	75,675	
<b>Design</b>					
Labor		24,285		24,285	
Regulatory Agency Fees	1,042	1,042	-	1,042	DEPARTMENT OF PUBLIC HEALTH
Consultant Contracts	72,204	72,204	-	72,204	LEE & RO INC
	30,035	30,035	-	30,035	SOUTHERN CALIFORNIA SOIL
	3,850	3,850	-	3,850	MWH CONSTRUCTORS INC
<b>Total Design</b>	107,131	131,416	-	131,416	
<b>Construction</b>					
Labor		95,446		95,446	
Other Agency Fees	985,989	985,989	-	985,989	CITY OF CHULA VISTA
Consultant Contracts	2,488	2,488	-	2,488	AEGIS ENGINEERING MGMT INC
	4,950	4,950	-	4,950	VALLEY CONSTRUCTION MANAGEMENT
	16,554	16,554	-	16,554	LEE & RO INC
Construction Contracts	144	144	-	144	CLARKSON LAB & SUPPLY INC
	7,469	7,469	-	7,469	SOUTHLAND PAVING
Service Contracts	27	27	-	27	CARMEL BUSINESS SYSTEMS INC
<b>Total Construction</b>	1,017,619	1,113,065	-	1,113,065	
<b>Agave &amp; Seguario</b>					
Reimbursement Agreement	20,000	-	20,000	20,000	
Labor		5,859		5,859	
Consultant Contracts	3,342	3,342	-	3,342	AECOM USA INC
	13,003	13,003	-	13,003	AEGIS ENGINEERING MGMT INC
Service Contracts	296	296	-	296	CARMEL BUSINESS SYSTEMS INC
<b>Total Agave &amp; Seguario</b>	36,642	22,501	20,000	42,501	
<b>Aristata</b>					
Reimbursement Agreement	10,000	-	10,000	10,000	
Labor		2,763		2,763	
Consultant Contracts	11,517	11,517	-	11,517	AEGIS ENGINEERING MGMT INC
Service Contracts	296	296	-	296	CARMEL BUSINESS SYSTEMS INC
<b>Total Aristata</b>	21,814	14,577	10,000	24,577	
<b>Tapestry &amp; Mosaic</b>					
Reimbursement Agreement	10,500	-	10,500	10,500	
Labor		4,364		4,364	
Consultant Contracts	12,711	12,711	-	12,711	AEGIS ENGINEERING MGMT INC
<b>Total Tapestry &amp; Mosaic</b>	23,211	17,074	10,500	27,574	
<b>Aspire Encore</b>					
Reimbursement Agreement	25,500	-	25,500	25,500	
<b>Total Aspire Encore</b>	25,500	-	25,500	25,500	
<b>Grand Total</b>	1,235,333	1,374,309	66,000	1,440,309	

## Quality Assurance Approval Sheet

Subject: Authorization to Execute a Reimbursement Agreement with Aspire-Encore at Rancho Del Rey Homeowners Association for the Conversion of a Potable Water Irrigation System to a Recycled Water Irrigation System

Project No.: R2094-001101

Document Description: Staff Report for the June 1, 2011 Board Meeting

Author:  5/12/11  
Signature Date

David Charles  
Printed Name

QA Reviewer:  5/12/11  
Signature Date

Gary Silverman  
Printed Name

Manager:  5/12/11  
Signature Date

Rod Posada  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.



**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, replacement/renewal projects, developer's reimbursement projects, and capital purchases.

The Third Quarter Fiscal Year 2011 update is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget. Expenditures through the Third Quarter totaled approximately \$12.3 million. Approximately 43% of the Fiscal Year 2011 expenditure budget was spent.

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

None.

**STRATEGIC GOAL:**

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

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

None.

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

P:\CIP\CIP Quarterly Reports\2011\Q3\Staff Report\BD 06-01-11, Staff Report, Third Quarter FY 2011 CIP Report, (DK-RR-RP).doc  
DK/RR/RP:jf

Attachments: Attachment A - Committee Action  
Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> Various	Informational Item - Third Quarter Fiscal Year 2011 Capital Improvement Program Report
------------------------------------	----------------------------------------------------------------------------------------

### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2011. 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.

# Quality Assurance Approval Sheet

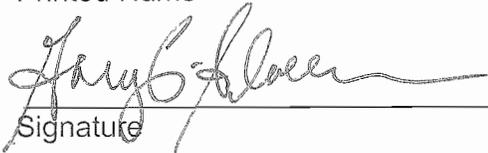
Subject: Informational Item – Third Quarter Fiscal Year  
2011 Capital Improvement Program Report

Project No.: Various

Document Description: Staff Report for the June 1, 2011 Board Meeting

Author:  5/12/11  
Signature Date

Daniel Kay  
Printed Name

QA Reviewer:  5/12/11  
Signature Date

Gary Silverman  
Printed Name

Manager:  5/12/11  
Signature Date

Ron Ripperger  
Printed Name

The above signatures attest that the attached document has been reviewed and to the best of their ability the signers verify that it meets the District quality standard by clearly and concisely conveying the intended information; being grammatically correct and free of formatting and typographical errors; accurately presenting calculated values and numerical references; and being internally consistent, legible and uniform in its presentation style.

# CAPITAL IMPROVEMENT PROGRAM

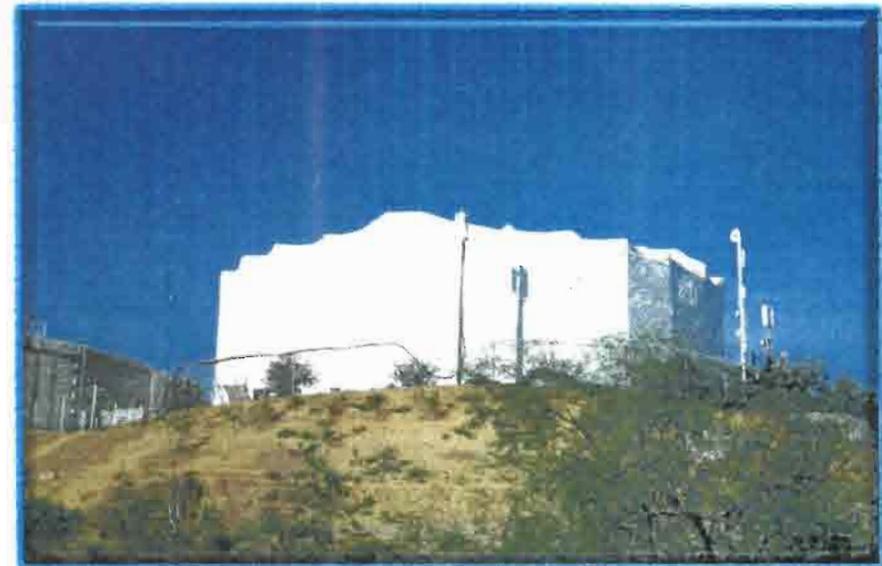


**Third Quarter  
Fiscal Year 2011**  
(through March 31, 2011)

Emergency Interconnections (P2488 & P2489)



1296-1 & 2 Reservoirs Coating (P2490 & P2492)



# Background

The approved CIP budget for Fiscal Year 2011 consists of **82** projects that total **\$28.5 million**. These projects are broken down into four categories:

1. Capital Facilities: **\$ 16.2 million**
2. Replacement/Renewal: **\$ 10.0 million**
3. Capital Purchases: **\$ 2.3 million**
4. Developer Reimbursement: **\$ 0.0 million**

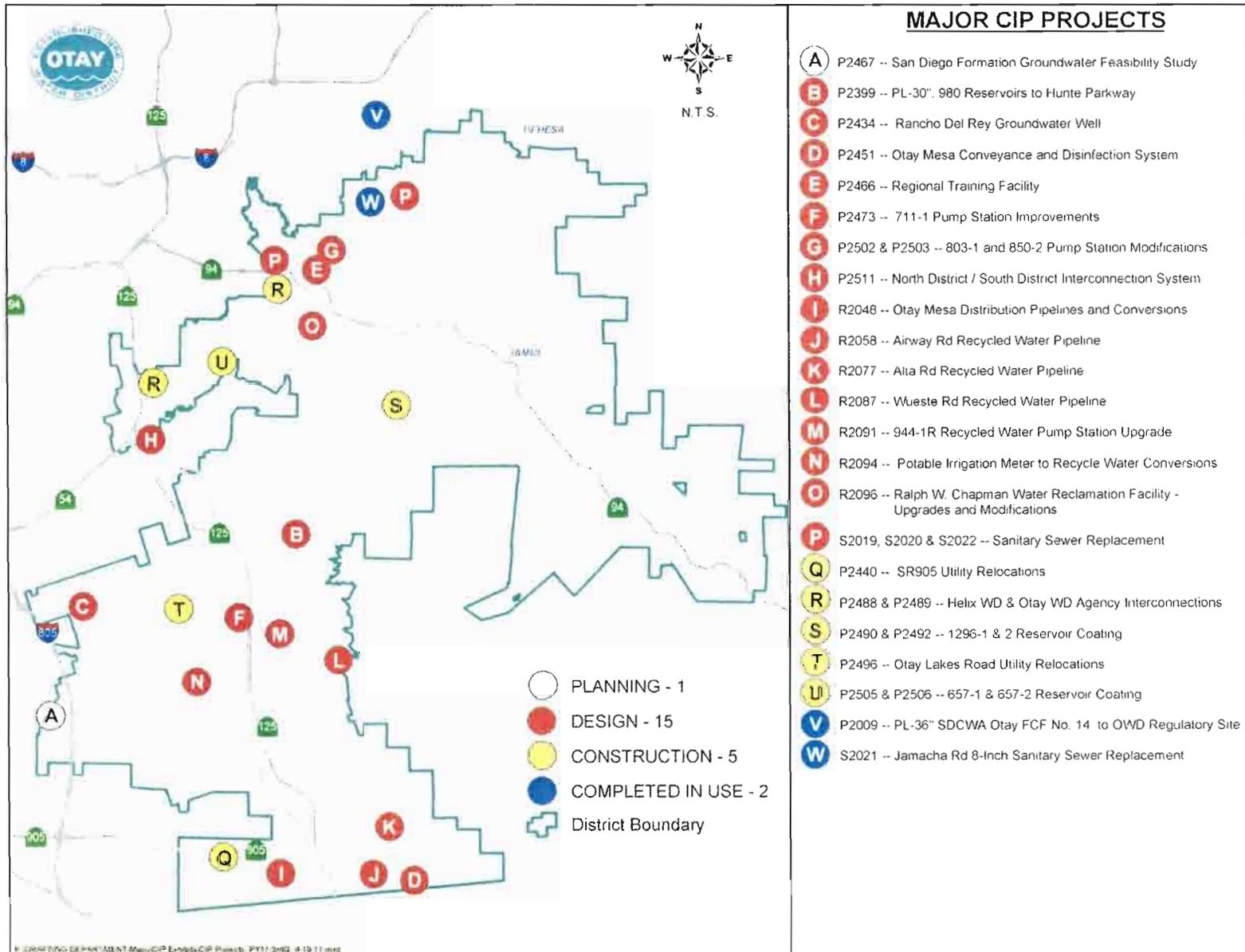
Overall expenditures through the Third Quarter Fiscal Year 2011 totaled **\$12.3 million**, which is **43%** of our fiscal year budget through the second quarter.

# Fiscal Year 2011 Report

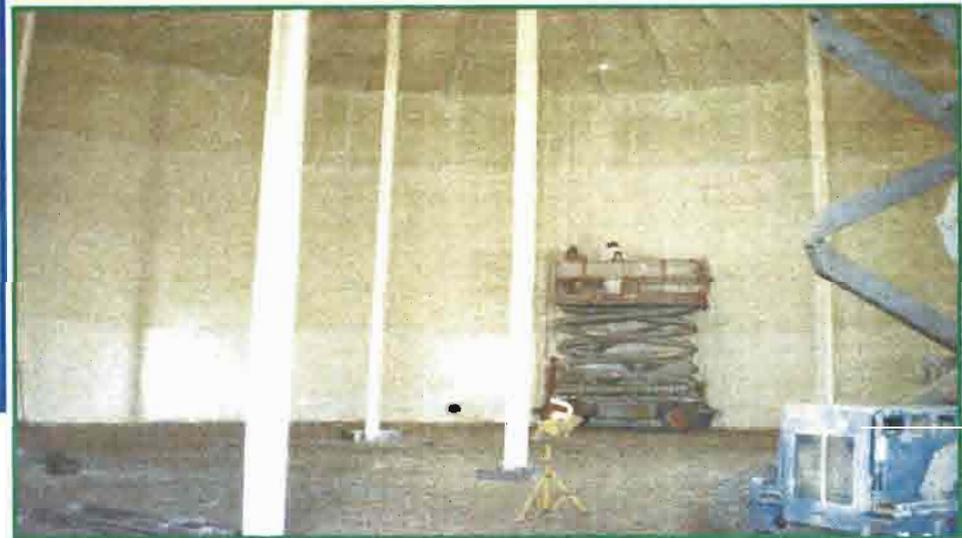
(through March 31, 2011)

CIP CAT	Description	FY 2011 Budget	FY 2011 Expenditures	% FY 2011 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	<b>Capital Facilities</b>	\$16,181,000	\$6,703,000	41%	\$180,969,000	\$46,884,000	26%
2	<b>Replacement/ Renewal</b>	\$10,006,000	\$4,410,000	44%	\$44,053,000	\$18,866,000	43%
3	<b>Capital Purchases</b>	\$2,249,000	\$1,160,000	52%	\$13,450,000	\$6,913,000	51%
4	<b>Developer Reimbursement</b>	\$12,000	\$0	0%	\$7,882,000	\$1,000	0%
	<b>Total:</b>	\$28,448,000	\$12,273,000	43%	\$246,354,000	\$72,664,000	29%

# Major CIP Projects



# CIP Projects in Construction



## 1296-1 & 2 Reservoirs Coating (P2490 & P2492)

This project was awarded to West Coast Industrial Coating, Inc. in February 2010. This project includes an assessment of the facilities to assure compliance to all applicable codes and OSHA standards as well as for the interior and exterior coatings of the 1296-1 & 2 Reservoirs.

# CIP Projects in Construction

## □ 1296-1&2 Reservoirs Coating Projects

### Key

**Component:** Interior and exterior coatings on the 1296-1 & 2 Reservoirs.

**Schedule:** A construction contract was awarded to West Coast Industrial Coating, Inc., on February 3, 2010. Project is approximately 98% complete. Project completion is anticipated for June 2011.

**Cost:** The combined FY 2011 project budgets for CIPs P2490 and P2492 are \$680,000, of which \$705,238, or 104% was spent. The life-to-date project budgets are \$900,000, of which \$916,238, or 102%, have been spent.

### Significant

**Issues:** The contractor's production has been slower than the submitted schedules. Staff is monitoring the contractor's progress to address the production issues. Due to the extended duration, staff is requesting an increase in the budget for CIP P2490 (1296-1 Reservoir) to accommodate additional costs for this project.

**Highlights:** None.

# CIP Projects in Construction



## 657-1 & 657-2 Reservoir Coating & Upgrades (P2490 & P2492)

This project was awarded to Blastco, Inc. in January 2011.

This project includes an assessment of the facilities to assure compliance to all applicable codes and OSHA standards as well as for the interior and exterior coatings of the 657-1 & 2 Reservoirs.

# CIP Projects in Construction

## □ 657-1 & 2 Reservoirs Coating Projects

### Key

**Component:** Interior and exterior coatings on the 657-1 & 2 Reservoirs.

**Schedule:** A construction contract was awarded to Blastco, Inc., on January 5, 2011. Construction is approximately 37% complete. Project completion is anticipated for July 2011.

**Cost:** The combined FY 2011 project budgets for CIPs P2490 and P2492 are \$650,000, of which \$84,861, or 13% was spent. The life-to-date project budgets are \$750,000, of which \$84,861, or 11%, have been spent.

**Significant  
Issues:** None.

**Highlights:** None.

# CIP Projects in Construction



## Del Rio Road & Gillispie Drive Emergency Interconnections (P2488 & P2489)

This project was awarded to LH Woods & Sons in February 2011.

This project includes two emergency interconnection vaults with Helix Water District.

The work includes a 6-inch meter, vault, and SCADA equipment.

# CIP Projects in Construction

## Del Rio Road & Gillispie Drive Emergency Interconnections

**Key Component:** Installation of two 6-inch meters, vaults, SCADA, and telemetry equipment for an interconnection with Helix Water District.

**Schedule:** A construction contract was awarded to LH Woods & Sons on February 2, 2011. Construction is approximately 9% complete. Project completion is anticipated for August 2011.

**Cost:** The combined FY 2011 project budgets for CIPs P2488 and P2489 are \$255,000, of which \$66,8691, or 26% was spent. The life-to-date project budgets are \$300,000, of which \$156,689, or 52%, have been spent.

**Significant Issues:** None.

**Highlights:** Otay and Helix Water District have an agreement in place to split 50% of the cost for design, construction, and maintenance of the facilities. Otay will receive the reimbursement after construction is complete.

# Consultant Contract Status

(through March 31, 2011)

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete
<b>PLANNING</b>								
AECOM	P2434	RANCHO DEL REY GROUNDWATER WELL DEVELOPMENT	\$ 1,561,625.00	\$176,805.00	\$ 1,738,430.00	\$1,718,504.71	11.3%	COMPLETE
MWH AMERICAS INC.	P2010	NORTH-SOUTH SERVICES AREA INTERTIE STUDY	\$ 119,505.00	\$ 11,500.00	\$ 131,005.00	\$ 118,314.41	9.6%	90.3%
SALVADOR LOPEZ-CORDOVA	P2451	DESALINATION PROJECT	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 2,012.90	0.0%	0.0%
TRAN CONSULTING ENGINEERS	S1201	SANITARY SEWER CCTV INSPECTION AND CONDITION ASSESSMENT	\$ 560,025.00	\$ -	\$ 560,025.00	\$ 334,095.32	0.0%	59.7%
<b>DESIGN</b>								
AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM	\$ 3,910,297.00	\$ -	\$ 3,910,297.00	\$ -	0.0%	0.0%
CALIFORNIA CENTER FOR SUSTAINABLE ENERGY	Varies	SOLAR POWER FEASIBILITY STUDY	\$ 34,400.00	\$ -	\$ 34,400.00	\$ 2,700.00	0.0%	7.8%
CPM PARTNERS	Varies	AS-NEEDED SCHEDULING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 90,932.50	0.0%	52.0%
DARNELL & ASSOCIATES	Varies	AS-NEEDED TRAFFIC ENGINEERING SERVICES FOR FY2010 AND FY2011	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 149,567.50	0.0%	85.5%
ENGINEERING PARTNERS INC, THE	Varies	ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 85,930.00	0.0%	85.9%
ENGINEERING PARTNERS INC, THE	Varies	AS-NEEDED ELECTRICAL DESIGN SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 54,320.00	0.0%	54.3%
HDR	Varies	TEMPORARY LABOR SERVICES	\$ 150,000.00	\$ 35,000.00	\$ 185,000.00	\$ 170,800.00	23.3%	92.3%
HVAC ENGINEERING INC	P2502, P2503	HVAC SERVICES FOR 850-2 PS & 803-1 PS	\$ 19,421.00	\$ -	\$ 19,421.00	\$ 1,675.00	0.0%	8.6%
LEE & RO INC	P2009	DESIGN OF 36-INCH PIPELINE	\$ 580,183.00	\$ 61,629.00	\$ 641,812.00	\$ 641,812.00	10.6%	COMPLETE
LEE & RO INC	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 20,692.50	0.0%	11.8%
LEE & RO INC	P2511	NORTH DISTRICT/SOUTH DISTRICT INTERCONNECTION	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$ 220,201.74	0.0%	8.0%
MTGL INC.	Varies	AS-NEEDED GEOTECHNICAL CONSULTING SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 21,460.00	0.0%	12.3%
MICHAEL D KEAGY REAL ESTATE	S2019, S2020, S2022	APPRAISAL SERVICES	\$ 17,000.00	\$ -	\$ 17,000.00	\$ 12,000.00	0.0%	70.6%

# Consultant Contract Status (continued)

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete
<b>DESIGN</b>								
MWH AMERICAS INC.	R2096, R2095, S2018	RWCWRF UPGRADE PROJECT	\$ 458,813.00	\$122,048.00	\$ 580,861.00	\$ 507,236.09	26.6%	87.3%
ATKINS (aka PBS&J)	Varies	HYDRAULIC MODELING SERVICES	\$ 45,000.00	\$ 4,000.00	\$ 49,000.00	\$ 48,987.55	8.9%	COMPLETE
PBS&J	P2511	HYDRAULIC ANALYSIS	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	0.0%	COMPLETE
PHOTO GEODETIC CORPORATION	P2399	SURVEYING SERVICES	\$ 3,425.63	\$ -	\$ 3,425.63	\$ 3,150.00	0.0%	COMPLETE
REPROHAUS	Varies	AS-NEEDED REPROGRAPHIC SERVICES	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 7,426.33	0.0%	37.1%
SCHIFF & ASSOCIATES	Varies	PROFESSIONAL CORROSION SERVICES	\$ 250,000.00	\$ 36,000.00	\$ 286,000.00	\$ 222,503.68	14.4%	77.8%
SOUTHERN CALIFORNIA SOIL	Varies	AS-NEEDED GEOTECHNICAL SERVICES	\$ 175,000.00	\$ 11,761.37	\$ 186,761.37	\$ 177,823.83	6.7%	95.2%
S.R. BRADLEY & ASSOCIATES, INC.	P2434	ARCHITECTURAL SERVICES	\$ 5,100.00		\$ 5,100.00	\$ 5,100.00	0.0%	COMPLETE
SUPERIOR TANK SOLUTIONS	P2491	803-2 Reservoir Visual Inspection	\$ 250.00	\$ -	\$ 250.00	\$ 250.00	0.0%	COMPLETE
<b>CONSTRUCTION SERVICES</b>								
BRADLEY CONSULTING GROUP	P2172	1485-1 PUMP STATION - TREE CONSULTING SERVICE	\$ 500.00	\$ -	\$ 500.00	\$ 500.00	0.0%	COMPLETE
MWH CONSTRUCTORS INC	Varies	TEMPORARY LABOR SERVICES	\$ 150,000.00	\$130,000.00	\$ 280,000.00	\$ 275,100.00	86.7%	COMPLETE
PROWEST APPRAISALS	P2172	APPRAISAL SERVICES	\$ 2,827.50	\$ -	\$ 2,827.50	\$ 2,600.00	0.0%	COMPLETE
RBF CONSULTING	P2009	36-INCH PIPELINE	\$ 1,088,785.00	\$148,070.00	\$ 1,236,855.00	\$1,236,833.75	13.6%	COMPLETE
RBF CONSULTING	R2058, R2077, R2087	CONSTRUCTION MANAGEMENT SERVICES FOR THE OTAY MESA RECYCLED WATER SUPPLY LINK	\$ 708,560.00		\$ 708,560.00	\$ 13,960.00	0.0%	2.0%
RBF CONSULTING	S2019, S2021	CONSTRUCTION MANGAGEMENT	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	0.0%	COMPLETE
VALLEY CONSTRUCTION MANAGEMENT	Varies	AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	\$ 175,000.00		\$ 175,000.00	\$ 105,140.00	0.0%	60.1%

# Consultant Contract Status (continued)

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete
<b>ENVIRONMENTAL</b>								
A. D. HINSHAW	Varies	CONSULTING SERVICES FOR JWA's CEQA	\$ 34,625.25	\$ -	\$ 34,625.25	\$ 8,500.51	0.0%	24.6%
BRG CONSULTING INC	P2143	1296-3 RESERVOIR ENV SVCS	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 124,498.54	0.0%	COMPLETE
FORENSIC ENTOMOLOGY SERVICES	P2494	SCIENCE ADVISOR REVIEW	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 4,000.00	0.0%	COMPLETE
ICF INTERNATIONAL (aka JONES & STOKES ASSOCIATES)	P1253	SAN MIGUEL HABITAT MANAGEMENT AREA	\$ 987,807.00	\$ -	\$ 987,807.00	\$ 686,919.58	0.0%	69.5%
ICF INTERNATIONAL (aka JONES & STOKES ASSOCIATES)	R2058/ R2077/ R2087	OTAY MESA RECYCLED WATER SUPPLY LINK PIPELINES	\$ 213,087.00	\$ 9,115.00	\$ 222,202.00	\$ 222,143.98	4.3%	COMPLETE
ICF INTERNATIONAL (aka JONES & STOKES ASSOCIATES)	Varies	AS-NEEDED ENVIRONMENTAL CONSULTING SERVICES	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 61,206.19	0.0%	16.3%
DR. MARY ANNE HAWKE	P2494	SCIENCE ADVISOR REVIEW	\$ 4,350.00	\$ -	\$ 4,350.00	\$ -	0.0%	0.0%
PHOTO GEODETIC CORPORATION	R2096	AERIAL MAPPING	\$ 2,400.00	\$ -	\$ 2,400.00	\$ 2,400.00	0.0%	COMPLETE
RAHN CONSERVATION CONSULTING	P2494	ADVISOR REVIEW	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 4,000.00	0.0%	COMPLETE
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 182,736.39	0.0%	67.5%
TECHNOLOGY ASSOCIATES	P2494	CONSULTING SERVICES FOR JWA's NCCP	\$ 34,625.25	\$ -	\$ 34,625.25	\$ 33,242.77	0.0%	96.0%
THE RICK ALEXANDAR COMPANY (TRAC)	P2494	CONSULTING SERVICES FOR JWA's NCCP	\$ 20,201.75	\$ -	\$ 20,201.75	\$ 7,384.33	0.0%	36.6%
<b>WATER RESOURCES</b>								
AECOM	P2481	MIDDLE SWEETWATER RIVER BASIN GROUNDWATER WELL PILOT PROJECT	\$ 1,065,037.00	\$ -	\$ 1,065,037.00	\$ 351,009.59	0.0%	33.0%
CAMP DRESSER & McKEE INC	P2451	BI-NATIONAL DESALINATION FEASIBILITY STUDY	\$ 94,552.00	\$ 18,005.00	\$ 112,557.00	\$ 98,577.34	19.0%	87.6%
CITY OF CHULA VISTA	R2093	WASTEWATER RECLAMATION FACILITY STUDY	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 109,302.18	0.0%	72.9%
MICHAEL R. WELCH	P2481	ENGINEERING PLANNING SVCS.	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 19,440.00	0.0%	48.6%
<b>PUBLIC SERVICES</b>								
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 171,209.98	0.0%	57.1%
AEGIS ENGINEERING MANAGEMENT	Varies	RECYCLED WATER PLAN CHECKING, RETROFIT, AND INSPECTION SERVICES FOR DEVELOPER PROJECTS	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 34,589.10	0.0%	11.5%
<b>TOTALS:</b>			<b>\$17,785,374.38</b>	<b>\$763,933.37</b>	<b>\$18,549,307.75</b>	<b>\$8,382,790.29</b>	<b>4.3%</b>	

# Construction Contract Status

(through March 31, 2011)

CIP NO.	PROJECT TITLE	CONSTRUCTION CONTRACTOR	ORIGINAL CONTRACT AMOUNT	TOTAL CHANGE ORDERS	REVISED CONTRACT AMOUNT	TOTAL EARNED TO DATE	% OF CHANGE	% PROJECT COMPLETE	EST. COMP. DATE
P2009/ P2038	Jamacha Rd. 36-Inch Pipeline & 12-Inch Pipeline Replacement	CCL Contracting	\$16,189,243	(\$1,781,299)	\$14,407,944	\$14,407,944	-11.00%	100%	September 2010
S2021	Jamacha Rd. 8- Inch Sewer Replacement	A.B. Hashmi	\$91,320	(\$2,226)	\$89,094	\$89,094	-2.44%	100%	September 2010
P2490/ P2492	1296-1 & 1296-2 Reservoir Coating & Upgrades	West Coast Industrial	\$690,000	\$2,580	\$692,580	\$454,690	0.37%	66%	February 2011
P2505/ P2506	657-1 & 657-2 Reservoir Coating & Upgrades	Blastco Inc.	\$632,500	\$0	\$632,500	\$243,010	0.00%	38%	July 2011
P2488/ P2489	Del Rio Road & Gillispie Drive Emergency Interconnections	LH Woods	\$379,000	\$4,981	\$383,981	\$14,000	1.31%	4%	August 2011
	<b>TOTALS:</b>		<b>\$17,982,063</b>	<b>(\$1,775,964)</b>	<b>\$16,206,099</b>	<b>\$15,208,738</b>	<b>-9.88%</b>		

# Expenditures

(through March 31, 2011)  
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CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 03/31/11				LIFE-TO-DATE		Comments
			FY 2011 Budget	Expenses	Balance	Expense to Budget %	Budget	Balance	
<b>CAPITAL FACILITY PROJECTS</b>									
P2009	PL - 36-Inch, SDCWA Otay FCF No. 14 to Regulatory Site	Ripperger	\$ 2,200	\$ 2,908	\$ (708)	132%	\$ 21,000	\$ 1,151	Project complete.
P2033	PL - 16-Inch, 1296 Zone, Melody Road - Campo/Presilla	Ripperger	-	-	-	0%	1,826	1,821	No expenses for Q3.
P2038	PL - 12-Inch, 978 Zone, Hidden Mesa Road	Kay	130	34	96	26%	2,378	193	Construction Complete (part of P2009).
P2083	PS - 870-2 Pump Station Replacement (28,000 GPM)	Ripperger	50	-	50	0%	12,581	12,000	No expenses for Q3.
P2143	Res - 1296-3 Reservoir 2 MG	Kay	5	117	(112)	2340%	3,540	48	Construction complete.
P2172	PS - 1485-1 Pump Station Replacement	Ripperger	5	28	(23)	560%	2,495	8	Project complete.
P2191	Res - 850-4 Reservoir 2.2 MG	Kay	5	27	(22)	540%	3,410	(9)	Project complete.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Anderson	-	-	-	0%	435	201	No expenses for Q3.
P2318	PL - 20-Inch, 657 Zone, Summit Cross-Tie and 36-Inch Main Connections	Cameron	100	27	73	27%	600	503	In Design. Coordinating Construction with County Paving Project.
P2357	PS - 657-1/850-1 Pump Station Demolition	Kennedy	50	18	32	36%	300	282	In design; to be combined with P2471.
P2370	Res - Dorchester Reservoir and Pump Station Demolition	Kennedy	67	7	60	10%	150	130	In design; to be combined with P2471.
P2391	PS - Perdue WTP Pump Station (10,000 GPM)	Peasley	5	28	(23)	560%	11,900	11,848	If the Rosarito Desal project becomes operational than it may preclude the need for this project hence no additional expenditures are planned for FY11.
P2399	PL - 30-Inch, 980 Zone, 980 Reservoirs to Hunte Parkway	Silverman	200	105	95	53%	3,600	759	90% design complete in May 2011.
P2431	Res - 980-4 Reservoir 5 MG	Kay	5	-	5	0%	5,900	5,900	Project on hold.
P2434	Rancho Del Rey Groundwater Well Development	Silverman	1,000	1,373	(373)	137%	4,250	1,611	Design underway; due December 2011.
P2451	Rosarito Desalination Facility Conveyance and Disinfection System	Kennedy	1,000	211	789	21%	30,000	29,315	FY11 budget revised. Project on hold until first quarter FY12.
P2466	Regional Training Facility	Coburn-Boyd	24	14	10	58%	252	1	This project budget has been expended; may be increased to cover some minor future expenses.
P2467	San Diego Formation Groundwater Feasibility Study	Peasley	600	1	599	0%	1,800	1,041	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 wells in the Otay River have been completed by USGS. Data gathering on well information within the San Diego Formation continues. Otay River participation agreement between SWA and Otay has been approved by the Board.
P2471	850/657 PRS at La Presa Pump Station	Silverman	240	18	222	8%	310	244	60% design complete in May 2011.
P2472	Water Supply Feasibility Studies	Peasley	30	-	30	0%	175	149	This project budget is for water supply feasibility study efforts. MWH completed the preparation a brief study including cost estimates for supply from the SWA Perdue WTP and the North District to South District Interconnection.
P2473	PS - 711-1 Pump Station Improvement	Kay	200	37	163	19%	500	418	Project under construction.
P2474	Fuel Storage Covers and Containment	Kennedy	50	16	34	32%	120	83	Project complete.
P2475	Pump Station Fire Hydrant Installations	Kennedy	45	10	35	22%	55	1	Project complete.
P2481	Middle Sweetwater River Basin Groundwater Well Feasibility	Peasley	50	121	(71)	242%	1,820	1,325	Groundwater development planning efforts have been suspended for the Middle Sweetwater River Basin Groundwater Well Pilot Project. Meetings with SWA have occurred with staff agreement on the quantity of imported water contributed to the groundwater supply. If the Rosarito Desal project becomes operational it may preclude the need for this project hence no additional expenditures are planned for in the remaining of FY11.



# Expenditures

## (Continued)

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CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 03/31/11				LIFE-TO-DATE		Comments
			FY 2011 Budget	Expenses	Balance	Expense to Budget %	Budget	Balance	
<b>REPLACEMENT/RENEWAL PROJECTS</b>									
P2366	APCD Engine Replacements and Retrofits	Rahders	442	134	308	30%	3,213	1,319	Items that were originally to be purchased during FY11 are now on hold until FY12.
P2382	Safety and Security Improvements	Munoz	102	153	(51)	150%	1,635	168	We are updating the Security features such as: cameras, antennas and fobs, that's why the increase to this budget for the 3th quarter.
P2416	SR-125 Utility Relocations	Kennedy	50	-	50	0%	963	49	Legal Counsel collecting from ORC
P2440	I-905 Utility Relocations	Silverman	100	(337)	437	-337%	1,600	415	Final invoices submitted May 2011.
P2453	SR-11 Utility Relocations	Kay	50	1	49	2%	155	151	Caltrans driven.
P2456	Air and Vacuum Valve Upgrades	Acuna	450	441	9	98%	2,722	229	On Track.
P2458	AMR Manual Meter Replacement	Keeran	1,500	1,352	148	90%	10,448	5,079	Expect to use 100% of current Fiscal Year's budget.
P2477	Res - 624-1 Reservoir Cover Replacement	Kennedy	5	1	4	20%	450	422	On budget and on schedule.
P2484	Large Water Meter Replacement Program	Keeran	100	116	(16)	116%	535	298	Expect to use 125% of current FY budget .
P2485	SCADA Communication System and Software Replacement	Stalker	350	239	111	68%	1,325	804	Will spend 100% of FY11 budget.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Stevens	600	190	410	32%	1,150	725	Program spending adjusted based on staffing availability
P2490	1296-1 Reservoir Interior/Exterior Coating	Kay	240	317	(77)	132%	350	(27)	Project under construction.
P2491	850-3 Reservoir Exterior Coating	Kay	10	1	9	10%	300	298	Project to be done FY12.
P2492	1296-2 Reservoir Interior/Exterior Coating	Kay	440	396	44	90%	550	2	Project under construction.
P2493	624-2 Reservoir Interior Coating	Kay	5	-	5	0%	950	949	Project to be done FY12.
P2494	Multiple Species Conservation Plan	Coburn-Boyd	170	184	(14)	108%	830	106	This budget will be spent this fiscal year.
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	250	155	95	62%	1,725	1,293	This budget will be spent this fiscal year.
P2496	Otay Lakes Road Utility Relocations	Kay	195	38	157	19%	250	114	Phase 1 Construction complete.
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	200	2	198	1%	600	598	Developer driven.
P2505	657-1 Reservoir Interior/Exterior Coating	Cameron	325	124	201	38%	375	251	In construction.
P2506	657-2 Reservoir Interior/Exterior Coating	Cameron	325	35	290	11%	375	340	In construction.
P2507	East Palomar Street Utility Relocation	Cameron	20	16	4	80%	500	484	In design.
P2508	Pipeline Cathodic Protection Replacement Program	Kennedy	50	-	50	0%	150	150	Revise budget to spend \$5k for FY11.
P2509	R.J. Donovan Prison Water Meter Upgrade	Ripperger	-	-	-	0%	60	60	No expenses for Q3.
R2096	RWCWRF - Upgrades and Modifications	Coburn-Boyd	1,200	569	631	47%	2,500	1,691	The project schedule has changed so that not all of the projected budget will be spent this fiscal year.
S2012	SVSD Outfall and RSD Replacement and OM Reimbursement	Peasley	642	1	641	0%	4,392	3,798	The SVSD expenditures are typically billed by SVSD and paid within the fourth quarter of the fiscal year.
S2019	Avocado Boulevard 8-Inch Sewer Main Improvement	Cameron	1,515	134	1,381	9%	1,730	1,452	Design complete; preparing traffic control plans.
S2020	Calavo Drive 8-Inch Sewer Main Replacement	Cameron	360	11	349	3%	420	374	Design complete; preparing traffic control plans.
S2021	Jamacha Road 8-Inch Sewer Main Replacement	Kay	40	109	(69)	273%	160	4	Project complete.
S2022	Hidden Mesa Drive 8-Inch Sewer Main Rehabilitation	Cameron	120	7	113	6%	150	131	Design complete; preparing traffic control plans.
S2023	Calavo Drive Sewer Main Utility Relocation	Cameron	50	5	45	10%	65	51	County driven.
S2024	Campo Road Sewer Main Replacement	Cameron	75	2	73	3%	3,250	3,248	To be assessed in the Sewer Master Plan.
S2025	Wieghorst Way Sewer Main Replacement	Cameron	25	14	11	56%	175	161	County Project.
<b>Total Replacement/Renewal Projects</b>			<b>10,006</b>	<b>4,410</b>	<b>5,596</b>	<b>44%</b>	<b>44,053</b>	<b>25,187</b>	

# Expenditures

## (Continued)

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CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 03/31/11				LIFE-TO-DATE		Comments
			FY 2011 Budget	Expenses	Balance	Expense to Budget %	Budget	Balance	
<b>CAPITAL PURCHASE PROJECTS</b>									
P2282	Vehicle Capital Purchases	Rahders	540	103	437	19%	4,945	2,839	Item 9 received - an F150 on 5/5/11 for \$11,825.56. Item 6 on order - dump truck for \$89,925.92. Item 13 on order - Vactor truck for \$305,511.88. Both ordered trucks to be received before 6/30/11.
P2285	Office Equipment and Furniture Capital Purchases	Dobrawa	-	-	-	0%	481	42	No expenses for Q3.
P2286	Field Equipment Capital Purchases	Rahders	201	109	92	54%	1,527	680	Item 14 - generator set for \$70,551.93 - on order. Item 18 - pump engine moved to FY12. Item 20 - TBO FY11.
P2443	Information Technology Mobile Services	Jenkins	250	52	198	21%	1,552	653	Awaiting Invoices - invoices may be delayed into Q1 of next FY
P2461	Records Management System Upgrade	Stevens	150	38	112	25%	406	164	Awaiting Invoices
P2469	Information Technology Network and Hardware	Jenkins	300	277	23	92%	1,921	908	Expect to spend 100% of FY budget
P2470	Application Systems Development and Integration	Stevens	408	349	59	86%	2,218	1,083	Expect to spend 100% of FY budget
P2501	Telecommunications Equipment Upgrade	Jenkins	400	232	168	58%	400	168	Awaiting Invoices
Total Capital Purchase Projects		Total:	2,249	1,160	1,089		13,450	6,537	
<b>DEVELOPER REIMBURSEMENT PROJECTS</b>									
P2104	PL - 12-Inch, 711 Zone, La Media Road - Birch/Rock Mountain	Charles	-	-	-	0%	833	833	No expenses for Q3.
P2107	PL - 12-Inch, 711 Zone, Rock Mountain Road - La Media/SR 125	Charles	-	-	-	0%	722	722	No expenses for Q3.
P2325	PL - 10" to 12" Oversize, 1296 Zone, PB Road - Rolling Hills Hydro PS/PB Bndy	Charles	1	-	1	0%	50	50	No expenses for Q3.
P2402	PL - 12-Inch, 624 Zone, La Media Road - Village 7/Otay Valley	Charles	-	-	-	0%	444	444	No expenses for Q3.
P2403	PL - 12-Inch, 624 Zone, Heritage Road - Olympic/Otay Valley	Charles	-	-	-	0%	925	925	No expenses for Q3.
R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	Charles	-	-	-	0%	600	600	No expenses for Q3.
R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	Charles	-	-	-	0%	140	140	No expenses for Q3.
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Charles	-	-	-	0%	450	450	No expenses for Q3.
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Charles	5	-	5	0%	1,747	1,747	No expenses for Q3.
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Charles	5	-	5	0%	400	400	No expenses for Q3.
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Charles	1	-	1	0%	971	970	No expenses for Q3.
R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	Charles	-	-	-	0%	600	600	No expenses for Q3.
Total Developer Reimbursement Projects		Total:	12	-	12		7,882	7,881	
<b>GRAND TOTAL</b>			<b>\$ 28,448</b>	<b>\$ 12,273</b>	<b>\$ 16,175</b>		<b>\$ 246,354</b>	<b>\$ 173,690</b>	