

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

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
Board Room

MONDAY
September 23, 2013
12:30 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. APPROVE A PROFESSIONAL SERVICES CONTRACT WITH CAROLLO ENGINEERS, INC. FOR DESIGN AND CONSTRUCTION SUPPORT OF THE 870-2 PUMP STATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$624,910 (MARCHIORO) [5 minutes]
4. REJECT ALL BIDS FOR THE CONSTRUCTION OF THE 624-2 RESERVOIR INTERIOR/EXTERIOR COATINGS AND 458-2 RESERVOIR INTERIOR COATING AND UPGRADES PROJECT (CAMERON) [5 minutes]
5. STRATEGIC PERFORMANCE PLAN FISCAL YEAR-END 2013 REPORT (STEVENS) [10 minutes]
6. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
7. ADJOURNMENT

BOARD MEMBERS ATTENDING:

David Gonzalez, 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. 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 September 20, 2013 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 September 20, 2013.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 2, 2013
SUBMITTED BY:	Jeff Marchioro Senior Civil Engineer	PROJECT:	P2083- DIV. NO. 2 001102
	Bob Kennedy Engineering Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Award of a Professional Engineering Services Contract for Design and Construction Support of the 870-2 Pump Station Project to Carollo Engineers, Inc.		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a professional services contract to Carollo Engineers, Inc. (Carollo) and authorize the General Manager to execute an agreement with Carollo for design and construction support of the 870-2 Pump Station Project in an amount not-to-exceed \$624,910 (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 professional engineering services contract with Carollo for design and construction support of the 870-2 Pump Station Project in an amount not-to-exceed \$624,910.

ANALYSIS:

The 870-2 Pump Station Project (Project) includes a new pump station to replace the District's existing Low Head Pump Station (571-1 Pump Station) and High Head Pump Station (870-1 Pump Station). Exhibit A shows the location of the Low and High Head Pump Stations relative to the Roll (570-1) Reservoir. The two existing pump stations are reaching the end of their useful lives.

A preliminary design report dated October 1995 by RBF Consulting (RBF) recommended replacement of the existing Low Head and High Head Pump Stations with a single 870-2 Pump Station. RBF also completed the final design to a 100% level; however, the project has been shelved since the 1999-2000 timeframe.

Carollo and District staff reviewed RBF's previous design deliverables to identify which elements of the previous design can be reused. Carollo will reuse as much of the previous design as possible; however, as part of Carollo's scope of work, Carollo will revisit RBF's previous design and associated assumptions to prepare a new stand-alone preliminary design report.

The District requires a consulting firm to provide a range of professional services, including hydraulic and surge modeling, potholing, ground survey, demolition, grading & drainage, structural, mechanical, HVAC, electrical, instrumentation & control, process, cathodic protection, coatings, and constructability reviews associated with the Project.

In accordance with the Board of Directors Policy Number 21, the District initiated the consultant selection process on June 4, 2013, by placing an advertisement in the San Diego Daily Transcript, and posting the Project on the District's website for Professional Engineering Services. The advertisements attracted Letters of Interest and Statements of Qualifications from eleven (11) consulting firms. A Pre-Proposal Meeting was held on June 18, 2013. Eighteen (18) people representing nine (9) prime consulting firms attended the meeting.

On July 3, 2013, proposals were received from the following seven (7) consulting firms:

1. AECOM
2. Richard Brady & Associates
3. Carollo
4. Civil-Source
5. Lockwood, Andrews & Newnam, Inc. (LAN)
6. RBF Consulting

7. Tran Consulting Engineers

Among the potential engineering firms that submitted letters of interest but did not propose were Lee&Ro and URS.

After the proposals were evaluated and ranked by a five-member review panel consisting of District Engineering and Operations staff, it was determined that three (3) proposals ranked sufficiently close to warrant being invited to make an oral presentation and respond to questions from the panel. After conducting the interviews on July 30, 2013, the panel completed the consultant ranking process and concluded that Carollo had the best approach to the Project and provided the best overall value to the District. A summary of the complete evaluation is shown in Exhibit B.

Scope and fee negotiations with Carollo concluded on August 22, 2013 which resulted in a fee increase of \$104,770 to their original proposed fee of \$520,140. The construction support services scope of work was expanded from a \$25,000 as-needed budget to a \$120,240 not-to-exceed budget corresponding to a detailed scope of work. Other minor refinements to the scope resulted in an increase of \$9,530 for a land surveying of the property. Carollo's revised proposed fee, with adjustments described above, is \$624,910.

Staff reviewed each of Carollo's scope and fee adjustments and concluded that each modification was fair and insignificant to the outcome of the selection process. Before scope adjustments were made, Carollo had proposed the lowest fee.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The Fiscal Year 2014 budget for CIP P2083 is \$12,581,000. Total expenditures, plus outstanding commitments and forecast, including this contract, are \$889,680. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager anticipates that the budget for CIP P2083 is sufficient to support the Project.

Finance has determined that 100% of the funding is available from the Replacement Fund for CIP P2083.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner"

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

LEGAL IMPACT:

None.

JM/BK:jf

Y:\Board\CurBdPkg\ENGRPLAN\2014\BD 10-02-13\870-2 Pump Station Contract to Carollo (P2083)\BD-10-02-13, Staff Report, Award Engineering Contract to Carollo, (JM-BK) rev3.docx

Attachments: Attachment A - Committee Action
Attachment B - Budget Detail
Exhibit A - Location Map
Exhibit B - Summary of Proposal Rankings



ATTACHMENT A

SUBJECT/PROJECT: P2083-001102	Award of a Professional Engineering Services Contract for Design and Construction Support of the 870-2 Pump Station Project to Carollo Engineers, Inc.
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on September 23, 2013. The Committee supported Staff's recommendation.

NOTE:

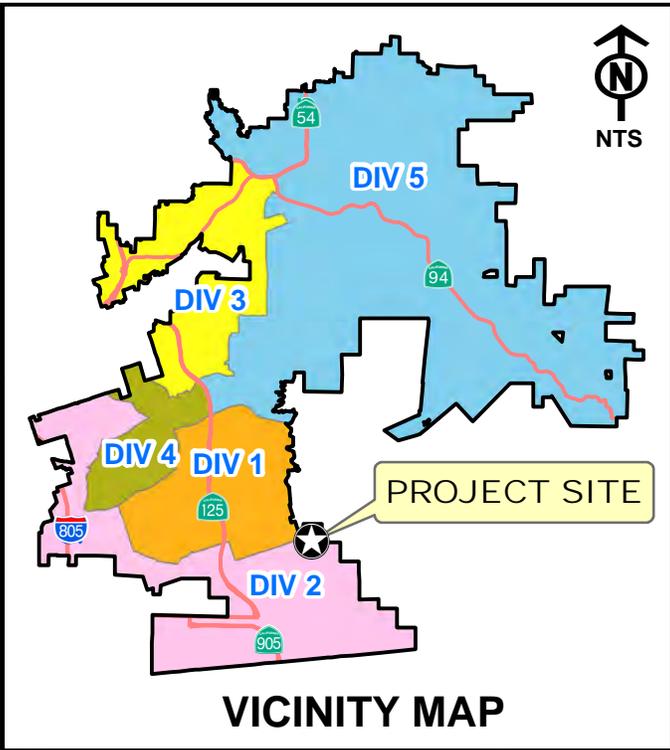
The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: P2083-001102	Award of a Professional Engineering Services Contract for Design and Construction Support of the 870-2 Pump Station Project to Carollo Engineers, Inc.
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Otay Water District					Date Updated: 8/26/2013
p2083-PS - 870-2 Pump Station (28,000 GPM)					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
12,581,000					
Planning					
Conversion Cost Type	580,444	580,444	-	580,444	EXPENDITURES PRIOR TO 2004
Service Contracts	164	164	-	164	SAN DIEGO DAILY TRANSCRIPT
Standard Salaries	23,013	23,013	-	23,013	
	34,770	-	34,770	34,770	INTERNATIONAL ENVIRONMENTAL CORP
Total Planning	638,391	603,621	34,770	638,391	
Design					
Service Contracts	1,300	1,300	-	1,300	INLAND AERIAL SURVEYS INC
Standard Salaries	231,127	31,127	200,000	231,127	
Service Contracts	504,670	-	504,670	504,670	CAROLLO
	10,000	-	10,000	10,000	GEOTECHNICAL
	20,000	-	20,000	20,000	BID DOC DISTRIBUTION
Total Design	767,097	32,427	734,670	767,097	
Construction					
	120,240	-	120,240	120,240	CAROLLO
	-	-	-	-	
Total Construction	120,240	-	120,240	120,240	
Grand Total	1,525,728	636,048	889,680	1,525,728	



OTAY WATER DISTRICT

870-2 PUMP STATION
LOCATION MAP



CIP P2083

P:\WORKING\CIP P2083 870-2 Pump Station Replacement\Graphics\Exhibits\Figures\Exhibit A_Location Map.mxd

EXHIBIT A

EXHIBIT B

SUMMARY OF PROPOSAL RANKINGS

DESIGN AND CONSTRUCTION SUPPORT OF THE 870-2 PUMP STATION PROJECT

		WRITTEN							ORAL							REFERENCES	
		Qualifications of Team	Responsiveness and Project Understanding	Technical and Management Approach	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Fee*	Consultant's Commitment to DBE	TOTAL - WRITTEN	Additional Creativity and Insight	Strength of Project Manager	Presentation and Communication Skills	Responses to Questions	INDIVIDUAL TOTAL - ORAL	AVERAGE TOTAL ORAL		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	Y/N	15	15	10	10	50	50	150	Poor/Good/Excellent
AECOM/Atkins/DLM	Rod Posada	26	23	27	76	74	5	Y	79	13	14	8	8	43	42	121	
	Bob Kennedy	25	23	25	73					13	13	8	8	42			
	Dan Martin	27	23	27	77					13	14	8	8	43			
	Kevin Schmidt	25	22	25	72					13	12	9	7	41			
	Jose Martinez	26	21	25	72					12	13	9	8	42			
Brady	Rod Posada	20	20	20	60	59	7	Y	66	NOT INTERVIEWED						66	
	Bob Kennedy	19	17	20	56												
	Dan Martin	21	20	21	62												
	Kevin Schmidt	18	18	20	56												
	Jose Martinez	23	18	22	63												
Carollo	Rod Posada	28	24	28	80	76	15	Y	91	14	13	9	9	45	44	135	Excellent
	Bob Kennedy	25	22	25	72					13	13	8	8	42			
	Dan Martin	28	24	28	80					14	13	8	9	44			
	Kevin Schmidt	25	22	25	72					13	12	10	10	45			
	Jose Martinez	28	21	25	74					13	12	8	9	42			
Civil-Source	Rod Posada	20	20	22	62	62	13	Y	75	NOT INTERVIEWED						75	
	Bob Kennedy	20	17	20	57												
	Dan Martin	22	21	22	65												
	Kevin Schmidt	21	19	22	62												
	Jose Martinez	23	18	22	63												
LAN	Rod Posada	20	20	22	62	61	1	Y	62	NOT INTERVIEWED						62	
	Bob Kennedy	20	18	20	58												
	Dan Martin	23	19	23	65												
	Kevin Schmidt	22	18	20	60												
	Jose Martinez	24	17	21	62												
RBF	Rod Posada	21	20	24	65	63	9	Y	72	NOT INTERVIEWED						72	
	Bob Kennedy	20	18	21	59												
	Dan Martin	23	19	24	66												
	Kevin Schmidt	23	17	19	59												
	Jose Martinez	24	19	23	66												
Tran Consulting	Rod Posada	28	23	27	78	74	14	Y	88	12	14	8	7	41	39	127	
	Bob Kennedy	26	23	25	74					11	13	7	7	38			
	Dan Martin	28	23	27	78					12	13	7	7	39			
	Kevin Schmidt	26	20	26	72					12	14	7	7	40			
	Jose Martinez	26	20	24	70					11	13	7	7	38			

RATES SCORING CHART							
Firm	AECOM/Atkins/DLM	Brady	Carollo	Civil-Source	LAN	RBF	Tran Consulting
Fee	\$911,480	\$840,555	\$520,140	\$586,815	\$1,093,271	\$754,070	\$542,243
Score	5	7	15	13	1	9	14

*Note: Review Panel does not see or consider proposed fee when scoring other categories. The proposed fee is scored by the PM, who is not on Review Panel.

AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 2, 2013		
SUBMITTED BY:	Kevin Cameron Assistant Civil Engineer II	PROJECT:	P2493-001103 P2535-001103	DIV. NOS.:	2, 4
	Bob Kennedy Engineering Manager				
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Reject all Construction Bids for the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) reject all bids for the construction of the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project (see Exhibits A-1 & A-2 for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reject all bids for the construction of the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project.

ANALYSIS:

In June 2013, the District's corrosion consultant, V&A Consulting Engineers, completed a Corrosion Control Program (CCP) that addressed the installation, maintenance, and monitoring of corrosion protection systems for the District's steel reservoirs and buried metallic piping. The CCP included a reservoir maintenance schedule that showed the 624-2 Reservoir is due to be recoated on both the interior and exterior surfaces, and the 458-2 Reservoir is due to be recoated on the interior only. The exterior coating of the 458-2 was replaced in 2004. In addition to replacing the coatings of the reservoirs, structural upgrades will be added to comply with the current American Water Works Association (AWWA) and the Occupational Safety and Health Administration standards for both Federal (OSHA) and State (Cal-OSHA) levels.

Staff developed contract documents and the Project was advertised for bid on July 31, 2013 on the District's website and several other publications including the San Diego Daily Transcript.

Two (2) addenda were sent out to all bidders and plan houses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on August 29, 2013 at 2:00 p.m., with the following results:

	CONTRACTOR	TOTAL BID AMOUNT
1	Pacific Titan, Inc.	\$1,758,117.00
2	Paso Robles Tank, Inc.	\$1,961,750.00
3	Abhe & Svoboda, Inc.	\$1,964,502.00
4	Blastco, Inc.	\$2,531,912.00
5	Classic Protective Coatings, Inc.	\$3,002,500.00

The Engineer's Estimate is \$1,836,500.

The low bidder, Pacific Titan, Inc. (Pacific Titan) did not include their SSPC QP-1 certification as part of their bid, which was a requirement of the contract documents. Pacific Titan was contacted after the bid opening and they notified the District that they do not hold a QP-1 Certification. Staff considered the bid unresponsive.

After the bid opening, Staff received three (3) bids at 2:45 p.m. which were delivered via FedEx. All three (3) bids were stamped "Extremely Urgent" and had a requested delivery time of 10:30 a.m., August 29, 2013. The driver stated one of the FedEx planes was delayed arriving into San Diego, and these items missed the morning delivery. Staff rejected delivery of the bids and they were sent back "return to sender" unopened.

Since the low bidder was unresponsive, and three bids were rejected due to the late delivery by FedEx, Staff recommends rejecting all bids, and rebidding the Project.

Rebidding will delay construction, therefore, the Project will be modified. Only the 624-2 Reservoir Interior/Exterior Coating will be included, and the 458-2 Reservoir Interior Coating will be removed from the scope of work. Removing the 458-2 Reservoir Interior Coating will ensure that all reservoirs will be back in service during the high peak demands of the summer months. The 624-2 Reservoir is larger than the 458-2 Reservoir (8.0 MG vs. 1.75 MG), and the 624-2 Reservoir's coating replacement is more critical than the interior coating on the 458-2 Reservoir. Delaying the 458-2 Reservoir Interior Coating Project will not have an impact on the integrity of the facility. Staff anticipates submitting a Staff Report to the January Board Meeting for the award of a construction contract for the 624-2 Reservoir Interior/Exterior Coatings & Upgrade Project only and rebidding the 458-2 Reservoir Interior Coatings and Upgrade in the Winter of CY 2014.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

KC/BK:jf

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- Attachments: Attachment A - Committee Action
 Attachment B-1 - Budget Detail for CIP P2493
 Attachment B-2 - Budget Detail for CIP P2535
 Exhibit A-1 - Location Map for CIP P2493
 Exhibit A-2 - Location Map for CIP P2535



ATTACHMENT A

SUBJECT/PROJECT: P2493-001103 P2535-001103	Reject all Construction Bids for the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on September 23, 2013. 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 – Budget Detail

SUBJECT/PROJECT: P2493-001103 P2535-001103	Reject all Construction Bids for the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project
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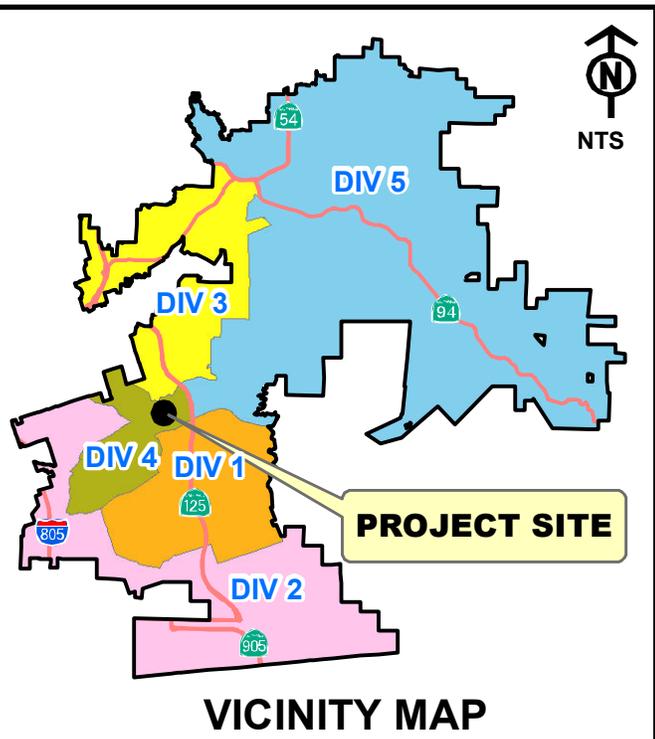
Otay Water District					Date Updated: 8/23/2013
P2493-624-2 Reservoir Interior/Exterior Coating & Upgrades					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
1,950,000					
Planning					
Standard Salaries	569	569	-	569	
Total Planning	569	569	-	569	
Design					
Standard Salaries	27,983	20,383	7,600	27,983	
Professional Legal Fees	239	239	-	239	STUTZ ARTIANO SHINOFF
Consultant Contracts	2,715	2,715	-	2,715	CSI SERVICES INC
Total Design	30,937	23,337	7,600	30,937	
Construction					
Standard Salaries	76,820	1,820	75,000	76,820	
Construction Contract	1,413,500	-	1,413,500	1,413,500	CONSTRUCTION CONTRACTOR (ENGR. EST.)
Service Contracts	47	47	-	47	SAN DIEGO DAILY TRANSCRIPT
	65,160	-	65,160	65,160	HARPER & ASSOCIATES
	37,000	-	37,000	37,000	CONSTRUCTION MANAGEMENT
Equipment Rental	725	725	-	725	HORIZON CRANE SERVICE LLC
Project Closeout	15,000	-	15,000	15,000	CLOSEOUT
Project Contingency	70,675	-	70,675	70,675	5% CONTINGENCY
Total Construction	1,678,927	2,592	1,676,335	1,678,927	
Grand Total	1,710,433	26,498	1,683,935	1,710,433	



ATTACHMENT B-2 – Budget Detail

SUBJECT/PROJECT: P2493-001103 P2535-001103	Reject all Construction Bids for the 624-2 Reservoir Interior/Exterior Coatings & 458-2 Reservoir Interior Coatings and Upgrades Project
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Otay Water District					Date Updated: - 7/1/2013
P2535-458-2 Reservoir Interior Coating					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
425,000					
Planning					
Standard Salaries	-	-	-	-	
Total Planning	-	-	-	-	
Design					
Standard Salaries	5,416	4,566	850	5,416	
Consultant Contracts	2,715	2,715	-	2,715	CSI SERVICES INC
Total Design	8,131	7,281	850	8,131	
Construction					
Standard Salaries	12,164	1,164	11,000	12,164	
Service Contracts	47	47	-	47	SAN DIEGO DAILY TRANSCRIPT
Construction Contract	363,000	-	363,000	363,000	CONSTRUCTION CONTRACTOR (ENGR. EST.)
	10,000	-	10,000	10,000	HARPER & ASSOCIATES
	8,000	-	8,000	8,000	CONSTRUCTION MANAGEMENT
Project Closeout	5,000	-	5,000	5,000	CLOSEOUT
Project Contingency	18,150	-	18,150	18,150	5% CONTINGENCY
Total Construction	416,361	1,211	415,150	416,361	
Grand Total	424,492	8,492	416,000	424,492	



624-2 Tank
8.0 MG Steel Reservoir

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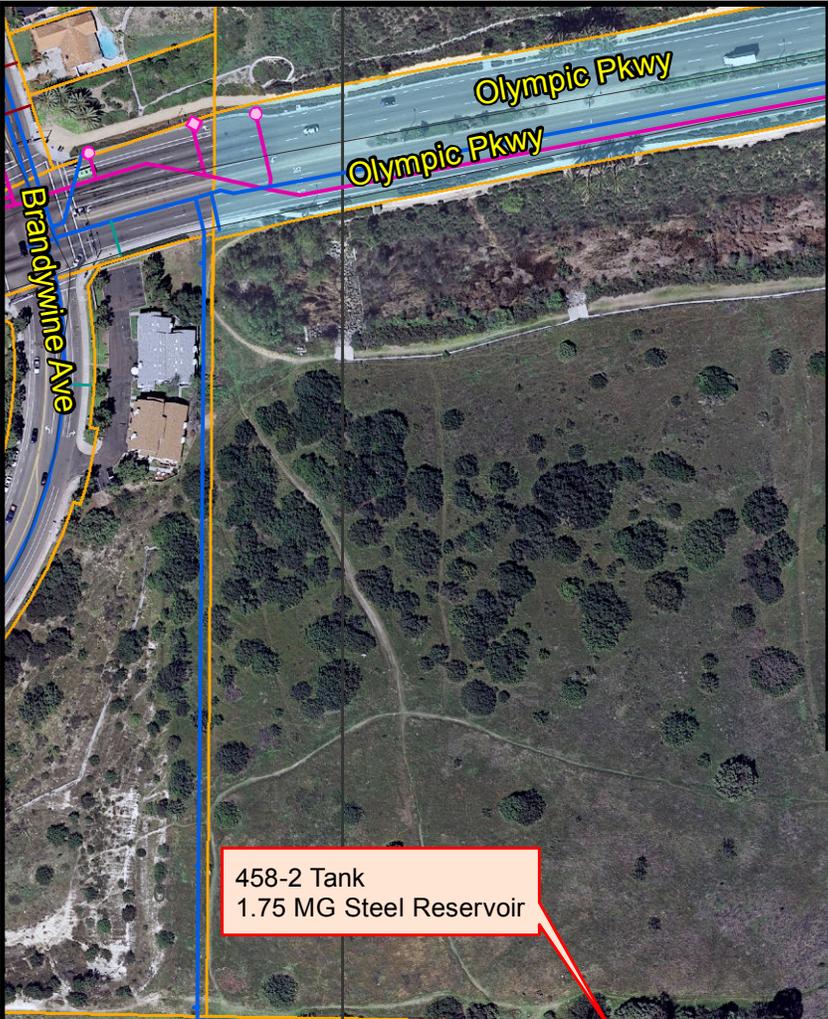


OTAY WATER DISTRICT

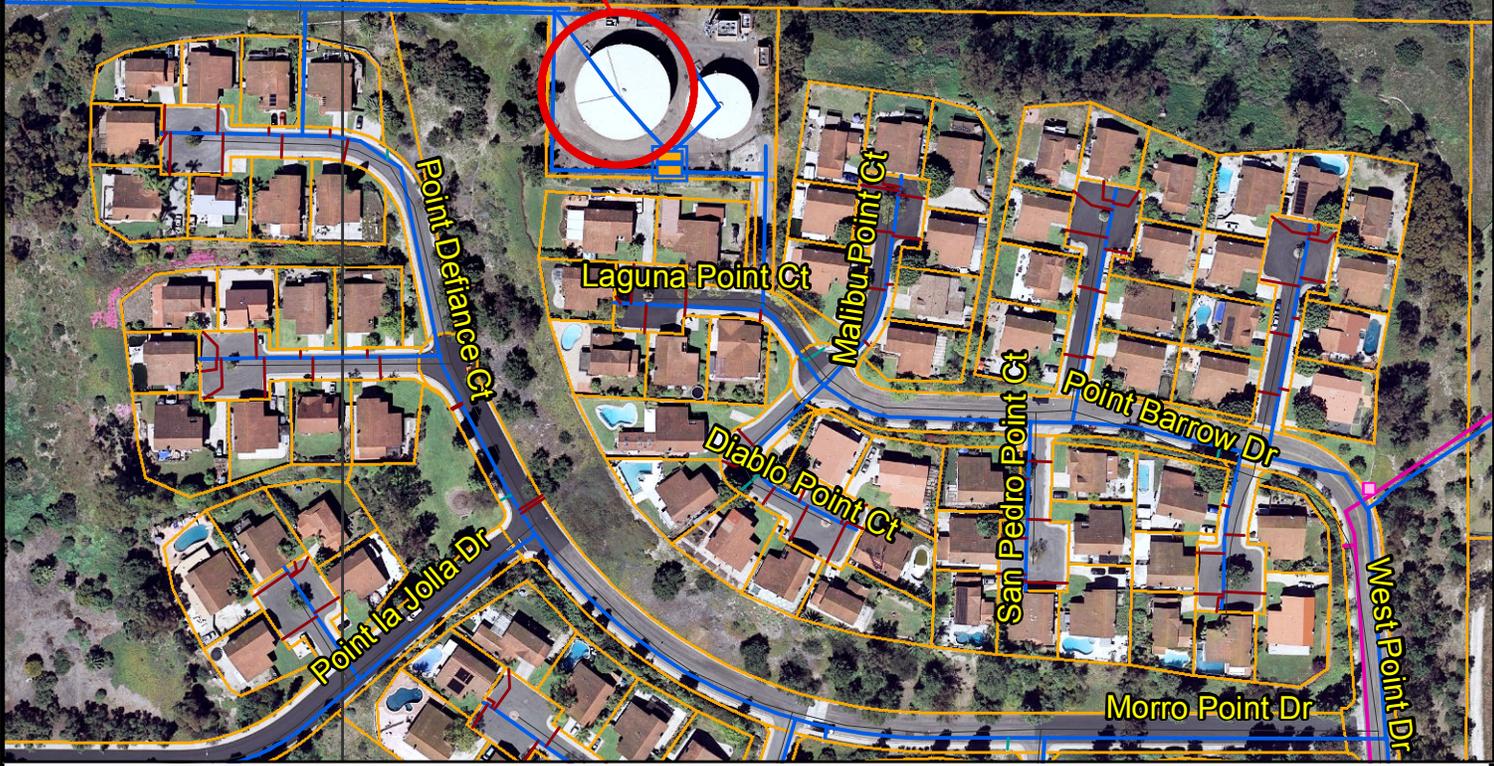
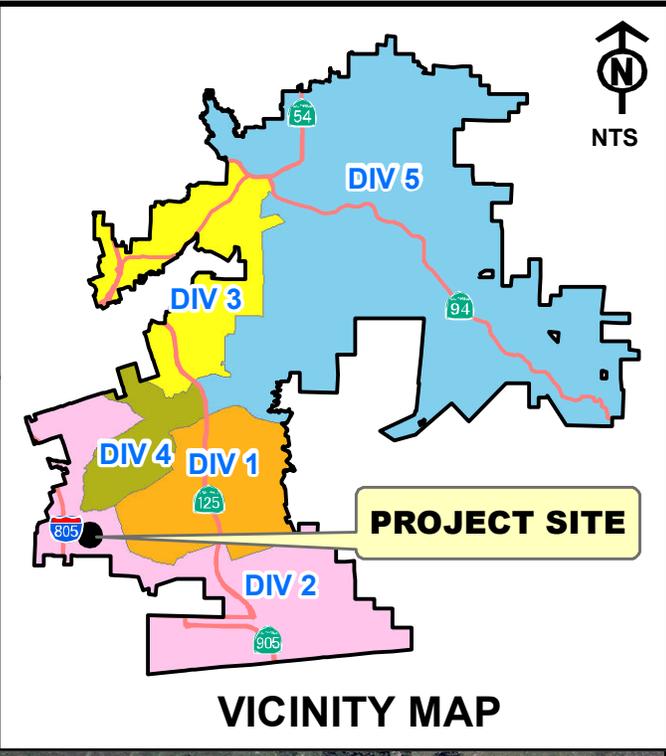
624-2 Reservoir Interior/Exterior Coating and Upgrades



CIP P2493



458-2 Tank
1.75 MG Steel Reservoir



OTAY WATER DISTRICT

458-2 Reservoir Interior Coating and Upgrades



CIP P2535

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AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	October 2, 2013
		PROJECT:	Various DIV.NO. ALL
SUBMITTED BY:	Geoffrey Stevens, Chief Information Officer		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	INFORMATIONAL ITEM - FY 2013 YEAR-END STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To provide a fiscal year-end report on the District's Strategic Performance Plan for FY 2013.

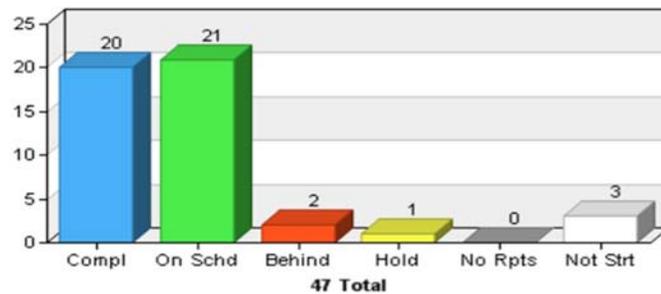
ANALYSIS:

The District has completed the second year of the three year Strategic Plan for Fiscal Years 2012-2014. Overall, results for both the Strategic Objectives and the Performance Measures exceeded the targets of 90% and 75% respectively.

Strategic Plan Objectives

Strategic Plan Objectives are designed to ensure staff is making the appropriate high-level changes necessary to move the agency in the planned direction to meet new challenges and opportunities. Objective results were on target at 95% complete, ahead or on schedule. These results are slightly higher than the previous year. Two (2) items are behind but being addressed. Four (4) items are excluded from the statistic because they are either "on hold" or did not begin until FY 14.

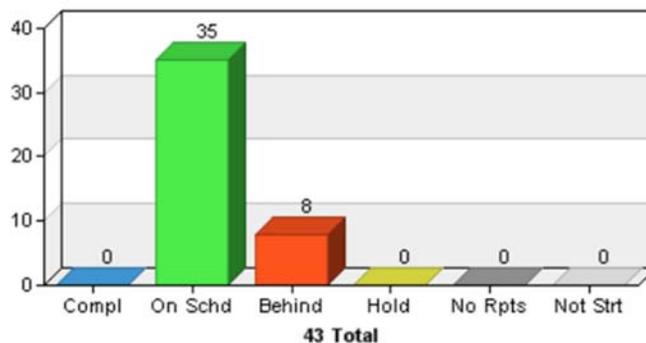
95% of Strategic Plan Objectives (41 of 43) Completed or On Schedule



Performance Measures

Performance measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of the daily operations and, where possible, staff utilizes the AWWA QualServe Benchmarks as the basis for comparison. The overall goal is that at least 75% of these measures be rated "on target". Year-end FY 2013 District results also exceed the goal with 35 of 43 (81%) items achieving the desired level or better.

81% of Performance Measures (35 of 43) On or Above Target



Next Steps

Staff is beginning to prepare the FY 15-17 Strategic Plan to be presented with the FY 15 Budget early next year. Every three (3) years the District is committed to taking a more in-depth look at the strategic issues we face and revising the major elements of the plan, including a review of the mission, vision, and goals. To accomplish this, staff will review current research on the industry and industry trends, as well as meet with staff to review the plan and obtain their comments and suggestions.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration, and Communications Committee and the Engineering, Operations, and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan Available to Board from the Internet

All of the strategic plan results and associated details are provided in a real time, interactive web-based application available to the Board through a VPN connection available from the District Secretary.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Informational item only, no fiscal impact.

STRATEGIC GOAL:

Strategic Plan and Performance Measures reporting is a critical element in providing performance reporting to the Board and staff.

LEGAL IMPACT:

N/A.

Attachments: Attachment A - Committee Action Report
 Attachment B - PowerPoint Presentation



ATTACHMENT A

SUBJECT/PROJECT:	INFORMATIONAL ITEM - FY 2013 YEAR-END STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee and the Engineering, Operations and Water Resources Committee met on September 17 and 23, 2013, respectively. Both Committees supported presentation to the full Board.

NOTE:

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



Otay Water District Strategic Performance Plan

FY 2013 Year-End Report



Introduction

- We are in the tenth year of strategic plan.
- Overall plan is A three year plan FY 2012-2014.
- Report to board twice per year .
- This report is for year end 2013.
 - A - Plan reports on strategic objectives .
 - Those projects / tasks necessary to position Otay for change.
 - Summary level report on balance scorecard.
 - B - Plan reports on performance measures.
 - Specific measures of daily performance of critical activities (QualServe based when applicable).

A. Strategic Plan Objectives

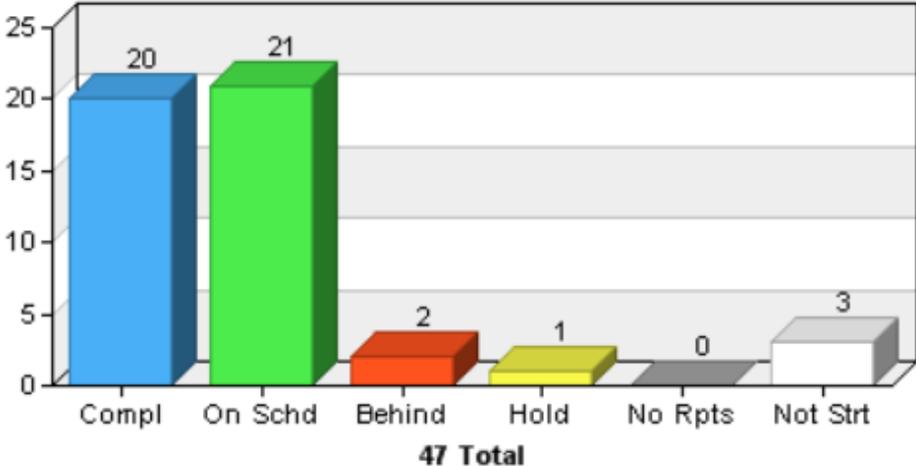


- Overall Results
- Breakdown By “Balanced Scorecard”
- Designed to Ensure Broad Focus to Strategic Plan
- Align Goals / Objectives with Four Key Dimensions
 - Customer
 - Finance
 - Business Process
 - Learning and Growth

Results for FY2013 Year End

Strategic Objectives

41 of 43 objectives complete, ahead or on target (95%)
Target is 90%



Balanced Scorecard Perspective

- Industry Best Practice (Kaplan and Norton HBS)
- Designed to Ensure Broad Focus to Strategic Plan
- Align Goals / Objectives with Four Key Dimensions



Customer

- Deliver high quality services to meet customer needs, and increase confidence of the customer in the value the District provides.
 - Maximize our Customer Satisfaction by expanding and improving communications
 - Enhance communications with customers using our new phone system
 - Regularly produce and evaluate communications tools and explore the effective use of new media options including: electronic newsletters, auto-dialer services, video stream
 - Continue promoting the Water Conservation Garden as a venue for new homeowners, developers, businesses and existing homeowners
 - Increase customers employing on-line bill payment
 - Increase conservation related communications by expanding web-based information

Financial

- Provide enhanced value by directing and managing the financial issues that are critical to the District.
 - Improve Financial Information and Billing Systems
 - Strengthen the long-term financial plan
 - Develop Water and Sewer Capacity Fees for Expansion
 - Re-negotiate the South Bay Water Reclamation Plant (SBWRP) Recycled Water Supply with the City of San Diego
 - Evaluate the feasibility of replacing the existing customer information system or migrating to the new version of the Eden software
 - Streamline requisition and purchasing procedures
 - Improve financial planning and communication regarding the expenditure of District funds

Business Process

- Improve business functionality by constantly improving the efficiency and effectiveness of important processes.
 - Actively Manage Water Supply and Demand
 - Prepare and implement a Wastewater Management Plan
 - Implement the recommendations within the Integrated Water Resources Plan (IRP) to acquire alternative and/or additional potable and recycled water supplies and resource reliability
 - Continue working with the City of Chula Vista (City) for the possible development of a MBR Plant and for a potential agreement with the City for recycled water supplies from the MBR Plant
 - Work with the District's largest potable water customers to convert landscape and interior water use to recycled water where fiscally feasible and safe
 - Ensure best practices are followed in meeting the 20 by 2020 conservation targets including reclassification of industrial and commercial customers
 - Educate and work with local agencies and others to influence developers, builders, and to incorporate practical water efficient practices in new construction

Business Process (*Continued*)

- Identify and implement improvements to the following business processes
 - Strengthen CIP planning, budgeting, and cost tracking processes
 - Implement a water loss management program
 - Streamline Accounts Payable business processes
 - Develop complete Asset Management Program
 - Enhance security processes and planning
 - Update the District's National Incident Management System (NIMS) Emergency Management
 - Update the District-wide Records Management program
 - Improve and streamline meter related processes
 - Implement GIS-centric work order system
 - Streamline Inventory procedures
 - Complete valve exercising program business processes
 - Evaluate opportunities to combine or transfer similar work functions

Business Process (*Continued*)

- Develop and implement large meter vault retrofit programs
- Develop large and small meter test bench strategy
- Replace SCADA software system
- Improve the operating cost and efficiency of data center and network services
- Streamline Finance business processes
- Develop data collection and condition assessment for collection system facilities
- Develop data collection and condition assessment for potable system facilities
- Develop gen-set load bank testing
- Streamline Customer Service business processes
- Implement the recommendation for improving response to extended power outages
- Implement wireless radio and data network for field operators

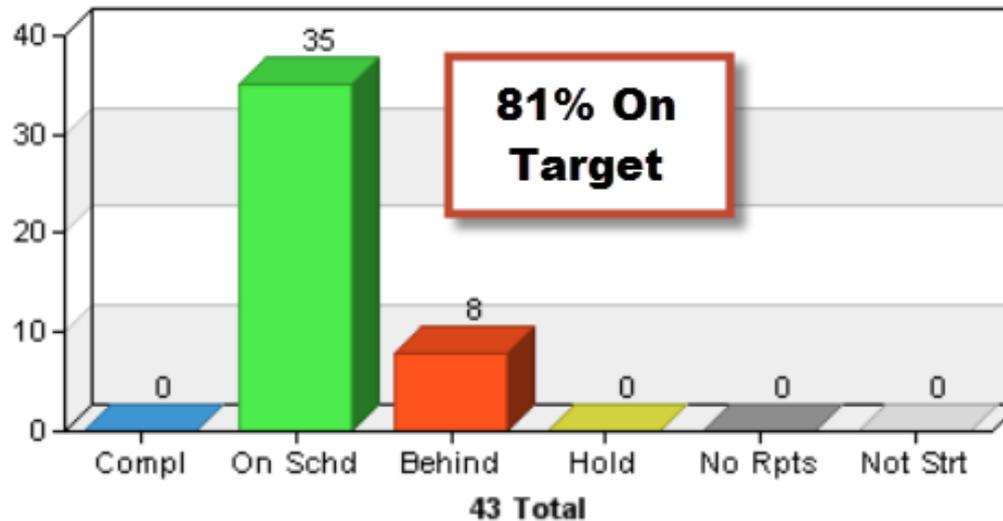
Learning and Growth

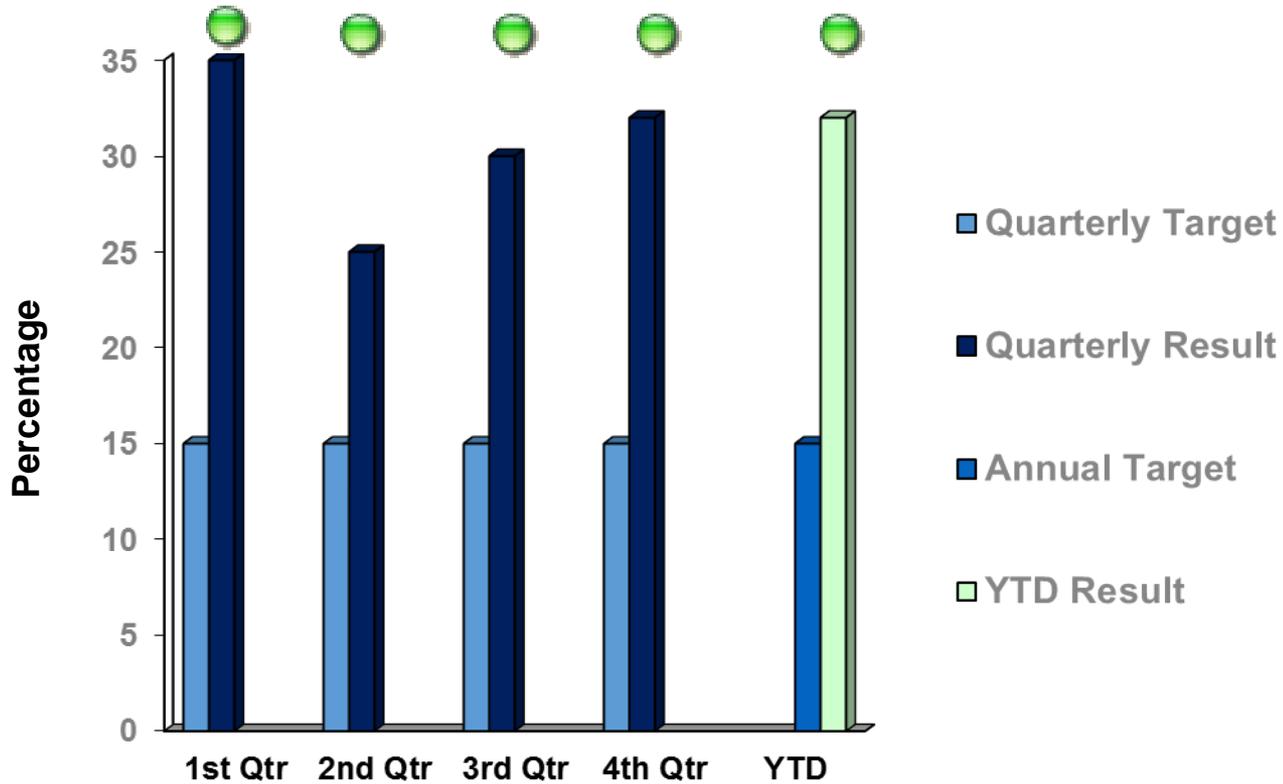
- Provide the leadership, tools, and management commitment to become a more results oriented culture.
 - Results-Oriented Workforce
 - Identify management initiatives for represented/unrepresented employees in preparation for negotiations that will provide more efficiencies and more flexibility
 - Evaluate polices and procedures as appropriate to streamline processes and ensure the District remains competitive
 - Review classification plan with the goal of providing greater flexibility
 - Negotiate a successor Memorandum of Understanding for represented employees for 2014 and beyond, and related compensations and benefits for unrepresented employees
 - Senior Management Team to develop summary of expectations for management team to manage change in the future
 - Update performance evaluation categories/program to ensure a results-oriented workforce and update and provide training if needed
 - Evaluate pay-for-performance program to ensure the District is rewarding employees for innovations and business process review

Results for FY2013 Year End

Performance Measures

35 of 43 performance measures complete, ahead or on target (81%) by year end. Target is 75%

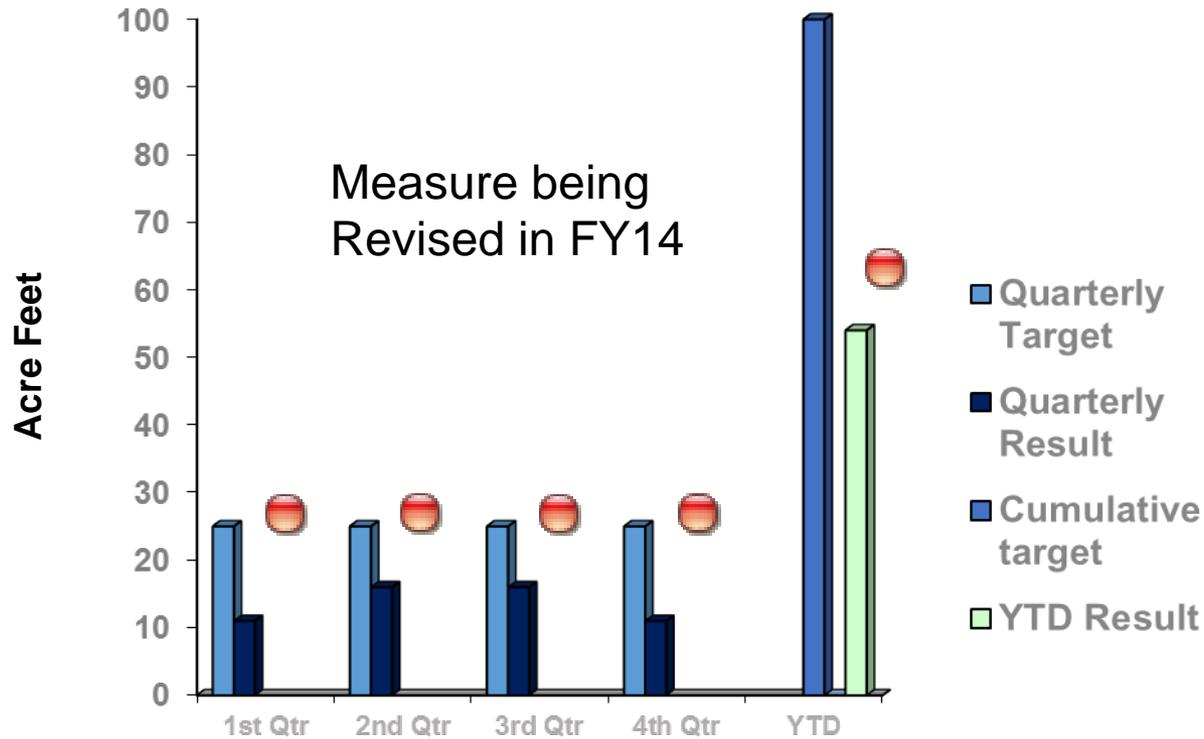




Measure 1.2.101, Blanket Order Activity, aims to be above all set targets in order to have no less than 15% of material purchases acquired via blanket POs per quarter in a single year.

Total Customer Water Saved

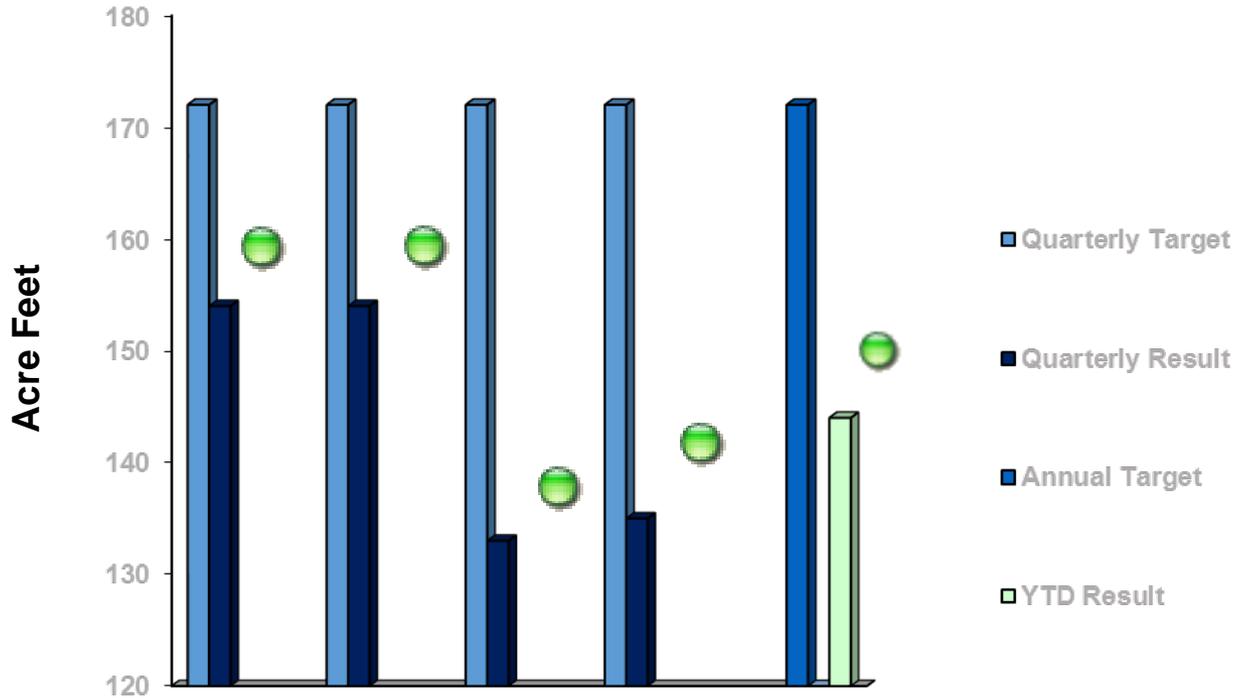
1.3.102



Measure 1.3.102, Total Water Saved, aims to be above all set targets in order to save more than 100 acre feet of water in a single year.

Gallons Per Capita per Day

1.3.103

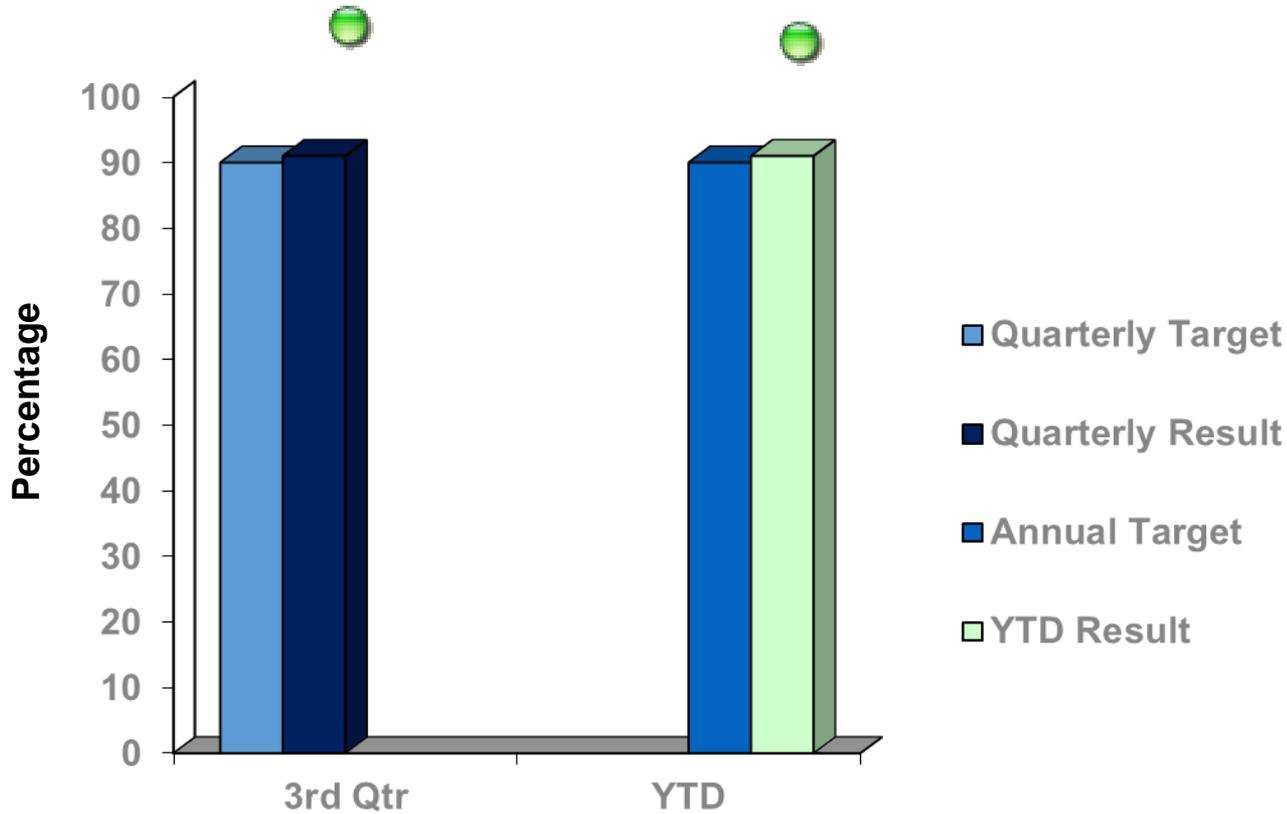


Measure 1.3.103, Otoy Water Use, aims to be below 172 Gallons Per Day

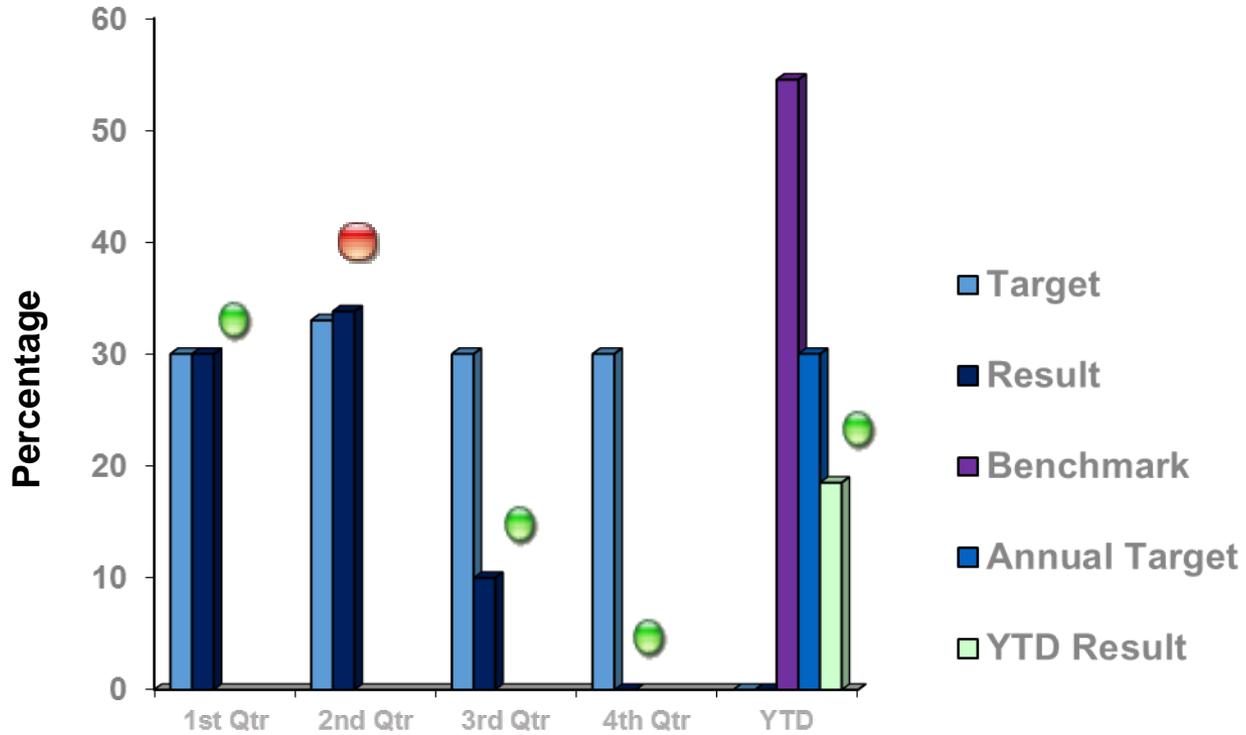
Customer Satisfaction

Measured Once per Fiscal Year

1.1.100



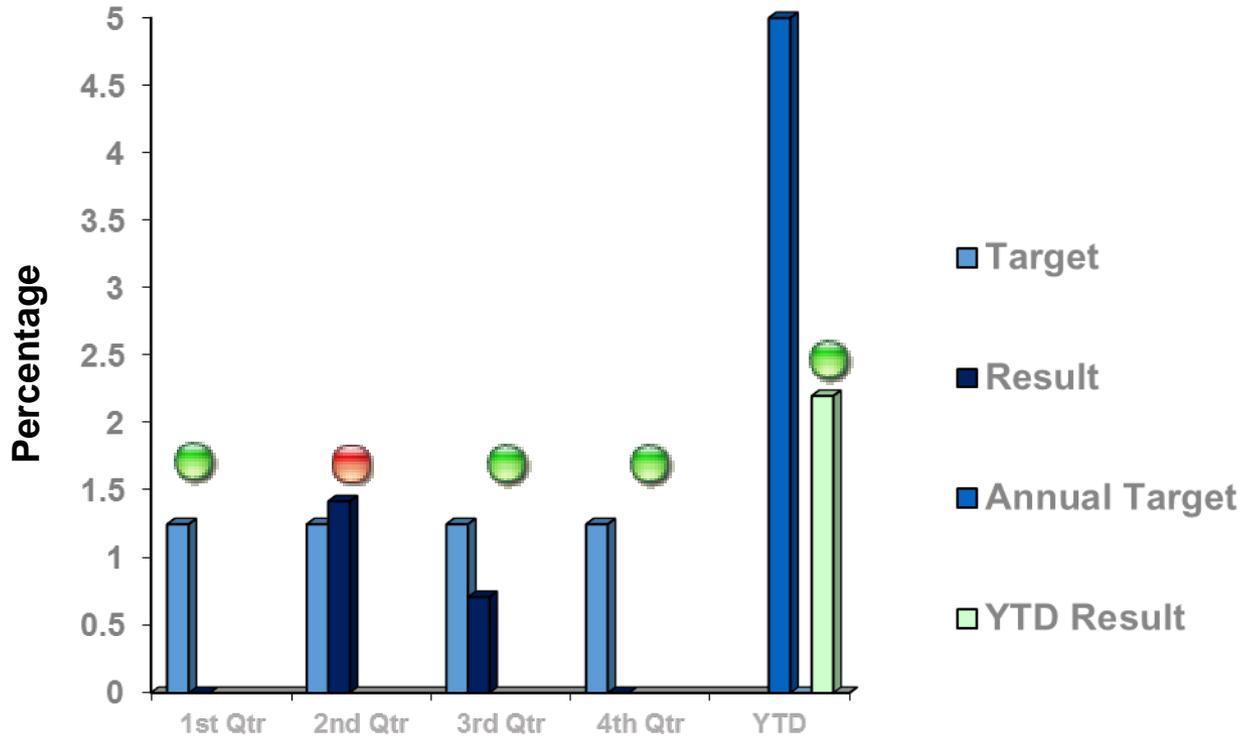
Measure 1.1.100, Customer Satisfaction, is a once yearly survey that is reported on annually in the third quarter and represents the results for the given fiscal year.



Measure 1.4.104, H & S Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

Employee Turnover Rate

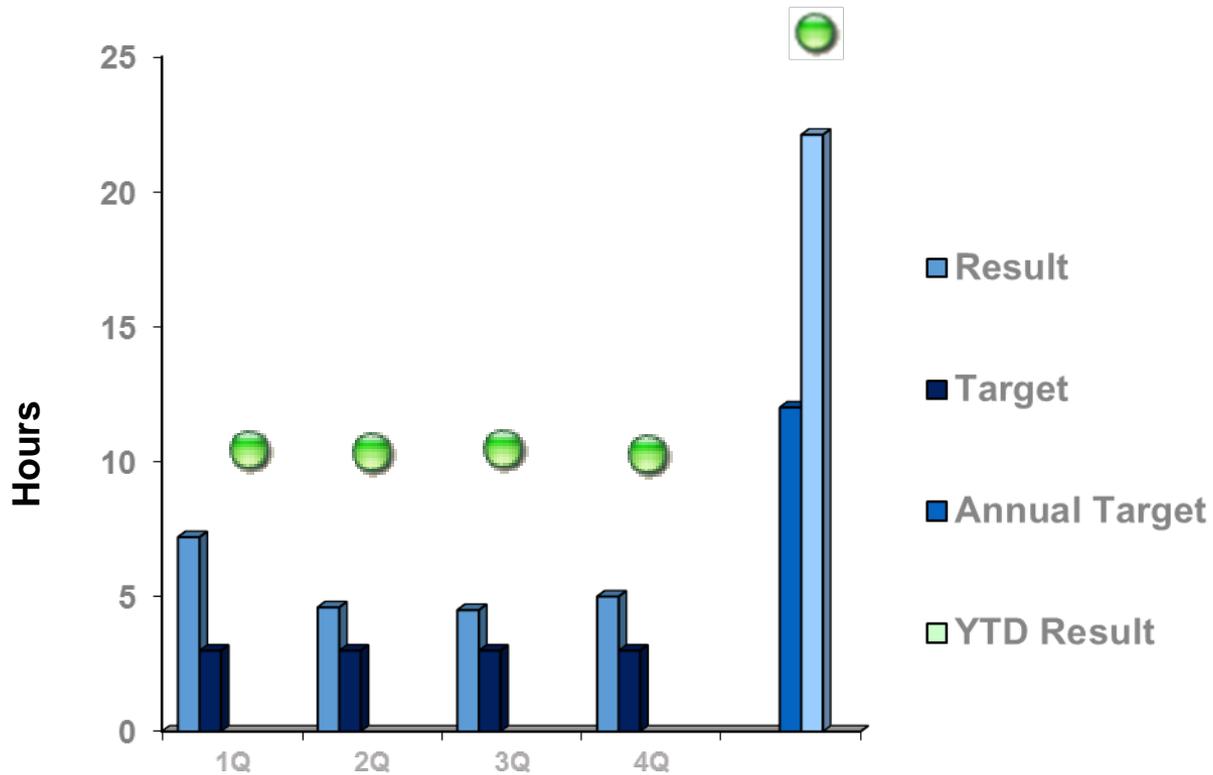
1.4.105



Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

Training Hours per Employee

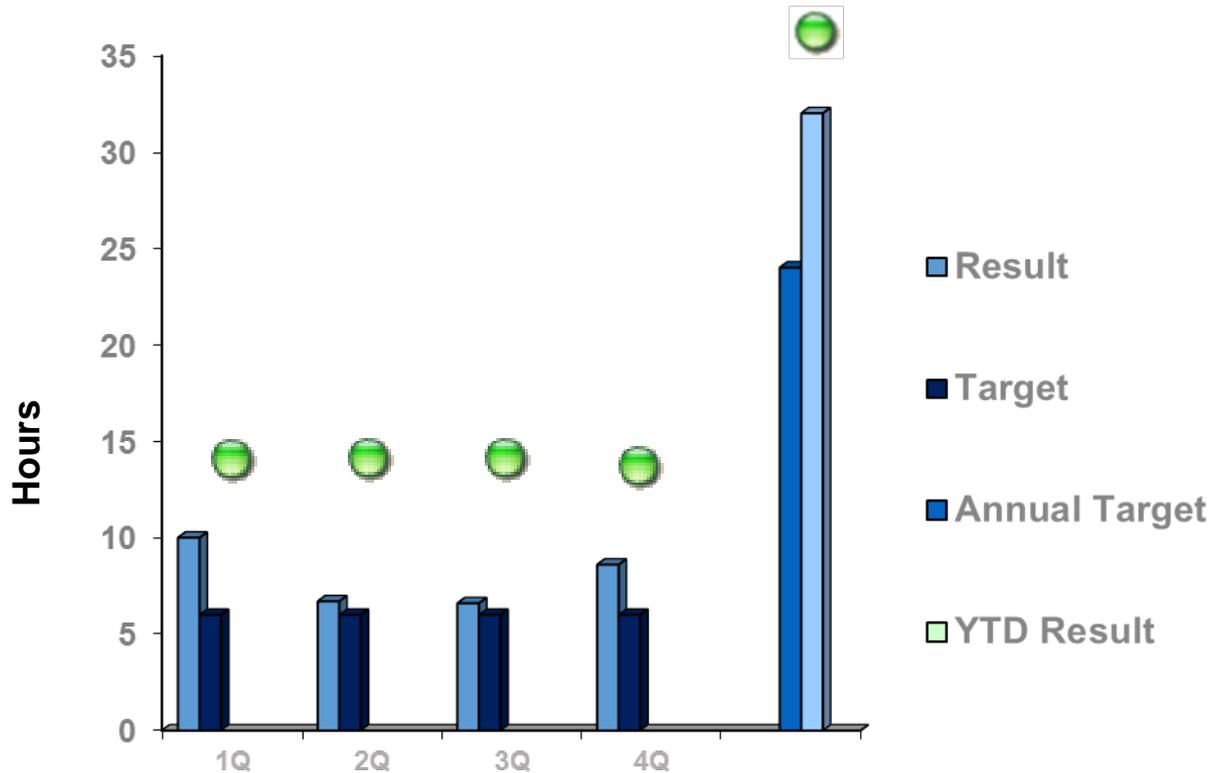
1.4.106



Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of training per employee in a single year.

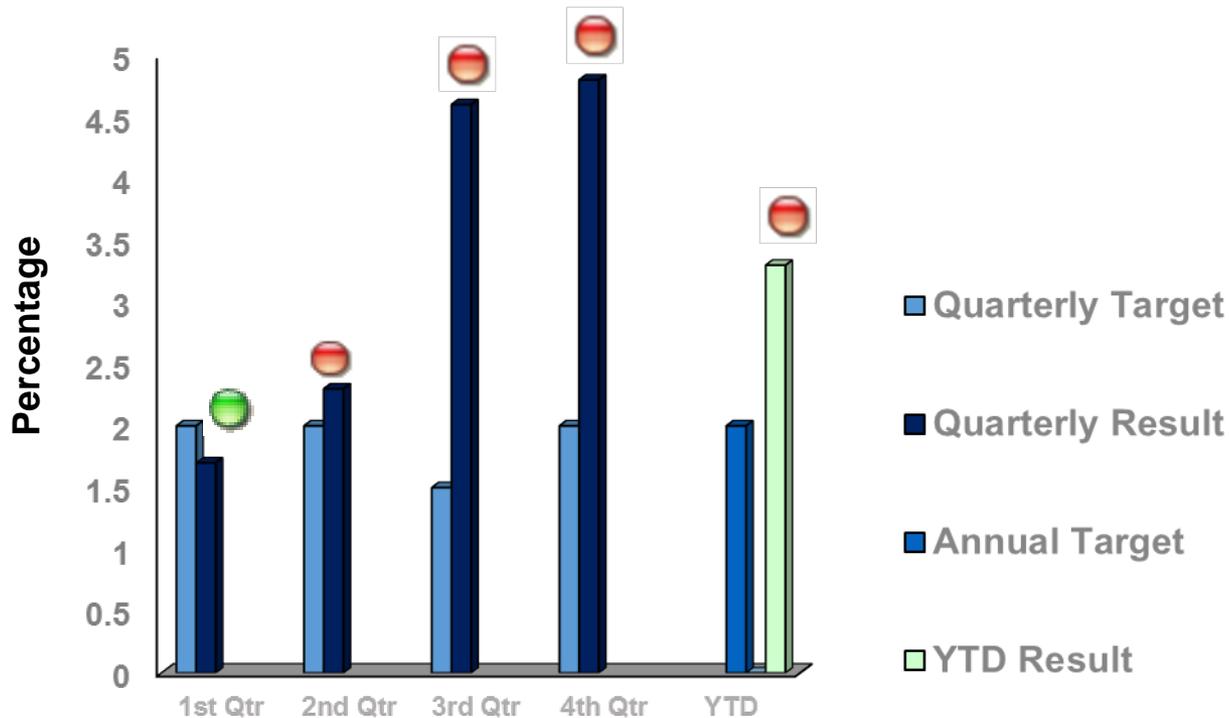
Safety Training Hours per Employee

1.4.107



Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of training per employee in a single year.

Construction Change Order Incidence (without allowances) 2.2.201

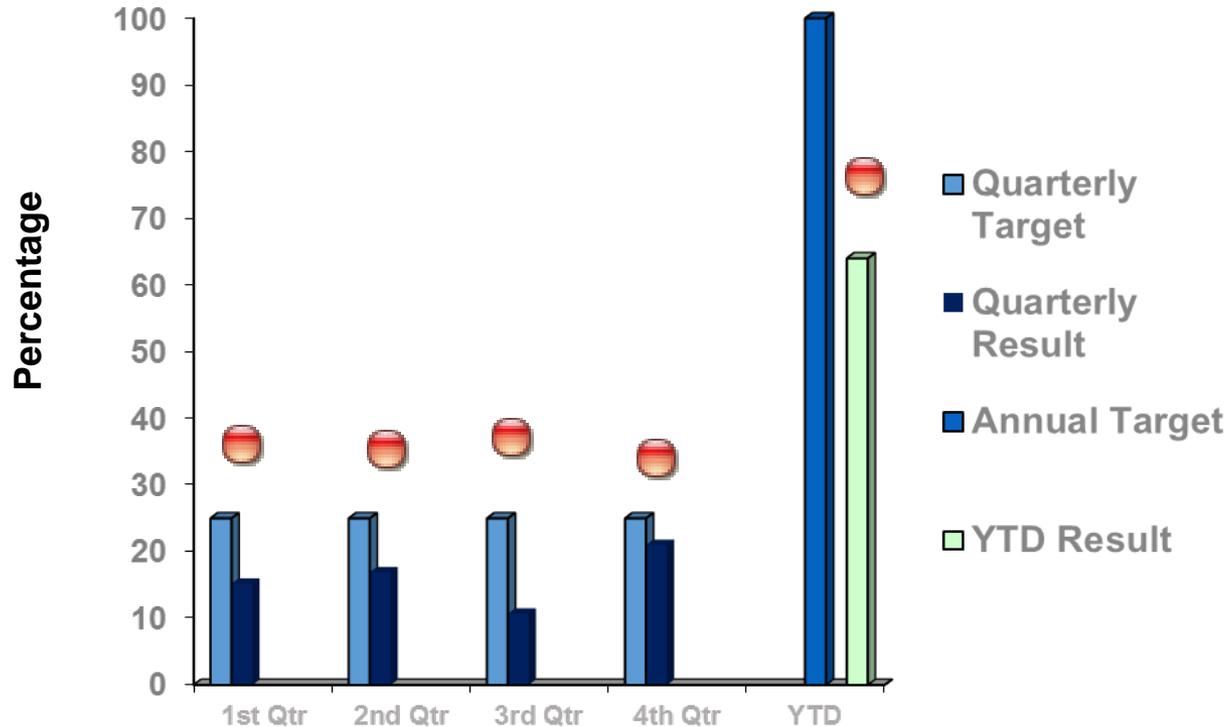


Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 2 % in one year

% rate of change orders in a single year.

CIP Project Expenditure vs. Budget

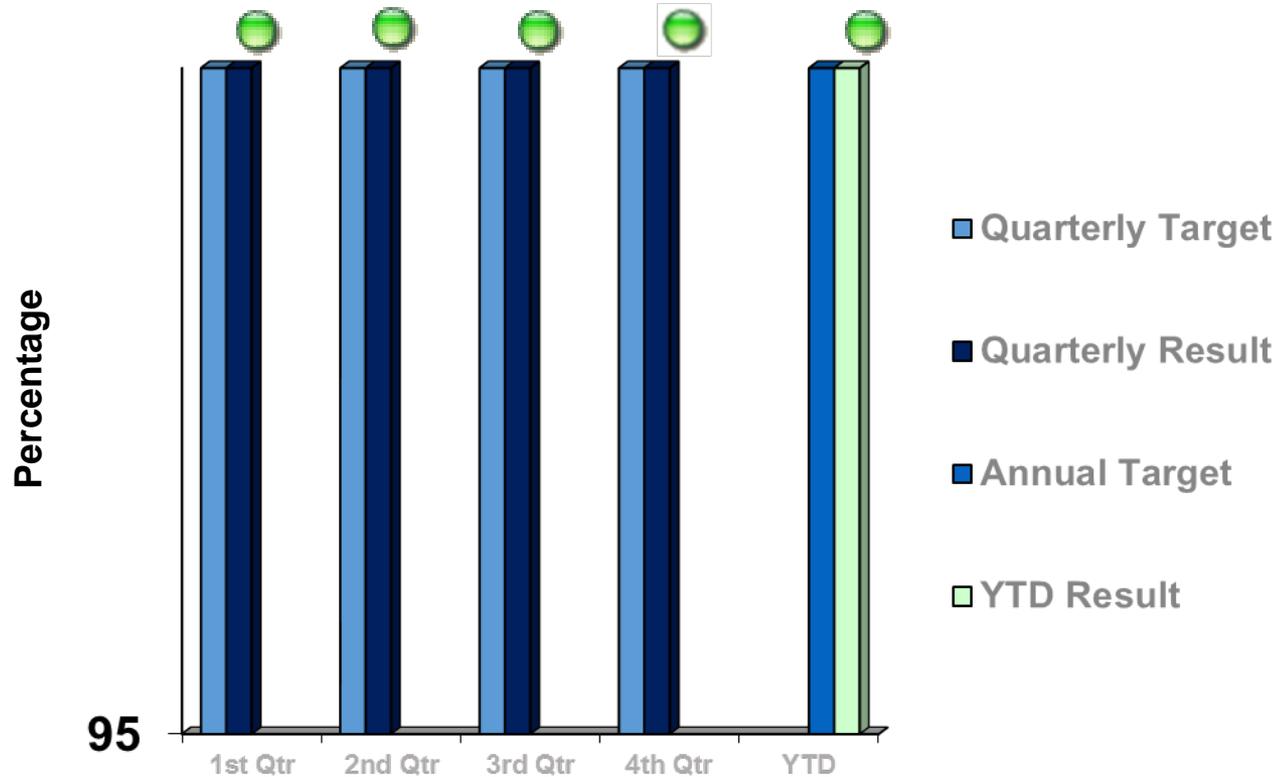
2.2.200



Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be below all set targets in order to keep expenditures below 100% of the budgeted amount for a single year. Note: Annual result aims to be between 95-100% but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.

Mark Out Accuracy

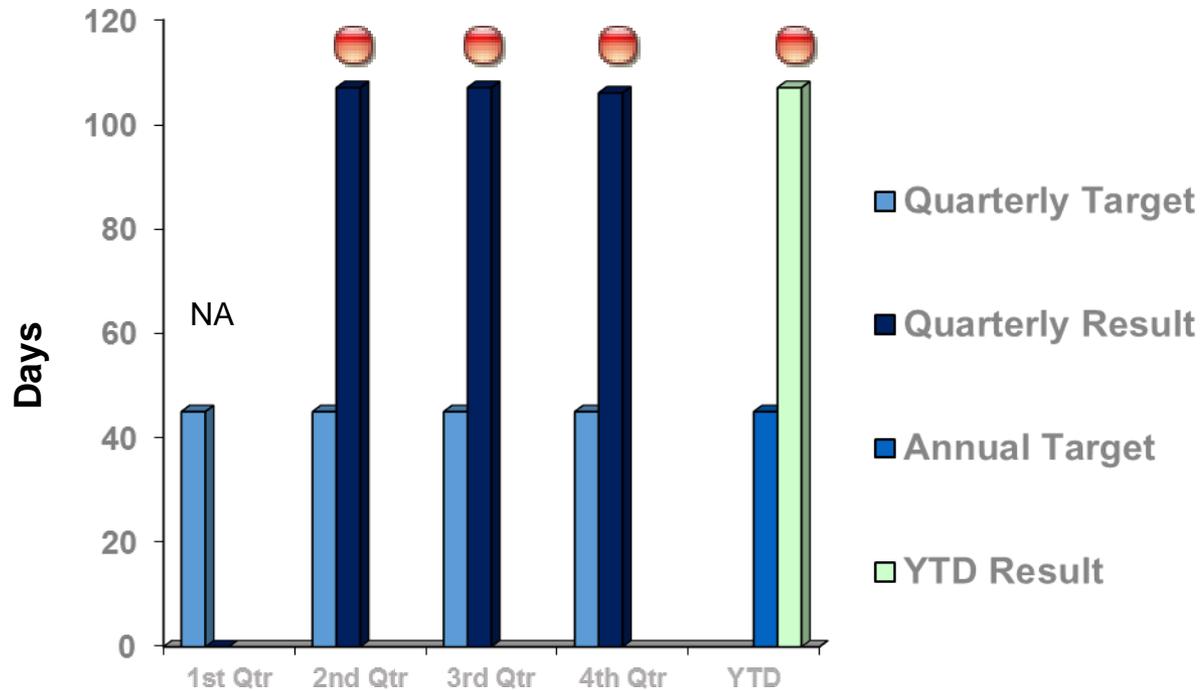
2.3.202



Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

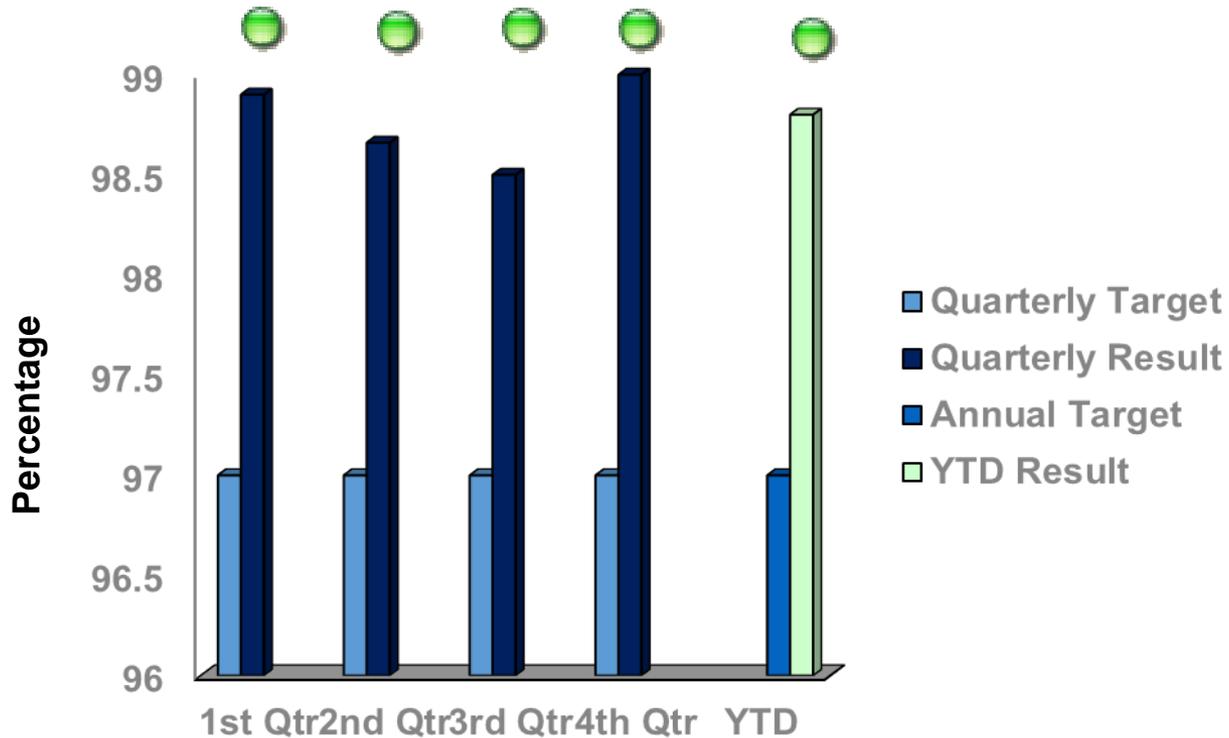
Project Closeout Time

2.3.203



Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days per quarter in a single year.

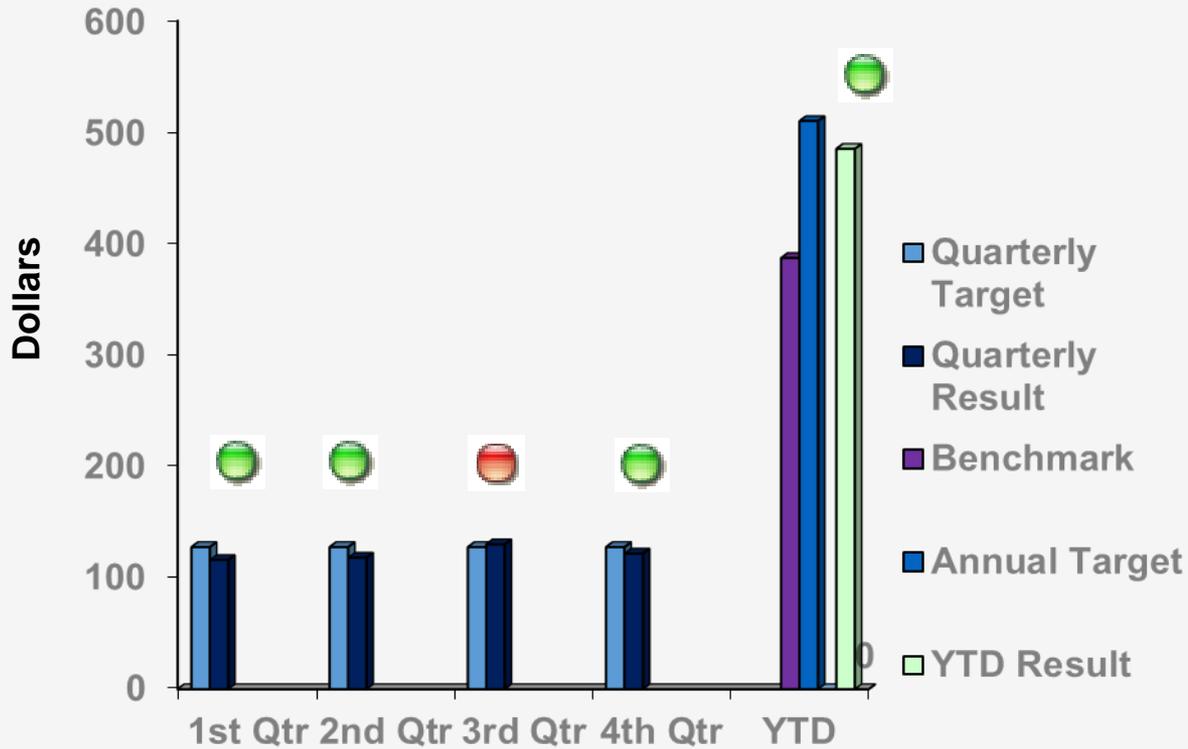
Note: No projects closed out in the 1st, quarter 2013 .



Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate of no less than 97% .

O & M Cost per Account (QualServe)

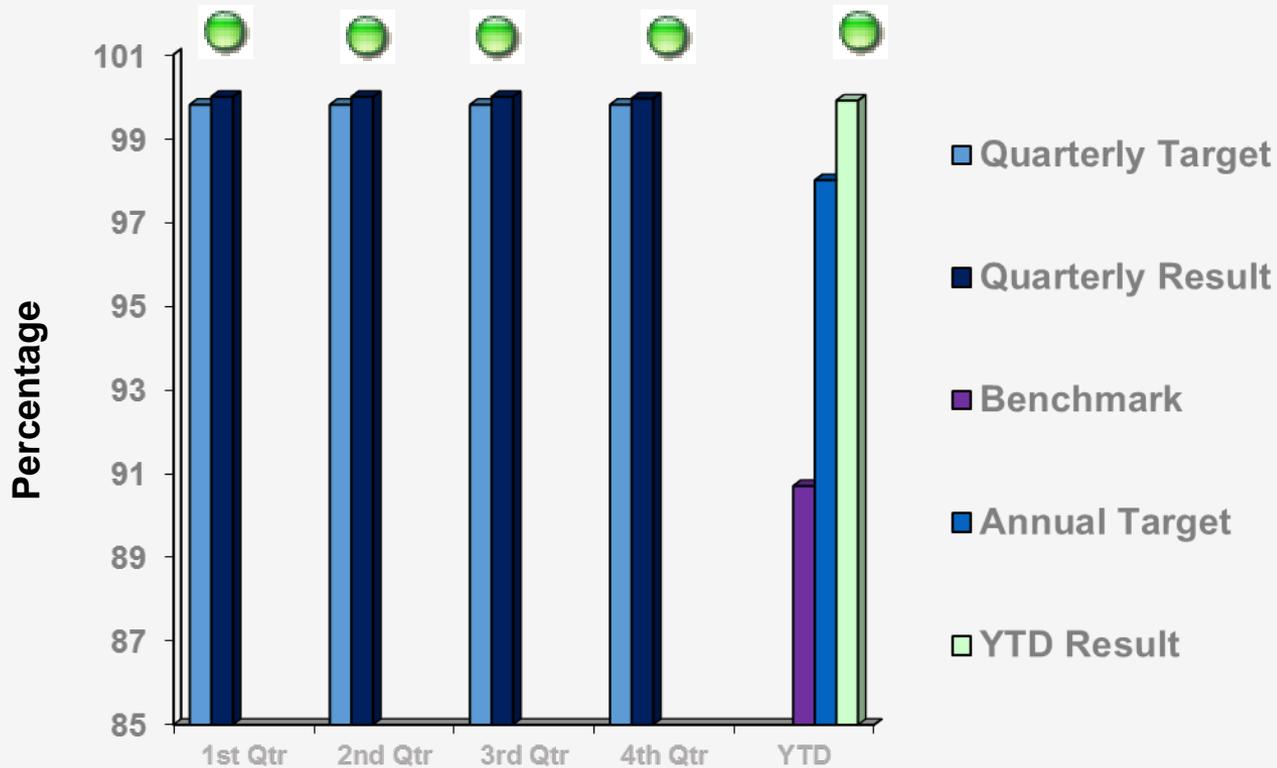
3.2.301



Measure 3.2.301, O & M Cost per Account, aims to be below all set targets in order to keep O & M cost per account less than \$510.40 in a single year.

Billing Accuracy (QualServe)

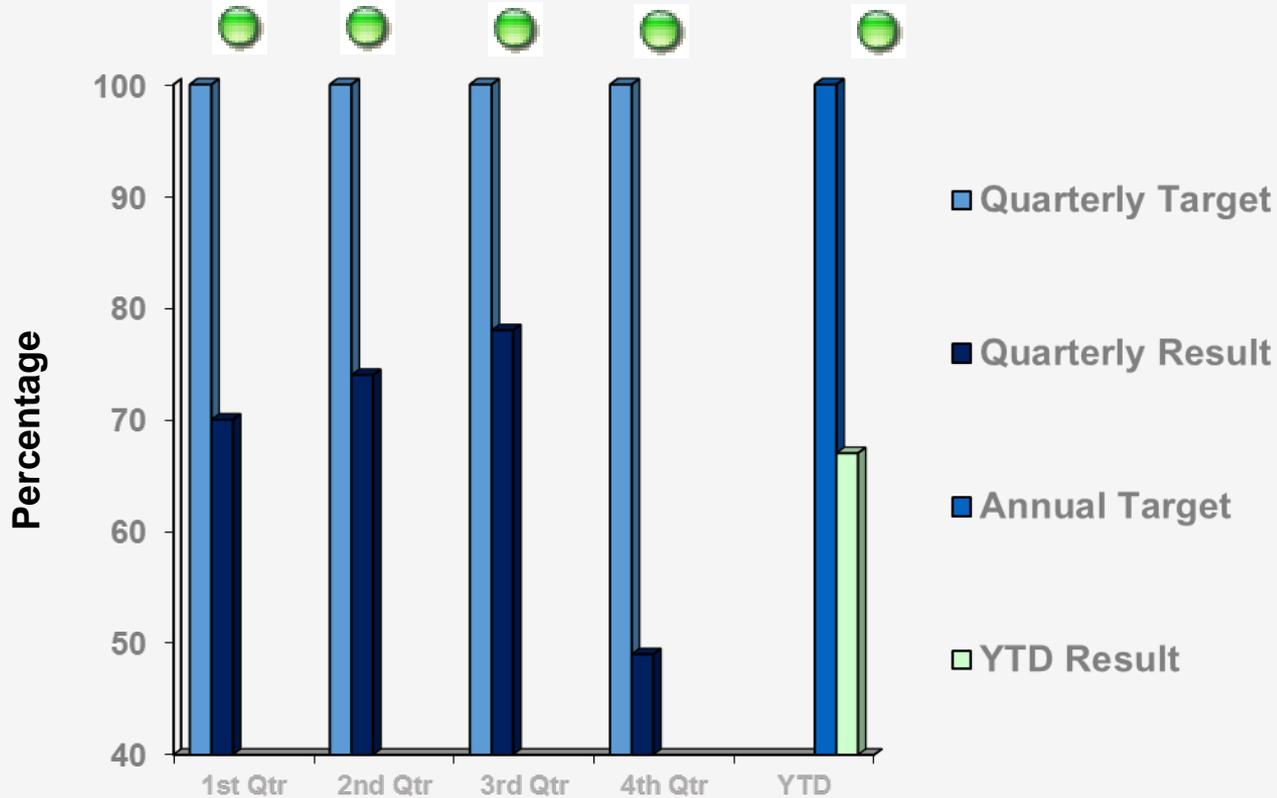
3.2.302



Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

Overtime Percentage

3.2.303

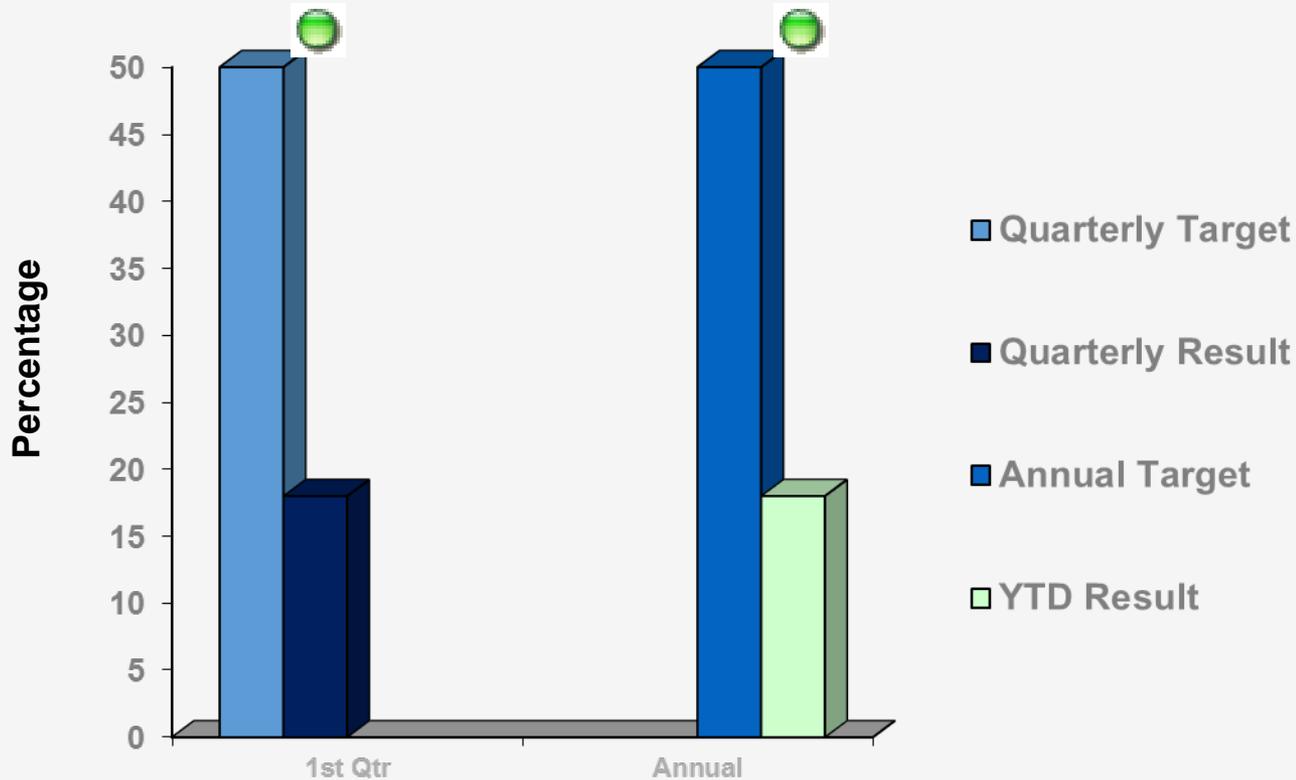


Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

Sewer Rate Ranking

Measured Once per Fiscal Year

3.2.304

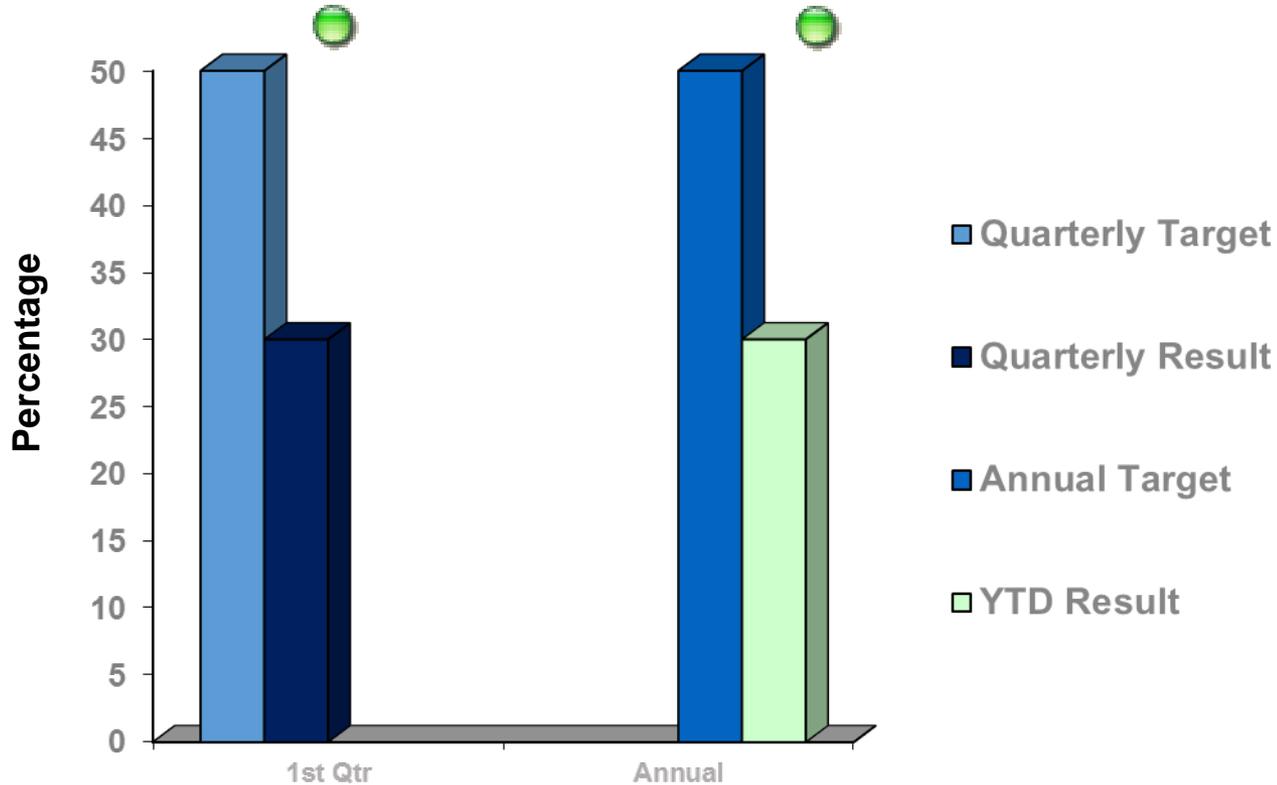


Measure 3.2.304, Sewer Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

Water Rate Ranking

Measured Once per Fiscal Year

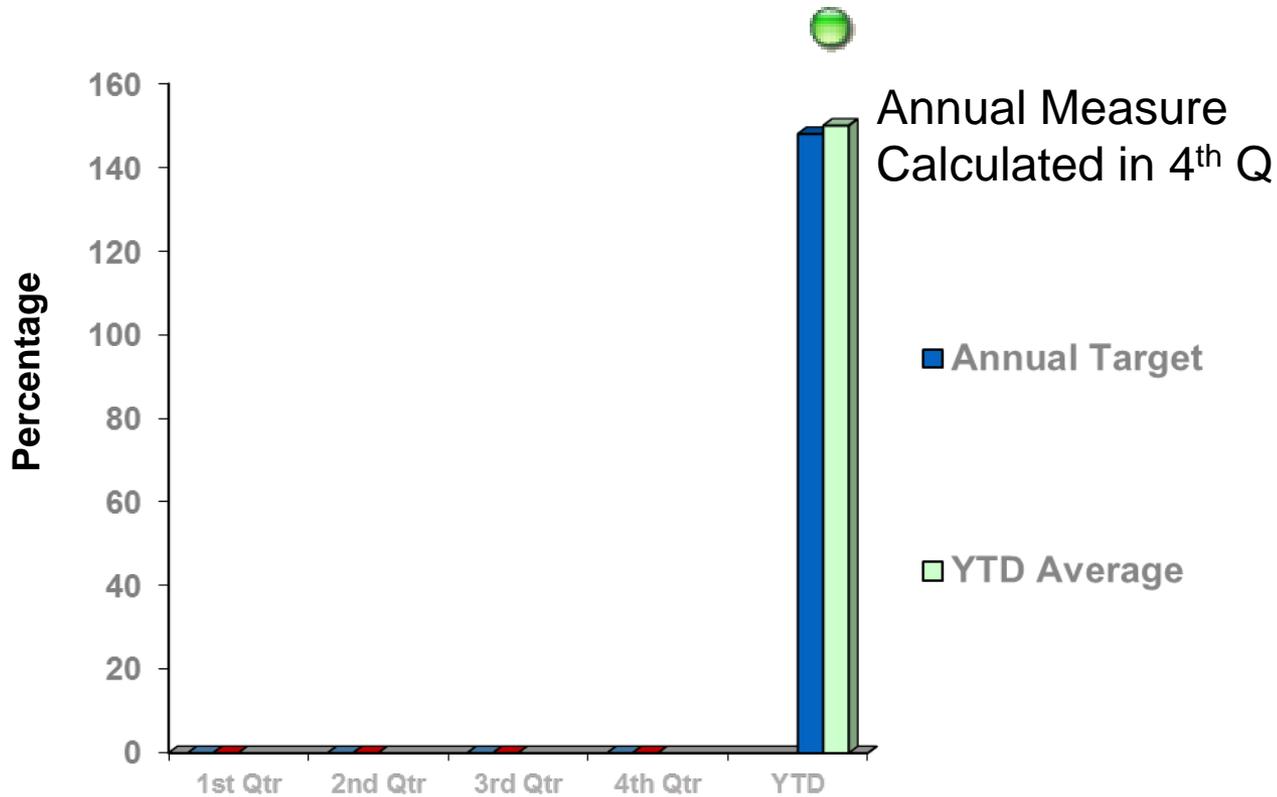
3.2.305



Measure 3.2.305, Water Rate Ranking, is a once yearly survey that is reported on annually in the first quarter and represents the results for the given fiscal year. The District's goal was to be in the top 50.

Debt Coverage Ratio (QualServe) – YTD

3.2.306

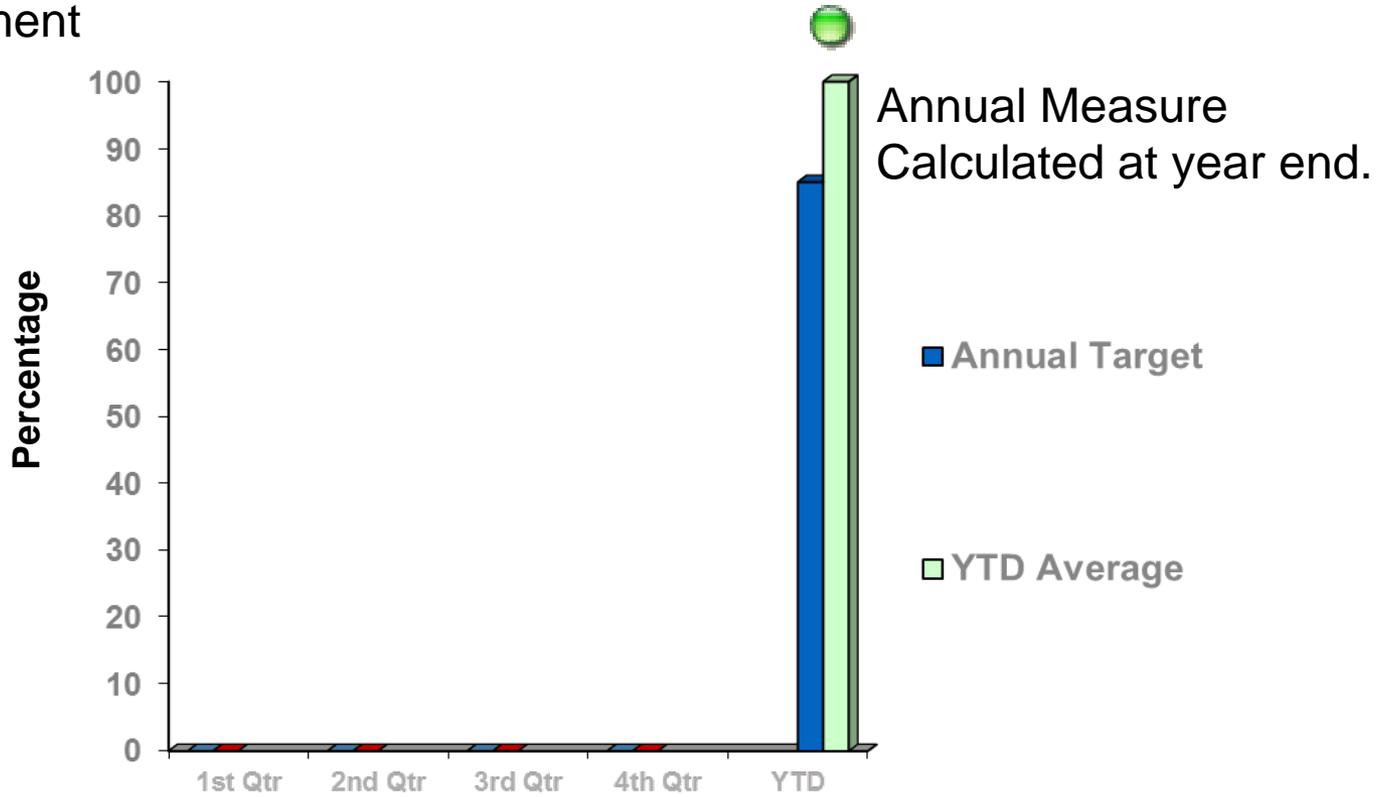


Measure 3.2.306, Debt Coverage Ration aims to be greater than 148%. It is measured annually.

Reserve Level

3.2.307

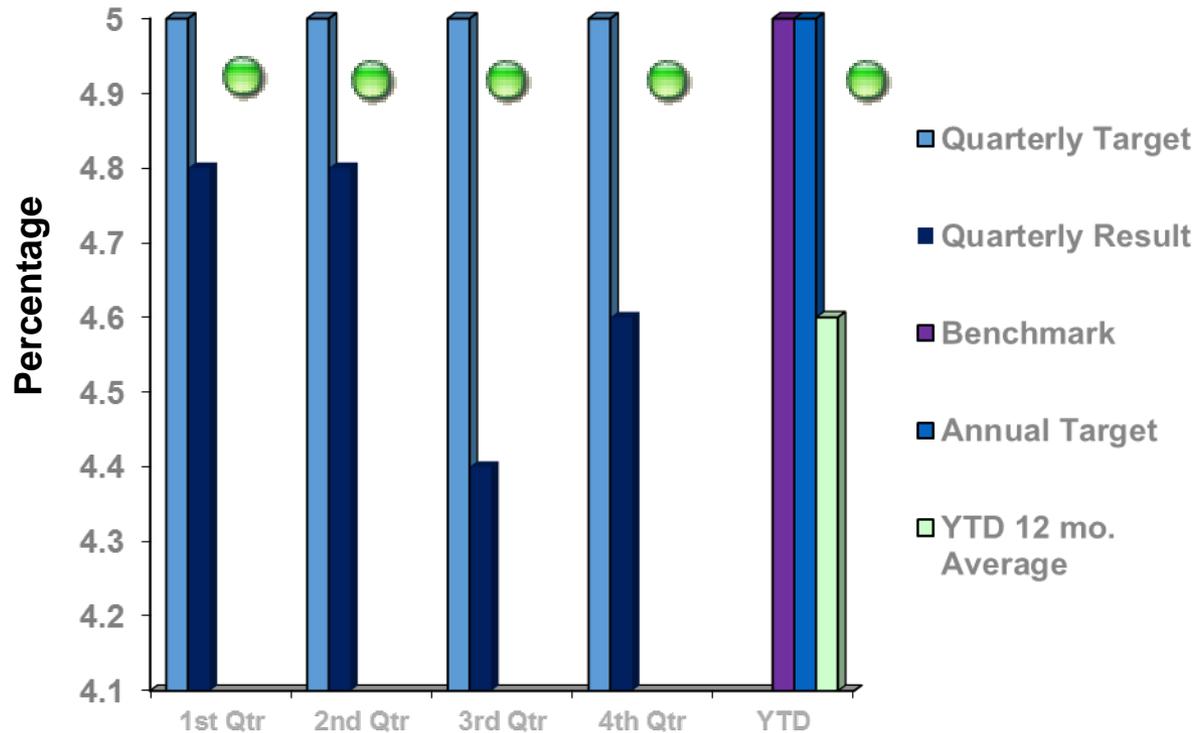
In Development



Measure 3.2.307, Reserve Level, aims to be no less than 85%. It is measured annually.

Distribution System Loss (QualServe)

3.3.308



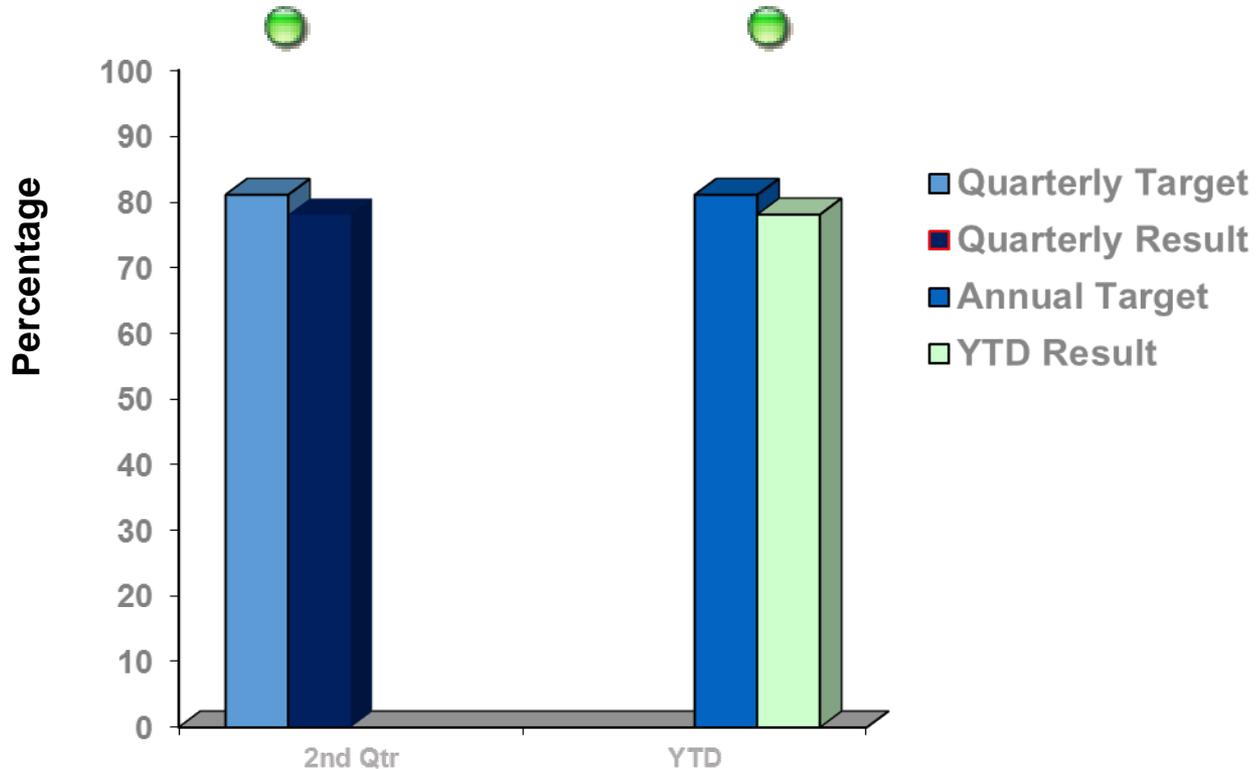
Measure 3.3.308, Distribution System Loss, aims to be below all set targets in order to ensure less than 5% of unaccounted water in a single year.

*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

Customer Satisfaction with Website

4.1.400

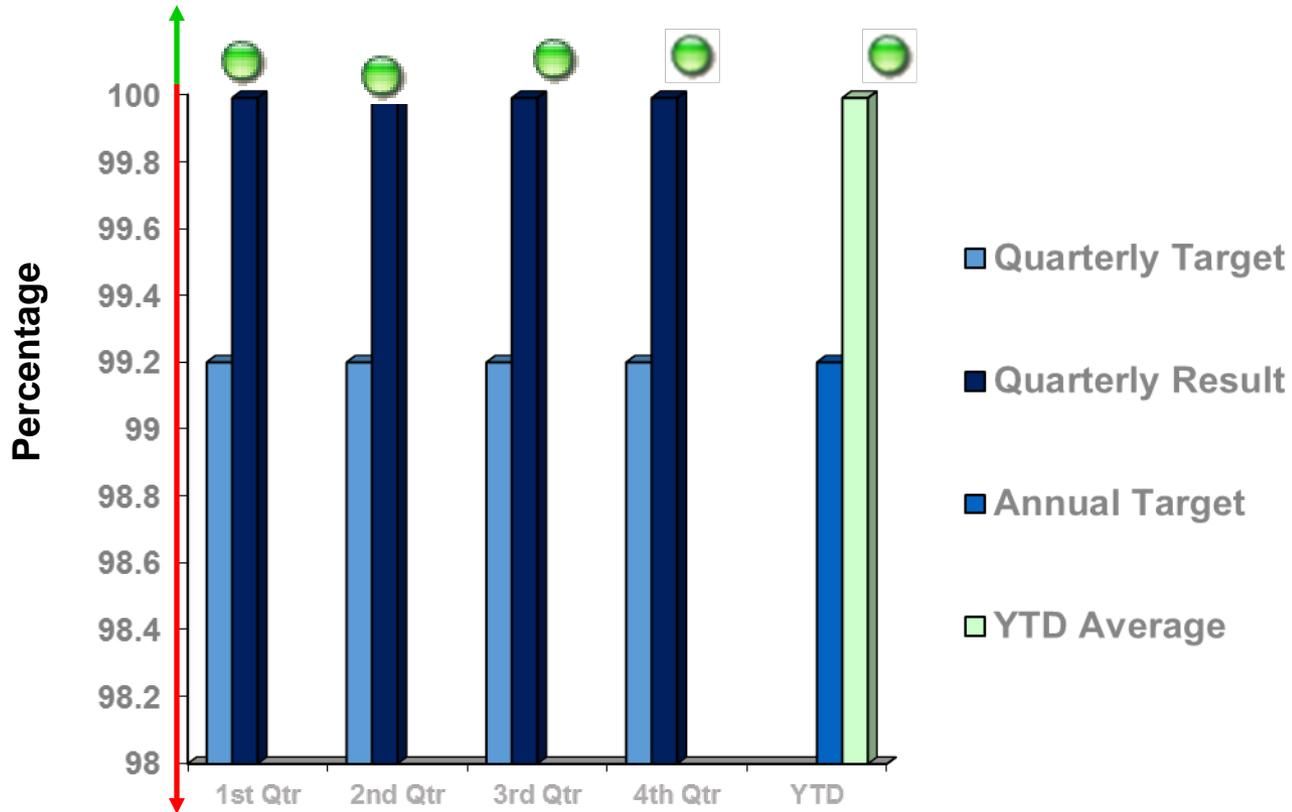
Measured Once per Fiscal Year



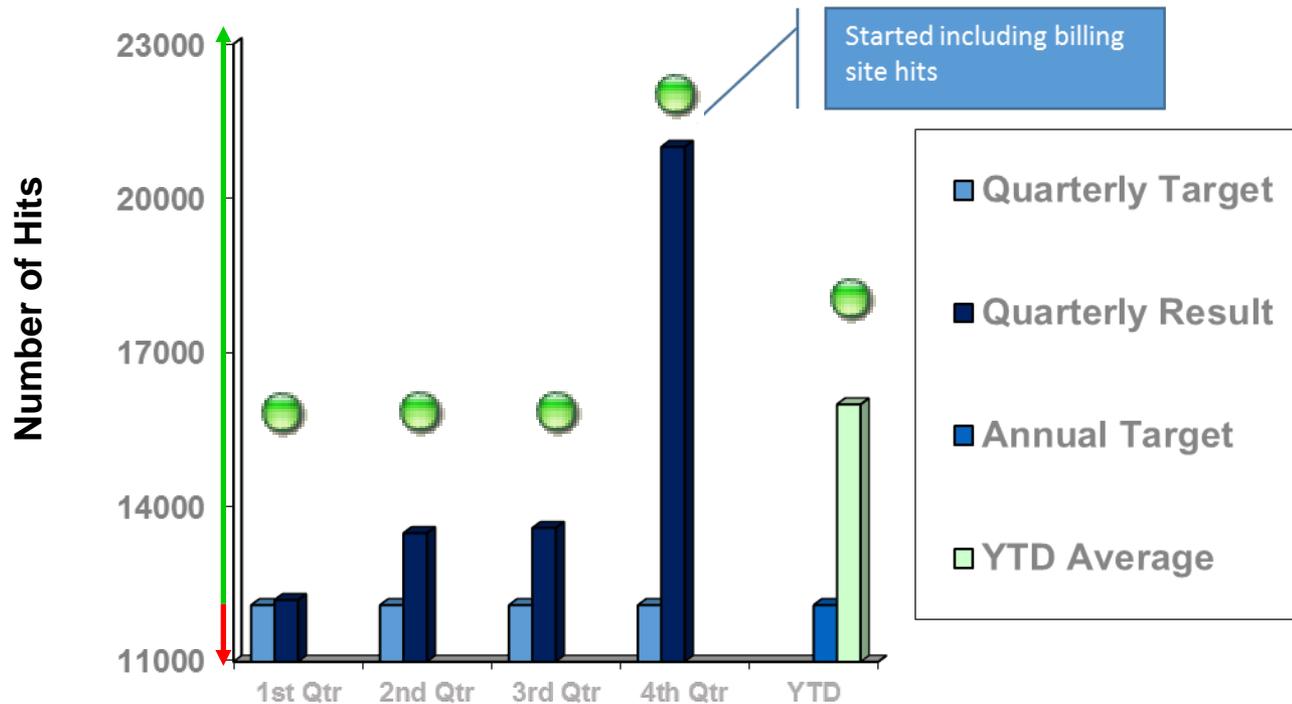
Measure 4.1.400, Customer Satisfaction with Website, is a once yearly survey that is reported on annually in the second quarter and represents the results for the given fiscal year.

Network Availability

4.3.401



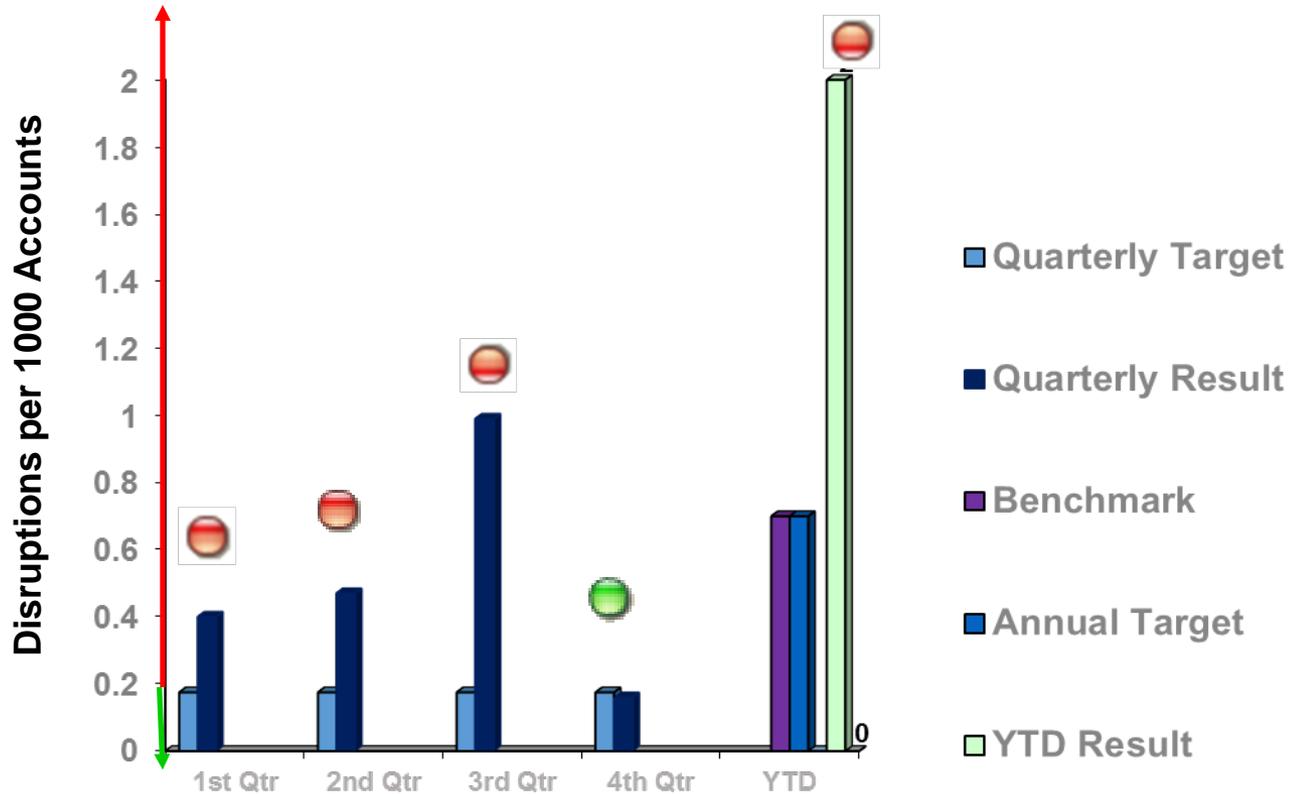
Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.2% network availability per quarter in a single year.



Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 12,100 website hits per quarter in a single year.

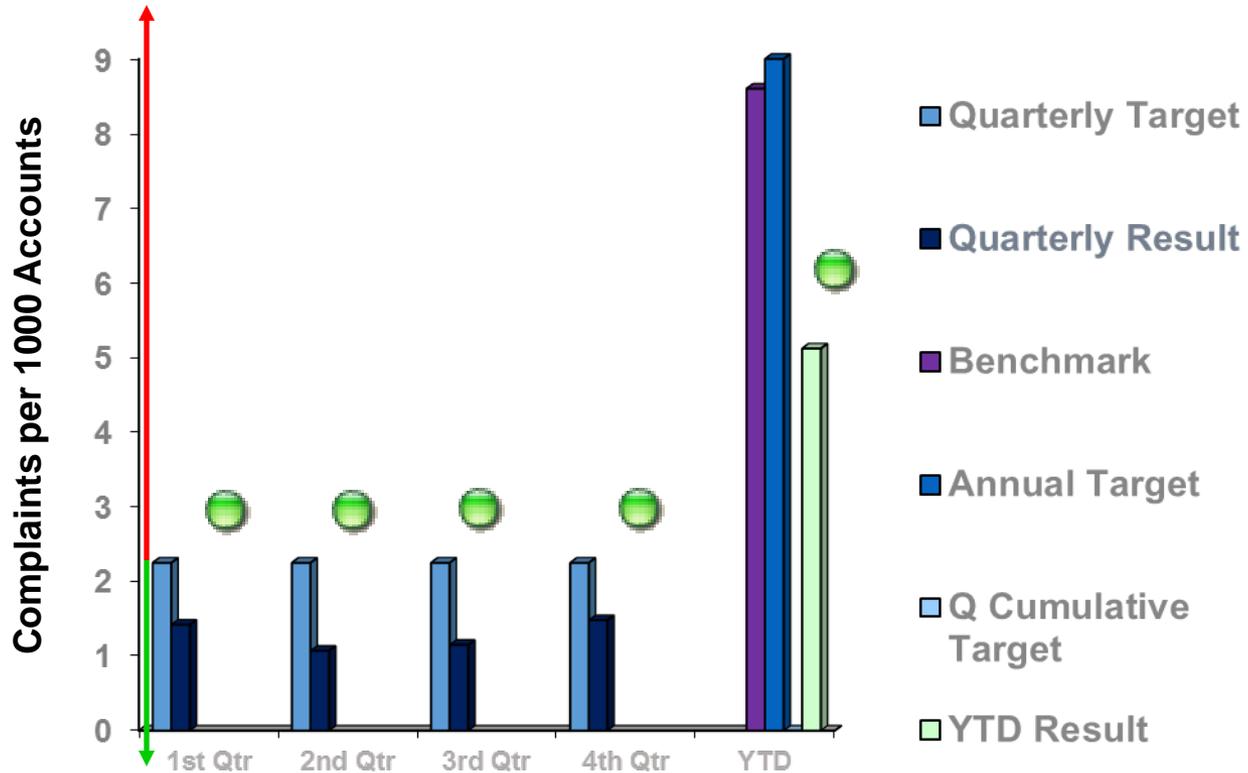
Unplanned Disruptions (QualServe)

5.1.500



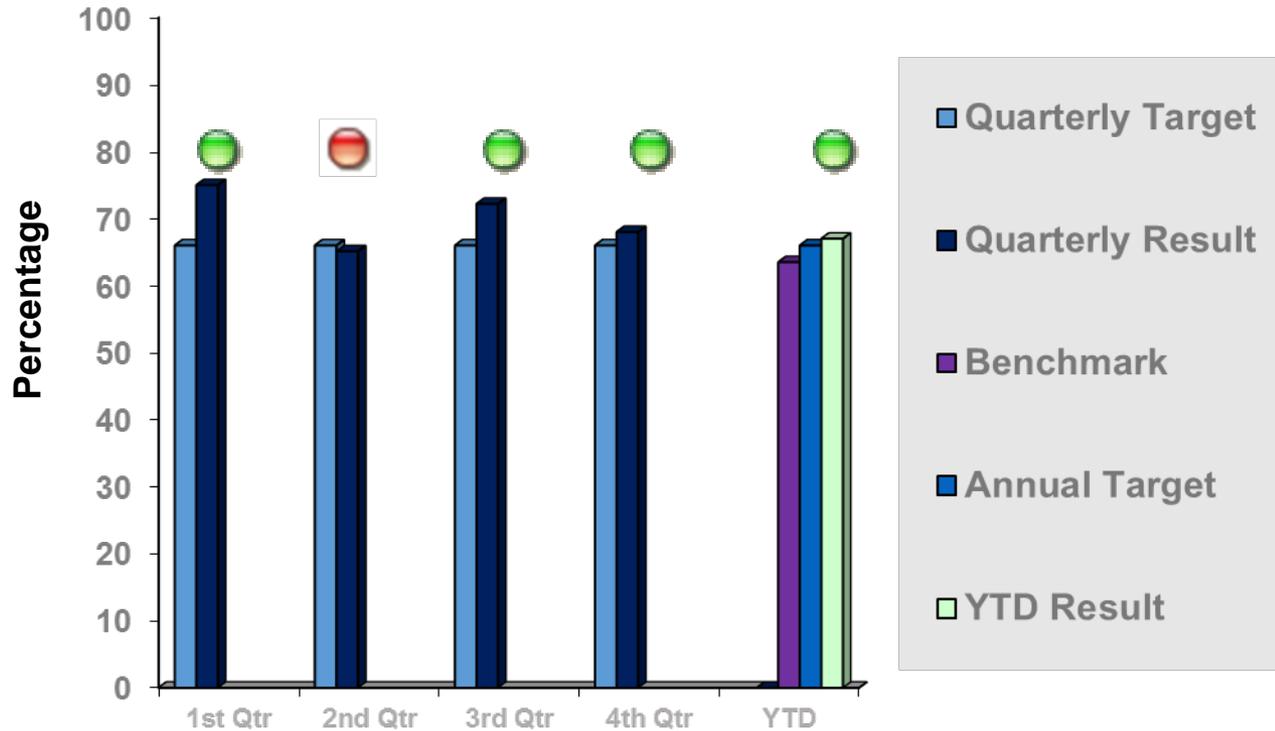
Measure 5.1.500, Unplanned Disruptions, aims to be below all set targets in order to have no more than .7 disruptions per 1000 accounts in a single year.

Note: Target is expressed as number of disruptions per 1000 accounts



Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

Planned Potable Water Maintenance Ratio in \$ (QualServe) 5.2.502



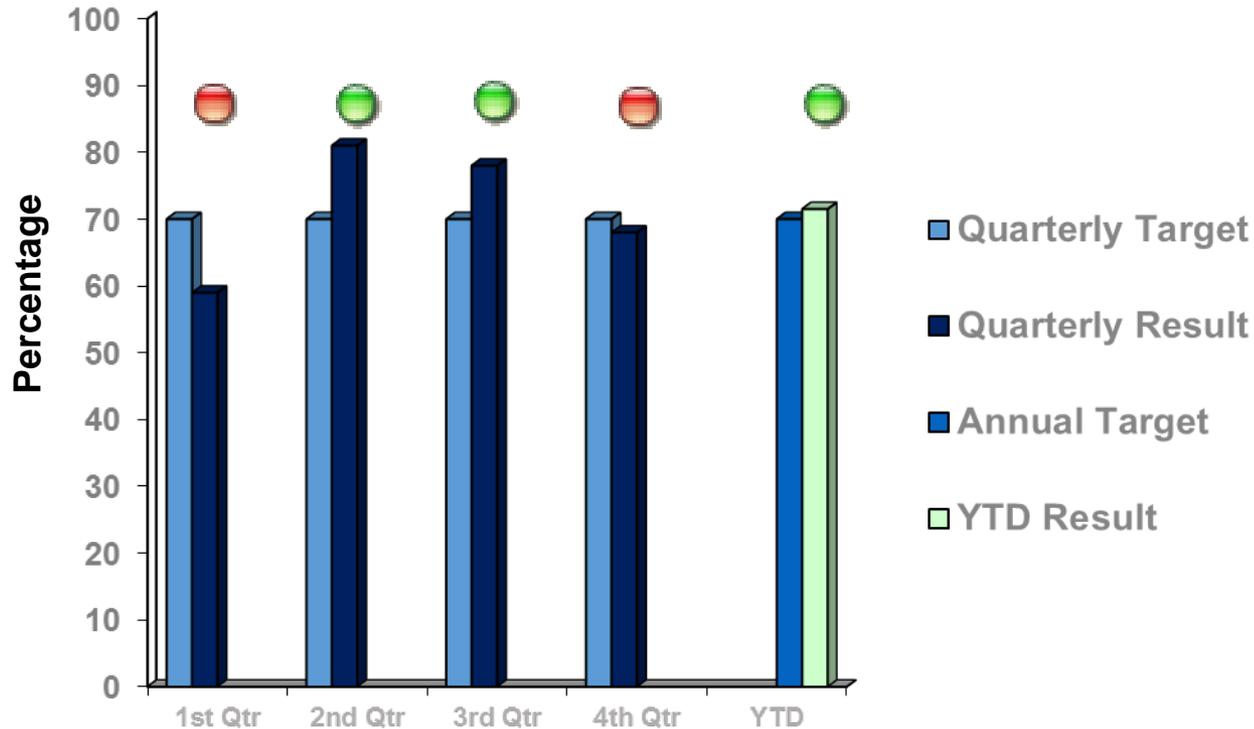
Measure 5.2.502, Planned Drinking Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66

% of all labor dollars spent on preventative maintenance per quarter in a single year.

Note: Quarterly results are subject to change.

Planned Recycled Water Maintenance Ratio in \$

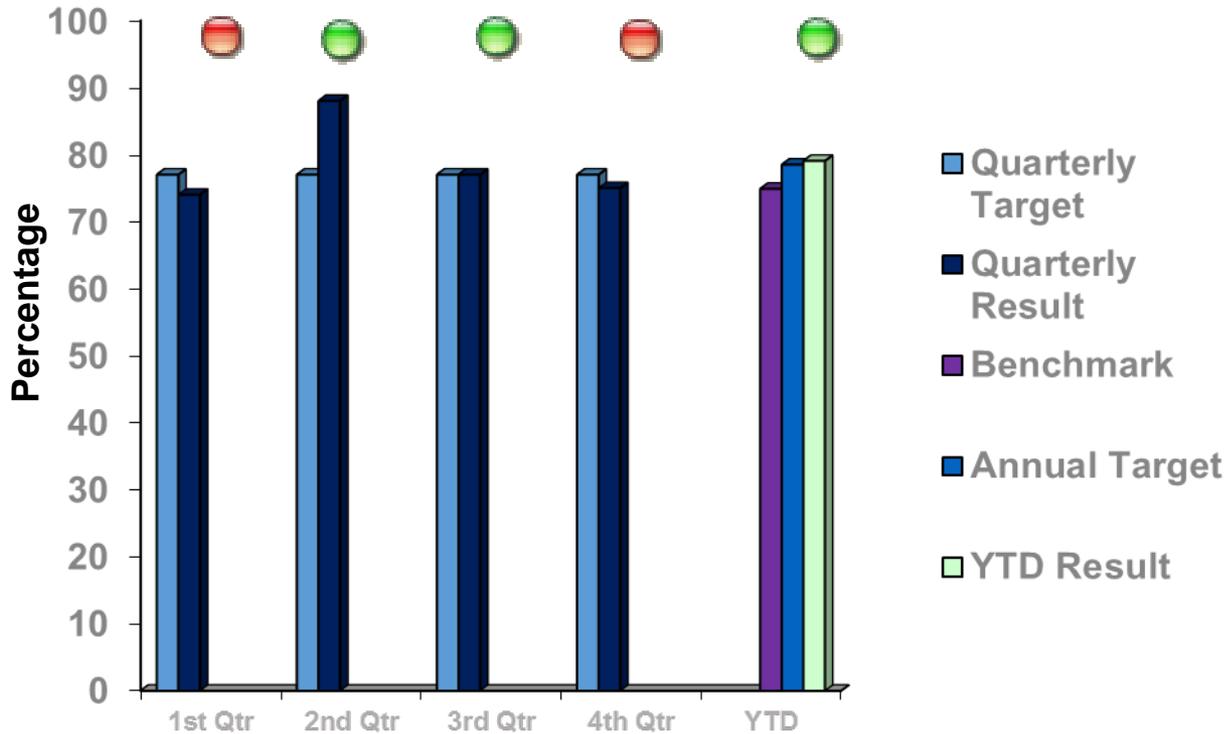
5.2.503



Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year.

Note: Quarterly results are subject to change.

Planned Wastewater Maintenance Ratio in \$ (QualServe) 5.2.504

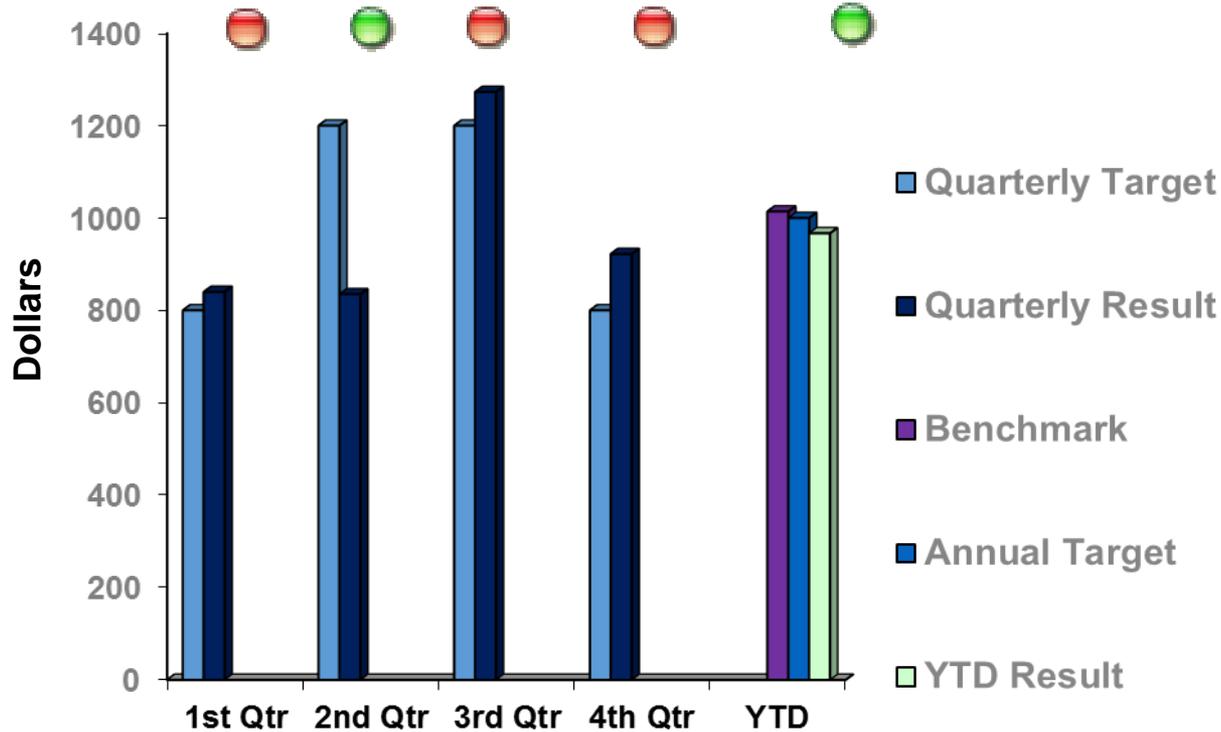


Measure 5.2.504, Planned Wastewater Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year.

Note: Quarterly results are subject to change.

Direct Cost of Treatment per MGD (QualServe)

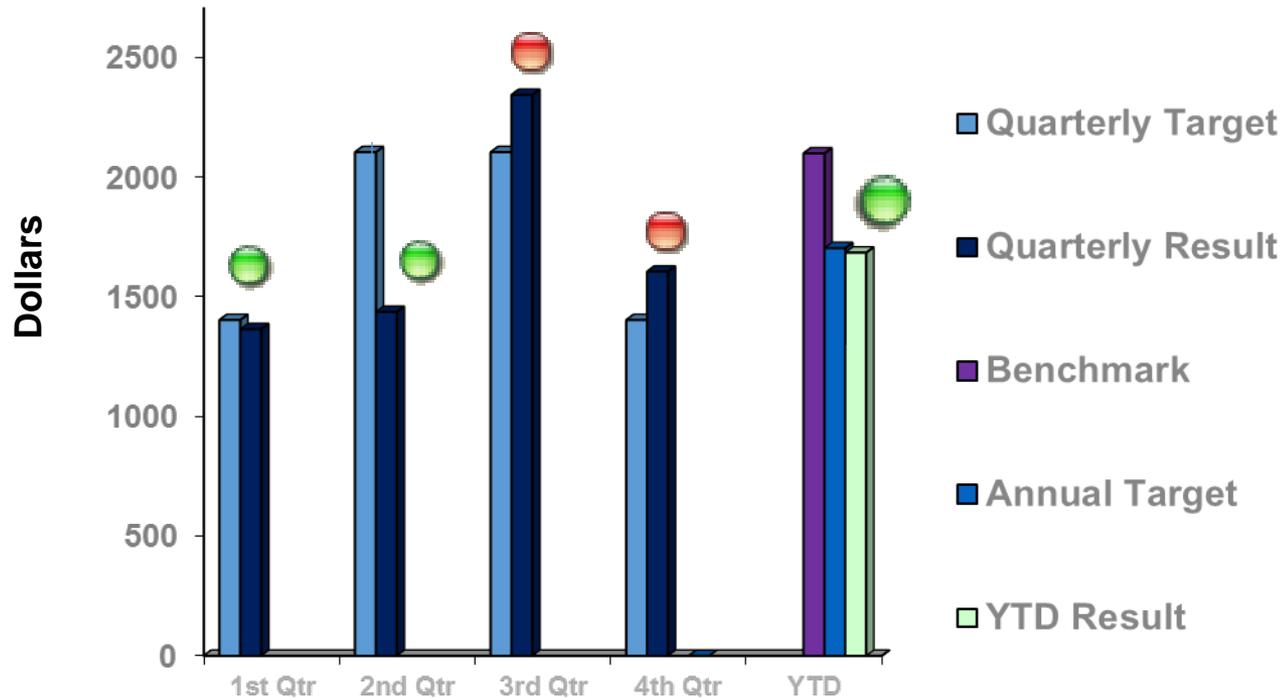
5.2.505



Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1000 per MG spent on wastewater treatment per quarter in a single year.

O & M Cost per MGP - Wastewater (QualServe)

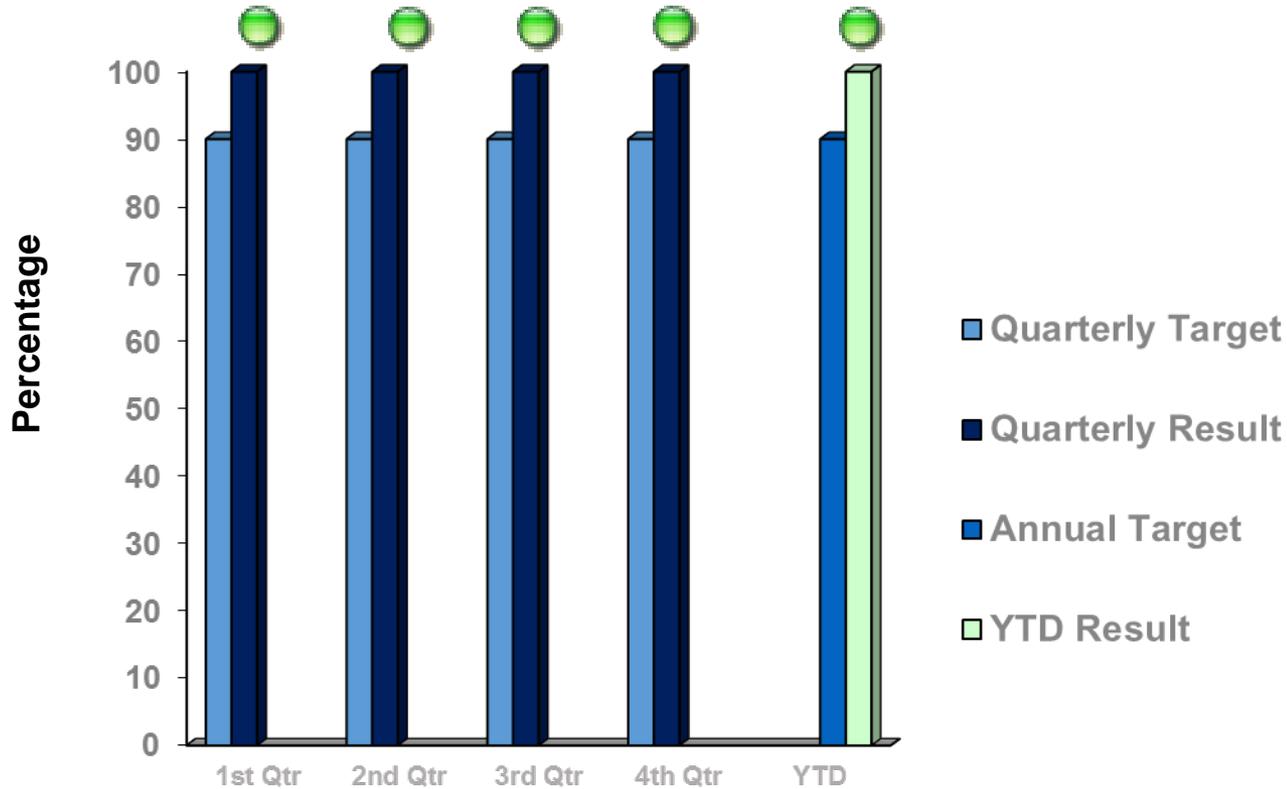
5.2.506



Measure 5.2.506, O & M Cost per MGP - wastewater, aims to be below all set targets in order to have no more than \$1750 per MG spent on O & M for wastewater treatment per quarter in a single year.

% PMs Completed – Fleet Shop

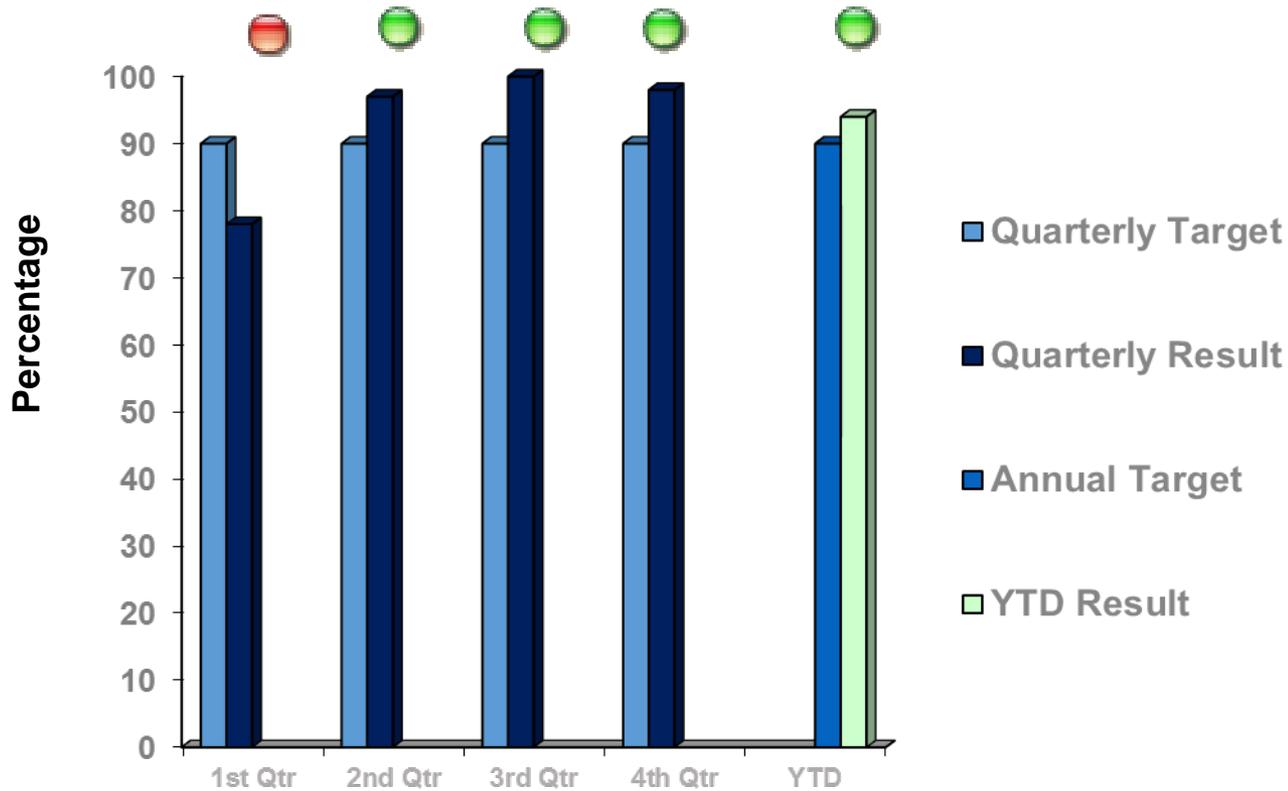
5.3.507



Measure 5.3.507, % PMs Completed – Fleet Shop, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

% PMs Completed – Reclamation Plant

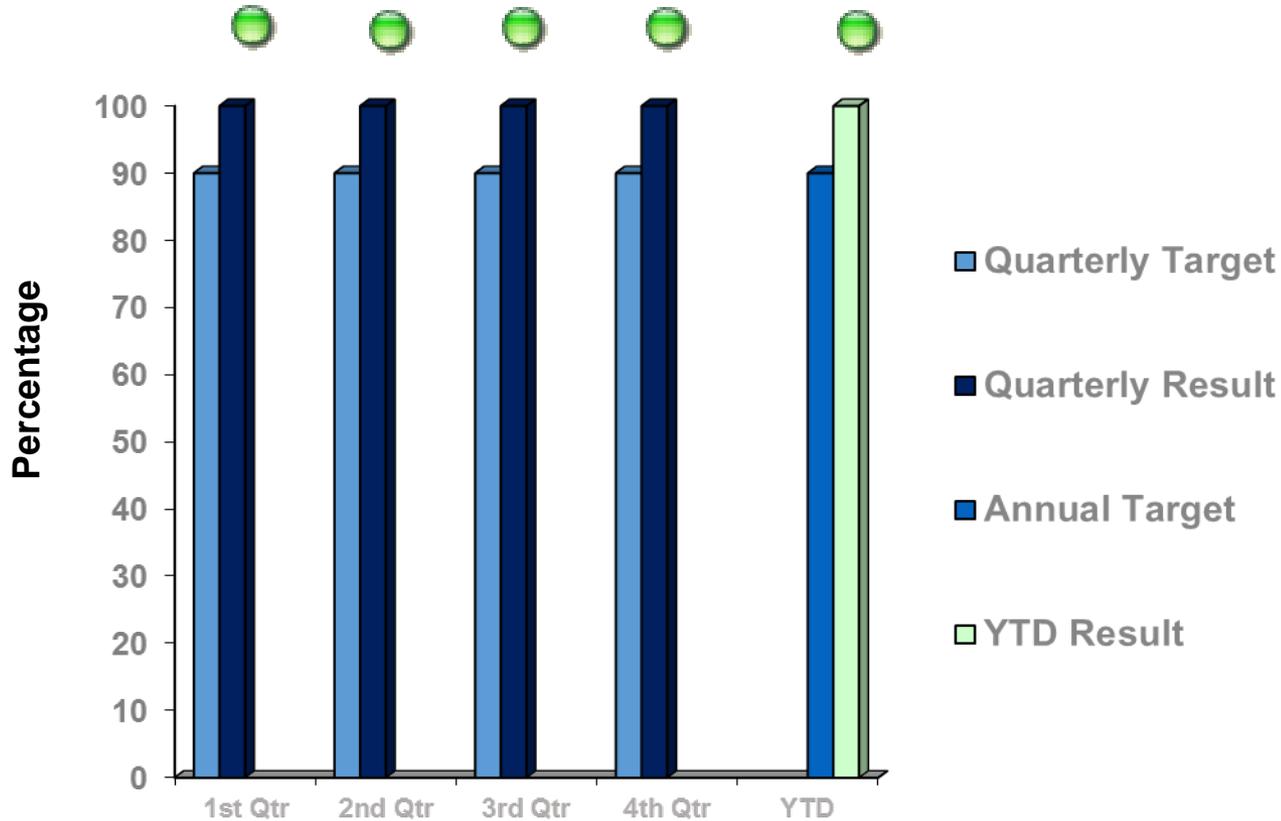
5.3.508



Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

% PMs Completed – Pump and Electric

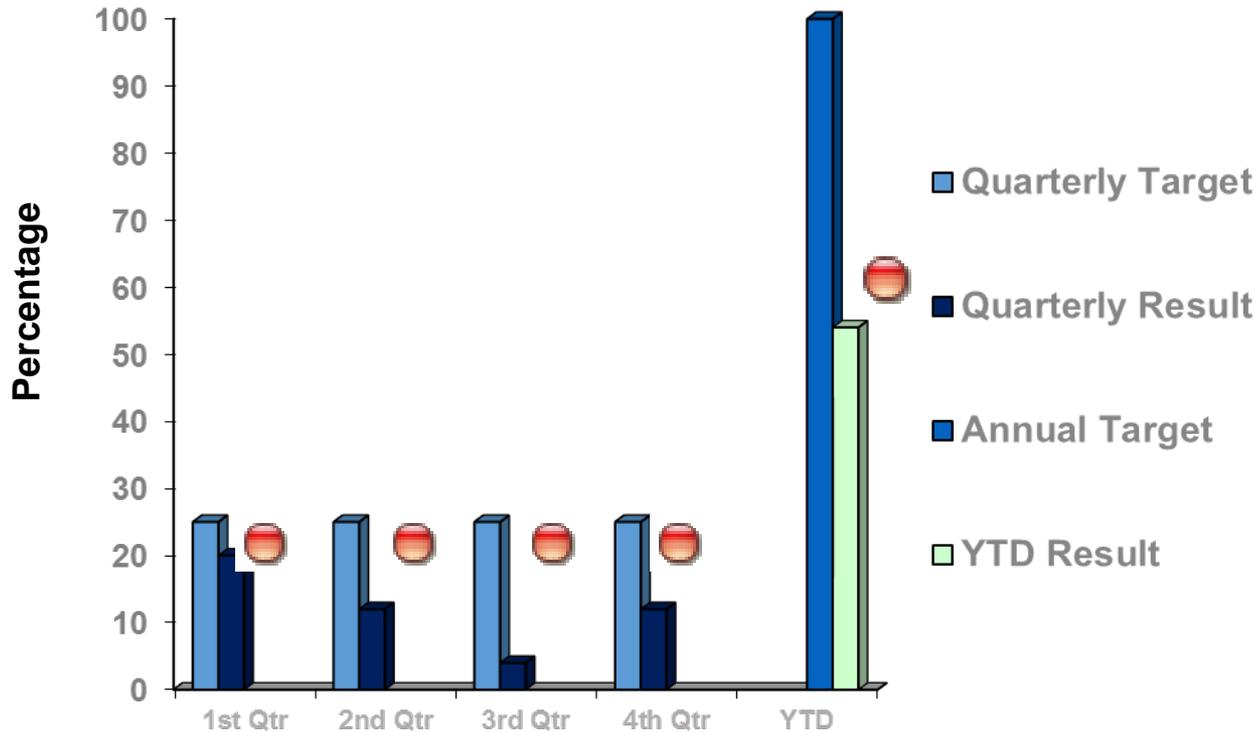
5.3.509



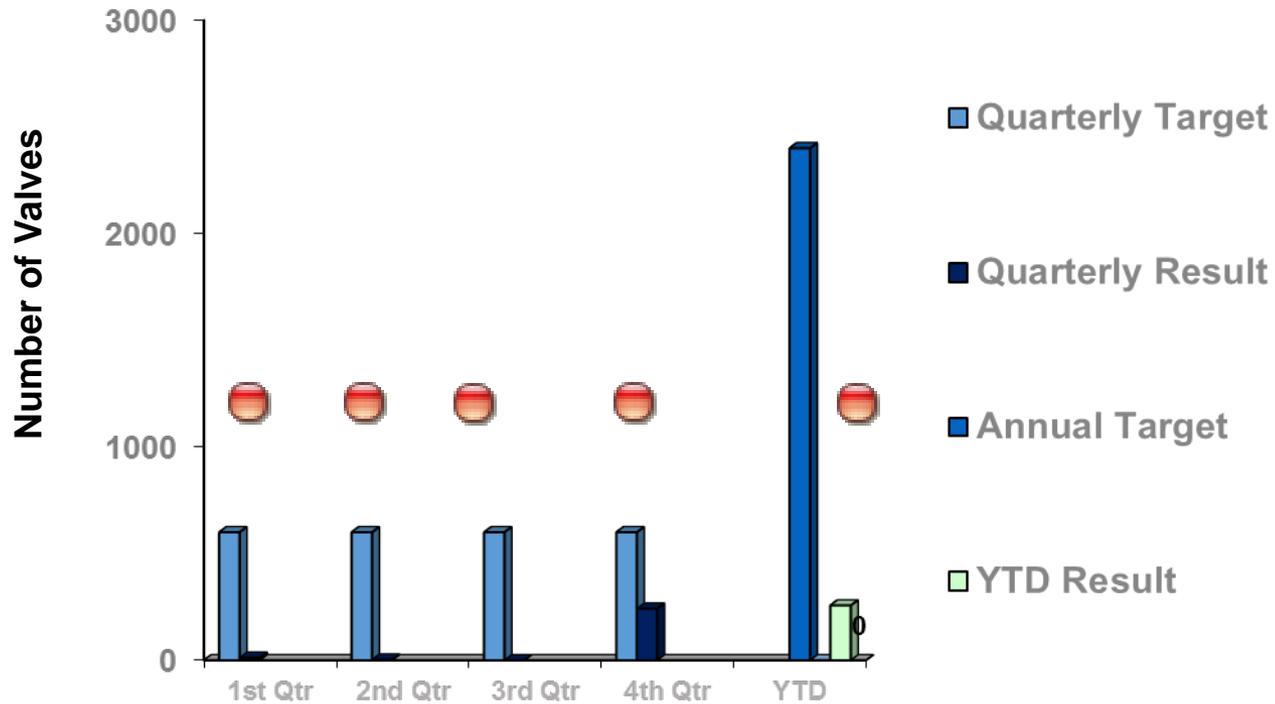
Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

% PMs Completed – Valve Maintenance Program

5.3.510



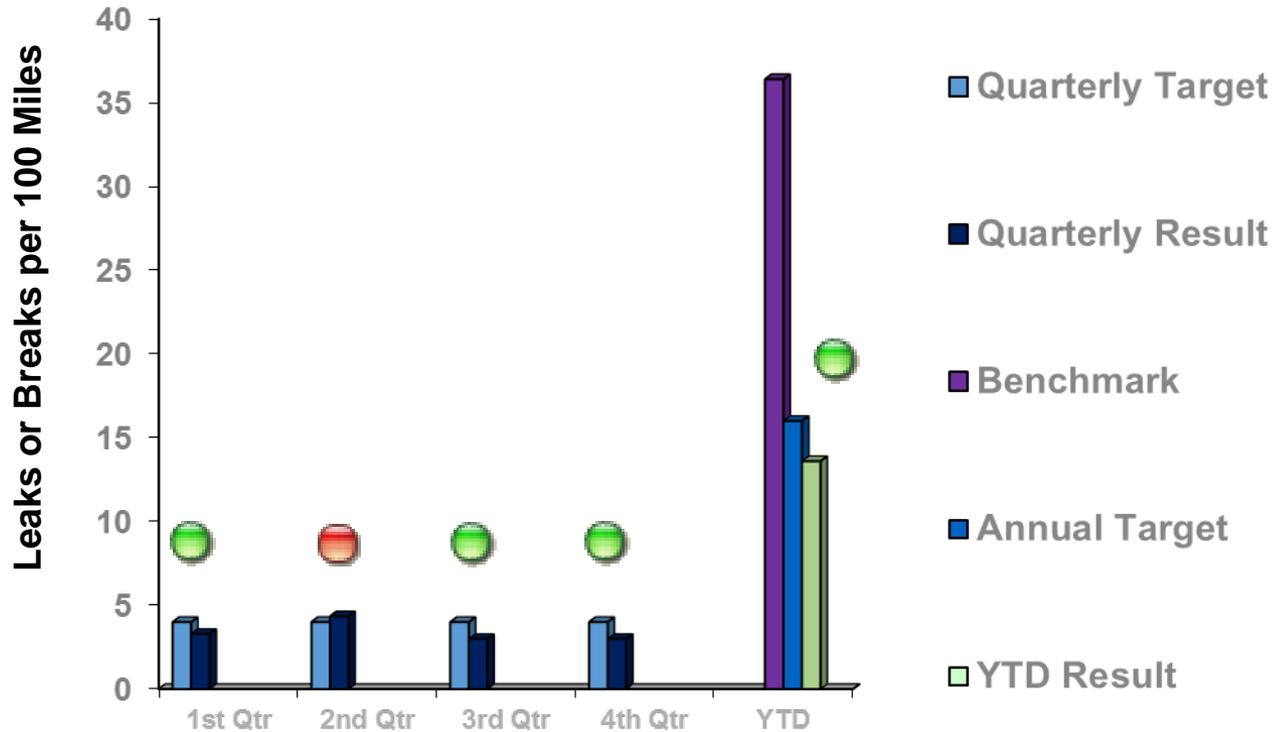
Measure 5.3.510, % PMs Completed – Valve Maintenance Program, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.



Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 2400 valves exercised in a single year.

Water Distribution System (Potable) Integrity (QualServe)

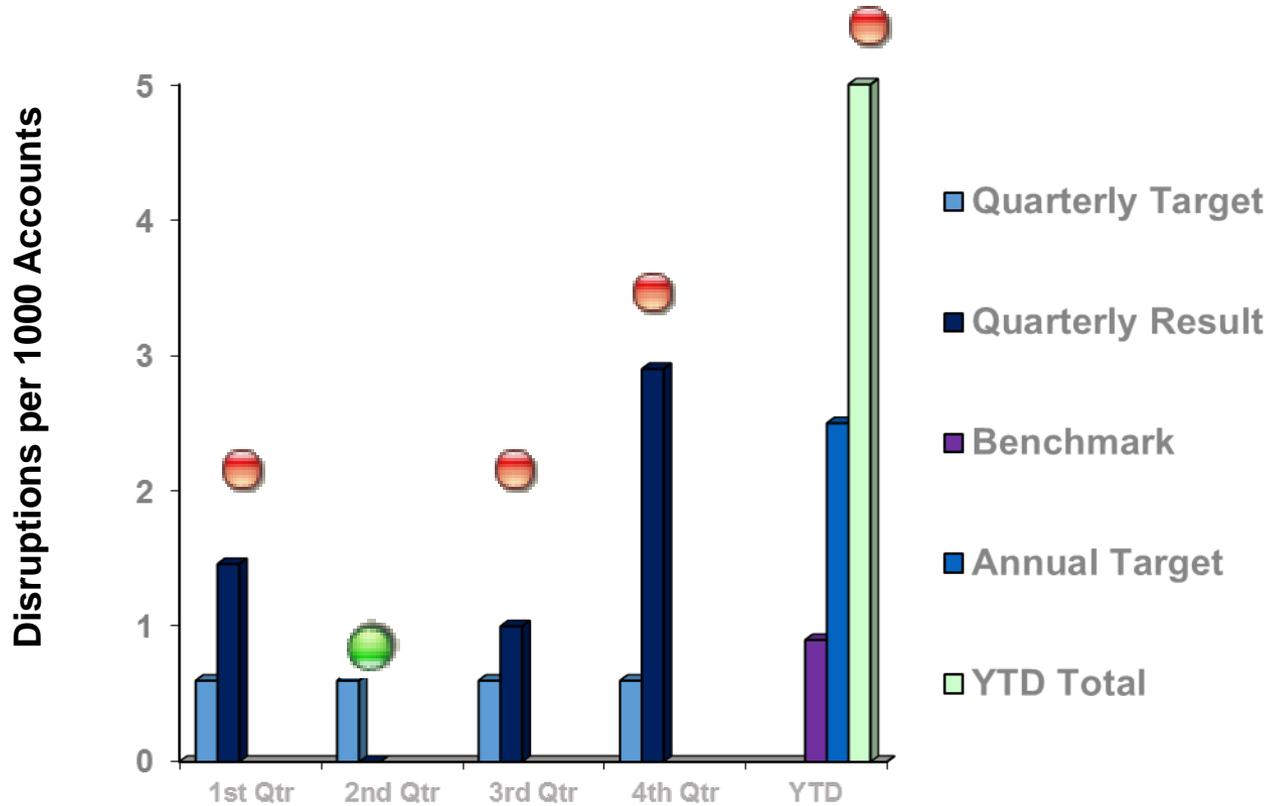
5.3.512



Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

Planned Water Service Disruption Rate (QualServe)

5.3.513

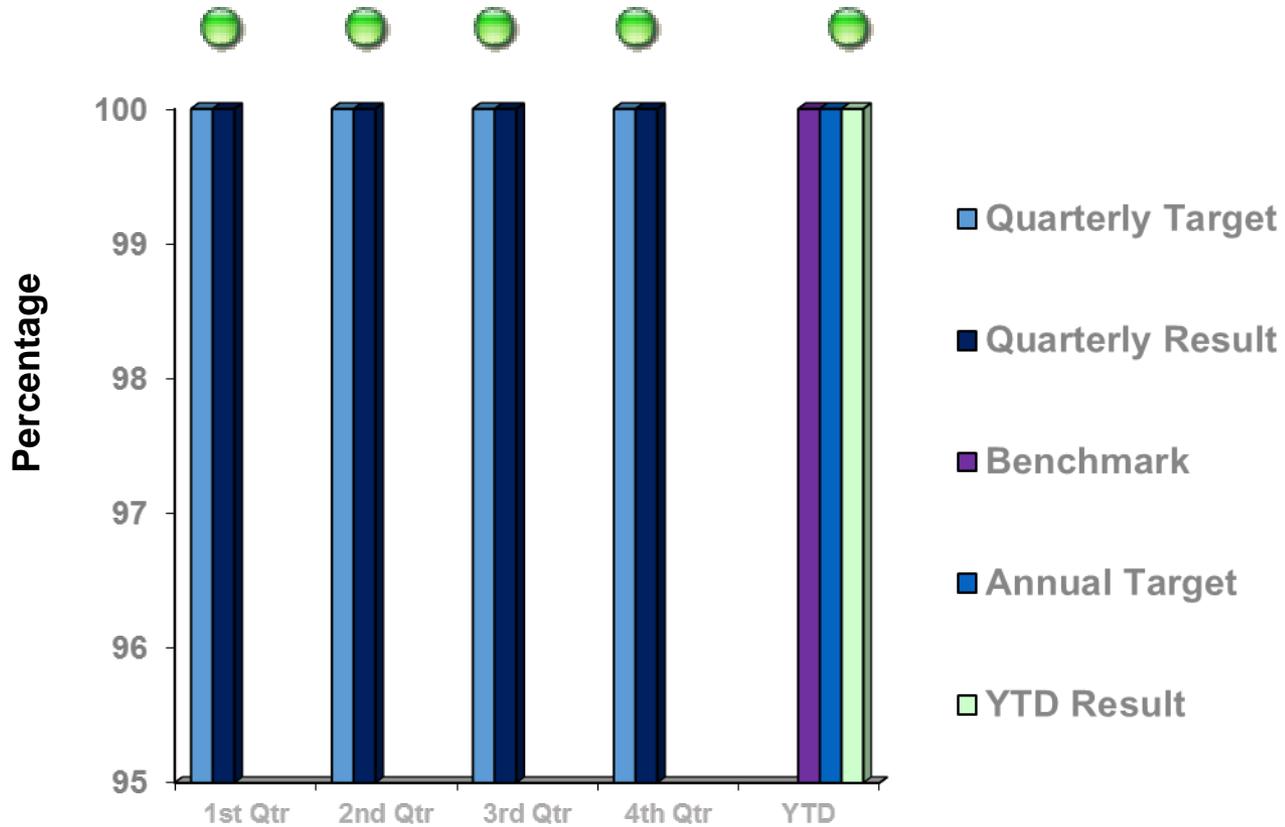


Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1000 accounts per quarter in a single year.

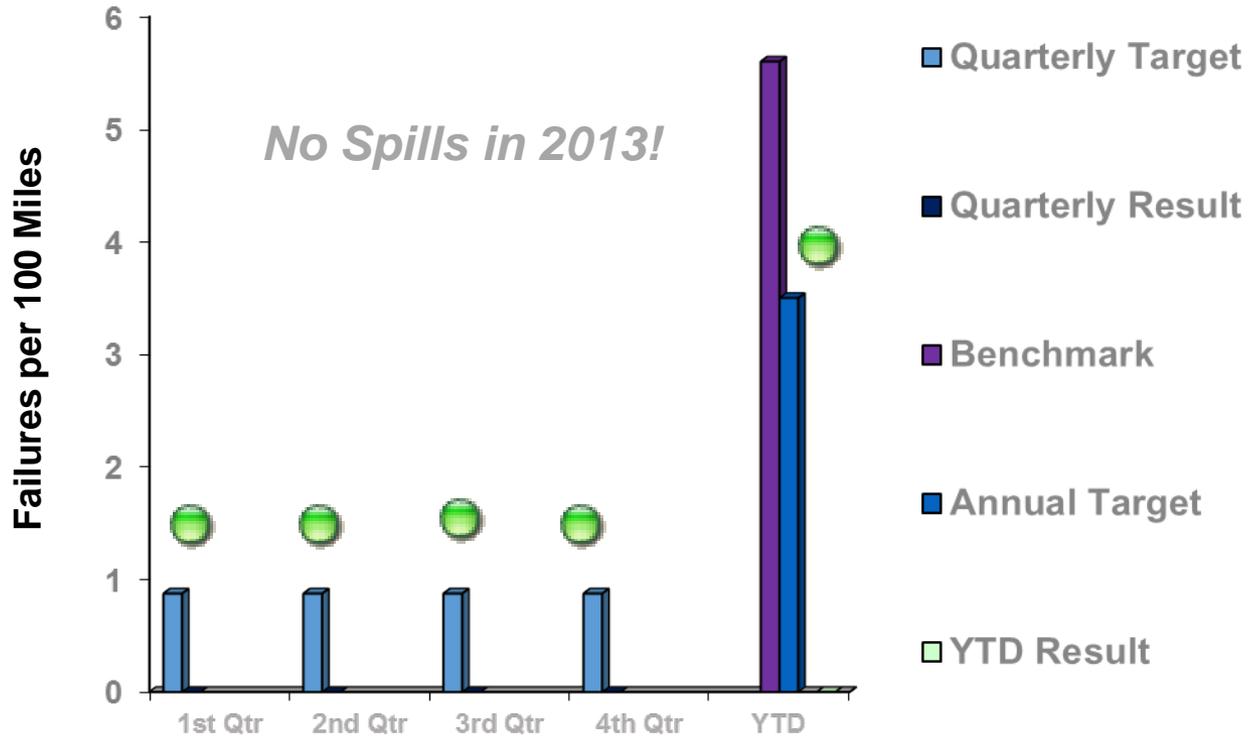
Note: This measure is expressed as number of accounts affected per 1000 accounts

Potable Water Compliance Rate (QualServe)

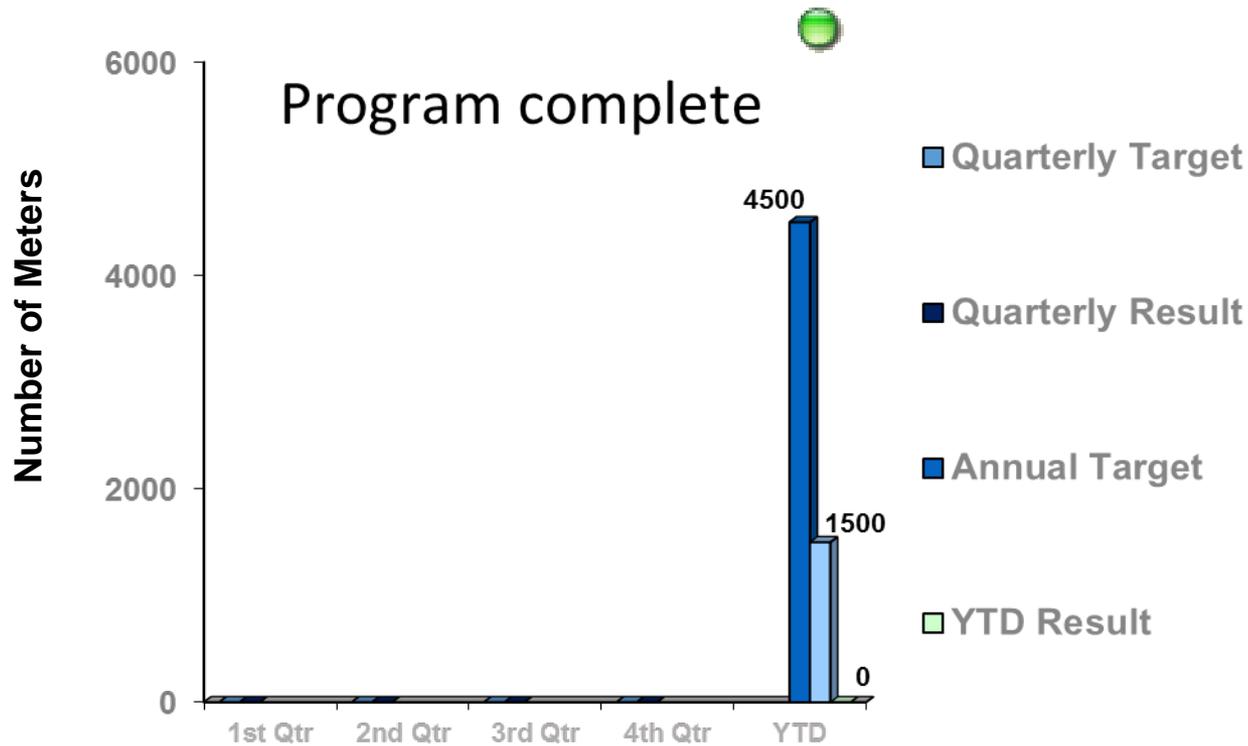
5.3.514



Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.



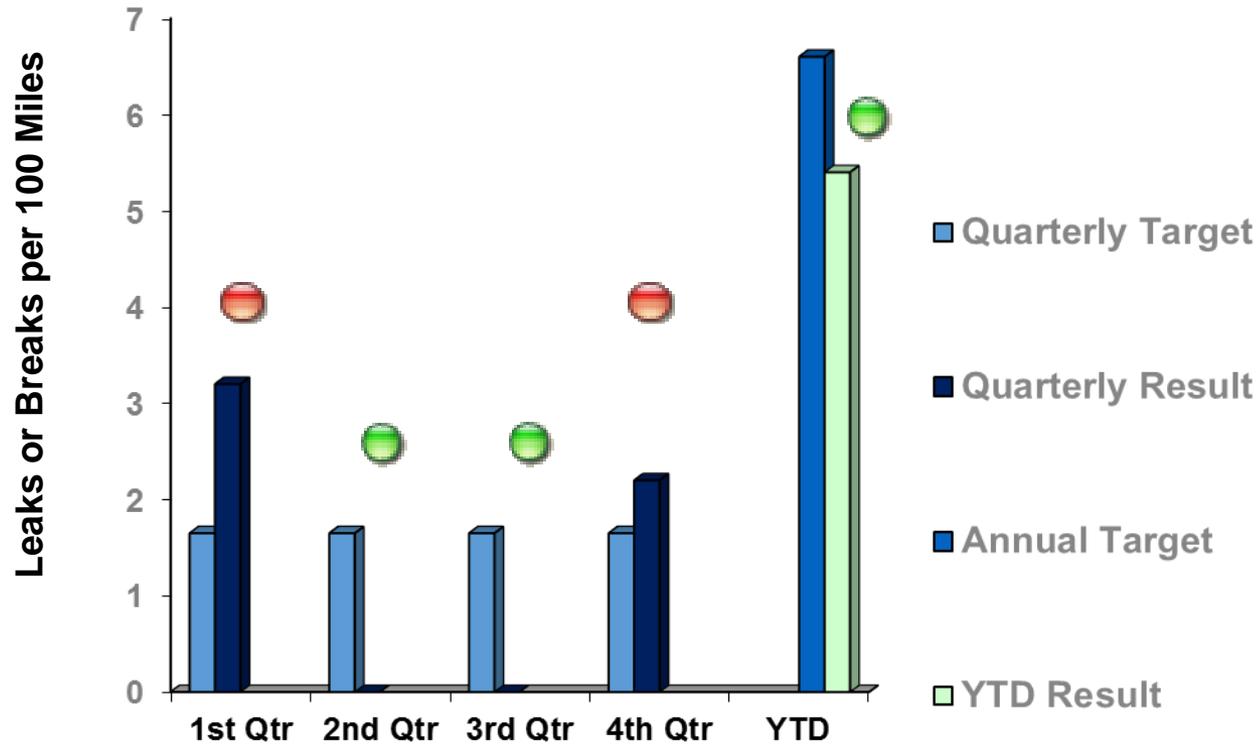
Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.



Measure 5.3.516, Replace Manual Read Meters with Automated Meters, aims to be above all set targets in order to have no less than 4500 meters replaced in a single year.

Recycled Water System Integrity

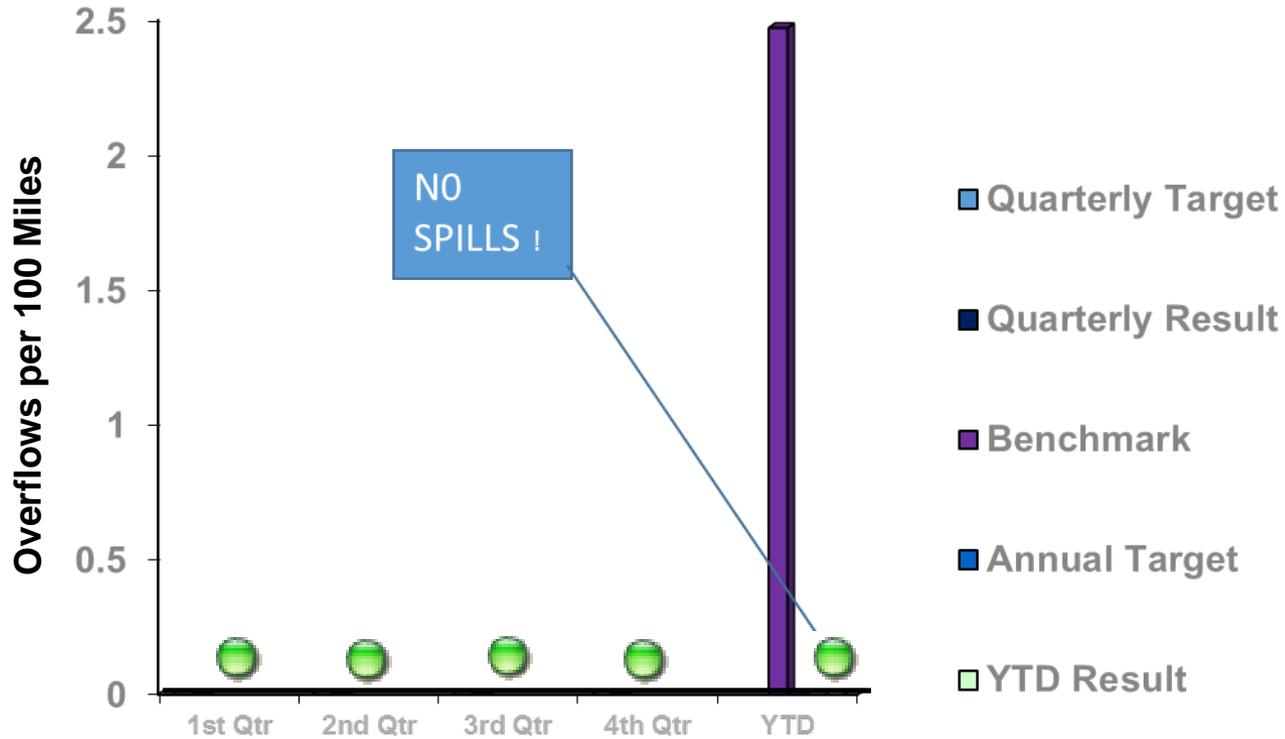
5.3.517



Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

Sewer Overflow Rate (QualServe)

5.3.518



Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows in a single year.

Next Steps FY2015 – 2017 Plan

- Reevaluation of Current Goals and Strategies
- Evaluation of Alternatives
- Evolution of Strategy Maps
- Begin in October 2014
- Finalize By March 2015
- Board Adoption with FY15 Budget

Questions and Comments

